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**ILLINOIS
PERSONAL
AUTOMOBILE
POLICY**

SAFE AUTO INSURANCE COMPANY
(a stock company)

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT THE PERSON IS FACILITATING FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

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YOUR AUTO POLICY INSURING AGREEMENT

If **we** receive payment of **your** premium when due, **we** agree to insure **you**, subject to all of the terms of this Policy, for the coverage(s) that are shown on the **declarations page** and for which the premium has been paid.

In issuing and maintaining this Policy, **we** have relied on the truthfulness and completeness of **your** statements and the information and representations contained in **your application**, and all coverage election, rejection or selection forms **you** have provided to **us**, and any notices of changes **you** have provided to **us**. **You** agree and represent that by accepting this Policy that the statements, information and representations in **your application**, and all coverage election, rejection or selection forms, and in any notices of changes are **your** statements and are true and accurate.

We and **you** also agree that:

1. Only the coverage(s) for which a premium is shown on the **declarations page** of this Policy will be provided if the required premium is paid when required for that coverage to apply. The premium due, and any fees or charges that may apply, must be paid before coverage will apply;
2. When the initial payment to start this Policy is made to **us**, or any of **our** agents, by check, money order, draft, credit card, debit card, electronic funds transfer (EFT), ACH or similar method, this Policy is conditioned on that payment being honored by the financial institution when presented by **us**; and
3. Coverage is subject to all terms, conditions, exclusions and limitations set forth in this legally binding Policy contract which:
 - a. contains all agreements between **you** and **us** (or any of **our** agents); and
 - b. is made up of all the following forms (no matter how issued by **us** or **our** agent) as a Part of this Policy: this Personal Automobile Policy, **your** most recently dated **declarations page**, the **application**, all coverage election, rejection and selection forms, and any endorsements.

Nothing in this Personal Automobile Policy Insuring Agreement or in this Policy obligates **us** to renew or continue this Policy.

DEFINITIONS

Defined words and phrases are shown in **bold face** type. Those words and phrases have the meaning shown below in this Policy when that word or phrase is used anywhere in the Policy, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense. However, if a separate Coverage Part of **your** Policy defines the same word or phrase, only the definition of the word or phrase used in that Coverage Part will apply in that Coverage Part.

As used in **your** Auto Policy:

“**Accident**” means a sudden, unexpected, and unintended event including continuous or repeated exposure to the same general conditions or conduct, occurring while this Policy is in force.

“**Additional driver**” means a **person** who is listed by name as an “additional driver” on the **declarations page**, if that:

1. **Person’s** information is used by **us** to determine the premium to be charged for **your** Policy; and
2. **Person** is not designated as an excluded driver.

“**Application**” means the process and form(s) **we** or **our** agent use to gather data about **you** and **your autos**, and upon which **we** rely when **we** issue this Policy and determine the premium to be charged. The “**application**” includes, though is not limited to, any process used by **us** or **our** agent for **you** to:

1. Select or reject coverage(s), limits, deductibles and other Policy options;
2. Give **us** any information **we** required to issue, rate or service **your** Policy; or
3. Make representations to **us** that **we** rely on in issuing the Policy and determining **your** premium.

“**Auto**” means a private passenger type land **motor vehicle** that is a four-wheeled automobile, van, pick-up truck or sport utility vehicle, or dual rear wheel six-wheeled pick-up truck, designed for use on the public roads and with a manufacturer’s gross vehicle weight rating that does not exceed 12,000 pounds.

This definition of “**auto**” does not include any:

1. All-terrain or quad vehicle, dune buggy, go-cart or golf cart;
2. Step-van;
3. Parcel delivery van;
4. Cargo cutaway van;
5. Van with cab separate from the cargo area;
6. Panel van;
7. Tractors or other farm machines;
8. Box truck with a separate, box-like cargo area;
9. Kit car;
10. Motorcycle, moped, mini-bike, dirt bike, or all-terrain vehicle;
11. Recreational vehicle, being a vehicle with living or camping facilities; or
12. Vehicle while being used as a dwelling, **business** premises, or other premises.

“**Bodily injury**” means physical bodily harm to a **person** and all sickness, disease or death that results from bodily harm, sickness, or disease.

“**Business**” means any profession, occupation, job, employment, trade, commercial or for-profit activity, whether or not it is full-time or part-time.

“**Child restraint system**” means any device meeting the standards of the United States Department of Transportation and designed to restrain, seat or position children (including a booster seat), if in the **auto** or **motor vehicle** at the time of the **accident**.

“**Civil union partner**” means a **person** who **resides** with the **named insured** and is a registered partner of that **named insured** pursuant to a registered domestic partner or civil union law. “**Civil union partner**” does not include any person who is:

1. Related to the **named insured** by blood; or
2. Married or joined by domestic partner law or civil union law, to any **person** other than the **named insured**.

If the **named insured** is not a **person**, then no one is a “**civil union partner**” for purposes of any coverage under any Part of this Policy.

“**Crime**” means any act or omission that is a statutory criminal offense or violation of the penal code, though not including minor traffic violations or driving under the influence (“DUI”s), whether or not the **person** is convicted of an offense or violation. “**Crime**” includes, but is not limited to:

1. Any felony;
2. Fleeing, eluding or evading law enforcement;
3. Any illicit trade or transportation; and
4. Theft of an **insured vehicle**.

“**Declarations page**” means the most recently dated document from **us** identified as the “declarations page”, that:

1. Shows the coverage(s) selected, limits for each coverage, deductibles that apply, and other Policy options elected and paid for;
2. Describes the **insured vehicle(s)**;
3. Describes drivers **you** have listed on the Policy;
4. Shows the cost that must be paid for the coverage selected; and
5. Indicates the Policy period and other Policy information.

“**Diminution of value**” means the perceived or real decrease in market or resale value of property due to an **accident**, loss or repair.

“Domestic partner” means a **person** who is a:

1. Domestic partner who is lawfully registered as the domestic partner of the **named insured** under any state’s domestic partner or civil union law;
2. **Resides** with the **named insured**;
3. Is in a committed and continuing spouse-like relationship with the **named insured** for the purpose of a domestic life; and
4. Is 18 years of age or older.

“Domestic partner” does not include any person who is:

1. Related to the **named insured** by blood; or
2. Married or joined by domestic partner law or civil union law, to any **person** other than the **named insured**.

If the **named insured** is not a **person**, then no one is a **“domestic partner”** for purposes of any coverage under any Part of this Policy.

“Fungus or mold” means any form or type of fungi, fungus, mold, mildew and yeast, and any of the following when produced or released by such: mycotoxins, toxins, spores, scents, odors, bacteria, viruses, or any other by-products or resulting organism(s).

“Hazardous materials” means any solid, liquid, gaseous or thermal substance, irritant or contaminant. This includes but is not limited to:

1. Smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, asbestos, lead;
2. Explosive or flammable substances;
3. Any waste material or product which includes, but is not limited to, materials that may be recycled, reconditioned, or reclaimed, whether or not known to result in environmental damage;
4. Any harmful biological, pathogenic, poisonous or toxic chemical, liquid, gas or substance; and
5. Pollutants as defined by any law of the United States.

“Hazardous materials” does not include:

1. Products and fluids intended for, and normal to, the operation of a **motor vehicle**, but only when used in the proper and intended scope of the **motor vehicle’s** normal usage.
2. Fuel for a motorized vehicle or lawn or yard equipment, but only when being safely transported in a federally approved fuel container.
3. Cleaning products, but only when in quantities for ordinary household use, and transported in its original container.

“Insured vehicle” means:

1. Any **auto** specifically described on the **declarations page** that **we** have agreed to insure, unless:
 - a. **you** have asked **us** to remove that **auto** from this Policy; or
 - b. that **auto** is sold, assigned, gifted, title transferred, or possession permanently transferred, to a **person** or party other than **you, your spouse a relative, or an additional driver**;
2. Any **newly acquired auto**.

“Minimum limits” means the minimum amounts of liability insurance required to apply to an **auto**, or its **owner** or operator, by the **motor vehicle** compulsory insurance or financial responsibility laws of the state in which **you reside** that is shown in **our** records as the garaging address for an **insured vehicle**. The minimum limit amount is the per person/per accident limits required by such laws.

“Motor vehicle” means a land motor vehicle that is:

1. Self-propelled;
2. Designed for use on public roads;
3. Permitted by law for use on public roads; and
4. Subject to motor vehicle registration law in a U.S. state or the U.S. District of Columbia.

“Motor vehicle business” means any **business** related to or involving **motor vehicle** or **trailer** transactions, including, but not limited to, the following: the selling, leasing, renting, repairing, servicing, delivering, loading or unloading, testing, road testing, test-driving, storing, parking (including valet parking), towing, washing, cleaning or detailing of any **motor vehicle** or **trailer**.

“**Named insured**” means the **person(s)** or entity shown or designated on the **declarations page** as the policyholder or “**Named Insured**”. If the “**named insured**” is not a **person**, then there is no coverage under this Policy for any **relative** or **spouse, domestic partner** or **civil union partner**.

“**Newly acquired auto**” means an **auto** newly **owned** by **you** during the Policy period if it:

1. Replaces an **insured vehicle**; or
2. Is an additional **auto**, and **we** insure all other **autos owned** by **you** on the date **you** take possession of the **auto**;

but only if:

1. **You** ask **us** to add it to this Policy no later than thirty (30) days after the earlier of the date when **you** acquire or take possession of the **auto**;
2. No other insurance policy provides coverage for that **auto**;
3. The **auto** is an acceptable risk under **our** Rules; and
4. **You** pay any additional premium when due; and
5. **Your** premium payment is honored by a bank or other financial institution when presented for final payment.

The coverage that applies to a “**newly acquired auto**” is as follows:

1. If a **newly acquired auto** is an additional **auto** and does not replace an **insured vehicle**, it will have Liability Coverage only with the highest limit that applies to any **insured vehicle** as of the date **you** acquire the **auto**. No Physical Damage Coverage or any other coverage will apply until after all of the following conditions are met:
 - a. **you** ask **us** to add the **auto** to **your** Policy as an **insured vehicle**;
 - b. **you** select the coverage(s) **you** want to purchase from **us** to apply to that **auto** and sign any selection/rejection/election forms **we** require;
 - c. **we** determine the **auto** is an acceptable risk under **our** Rules and **we** agree to provide the coverage;
 - d. **you** pay the additional premium to **us** when due; and
 - e. **your** premium payment is honored by a bank or other financial institution when presented for final payment.

No Physical Damage Coverage or any other coverage will apply if **we** determine the **auto** is not an acceptable risk under **our** Rules or if **you** do not pay the additional premium when due.

2. If a **newly acquired auto** is a replacement for an **insured vehicle**, it will have the same coverage as the replaced **insured vehicle** as of the date **you** or a **relative** acquire the **auto** if the following conditions are met:
 - a. **you** ask **us** to add the **auto** to this Policy no later than thirty (30) days after the earlier of when **you** acquire or take possession of the **auto**;
 - b. **we** determine the **auto** is an acceptable risk under **our** Rules; and
 - c. **you** agree to pay, and actually pay **us**, the additional premium when due.

No added coverage or any increase in the limits of liability will apply until after:

- a. **you** ask **us** to add the coverage to this Policy or increase the limits;
- b. **we** determine the **auto** is an acceptable risk under **our** Rules and **we** agree to provide the coverage; and
- c. **you** agree to, and actually pay, the additional premium when due.

If **you** do not give **us** notice of a **newly acquired auto** within thirty (30) days from the date **you** acquire the **auto** and pay the additional premium when due, no insurance will apply under this Policy with respect to the ownership, maintenance or use of that **auto** unless and until after **you** ask **us** to insure the **auto**, **you** provide **us** all information **we** require to determine if the **auto** is an acceptable risk and to determine the premium to insure it, **we** agree to insure the **auto**, and **you** pay the additional premium when due.

If a **newly acquired auto** is entitled to coverage under this Policy and any other Policy issued by **us** or an insurance company that has common ownership with **us**, it will be covered only under the one Policy that provides **you** with the broadest coverage, subject to the terms set forth above in this definition.

“**Non-owned auto**” means an **auto** that:

1. Is not:
 - a. **owned** by;
 - b. registered in the name of;
 - c. rented by; or
 - d. furnished or available for the regular or frequent use of;**you, your spouse, relative, a resident of your household** or an **additional driver**; and

2. Is used by **you, your spouse**, a **relative** or an **additional driver** with permission, and within the scope of that permission, from the **owner** or a **person** in lawful possession of that **auto**.

Non-owned auto does not include any rented **auto** other than a **temporary substitute auto**.

“Nuclear event” means and includes any nuclear exposure, reaction, radiation or radioactive contamination, whether or not controlled or uncontrolled, and however caused or as a consequence of any of these, or any event to which an atomic or nuclear energy liability insurance contract applies.

“Occupying” means in, on or getting in or out.

“Own”, **“owner”** and **“owned”** mean to have or hold (or the **person** or entity who has or holds):

1. Legal title to the **motor vehicle, auto** or **trailer**; or
2. Primary legal possession of the **motor vehicle, auto** or **trailer**:
 - a. that is leased or rented to that **person** or entity pursuant to a written contract for a continuous period of six (6) months or more; or
 - b. subject to a lien or security agreement.

“Pedestrian” means a **person** who is not **occupying** a vehicle, or trailer designed to be pulled by a self-propelled or motorized vehicle.

“Person” means a human being.

“Punitive or exemplary damages” means all damages awarded to:

1. Punish or deter conduct; and/or
2. Fine, penalize or impose a statutory penalty due to conduct; because that conduct is malicious, grossly negligent, wanton, willful, fraudulent or unlawful.

This includes, but is not limited to, any:

1. Damages that have been defined by law as punitive damages or exemplary damages (for example, treble or statutory multiple damages); and
2. Costs, attorney fees, other fees or interest awarded because of such damages.

This does not include any compensatory damages.

“Racing” means when using an **auto, motor vehicle** or any other vehicle, whether as a driver or passenger, to do any of the following:

1. Participate in or prepare for any pre-arranged, planned or organized speed contest, race, stunt, demolition, competition or timed contest or activity.
2. Operate or **occupy** a vehicle on an indoor or outdoor track, course or trail designed or used for speed contests, demonstration driving, driver training, high performance driving, driving competition, or racing.

“Relative” means a **person** related to **you** or **your spouse** by blood, adoption, marriage or civil union recognized by law, including **your** ward or foster child, and who **resides** in **your** household. The term **“relative”** also includes **your** unmarried and dependent child who is:

1. Under the age of 25 years during the calendar year in which the policy period ends; and
2. Temporarily residing away from **your** household to attend school or serve in the armed forces of the United States;

if that child intends to continue to **reside** in **your** household, however that coverage will be limited as set forth in the Limits of Liability of any applicable coverage.

“Relative” does not include any **undisclosed operator**.

If the **named insured** is not a **person**, then no one is a **“relative”** for purposes of any coverage under any Part of this Policy.

“Reside” and **“resides”** mean to live at a dwelling as that **person’s** primary and legal domicile.

“Resident” means a **person** who lives at a dwelling as that **person’s** primary and legal domicile.

“Spouse” means a **person** who **resides** with **you** and who is either:

1. Legally married to **you**;
2. **Your** registered **domestic partner**; or
3. **Your** **civil union partner**.

No one will be your “spouse” under this Policy if you are not a person or if the named insured is a business entity, estate or trust.

“Temporary substitute auto” means any auto rented from a car rental **business** or **motor vehicle business** while the **insured vehicle** is being repaired or serviced. **“Temporary substitute auto”** does not include any other rented **motor vehicle** or any **motor vehicle owned** by, or otherwise furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.

“Trailer” means a non-motorized device designed for use with, and permitted to be towed on public roads by, an **auto**. There is no coverage under this Policy for any **“trailer”**:

1. While it is being used:
 - a. as a residence or premises;
 - b. for office, store or display purposes;
 - c. for any **business** or commercial purpose; or
 - d. to carry **persons**; or
2. That is not designed for use with an **auto**.

“Transportation network company” means an organization or entity, including, but not limited to, a corporation, limited liability company, partnership, sole proprietor, or any other entity, that provides prearranged transportation services of persons or property for compensation using an online-enabled or digital application, software, website, system or platform.

“Uncollectible instrument” and **“not honored upon presentment”** mean a bank or other financial institution does not honor, or does not recognize, a form of payment. This includes, though is not limited to, a payment where:

1. A check is dishonored or refused due to insufficient funds;
2. A check or transfer is drawn from an empty or closed account;
3. There is an invalid credit or debit card;
4. Credit card charges are dishonored or refused by the issuing financial institution; or
5. Funds transferred via any electronic means or method that are refused, dishonored or rejected;

all of which are deemed to be nonpayment of premium.

“Undisclosed operator” is any **person** who is not listed on the **declarations page** who is:

1. A licensed driver who **resides** in **your** household;
2. A **person** who **resides** in **your** household who has an expired or suspended license; or
3. A regular operator of an **insured vehicle**;

unless that **person** is:

1. A **relative** who has a driver permit but not a driver license;
2. Newly licensed and has not been licensed for more than thirty (30) days; or
3. Is younger than the age to have a driver permit or license.

“War” means and includes war (declared or undeclared), civil war, insurrection, rebellion or revolution.

“We”, “us” and **“our”** mean the insurance company shown on the **declarations page** as having underwritten this policy.

“You” and **“your”** mean the **named insured(s)** shown on the **declarations page**.

PART I - LIABILITY COVERAGES

Bodily Injury Liability Property Damage Liability

INSURING AGREEMENT

If the premium for Bodily Injury Liability Coverage and/or Property Damage Liability Coverage has been paid when due, the coverage(s) shown on the **declarations page** will apply under this Policy and is subject to all Policy terms.

We will pay compensatory damages, subject to the Limits of Liability, for which an **insured** is legally liable because of:

1. **bodily injury** to others; and/or
2. **property damage**;

caused by or resulting from an **accident** that arises out of the ownership, maintenance or use of an **auto** for which that **insured** is covered by the terms of this Liability Coverage.

ADDITIONAL PAYMENTS

If Bodily Injury Liability Coverage and/or Property Damage Liability Coverage apply to cover damages that arise from an **accident**, **we** will pay to or on behalf of an **insured**, in addition to **our** limit of liability:

1. Costs incurred by **us** to settle and defend a claim or suit brought against an **insured**. As **we** decide is proper, **we** will investigate and negotiate, settle or defend with counsel selected and paid by **us**. **Our** payments for the cost to defend an **insured** do not to reduce the applicable limit of liability shown on the **declarations page**. **We** have no duty to defend any lawsuit, settle or pay any judgment or any claim not covered under this Policy. **Our** duty to settle or defend ends when **our** limit of liability has been exhausted by payment of judgments or settlements, or deposited into a court with jurisdiction.
2. Court costs of any suit for damages.
3. Interest on the portion of compensatory damages within **our** limit of liability that accrues after judgment until **we** pay, offer or deposit in court the amount due under this coverage. **We** have no duty to make any interest payment if **we** have not been given notice of suit and the opportunity to defend an **insured**.
4. Premiums or costs for the purchase of bonds:
 - a. to secure the release of an **insured's** property attached under a court order in any lawsuit **we** defend, up to **our** limit of liability for the face amount of the bond.
 - b. required to appeal a decision in a suit for damages that **we** are defending.
 - c. up to \$250 for each bail bond needed because of a covered **accident** or traffic violation related to a covered **accident**.

We have no duty to apply for, furnish, or secure any bonds. Nor do **we** have any duty to pay premiums for or the cost of any bond in an amount that is greater than **our** limit of liability.

If a lawsuit is filed claiming both compensatory damages and **punitive or exemplary damages** against an **insured** for acts alleged to be covered by this Liability Coverage, **we** will provide a defense to that lawsuit for those claims, but **we** have no liability to pay for any **punitive or exemplary damages** under this Policy. **We** do not waive **our** right to deny coverage for **punitive or exemplary damages** if **we** defend an **insured** against any such claims, and **we** reserve our right to deny coverage for **punitive or exemplary damages**.

DEFINITIONS FOR LIABILITY COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Liability Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Liability Coverage:

"Insured" means:

1. **You, your spouse, your relatives, and additional drivers** for the:

- a. ownership, maintenance or use of an **insured vehicle**.
 - b. use or operation of a **non-owned auto** with permission from its **owner**.
 - c. use of a **trailer** while it is being towed by any of these **autos** listed in a. or b. above.
2. Any other **person** for the lawful use or operation of an **insured vehicle** or a **newly acquired auto**, with express or implied permission from **you, your spouse** or a **relative**.

However, “**insured**” does not include an **undisclosed operator**.

“**Property damage**” means physical harm to, or destruction of, tangible, real or personal property, including any resulting loss of use.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART I.

THERE IS NO LIABILITY COVERAGE FOR, AND **WE HAVE NO DUTY TO DEFEND**, ANY **INSURED**:

1. While any **auto** or **trailer** is:
 - a. rented, leased, subleased, loaned or sold by **you, your spouse**, a **relative** or an **additional driver** to any other **person** or party in exchange for any form of value, compensation or reimbursement;
 - b. being used as a public or livery conveyance;
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose;
 - d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time of log-on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application;
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products;
 - f. being used for snow removal;
 - g. being used for **racing**;
 - h. parked and being used as a residence or premises; or
 - i. towing a **trailer** which is used as an office, store, display, or recreational vehicle.
2. For any **bodily injury** to:
 - a. a fellow employee while on the job and that arises out of the maintenance or use of any vehicle by another employee in the employer's **business**. However, this does not apply to **you** as to **bodily injury** to a fellow employee.
 - b. any employee of an **insured** during the course of employment. This does not apply to **your** household or domestic employee who is not covered or not required to be covered under any worker's compensation insurance.
3. For any **bodily injury, property damage** or any other damages:
 - a. for which the United States government may be found liable;
 - b. caused by an intentional act of an **insured** or at the direction of an **insured**;
 - c. that is or should be reasonably expected to result from an intentional act of an **insured**, even if the **bodily injury** or **property damage** that results is not of the same nature that was intended to be inflicted;
 - d. that result from any type of **nuclear event**;
 - e. that result from the commission of a **crime** by that **insured**;
 - f. that occurs while an **insured vehicle** is being towed or is towing a **motor vehicle**;
 - g. that arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**;

- h. that arises out of the ownership or use of an **insured vehicle** when it is entrusted to another person or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession;
 - i. that arises out of the ownership or use of an **insured vehicle** when it is under a conditional sales agreement and is no longer in **your** possession;
 - j. caused by **war**; or
 - k. that arises out of the use of any **auto, insured vehicle** or **trailer** by any driver who is without a reasonable belief that he or she is entitled to do so. This does not apply to **you, your spouse** or a **relative** for the use of the **insured vehicle**.
4. For **property damage** to any property:
 - a. owned or being transported by;
 - b. rented or leased to; or
 - c. in the charge or care of;
 an **insured**. This does not apply to damage to a rented residence or private garage.
 5. For any obligation of an **insured**, or his or her insurer, under any type of workers compensation or disability or similar law.
 6. For liability assumed by the **insured** under a bailment, contract or agreement.
 7. For any **punitive or exemplary damages**.
 8. For any **bodily injury, property damage** or any other damages that result from **hazardous materials**, including any order, demand, claim or suit for testing for, monitoring, cleaning up, removing, treating, neutralizing or remediating **hazardous materials** or environmental damage.
 9. For use of any **auto** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
 10. For any **bodily injury** or **property damage** that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
 11. For any **bodily injury, property damage**, claim or liability asserted against **you, your spouse, your relatives**, or **additional drivers** arising out of the operation of any **insured vehicle** or **non-owned auto** by an **undisclosed operator**, including but not limited to claims arising out of vicarious liability, negligent entrustment, agency, ownership or otherwise.

LIMITS OF LIABILITY

The limit(s) of liability for any Bodily Injury Liability Coverage and/or Property Damage Liability Coverage that applies are shown on the **declarations page** and are subject to the following:

1. The limit that applies is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;
 - c. **insureds**, heirs, survivors or wrongful death beneficiaries;
 - d. lawsuits filed;
 - e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
 - f. premiums paid;
 - g. claimants;
 - h. policies issued by **us**; or
 - i. policies or bonds that apply.
 There will be no adding, stacking or combining of coverage.
2. **Bodily Injury Liability Coverage**
Your declarations page shows a split limit. This means:
 - a. the Bodily Injury limit of liability shown on the **declarations page** that applies "Per Person" is the most **we** will pay for all damages due to **bodily injury** sustained by any one **person** in any one **accident**.
 - b. subject to the limit of liability that applies "Per Person", the Bodily Injury limit of liability shown on the **declarations page** that applies "Per Accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more **persons** in any one **accident**. Without changing this "Per Accident" limit, **we** will apply that limit to provide any separate "per person" limit required by law for

bodily injury liability.

3. **Property Damage Liability Coverage**

The Property Damage limit of liability shown on the **declarations page** is the most **we** will pay for all damages due to **property damage** for which an **insured** becomes legally liable as a result of any one **accident**.

4. The **bodily injury** limit that applies “Per Person” includes all claims, causes of action and lawsuits of others that relate to or derive from the **bodily injury** of the injured **person**. When allowed by law, this limit includes, but is not limited to, all claims and lawsuits for:

- a. emotional distress or mental anguish as a result of seeing the **accident**;
- b. loss of: society, companionship, services, comfort, support and/or consortium; and
- c. wrongful death.

5. **Our** limit of liability shall be reduced by any payment made to that **person** under Part II – Medical Payments Coverage and/or Part III – Uninsured Motorist Coverage / Underinsured Motorist Coverage. However, this shall not reduce Liability Coverage to an amount less than the **minimum limits**.

6. An **auto** and attached **trailer** are deemed to be one **auto** for the purposes of determining the limit of liability. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by an **auto**.

7. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:

- a. any other coverage under this Policy;
- b. any other Policy **we** or another insurer issue; or
- c. workers’ compensation or any similar insurance.

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

8. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in the Limits of Liability clauses directly above, coverage afforded with respect to use of an **insured vehicle** that is not principally garaged at an address shown on the **declarations page** is limited to the **minimum limits**.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery that applies:

1. **Policies issued by Us to You**

If this Policy and any other **auto** or **motor vehicle** insurance Policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).

2. **Other liability coverage available from other sources**

a. If a **non-owned auto** or a **trailer** has other vehicle liability coverage, bond or self-insurance that applies to the **accident**, then this Policy’s coverage is excess.

However, if and when coverage under this Part I applies for the use of a **non-owned auto owned** by a **business** engaged in the selling or dealing of **motor vehicles**, while it is operated by **you**, **your spouse** or a **relative**, then, if and when required by law, **we** will provide primary liability insurance for that use of that **non-owned auto** by **you**, **your spouse** or a **relative**, but only as compared to any similar liability insurance maintained by the **owner** of that vehicle if the following conditions are met:

- (1) the limit of liability shown on the **declarations page** for Liability Coverage under this Policy is at least split limits of \$100,000 for **bodily injury** to any one **person** in one **accident**, \$300,000 for **bodily injury** to two or more **persons** in one **accident**, and \$50,000 for **property damage** in one **accident**; and
- (2) the use of that **non-owned auto** by **you**, **your spouse** or a **relative** is:
 - (a) with permission from that **motor vehicle** dealer or its employee; and
 - (b) for use as a temporary loaner for **your insured vehicle** that is out of normal use because of its breakdown, repair or servicing.

We have no duty to defend the **owner** of that vehicle.

b. This Policy’s coverage does not apply to a **newly acquired auto** if there is any other liability coverage, bond or self-insurance that applies to that **newly acquired auto** except under a Policy issued by **us** or an insurance company that has common ownership with **us**.

3. Subject to all other terms in this Other Insurance clause and the Policy, if any other **auto** or vehicle liability coverage, bond or self-insurance applies to the same **accident** with the same priority as coverage under this Policy, **we** will not pay more than **our** share of the damages. **Our** share is the proportion that the limit of liability of this Policy bears to the total of all **auto** or vehicle liability coverage, bond and self-insurance that apply with the same level of priority to the **accident**.
4. If there is other applicable insurance, **we** shall be entitled to reimbursement of an equal share of the defense cost and attorney fees in any lawsuit **we** defend.

FINANCIAL RESPONSIBILITY

If **we** certify the coverage provided under this Part I as proof of financial responsibility, this Policy shall comply with such law to the extent required. If **we** make a payment **we** would not have made if this Policy had not been certified as proof of future financial responsibility, **we** must be reimbursed by **you** or an **insured** for such payment and related costs.

OUT-OF-STATE COVERAGE

If an **accident** to which this Part I applies occurs in any state, territory, or possession of the United States of America or any province or territory of Canada, in which **we** are licensed to write the type of insurance provided by this policy, other than the one in which an **insured vehicle** is principally garaged (as shown in **our** records), but still within the Policy Territory, and that other state, territory, province or possession has:

1. A financial responsibility, compulsory or mandatory insurance or other similar law that requires all **owners** or operators of an **auto** to have liability insurance with limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, **we** will provide that required higher limit for Liability Coverage under this Policy. However, unless the **insured** is required by law to maintain liability insurance when operating a **motor vehicle** in that state, territory, province or possession, **we** will not provide any Liability Coverage for an **accident** if the **declarations page** shows **you** did not buy Liability Coverage from **us** on this Policy.
2. A compulsory insurance or similar law requiring a non-resident to maintain specific types of insurance coverage whenever the non-resident uses a vehicle in that state, territory, province or possession, this Policy will provide the greater of:
 - a. the required minimum amounts and types of coverage; or
 - b. the Limits of Liability under this Policy.

BANKRUPTCY

The bankruptcy or insolvency of an **insured** shall not relieve **us** of any obligations under this Policy. If, due to bankruptcy or insolvency, a certified copy of a judgment against an **insured** under Liability Coverage is returned unsatisfied in any action brought by an injured **person**, or his or her personal representative in case death results from the **accident**, then an action may be maintained by that injured **person**, or his or her personal representative, against **us** subject to all terms and conditions of this Policy for the amount of the judgment in such action, not to exceed the limits of liability of this Policy.

PART II – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

If the premium for Medical Payments Coverage has been paid when due and this coverage is shown on the **declarations page**, **we** will pay, subject to the limit of liability, for:

1. **Reasonable** and necessary **medical expenses** incurred by an **insured**; and
2. **Funeral expenses** incurred on behalf of an **insured**;

that arise out of **bodily injury** sustained by that **insured** as a result of a **motor vehicle accident**. **We** will pay only for expenses incurred for services furnished within one (1) year from the date of the **accident**.

DEFINITIONS FOR MEDICAL PAYMENTS COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Medical Payments Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Medical Payments Coverage:

“Funeral expenses” means fees, costs or charges incurred or required to be paid for services directly related to the funeral, burial, cremation and/or interment of the remains of an **insured** who has died.

“Insured” means:

1. **You, your spouse, relatives and additional drivers:**
 - a. while operating or **occupying** an **insured vehicle** or **non-owned auto**; or
 - b. when as a **pedestrian** is struck by any **auto** or **motor vehicle** designed for use mainly on public roads;
2. Any other **person** while **occupying** an **insured vehicle** with express or implied permission from **you, your spouse, a relative** or an **additional driver**. However, **“insured”** does not include an **undisclosed operator**.

“Medical expenses” mean **reasonable** fees, costs or charges incurred or required to be paid for medically necessary medical treatment, services, procedures and products provided or prescribed by a United States (“U.S.”) state licensed health care provider, and within the proper scope of that provider’s practice, including:

1. Ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, chiropractic, and pharmaceutical services;
2. Physical, occupational, and vocational therapy and rehabilitation;
3. Speech and hearing therapy and rehabilitation; and
4. Medications, prosthetic and orthopedic devices, eyeglasses, hearing aids, and other medical products and supplies.

“Medical expenses” do not include any fees, costs or charges for:

1. Treatment, services, procedures and products that are experimental or for research, or not commonly recognized in the medical profession in the U.S. as a customary treatment for the **bodily injury**;
2. Massage therapy not prescribed by a U.S. state licensed doctor or chiropractor; or
3. Services that are not necessary for treatment or care of the **bodily injury** sustained in the **accident**.

“Reasonable” means the lowest cost amount for **medical expenses** to be determined, as **we** decide, by one of the following methods:

1. The **usual and customary charge**; or
2. The fee, cost or charge set forth in any medical fee schedule:
 - a. that applies to medical expenses, no-fault or personal injury protection coverage in a motor vehicle liability policy issued in the state where medical services are provided; and
 - b. as required or allowed by the law of the state where medical services are provided; or
3. The fee, cost or charge agreed to by both the **insured’s** health care provider and **us** (or a third party **we** have contracted with to determine that amount).

“Usual and customary charge” means the amount **we** find represents a common and typical fee, cost or charge for treatment, services, procedures or products in the geographic area in which it is rendered. **We** may use independent sources of **our** choice to find the **usual and customary charge** for **medical expenses**.

OUR RIGHT TO REVIEW MEDICAL EXPENSES

We have the right to:

1. Review **medical expenses** and pay only those **medical expenses** that are **reasonable** and necessary for both the diagnosis and treatment of the **insured’s bodily injury**.
2. Use independent sources of information of **our** choice to assist **us** in deciding if a **medical expense** is not **reasonable** or not necessary for either the diagnosis or treatment of the **insured’s bodily injury**. These sources include, but are not limited to:

- a. review of medical records and test results by persons and services selected by **us**;
 - b. published sources of medical expense information and fee schedules;
 - c. computer databases and programs; and/or
 - d. exams performed by physicians and other medical experts **we** select and pay for.
3. Not pay for any **medical expense**, or portion thereof, that:
- a. is not **reasonable**;
 - b. is not necessary for the diagnosis or treatment of the **insured's bodily injury**;
 - c. is for treatment of **bodily injury** that is not the result of the covered **accident**; or
 - d. results from a service, treatment, procedure and/or product that is not provided and prescribed by a U.S. state licensed health care provider acting within the proper scope of that license.
- We** will resolve any dispute with a medical service provider, at **our** expense, with respect to a **medical expense we** do not pay because the charge is not, in whole or part, **reasonable** or necessary.

EXCLUSIONS

THERE IS NO COVERAGE UNDER PART II FOR **BODILY INJURY**:

1. Incurred while **occupying** or through being struck by any motor vehicle (other than an **insured vehicle** that is insured for this coverage or a **newly acquired auto**) **owned** by, or furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.
2. To the extent worker's compensation benefits are required to be payable.
3. Incurred while **occupying** an **insured vehicle** or a **newly acquired auto** while it is:
 - a. rented, leased or subleased by **you, your spouse, a relative** or an **additional driver** to any other **person** or party;
 - b. being used as a public or livery conveyance;
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose;
 - d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time of log-on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application;
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products;
 - f. being used for snow removal;
 - g. parked and being used as a residence or premises; or
 - h. towing a **trailer** which is used as an office, store, display, or recreational vehicle.
4. Incurred while **occupying** any motorcycle, moped, mini-bike, dirt bike or any other similar motorized vehicle which has less than four (4) wheels.
5. Incurred while **occupying** any all-terrain vehicle or go-cart.
6. Incurred while **occupying** any recreational vehicle, being any type of vehicle or trailer with living or camping facilities.
7. Incurred while **occupying** or through being struck by any motorized vehicle:
 - a. designed for use mainly off public roads;
 - b. that operates on rails or crawler treads;
 - c. while it is parked and being used as a residence or premises; or
 - d. used in any **racing**.
8. Caused by **war**.
9. That results from any type of **nuclear event**.
10. Sustained while **occupying** or using a vehicle without permission to do so from the **owner** of the vehicle. This does not apply to **you, your spouse, a relative** or an **additional driver** when **occupying** an **insured vehicle** that is insured for this coverage or a **newly acquired auto**.

11. Caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of **fungus or mold**, without regard to the factors causing or contributing to its growth.
12. Sustained by an **insured** due to **hazardous materials** being transported by an **insured**.
13. Caused by an intentional act of the **insured** or at the direction of the **insured**.
14. Sustained by an **insured** in the commission of a **crime** by that **insured**.
15. Expense that is paid or payable under TRICARE, CHAMPUS, or any similar health care program of the United States Department of Defense Military Health System.
16. Expense for which the United States Government is liable under the Federal Tort Claims Act.
17. That arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
18. Sustained by an **insured** while that **person** is operating a **motor vehicle** without a reasonable belief that he or she is entitled to do so. This does not apply to **you, your spouse** or a **relative** for the use of an **insured vehicle**.
19. That arises out of the use of any **motor vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
20. That arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
21. Incurred by a **person** while **occupying** an **insured vehicle** while it is being operated by an **undisclosed operator**.

LIMITS OF LIABILITY

The limit of liability for Medical Payments Coverage that applies is shown on the **declarations page** for any one **insured** and is subject to the following:

1. The limit shown on the **declarations page** is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;
 - c. **insureds**, heirs, survivors or wrongful death beneficiaries;
 - d. lawsuits filed;
 - e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
 - f. premiums paid;
 - g. claimants;
 - h. policies issued by **us**; or
 - i. policies or bonds that apply.
 There will be no adding, stacking or combining of coverage.
2. The limit of liability for Medical Payments Coverage shown on the **declarations page** includes any amount paid for **funeral expenses**.
3. A **motor vehicle** and attached **trailer** are deemed to be one **motor vehicle**. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by a **motor vehicle**.
4. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:
 - a. any other coverage under this Policy;
 - b. any other Policy **we** or another insurer issue; or
 - c. workers' compensation or any similar insurance.
 No one will be entitled to recover duplicate payments for the same elements of damages.

ASSIGNMENT OF BENEFITS

If **we** are given a written assignment of benefits signed by the injured **insured** or the representative of the **insured** for **medical expenses** that are payable under this coverage, **we** will pay those **medical expenses** directly to the health care provider if that provider is licensed to provide such care by a state in the U.S. where the care or services were rendered. If **we** do this, **we** have no further duty or liability to pay those same benefits to an **insured** or to any other **person** or party.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery, the following apply:

1. **Policies issued by Us to You**

If this Policy and any other **auto** or **motor vehicle** insurance policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).

2. **Other coverage available from other sources**

a. Subject to all other terms in this Other Insurance clause and the Policy, if any other **auto** or vehicle coverage, bond or self-insurance applies to the same **accident** with the same priority as coverage under this Policy, **we** will not pay more than **our** share of the damages, expenses or loss. **Our** share is the proportion that the limit of liability of this Policy bears to the total of all **auto** or vehicle coverage, bond or self-insurance that apply with the same level of priority to the **accident**.

b. However:

- (1) If other **auto** medical expense coverage applies to **bodily injury** sustained by a **pedestrian**, this coverage is excess.
- (2) Insurance provided under this coverage will be excess over any benefits the **insured** is eligible to receive under any **motor vehicle** personal injury protection or other similar type of no-fault insurance.
- (3) For a **motor vehicle accident** arising out of the use of a **non-owned auto**, if that **auto** is insured with medical expense coverage or similar coverage under a policy of insurance, bond or self-insurance, any coverage provided under this Policy shall be excess.
- (4) This Policy's coverage does not apply to a **newly acquired auto** if there is any other **auto** medical expense coverage that applies to the use of that **newly acquired auto**.

PART III – UNINSURED MOTORIST COVERAGE / UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENTS

Uninsured Motorist Bodily Injury Coverage / Underinsured Motorist Bodily Injury Coverage

If the premium for Uninsured / Underinsured Motorist Bodily Injury Coverage has been paid when due, that coverage, as shown on the **declarations page**, will apply under this Policy and is subject to all Policy terms.

We will pay for compensatory damages an **insured** is legally entitled to collect from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** because of **bodily injury** sustained by that **insured** as a result of an **accident**. The **bodily injury** must be caused by an **accident** that arises out of the ownership, maintenance, or use of that **uninsured motor vehicle** or **underinsured motor vehicle**.

However, when the limit of Uninsured / Underinsured Motorist Bodily Injury Coverage on **your** Policy is at Illinois **minimum limits**, as amended, as shown on the **declarations page**, this coverage provides a benefit only if and when the legally liable **owner** or driver is using an **uninsured motor vehicle** causing the **accident** (not an **underinsured motor vehicle**), and is subject to all Policy terms.

Uninsured Motorist Property Damage Coverage (“UM PD”)

If the premium for Uninsured Motorist Property Damage Coverage has been paid when due, that coverage, as shown on the **declarations page**, will apply under this Policy and is subject to all Policy terms.

We will pay for compensatory damages for **property damage** that an **insured** is legally entitled to collect from the **owner** or driver of an **uninsured motor vehicle** because that **property damage** is caused as a result of an **accident**. The **property damage** must be caused by an **accident** that:

1. arises out of the ownership, maintenance, or use of that **uninsured motor vehicle**; and
2. involves actual and direct physical contact between the **insured vehicle** and the **uninsured motor vehicle**.

We also will pay for a **child restraint system** that was in use by a child in the **insured vehicle** and damaged during an **accident** for which UM PD Coverage applies, subject to all Policy terms.

For UM PD coverage to apply, the **owner** or driver of an **uninsured motor vehicle** must be identified by providing **us**:

1. the name and address of the owner of the at-fault **uninsured motor vehicle**;
2. a registration number and description of the **uninsured motor vehicle**; or
3. sufficient other facts so **we** can determine there is no motor vehicle property damage liability insurance that applies to the **owner** or driver of an **uninsured motor vehicle**.

No coverage applies under Part III to or for any type of property damage, or damages resulting therefrom, caused by the **owner** or driver of an **unidentified motor vehicle** or an **underinsured motor vehicle**.

ADDITIONAL TERMS FOR COVERAGE UNDER PART III

The following Additional Terms apply at all times:

1. If the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** has liability insurance, self-insurance, bond or other security that applies, **we** will not make a payment under the coverage provided under Part III to or for an **insured** until:
 - a. after the limits of liability under all liability insurance, self-insurance and/or bonds that apply have been fully or partially exhausted by payment of judgments or settlements;
 - b. **we** and the **insured** reach a written settlement agreement; or
 - c. **we** have been given at least thirty (30) days prior written notice of a settlement offer between the **insured** and **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**. In order to preserve **our** right of subrogation, **we** have the right to elect to pay any sum offered in settlement by, or on behalf of, the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**. If **we** do this, **you** agree to assign to **us** all rights that **you** have against the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**.
2. If the **insured** is not able to identify the **owner** or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**, the **insured** or someone on behalf of the **insured**, must report the **accident** to the police or other law enforcement authority within twenty-four (24) hours or as soon as practicable after the **accident**.
3. **We** will not be bound if:
 - a. a judgment is entered against the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** in a lawsuit filed without **our** prior written consent.
 - b. an **insured** enters into a settlement for damages against the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle** without **our** prior written consent.
4. **We** reserve the right to:
 - a. negotiate payment of medical expenses directly with an **insured's** health care or medical provider; and
 - b. make payment directly to a health care or medical provider in accord with that negotiated payment.

DEFINITIONS FOR COVERAGE UNDER PART III

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Coverage:

"Insured" means:

1. **You, your spouse, relatives and additional drivers**; or
2. Any other **person** who, at the time of the **accident**, is **occupying** or using an **insured vehicle**, if the operation and use is with express or implied permission from **you, your spouse** or a **relative**. However, **"insured"** does not include an **undisclosed operator**.

“Property damage”, for Uninsured Motorist Property Damage Coverage, means physical injury to or destruction of an **insured vehicle** for which Uninsured Motorist Property Damage Coverage has been purchased on this Policy, as a result of actual and direct physical contact with an **uninsured motor vehicle**.

“Property damage” does not include:

1. Loss of use;
2. Physical injury to or destruction of customized equipment on an **insured vehicle**, or to any:
 - a. device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
 - b. mobile telephone or internet device;
 - c. televisions or their accessories or antennas;
 - d. audio or video devices that are not permanently installed by the original manufacturer;
 - e. scanning monitor receivers;
 - f. awnings or cabanas; or
 - g. equipment designed to provide cooking, sleeping or living facilities;
3. Damage to, or destruction or loss of, any other personal property (other than a **child restraint system** being used by a child in that **insured vehicle** at the time of the **accident**); or
4. **Diminution of value**.

“Underinsured motor vehicle” means a **motor vehicle** to which one or more liability bond or policies (or other security required to be maintained under Illinois law applicable to the driver or to the **person** or organization legally responsible for such **motor vehicle**) applies at the time of the **accident**, but the sum of the limits of liability for **bodily injury** liability coverage (or other security) is less than the Underinsured Motorist Coverage limit for **bodily injury** shown on **your declarations page**.

This definition applies for **bodily injury** damages only, and does not apply to any **property damage**.

An **underinsured motor vehicle** does not include any vehicle or equipment:

1. **Owned** by, furnished to or available for the regular use of **you, your spouse, a relative** or an **additional driver**;
2. **Owned** by any governmental unit or agency;
3. That is an **insured vehicle** or a **newly acquired auto**;
4. Not required to be registered as a **motor vehicle**;
5. Designed for use mainly off public roads except while on public roads;
6. Operated on rails or crawler treads;
7. While located for or being used as a residence or premises; or
8. Which is an **uninsured motor vehicle**.

“Unidentified motor vehicle” means a **motor vehicle**:

1. For which the **owner** or driver cannot be identified; and
2. That causes an **accident** resulting in **bodily injury** to an **insured**.

If there is no physical contact with the **unidentified motor vehicle**, the **insured** must establish by independent corroborative evidence that the **bodily injury** was proximately caused by the unidentified driver of the **uninsured motor vehicle**. The testimony of an **insured** seeking payment under this Part III shall not constitute independent corroborative evidence unless the testimony is supported by additional evidence to establish the facts of the **accident**.

“Uninsured motor vehicle” means a **motor vehicle** that is:

1. Not insured or bonded for liability at the time of the **accident**;
2. Insured or bonded for liability at the time of the **accident**, but the:
 - a. insuring or bonding company:
 - (1) denies coverage; or
 - (2) is or becomes insolvent;
 - b. limits of liability are less than the required **minimum limits**;
3. For **bodily injury** only, an **unidentified motor vehicle**; or
4. For **property damage** only, a hit-and-run **motor vehicle**:
 - a. for which the **owner** or driver must be identified by the information required and listed under the **UM PD** insuring agreement of this Part III; and
 - b. that causes a **motor vehicle accident** involving actual and direct physical contact with, by striking or hitting, the **insured vehicle** to which UM PD applies.

An “**uninsured motor vehicle**” does not include any vehicle or equipment:

1. **Owned** by, furnished to or available for regular use by **you, your spouse, a relative** or an **additional driver**, unless that vehicle is an **insured vehicle** for which PART I – LIABILITY COVERAGE is purchased under this Policy but that coverage has been denied for the damages sustained in the **accident**;
2. **Owned** or operated by a self-insurer under any financial responsibility, **motor vehicle** or similar law, except a self-insurer that is or becomes insolvent; or
3. While located for or being used as a residence or premises;
4. Not required to be registered as a **motor vehicle**;
5. That is an **insured vehicle** or a **newly acquired auto**, unless that vehicle is an **insured vehicle** for which PART I – LIABILITY COVERAGE is purchased under this Policy but that coverage has been denied for the damages sustained in the **accident**;
6. Designed for use mainly off public roads, except while on public roads;
7. Operated on rails or crawler treads;
8. **Owned** by any governmental unit or agency; or
9. Which is an **underinsured motor vehicle**.

EXCLUSIONS

THERE IS NO UNINSURED MOTORIST COVERAGE / UNDERINSURED MOTORIST COVERAGE:

1. If the **insured**, or the legal representative of the **insured**, settles the claim without **our** consent, and in doing so, harms **our** rights or interests.
2. For **bodily injury** or **property damage** sustained by an **insured**:
 - a. while engaged in **racing**;
 - b. as a result of any **nuclear event**;
 - c. during the commission of a **crime** by that **insured**;
 - d. caused by **war**;
 - e. while using or **occupying** a motorized vehicle or device, other than an **insured vehicle** or a **newly acquired auto**, if the vehicle or device is **owned** by, or furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**;
 - f. while using a **non-owned auto** without the permission of its **owner**; or
 - g. that arises out of the ownership or use of an **insured vehicle** when it is under a conditional sales agreement and is no longer in **your** possession.
3. For **bodily injury** or **property damage** sustained by an **insured** as the result of an act of that **insured** that is intended or reasonably likely to cause **bodily injury** or **property damage**.
4. For any **punitive or exemplary damages**.
5. To the extent it benefits, directly or indirectly, any:
 - a. worker's compensation or disability benefits insurer or self-insurer under any such or similar law;
 - b. governmental unit or agency; or
 - c. insurer or self-insurer of property.
6. To any **person occupying** an **insured vehicle** while it is rented, leased or subleased by **you, your spouse, a relative** or an **additional driver** to any other **person** or party. This does not apply to **bodily injury** sustained by **you, your spouse, a relative** or an **additional driver**.
7. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** in any **business** that involves the transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose. This does not apply to an **insured** riding as a passenger in a **non-owned auto**.
8. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time of log-on to the **transportation**

network company's online-enabled application or platform until log-off from the online-enabled application.

9. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products.
10. For **bodily injury** or **property damage** sustained by an **insured** while using a **motor vehicle** for snow removal.
11. For **bodily injury** or **property damage** that arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
12. For **bodily injury** or **property damage** sustained by an **insured** while that **person** is operating a **motor vehicle** without a reasonable belief that he or she is entitled to do so. This does not apply to:
 - (a) **you, your spouse** or a **relative** for the use of an **insured vehicle**; or
 - (b) a permissive guest passenger in an **insured vehicle** and who does not reasonably know that the driver is using that vehicle without a reasonable belief of the right to do so.
13. For any **bodily injury** or **property damage** caused by **hazardous materials** being transported by the **insured**.
14. For **bodily injury** or **property damage** that occurs while the **insured** is operating the **insured vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
15. For **bodily injury** or **property damage** that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
16. For **property damage** if there is no actual and direct physical contact between **your insured vehicle** and the **uninsured motor vehicle**.
17. For **property damage** if the **owner** or driver of the **uninsured motor vehicle** causing the **property damage** cannot be identified by name and address, or by other information to identify that **person** and establish that no liability bond or policy applied at the time of the **accident**.
18. For **property damage** to the extent the **property damage** is also covered under any collision coverage under this or any other policy.
19. For **property damage** that is due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure; or
 - d. road damage to tires;
20. For or due to **diminution in value**.

LIMITS OF LIABILITY

The limit(s) of liability for Uninsured Motorist Coverage / Underinsured Motorist Coverage that applies are shown on the **declarations page** and are subject to the following:

1. The limit shown on the **declarations page** is the most **we** will pay in any one covered **accident**, without regard to the number of:
 - a. claims made;
 - b. **motor vehicles** and/or **trailers** involved in an **accident**;
 - c. **insureds**, heirs, survivors or wrongful death beneficiaries;
 - d. lawsuits filed;
 - e. **autos, trailers** or vehicles covered or shown on the **declarations page**;
 - f. premiums paid;
 - g. claimants;
 - h. policies issued by **us**; or
 - i. policies or bonds that apply.

There will be no adding, stacking or combining of coverage.

If more than one provision or policy of uninsured or underinsured motorist coverage applies to an **accident**, any recovery for covered damages under all such provisions or policies of coverage may equal but not exceed the highest applicable limit of liability for any one vehicle under any one provision or policy.

2. **Uninsured Motorist Bodily Injury Coverage / Underinsured Motorist Bodily Injury Coverage**

Your declarations page shows a split limit. This means:

- a. the Bodily Injury limit of liability shown on the **declarations page** for coverage under Part III that applies “Per Person” is the most **we** will pay for all damages due to **bodily injury** sustained by any one **person** in any one **accident**.
- b. subject to the limit of liability that applies “Per Person”, the Bodily Injury limit of liability shown on the **declarations page** “Per Accident” for coverage under Part III is the most **we** will pay for all damages due to **bodily injury** sustained by two or more **persons** in any one **accident**. Without changing this “Per Accident” limit, **we** will apply that limit to provide any separate “per person” limit required by law for **bodily injury** liability.
- c. the limit that applies “Per Person” includes all claims, causes of action and lawsuits of others that relate to or derive from the **bodily injury** of the injured **person**. When allowed by law, this limit includes, but is not limited to, all claims and lawsuits for:
 - (1) emotional distress or mental anguish as a result of the **accident**;
 - (2) loss of: society, companionship, services, support and/or consortium; and
 - (3) wrongful death.

3. **Uninsured Motorist Property Damage Liability Coverage**

If **you** have purchased Uninsured Motorist Property Damage Coverage, the limit of liability shown on the **declarations page** for “property damage” or “PD” under this coverage is the most **we** will pay for all covered **property damage** sustained in any one **accident**, and is subject to the following:

- a. For the actual damage to or destruction of an **insured vehicle** or a **newly acquired auto** to which this coverage applies, **we** shall not pay more than the lowest of the:
 - (1) **actual cash value** of the damaged property at the time of the **accident**; or
 - (2) **cost of repair or replacement**.The meaning of the terms “**actual cash value**” and “**cost of repair or replacement**” as defined under Physical Damage Coverage also apply to this Uninsured Motorist Property Damage Coverage.
- b. **Our** payment will not include, and **you** are responsible for (when applicable), the amount of:
 - (1) Any deductible that applies as shown on **your declarations page**. When applying the deductible, if the **property damage**:
 - (a) is to more than one **auto** covered by Uninsured Motorist Property Damage Coverage and resulting from the same **accident**, only the highest applicable deductible will apply; or
 - (b) is the result of more than one **accident**, a separate deductible shall apply to each **accident**.
 - (2) Betterment to any property, including any costs for labor, parts, and materials to repair prior damage, deterioration, and/or defects to the property that had not been repaired prior to the **accident**.
 - (3) The salvage value if **you** or the **owner** retains salvage.
- c. **We** have no duty to cover or pay for any **diminution in value**.

4. Any payment made to a **person** under Part III shall reduce any amount payable to that **person** under the Liability Coverage under Part I. However, this shall not reduce Liability Coverage to an amount less than the **minimum limits**.

5. **Our** limit of liability for coverage under Part III shown on the **declarations page** shall be reduced by any amount paid or to be paid:

- a. by or on behalf of any **persons** or parties that may be legally responsible, including, but not limited to all sums paid under Part I of this Policy (though any such set-off as related to an **underinsured motor vehicle** claim will only be for the amounts actually recovered from all applicable bodily injury insurance policies, bonds or other security maintained on the **underinsured motor vehicle** and/or by its **owner** or driver);
- b. under Part II;
- c. under any workers’ compensation law, disability benefits law (other than federal Social Security disability benefits), or similar laws; and
- d. under Part IV for **property damage**.

However, any reduction shall not reduce the amount available under this coverage to less than **minimum limits**.

6. As to an **underinsured motor vehicle** claim, and subject to all other limits of liability that apply, the most **we** will pay for covered **bodily injury** damages to or for an **insured** when caused by the **owner** or driver of an **underinsured motor vehicle** shall not be more than the amount by which the limits of the coverage under this Policy exceed the full limits of the **bodily injury** liability insurance, bonds or other security available to the **owner** or driver of the **underinsured motor vehicle**, even if that **insured** (or that **person's** representative) enters into a settlement agreement for an amount less than those full limits of liability under all applicable bodily injury liability insurance, bonds or other security.
7. A **motor vehicle** and attached **trailer** are deemed to be one **motor vehicle**. The limit is not increased in any way if there is a covered **accident** that involves a **trailer** attached to and being towed by a **motor vehicle**.
8. No one is entitled to recover more than once for the same elements of damages that have been paid by **us** or any other source, which may include, but is not limited to:
 - a. any other coverage under this Policy;
 - b. any other policy **we** or another insurer issue; or
 - c. workers' compensation or any similar insurance.
 No one will be entitled to recover duplicate payments for the same elements of damages.
9. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in clause 1 through 7 above, coverage afforded with respect to use of an **insured vehicle** that is not principally garaged where **you reside** because it is in the possession or use of **your** child who is temporarily residing away from **your** household to attend school or serve in the armed forces of the United States is limited to the **minimum limits**.
10. Notwithstanding the limit of liability shown on the **declarations page** or anything to the contrary set forth in clause 1 through 7 above, if any exclusion is found invalid or unenforceable by a court with proper jurisdiction, then to the extent permitted by law, that exclusion is amended and:
 - a. does not apply to the portion of the damages or loss that is less than or equal to **minimum limits** or minimum amounts of coverage required by law; and
 - b. does apply to the portion of the damages or loss that is greater than **minimum limits** or minimum amounts of coverage required by law.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery, the following apply:

1. **Policies issued by Us to You**
 If this Policy and any other **auto** or **motor vehicle** insurance policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **accident**, **our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).
2. **Other uninsured coverage or underinsured coverage available from other sources**
 - a. Subject to all other terms in this Other Insurance clause and the Policy, if the **insured** sustains **bodily injury**:
 - (1) as a **pedestrian**, and other similar uninsured coverage or underinsured coverage issued by **us** or any other insurer applies:
 - (a) the total limits under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (b) **we** are liable only for **our** share. **Our** share is that proportion of the damages that the limit of liability of this coverage bears to the total of all such coverage that applies to the **accident**.
 - (2) while **occupying** an **insured vehicle**, and that **insured vehicle** is shown on the declarations page of another Policy issued by **us** or any other insurer providing uninsured coverage or underinsured coverage:
 - (a) the total limits of liability under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (b) **we** are liable only for **our** share. **Our** share is that proportion of the damages that the limit of liability of this coverage bears to the total of all such coverage that applies to the **accident**.

- (3) while **occupying** a vehicle not shown on the **declarations page** of this Policy, coverage under this Policy applies:
 - (a) as excess to any other uninsured coverage or underinsured coverage that applies to the vehicle as primary coverage; but
 - (b) only in the amount by which it exceeds the primary coverage.
- b. If there is other similar coverage or source of recovery for **property damage**, then:
 - (1) any insurance **we** provide for **property damage** shall be excess over any other property damage insurance;
 - (2) the total limits under all such coverages shall not exceed that of the coverage with the highest limit of liability; and
 - (3) **we** are liable only for **our** share. **Our** share is that proportion of the **property damage** that the limit of liability of this coverage bears to the total of all such UM coverage that applies to the **property damage** with the same level of priority.
- c. If coverage under more than one Policy issued by **us** or any other insurer applies as excess:
 - (1) the total limits of liability shall not exceed the difference between the limit of liability of the coverage that applies as primary and the highest limit of liability of any one of the coverages that apply as excess uninsured coverage or underinsured coverage; and
 - (2) **we** are liable only for **our** share. **Our** share is that proportion of the damages that the highest limit of liability of any Policy issued by **us** bears to the total of all uninsured coverage or underinsured coverage applicable as excess to the **accident**.

ARBITRATION

If **we** and an **insured** are unable to agree as to either:

1. Whether the **insured** is legally entitled to collect damages from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**; or
2. The amount of compensatory damages the **insured** is legally entitled to recover;

then the resolution of the disagreement may be submitted for determination by Arbitration, in accord with Illinois insurance law, 215 ILCS 5/143a (as amended), if demanded by written notice by either the **insured** or **us**.

If there is arbitration, then:

1. Each party will select an impartial and qualified arbitrator. Those two arbitrators will select a third impartial and qualified arbitrator. If such arbitrators are not selected within forty-five (45) days from such request, either party may request that the arbitration be submitted to the American Arbitration Association. Alternatively, arbitration may be commenced initially by submitting it to the American Arbitration Association.
2. The cost of any attorney shall be paid by the party who hired that attorney.
3. The cost of the expert witness shall be paid by the party who hired that witness.
4. Absent a specific award of costs and fees by the arbitrators, costs and fees associated with the arbitrators will be paid by the party designating such arbitrator, together with one-half (1/2) of the fees and costs of the third arbitrator. If the arbitrators award reasonable arbitration costs, fees or expenses, **we** will pay only that portion of such an award that is necessary to prevent the amount available under Part III of this policy for payment of compensatory damages awarded by the arbitrators from being reduced to an amount less than **minimum limits**.
5. The arbitration shall take place in the county in which the **insured** resides unless the parties agree to another place.
6. Rules of procedure and evidence will apply according to Illinois law.
7. A decision by the arbitrators will be binding as to:
 - a. whether or not that **insured** is legally entitled to recover damages for **bodily injury** or **property damage** from the **owner** or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**; and
 - b. the amount of compensatory damages that the **insured** is entitled to recover against the owner or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**, but **we** will have no liability greater than **our** limit of liability.

However, as to **bodily injury** caused by an **uninsured motor vehicle**, that decision by the arbitrators shall be binding only if the amount of damages awarded does not exceed the lesser of either:

- a. the limits shown on the **declarations page** for Uninsured/Underinsured Motor Vehicle Bodily Injury Coverage; or
- b. \$75,000 for **bodily injury** to any one **person**, or \$150,000 for **bodily injury** to 2 or more **persons** in any one **accident**.

If the amount of the award for **bodily injury** caused by an **uninsured motor vehicle** exceeds the limits set forth directly above, either party may demand the right to trial. This demand must be made within sixty (60) days of the arbitrators' decision. If this demand is not made within sixty (60) days, the amount of damages agreed to by the arbitrators will be binding.

8. The arbitrators have no authority to:
 - a. decide issues of coverage;
 - b. award any amount:
 - (1) in excess of the limit of liability; or
 - (2) as **punitive or exemplary damages**;
 - c. resolve any dispute or decide issues as to anything other than the legal liability and damages; or
 - d. consolidate claims or disputes in arbitration without the mutual consent of the parties.
9. No party shall be entitled to arbitrate any claims or disputes in a representative capacity or as a member of a class.

SETTLEMENT

If the **insured** and the **person** or party legally liable for the **insured's bodily injury** or **property damage** reach a settlement agreement, the **insured** must submit the agreement to **us** in writing and secure **our** approval prior to final execution of such settlement agreement if:

1. The settlement would not fully satisfy the **insured's** claim for **bodily injury** or **property damage**; or
2. A claim has been or will be made against **us** for benefits under this Part III.

The **insured** may file suit against **us** and the legally liable **person** if, within thirty (30) days after **our** receipt of the settlement agreement, **we** do not:

1. Approve the settlement;
2. Waive **our** rights of recovery against the **person** or party legally liable for the **bodily injury** or **property damage**;
3. Authorize the signing of a full release; or
4. Pay the amount offered in settlement and receive an assignment by the **insured** of all claims against the owner and driver of the **uninsured motor vehicle** or **underinsured motor vehicle**. If this occurs, the **insured** must file a lawsuit against the owner and driver of the **uninsured motor vehicle** or **underinsured motor vehicle** before the expiration of the bodily injury statute of limitations, in order to protect **our** rights, and the **insured** must cooperate with **us** in any such lawsuit.

PART IV – PHYSICAL DAMAGE COVERAGES

Comprehensive Collision

INSURING AGREEMENTS

Comprehensive Coverage

If the premium for Comprehensive Coverage was paid when due and the coverage is shown on the **declarations page**, **we** will pay, subject to all Policy terms, for a **comprehensive loss** to the following, including its **original equipment**:

1. An **insured vehicle**.
2. A **temporary substitute auto** if that **auto** is:
 - a. driven by, or in the custody of, **you, your spouse**, a **relative** or an **additional driver**; and
 - b. used within the scope of consent of the **owner** or **person** in lawful possession of such **auto**.

If Comprehensive Coverage applies to a **loss**, **we** will also:

1. Repay **you** for transportation costs incurred if an **insured vehicle** is stolen in its entirety, subject to a maximum of up to \$10 per day, but not more than \$300 per theft of an **insured vehicle** for the period that:
 - a. begins forty-eight (48) hours after **you** tell **us** and the police of the theft; and
 - b. ends when an **insured vehicle** is recovered, repaired or replaced, or forty-eight (48) hours after **we** offer to pay for the **comprehensive loss**.
 Transportation costs will not be paid under this clause if **we** pay you any higher limit under Rental Reimbursement. **You** must provide **us** verifiable written proof of **your** transportation expenses.
2. Pay the reasonable charges for necessary towing for which **you** become legally liable because of an **insured vehicle** being transported after a **loss**, but **we** will not pay more than the average towing charge in the geographic area where the **loss** occurred. **You** must provide **us** verifiable written proof of **your** towing expenses.
3. Pay for a **child restraint system** that was in use by a child in the **insured vehicle** or **temporary substitute auto**, and also damaged in an **accident** or **loss** for which coverage applies here.

If **we** can pay the **loss** under either Comprehensive Coverage or Collision Coverage, **we** will pay under the coverage where **you** are paid the most.

Collision Coverage

If the premium for Collision Coverage was paid when due and that coverage is shown on the **declarations page**, **we** will pay, subject to all Policy terms, for **loss** caused by impact with any object or **person**, or overturning or upset, to:

1. An **insured vehicle**.
2. A **temporary substitute auto** if that **auto** is:
 - a. driven by, or in the custody of, **you**, **your spouse**, a **relative** or an **additional driver**; and
 - b. used within the scope of consent of the **owner** or **person** in lawful possession of such **auto**.

When this coverage applies to an **auto** it includes that **auto** and its **original equipment**.

If Collision Coverage applies to a **loss**, **we** will also pay:

1. The reasonable charges for necessary towing for which **you** become legally liable because of an **insured vehicle** being transported after a **loss**, but **we** will not pay more than the average towing charge in the geographic area where the **loss** occurred. **You** must provide **us** verifiable written proof of **your** towing expenses.
2. For a **child restraint system** that was in use by a child in the **insured vehicle** or **temporary substitute auto**, and also damaged in an **accident** or **loss** for which coverage applies here.

DEFINITIONS FOR PHYSICAL DAMAGE COVERAGES

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in these Physical Damage Coverages, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Physical Damage Coverages:

“Actual cash value” means the fair market value of the stolen or damaged property immediately prior to the **accident** or **loss**, adjusted by the following:

1. The age, mileage and physical condition of the property;
2. Prior damage; and
3. **Depreciation**.

“Comprehensive” loss is breakage of glass (unless Collision Coverage applies to that breakage of glass) or any **loss** caused by any event other than collision, including, but not limited to, any of the following:

1. Contact with bird or animal;
2. Fire or explosion (unless caused by a collision);
3. Earthquake;
4. Malicious mischief or vandalism;
5. Missiles;

6. Falling or thrown objects;
7. Riot or civil commotion;
8. Theft or larceny;
9. Windstorm or hail; or
10. Water or flood.

“**Cost of repair or replacement**” means the amount necessary to:

1. Repair physical damage to return property to its pre-**loss** physical condition; or
2. Replace stolen or damaged property;

as determined by **us**, based on one of the following methods, at **our** option:

1. The cost of repair or replacement as agreed upon by **you** and **us**;
2. A competitive bid approved by **us**; or
3. **Our** written estimate based upon the reasonable prevailing competitive price in the area where the property is to be repaired, as reasonably determined by **us**.

To determine the **cost of repair or replacement**, **you** agree that parts and equipment, as allowed by law, may be new, refurbished, reconditioned, restored, remanufactured, or used, including, but not limited to:

1. **Original equipment manufactured** parts or equipment (**OEM**); and/or
2. **Non-original equipment manufactured** parts or equipment (**non-OEM**).

We may specify the use of parts that are not **OEM** (except where not permitted by law).

To determine the covered **cost of repair or replacement**, the cost will be reduced by unrepaired prior damage. Unrepaired prior damage includes broken, cracked or missing parts; rust; dents; scrapes; gouges; and peeling paint. The reduction for unrepaired prior damage is the cost of labor, parts and materials necessary to repair or replace damage, deterioration, defects and wear and tear on exterior body parts, windshields and other glass, wheels, and paint, that existed prior to the **accident** and that is eliminated as a result of the repair or replacement of property in the **loss**.

“**Depreciation**” means the reduction in value of property due to wear and tear, and the decline in value of an object’s parts and components over the course of its useful life.

“**Loss**”, when used in this Part IV only, means sudden, direct, and accidental physical damage. For Comprehensive Coverage, “**loss**” also includes full or partial theft. “**Loss**”, under this Part IV, does not mean or include any **diminution of value**.

“**Original equipment manufactured**” and “**OEM**” mean parts, equipment or items produced and/or installed by:

1. The manufacturer of the vehicle; or
2. A vendor of the manufacturer of the vehicle that the manufacturer intends as part of the vehicle or a manufacturer’s option when new.

“**Original equipment**” means equipment, devices or accessories that are **permanently installed**:

1. By the original factory manufacturer of the vehicle at the time of its original assembly or fabrication;
2. By the vehicle dealer as an original manufacturer new car option at the time of the vehicle’s original retail sale and purchase; or
3. To replace an item in paragraph 1 or 2 above in this definition with equipment, devices or accessories with similar function and value if such item is common to the use of an **insured vehicle** as a vehicle.

“**Permanently installed**” means a part or item is attached by bolts, brackets, screws, paint, adhesive, welding or other means so that it cannot be unattached without the use of tools or chemicals.

“**Windshield**” is the front window glass panel of an **auto**, and does not include the side or back windows.

RENTAL REIMBURSEMENT

RENTAL REIMBURSEMENT

If Rental Reimbursement coverage is shown for an **insured vehicle** on **your declarations page**, we will reimburse up to the daily (per day) limit shown for this coverage on **your declarations page**, for up to the number of days shown on the **declarations page**, the cost incurred by **you** for:

1. Rental of a **temporary substitute auto** from an **auto** rental agency or a **motor vehicle business** that repairs **autos**; or
2. Use of Uber, Lyft or similar ride service from a **transportation network company**.

Rental Reimbursement coverage that applies:

1. Begins:
 - a. when an **insured vehicle** cannot be driven due to a **loss** covered by Collision Coverage or Comprehensive Coverage; or
 - b. if an **insured vehicle** can be driven, when the **insured vehicle** is delivered to a **motor vehicle business** for repairs due to the **loss**; and
2. Ends the earliest of:
 - a. when the **insured vehicle** has been repaired or replaced;
 - b. returned to **you**; or
 - c. forty-eight (48) hours after **we** offer a fair cash settlement for a total **loss**.

We must be given verifiable written proof of the rental costs **you** have incurred unless **we** elect to directly pay the **motor vehicle business** that rented the **auto** to **you**. If Rental Reimbursement applies, no payment will be made for temporary transportation. Duplicate recovery for identical elements of damages is not permitted under this Policy.

EXCLUSIONS

THERE IS NO PHYSICAL DAMAGE COVERAGE OF ANY KIND, NOR ANY OTHER TYPE OF COVERAGE UNDER THIS PART IV, FOR OR RELATED TO:

1. **Loss** or damage to any **auto** (including an **insured vehicle** or **temporary substitute auto**, or any other **motor vehicle** to which Comprehensive Coverage or Collision Coverage applies):
 - a. that occurs while it is:
 - (1) rented, leased or subleased by **you**, **your spouse**, a **relative** or an **additional driver** to any other **person** or party in exchange for any form of value, compensation or reimbursement;
 - (2) entrusted to another **person** or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession;
 - (3) under a conditional sales agreement and is no longer in **your** possession;
 - (4) used as a public or livery conveyance;
 - (5) used in any **business** that involves the transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose;
 - (6) used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products; or
 - (7) used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time of log-on to the **transportation network company's** online-enabled application or platform until log-off from the online-enabled application.
 - b. due and related only to:
 - (1) freezing;
 - (2) mechanical or electrical breakdown; or
 - (3) road damage to tires.
 - c. due and related only to:
 - (1) the lack of routine and/or proper maintenance; or
 - (2) manufacturer's defects or faulty materials or parts.
 - d. due to taking by any government or civil authority.
 - e. due to **war**.

- f. due to any **nuclear event**.
 - g. used for **rac**ing.
 - h. that is:
 - (1) caused intentionally by or at the direction of **you, your spouse, a relative, an additional driver**, or the **owner** of the property; or
 - (2) should be reasonably expected to result from an intentional act of **you, your spouse, a relative** or an **additional driver**, even if the **loss** that results is not of the same nature that was intended to be caused.

However, this Exclusion does not apply to an innocent co-insured's legal interest in property if the:

 - (1) innocent co-insured did not cooperate in or contribute to the cause of the **loss**;
 - (2) **loss** arose out of an act of domestic violence; and
 - (3) **person** who caused the **loss** is criminally prosecuted for the act causing the **loss**.
 - i. caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of, **fungus or mold**, without regard to the factors causing or contributing to its growth, or for any testing or remediation of **fungus or mold**. This Exclusion does not apply if the **fungus or mold** are the direct result of a covered **loss** that is payable under Comprehensive Coverage or Collision Coverage (if purchased).
2. **Loss** or damage to any **motor vehicle** due to theft or conversion:
 - a. by **you, a relative, an additional driver** or any **resident** of **your** household;
 - b. prior to its delivery to **you, a relative** or an **additional driver**; or
 - c. while in the care, custody, or control of anyone engaged in a **motor vehicle business** or in possession of the **motor vehicle** for consignment or sale.
 3. **Loss** or damage to any **motor vehicle** operated by a **person** who is listed as an excluded driver on the **declarations page**.
 4. **Loss** or damage to an **insured vehicle** while it is no longer in **your** possession because it has been entrusted to another **person** or party to be leased, subleased or sold.
 5. **Loss** or damage to any **temporary substitute auto** used by **you, your spouse, a relative** or an **additional driver** without permission to do so from its **owner**.
 6. **Loss** or damage to any **auto** rented by **you, your spouse, a relative** or an **additional driver** unless:
 - a. it is a **temporary substitute auto**; and
 - b. the **business** renting that **auto** is entitled to recover for the **loss** under the terms of the rental agreement or under law, but subject to the Other Insurance clause.
 7. **Loss** or damage to any:
 - a. items of personal property (including, but not limited to, wearing apparel, compact discs, tapes, citizens band radio, ham radio, devices wholly or partially designed to prevent radar detection or circumvent any other law enforcement detection measures, tools) unless covered as **permanently installed original equipment**; or
 - b. part or equipment that is not **permanently installed** in the **auto** or **motor vehicle**.
This does not apply to a **child restraint system** being used by a child in an **insured vehicle** or **temporary substitute auto**, and damaged in an **accident** or **loss** for which coverage applies here under Part IV.
 8. **Loss** or damage that results from the commission of a **crime** by **you, your spouse, a relative** or an **additional driver**.
 9. **Loss** or damage that results from **hazardous materials**.
 10. Repossession by any party acting on behalf of the **owner** of an **insured vehicle** or **newly acquired auto**.
 11. **Diminution in value**.
 12. **Loss** or damage to an **insured vehicle** that is not principally garaged at an address shown on the **declarations page**, including when the **insured vehicle** is in the possession or use of **your** child who is temporarily residing away from **your** household to attend school or serve in the armed forces of the United States.
 13. **Loss** or damage that arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
 14. **Loss** or damage to any **auto** while it is being repaired, serviced or used by any **person** while that **person** is working in any **motor vehicle business**.

15. **Loss** or damage to any **auto** while used in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
16. **Loss** or damage to any **insured vehicle** operated by an **undisclosed operator** with express or implied permission from **you**.
17. **Loss** or damage to any **motor vehicle** other than an **insured vehicle** while operated by an **undisclosed operator**.
18. **Loss** that arises out of the use of an **insured vehicle** for the removal or plowing of snow.

LIMITS OF LIABILITY

The limit of **our** liability for any covered **loss** to an **auto** shall not be more than the lowest of the:

1. **Actual cash value** of the damaged or stolen property at the time of the **loss**;
2. **Cost of repair or replacement**; or
3. The Physical Damage Coverage limit shown on the **declarations page**.

Our payment will not include, and **you** are responsible for (when applicable), the amount of:

1. Any deductible that applies as shown on **your declarations page**. If the **loss** is to more than one **insured vehicle** in one collision, a separate deductible shall apply to each **insured vehicle**. If the **loss** is the result of more than one **accident** or **loss**, a separate deductible shall apply to each **accident** or **loss**.
2. Betterment to any property, including any costs for labor, parts, and materials to repair prior damage, deterioration, wear and tear and defects to the property that had not been repaired prior to the **loss**. The reduction for betterment includes, but is not limited to depreciation to:
 - a. batteries;
 - b. tires;
 - c. engines and transmissions if the engine has greater than 80,000 miles; and
 - d. any other mechanical parts, meaning parts that wear out over time or have a finite useful life or duration typically shorter than the life of the vehicle as a whole, that are not functioning or operating. "Mechanical parts" do not include external crash parts, wheels, paint, windshields or other glass.
3. The salvage value if **you** or the **owner** retains salvage.
4. Any custom equipment, meaning equipment, parts, devices, accessories, enhancements and/or changes to an **auto** or vehicle that:
 - a. are not **original equipment**; and
 - b. have been added to alter performance, function or appearance of the **auto**.

If coverage under this Part IV applies to a **temporary substitute auto**, then the Comprehensive Coverage or Collision Coverage that applies to the **insured vehicle** it temporarily replaces will apply, with the associated deductible.

We have no duty under Part IV of this Policy to cover or pay for any **diminution in value**.

We have no duty under Part IV of this Policy to cover or pay for any storage costs in excess of the storage **we** reasonably determine is the average or customary charge for such storage in the geographic area.

You must authorize **us** to move any damaged **insured vehicle** to a storage facility of **our** choice at **our** expense. If **you** do not, **we** have no duty to pay any storage costs that are incurred but would have been avoided or reduced had the property been moved to a storage facility of **our** choice.

If **you** agree to have a **windshield** repaired at **our** expense after a **loss**, no deductible will be applied, and **we** have no duty to also:

1. Pay the **actual cash value** of that **windshield**; or
2. Replace that **windshield**.

There shall be no recovery of duplicate payments from **us** for the same elements of **loss**, expense or damage already paid:

1. Under any coverage or Part of this Policy; or
2. By any other insurance or any other source of recovery.

SETTLEMENT OF LOSS - COMPREHENSIVE & COLLISION

We may make payment directly to:

1. **You**, the **owner** of the property, or the loss payee/lienholder (if any is designated); or
2. A repair facility with **your** prior consent.

If **we** make a payment for theft or total **loss**, **you** or the **owner** must transfer the title of that property to **us** at or before the time of payment (unless **you** or the **owner** are keeping the salvage).

We may:

1. At **our** expense, return any stolen property to **you**, to the address shown on **your declarations page**, or to any other **owner**. If **we** return stolen property, **we** will pay for covered damage resulting from the theft.
2. Keep all or part of the property at an agreed or appraised value, but there shall be no abandonment of property to **us**.

We have no duty to keep or preserve salvage.

NO BENEFIT TO BAILEE

This Policy, and the coverages under it, shall not directly or indirectly benefit any carrier or other bailee for hire.

APPRAISAL

If **we** cannot agree with **you** on the amount of **loss**, either party may demand an appraisal of the **loss**. If a demand for an appraisal is made, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will separately determine the **actual cash value** and the amount of **loss**. If the appraisers fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. A decision agreed to by any two will be binding.

The appraisers and umpire have authority only to decide the **actual cash value** of the **auto** and the amount of the **loss**. They have no authority to:

1. Decide any coverage or policy issues under the Policy; or
2. Award any fees, interest or costs.

Each party will:

1. Pay its chosen appraiser; and
2. Equally share in the payment of the expenses of the umpire and appraisal.

Neither **we** nor **you** waive any of rights under this Policy by agreeing to an appraisal.

LOSS PAYEE

If a "loss payee" or lienholder is designated and shown on **your declarations page**, then a covered **loss** to an **insured vehicle** or a **newly acquired auto** under this Policy will be paid according to **your** interest and that of any such loss payee or lienholder, and subject to the applicable deductible. At **our** option, **we** may make separate payments according to those interests.

If **we** pay a repair shop directly for repair of a **loss** with **your** consent, **we** have no duty to the loss payee or lienholder with respect to that **loss**.

If the loss payee or lienholder makes a claim under this Policy, the loss payee or lienholder:

1. Must abide by all terms and conditions of this Policy; and
2. Has no greater rights than **you** to receive any payment.

We have no duty to make any payment to a loss payee or lienholder unless the **loss** is payable to **you** and all Policy terms and conditions have been met. The interest of the loss payee or lienholder will not be protected if:

1. A claim is denied due to a breach of any of the terms of this Policy or the duties owed to **us**;
2. Fraud, misrepresentation, material omission, intentional damage, or conversion, secretion and/or embezzlement of an **auto** has been committed by or at the direction of **you, your spouse, a relative, an additional driver, any insured** or any other **person** residing in **your** household; or
3. The **loss** is not otherwise covered under the terms of this Policy.

If **we** pay the loss payee, to the extent of the payment, **we** shall be subrogated to the loss payee's rights of recovery.

We may void or terminate this Policy according to its terms. Any such voiding or termination shall also void or terminate this agreement as to any loss payee's or lienholder's interest. **We** will give notice as required by law.

OTHER INSURANCE OR COVERAGE

If there is other similar coverage or source of recovery, the following apply:

1. **Policies/Coverage issued by Us**
 - a. If this Policy and any other **auto** or **motor vehicle** insurance Policy issued to **you** by **us** (or any insurers that have common ownership with **us**) provide this coverage and apply to the same **loss, our** limit of liability under all those policies shall not exceed the highest limit of liability that applies for such coverage under any one of those policies. The limit of liability may not be added, combined or stacked with similar coverage under any other **auto** or **motor vehicle** Policy issued by **us** (or any insurers that have common ownership with **us**).
 - b. When more than one coverage under this Policy applies to the **loss, you** may recover under the single broadest coverage, but no recovery is allowed under more than one coverage under this Policy.
2. **Coverage available from other sources**
 - a. Subject to all other terms in this Other Insurance clause and the Policy, if any other insurance or source(s) of recovery cover the **loss, we** will pay only **our** share of any **loss**. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits.
 - b. However:
 - (1) when this Policy covers a **temporary substitute auto**, this coverage is excess to any other coverage or source of recovery, and **we** will not pay any amount under this coverage until after all other collectible insurance and source(s) of recovery have been exhausted by payment after the deductible under that other insurance has been met. **We** do not pay any portion of a deductible that applies under the other insurance on that **temporary substitute auto**.
 - (2) this Policy's coverage does not apply to a **newly acquired auto** if there is any other collectible insurance or source(s) of recovery on or applicable to that **newly acquired auto** except under a Policy issued by **us** or an insurance company that has common ownership with **us**.

PART V – TOWING AND LABOR COVERAGE

INSURING AGREEMENT

If **you** have paid the premium for Towing and Labor Coverage when due, and it is shown on **your declarations page, we** will pay the fair cost incurred by **you** for towing and labor when an **insured vehicle** is **disabled**, subject to the following:

1. **You** are limited to six (6) occurrences per six (6) month policy period.
2. Labor on an **insured vehicle** must be performed at the place it becomes **disabled**.
3. **Our** limit is the per occurrence Towing and Labor Coverage limit shown on the **declarations page**.
4. This coverage does not apply when the **insured vehicle** becomes **disabled**:
 - a. more than one-hundred (100) feet from a driveway or public road; or
 - b. at **your** residence.
5. If the labor is the delivery of fuel, oil, change of a tire, loaned battery or replacement key, **we** do not pay for the cost of any of these items.

DEFINITIONS FOR TOWING AND LABOR COVERAGE

Words and phrases shown in **bold face** type have the meaning set forth here when that word or phrase is used in this Towing and Labor Coverage, even if the word or phrase is being used in the singular, plural, possessive or active or passive tense.

As used in this Towing and Labor Coverage "**disabled**" means the **insured vehicle** becomes inoperable due to:

1. mechanical or electrical breakdown;
2. battery failure;
3. lack of fuel, oil, or water;
4. flat tire;
5. lock-out; or
6. entrapment within one-hundred (100) feet of a public road or highway.

EXCLUSIONS

THERE IS NO TOWING AND LABOR COVERAGE FOR:

1. Installation of products or materials not related to the reason the **insured vehicle** is **disabled**;
2. Labor not related to the reason the **insured vehicle** is **disabled**;
3. Labor in excess of sixty (60) minutes;
4. Towing or storage related to impoundment, abandonment, illegal parking, or other violations of law;
5. Towing from a service station, garage, repair shop or other **motor vehicle business**;
6. Labor or repair work performed at a service station, garage, repair shop or other **motor vehicle business**;
7. **Motor vehicle** storage charges;
8. A second service call or tow for a single occurrence;
9. The **insured vehicle** is **disabled** on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction;
10. Mounting or removing of snow tires or chains; or
11. The **insured vehicle** is **disabled** as a result of an intentional or willful act or actions by **you, your spouse, a relative, an additional driver, or the operator of the disabled insured vehicle.**

PART VI – ACCIDENTAL DEATH COVERAGE

INSURING AGREEMENT

If **you** have paid the premium for Accidental Death Coverage when due, **we** will pay the limit shown on the **declarations page** in the event of the death of an **insured** that is a direct result of **bodily injury** sustained in an **accident** arising from the ownership, maintenance, or use of an **insured vehicle**, subject to all Policy terms, if the death occurs within ninety (90) days of the **accident**.

No amount is payable under this coverage until after

1. **We** receive:
 - a. a copy of the **insured's** death certificate;
 - b. a sworn statement from the legal representative of the **insured's** estate which identifies all beneficiaries, heirs and legatees entitled to share in the benefit under this coverage and the proportion of each share; and
 - c. written corroboration that the death resulted from **bodily injury** sustained in the **accident** if requested by **us**; or
2. **We** deem that **we** have received other sufficient proof.

DEFINITIONS FOR ACCIDENTAL DEATH COVERAGE

When shown in **bold** type in this Part VI, “**insured**” means **you, your spouse, relatives, and additional drivers**, even if the word is being used in the singular, plural, possessive or active or passive tense. However, “**insured**” does not include an **undisclosed operator**.

EXCLUSIONS

THERE IS NO COVERAGE UNDER ACCIDENTAL DEATH COVERAGE RESULTING FROM A **BODILY INJURY** RESULTING FROM AN **ACCIDENT**:

1. Incurred while **occupying** or through being struck by any motor vehicle (other than an **insured vehicle** that is insured for this coverage or a **newly acquired auto**) owned by, or furnished or available for the regular use of, **you, your spouse, a relative** or an **additional driver**.
2. To the extent worker’s compensation benefits are required to be payable.
3. Incurred while **occupying** an **insured vehicle** or a **newly acquired auto** while it is:
 - a. rented, leased or subleased by **you, your spouse, a relative** or an **additional driver** to any other **person** or party;
 - b. being used as a public or livery conveyance;
 - c. being used for any transport of **persons** for compensation or a fee, or in the course of any similar for-profit activity. This exclusion applies to the pickup, carrying and drop off of **persons**. This exclusion also applies to use of a **motor vehicle** from the moment an **insured** participating in activities with a **transportation network company** logs on to the **transportation network company’s** online-enabled application or platform until log-off from the online-enabled application. This exclusion applies to any ride-share network or services, charter-party carrier services, passenger-stage company, car service, livery service or similar activity for any compensation, income, profit, fee, or charge paid by or for any occupant of the **motor vehicle**. This does not apply to a share-the-expense car pool or use for a charitable or volunteer purpose;
 - d. being used for any transport or delivery of property or goods for compensation or a fee by a driver participating in activities with a **transportation network company**, including from the time of log-on to the **transportation network company’s** online-enabled application or platform until log-off from the online-enabled application;
 - e. being used for the wholesale or retail pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, mail, flowers or any other products;
 - f. being used for snow removal;
 - g. parked and being used as a residence or premises;
 - h. towing a **trailer** which is used as an office, store, display, or recreational vehicle; or
 - i. that occurs while an **insured vehicle** is being towed or is towing a **motor vehicle**.
4. Incurred while the **insured vehicle** is parked and being used as a residence or premises.
5. Incurred while the **insured vehicle** is used in any **racin**g.
6. Caused by **war**.
7. That results from any type of **nuclear event**.
8. Caused by, or arising out of the actual, alleged or threatened presence, growth, proliferation or spread of **fungus or mold**, without regard to the factors causing or contributing to its growth.
9. Sustained by an **insured** due to **hazardous materials** being transported by an **insured**.
10. Self-inflicted or caused by an intentional act of the **insured** or at the direction of the **insured**.
11. Sustained by an **insured** in the commission of a **crime** by that **insured**.
12. That arises out of the operation of a **motor vehicle** by a **person** who is listed as an excluded driver on the **declarations page**.
13. That arises out of the use of any **motor vehicle** in any **business** or commercial activity. This does not apply to **your** use of an **insured vehicle** for which **you** have purchased Business Use Coverage if the use of that **auto** is within the scope of the **business** use that has been approved by **us** for Business Use Coverage.
14. That arises out of the use of an **insured vehicle** in connection with a personal vehicle sharing program or other similar program that engages in the business of facilitating the sharing of **motor vehicles**.
15. That occurs while an **insured** is not wearing a factory installed seat belt and lap or shoulder restraint, as verified by the investigating law enforcement officer.

16. That occurs to an **insured** who is operating an **insured vehicle** while under the influence of alcohol or a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812, as amended. Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. This exclusion does not apply to the lawful use of prescription drugs by a person following the orders of a licensed physician. An irrebuttable presumption of driving “under the influence” is deemed established if the **insured** has a blood alcohol level at or greater than the legal limit for operators of a **motor vehicle** in the state in which the **accident** occurs.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Accidental Death Coverage is the most **we** will pay in the event of the death of an **insured**.

PAYMENT OF BENEFITS

At **our** option, **we** will pay benefits under Accidental Death Coverage to:

1. **Your spouse** if that **person** survives **you** and was residing in **your** household at the time of **your** death; or
2. The legal representative of **your** estate named under **your** Last Will and Testament, or who is otherwise appointed by a court with jurisdiction.

DUTIES DUTY TO GIVE NOTICE

Any failure to give notice to **us** or to law enforcement authorities as required by this Policy, or any failure to perform a duty listed in this Policy, may result in a partial or total denial of coverage under this Policy.

ALL **PERSONS** AND **INSUREDS** TO WHOM COVERAGE MAY APPLY MUST GIVE PROMPT NOTICE TO **US** OF ANY:

1. **Accident or loss:**

We, or **our** authorized agent, must be given notice immediately or as soon as practicable after any **accident** or loss as to the fact it took place, and the time, place and date of its happening. As soon as known or as soon as practicable after known, also give **us** the following details:

 - a. all names and other relevant information of who was involved in the **accident** or loss. This also includes, but is not limited to, witness, injury and loss information (names, addresses and telephone numbers of any injured **persons** and witnesses);
 - b. license plate information of vehicles involved or vehicle descriptions;
 - c. all known driver license information of **persons** involved;
 - d. any law enforcement action taken;
 - e. driving conditions; and
 - f. any other relevant information.
2. **Claim or lawsuit:**

We must be given prompt and timely notice of any:

 - a. claim being brought; or
 - b. lawsuit that has been or is being filed;that may affect this Policy and the benefits and rights under it. Copies of all notices, summons and/or other legal papers and process, either sent or received, in connection with any **accident** or loss also must be given to **us**.

Notice to **our** authorized agent is notice to **us**.

GIVE PROMPT NOTICE TO LAW ENFORCEMENT WITHIN TWENTY-FOUR (24) HOURS OR AS SOON AS PRACTICABLE OF ANY **ACCIDENTS** OR LOSS THAT INVOLVE:

1. Vandalism or theft;
 2. Hit-and-run vehicles; or
 3. Unidentified at-fault drivers;
- and complete an official report to a law enforcement agency with jurisdiction.

DUTY TO COOPERATE

You, your spouse, relatives, additional drivers, and “insureds” under any Part of this Policy, and any other **person** or party seeking coverage from this Policy (or any such **person’s** or party’s legal representative) must cooperate in all matters with **us**, provide information to **us**, and comply with all notice requirements, duties and terms set forth in this Policy, and help **us** settle any and all claims.

As needed to settle a claim, any such **person** or party must:

1. Take reasonable steps after damage to or loss of property to:
 - a. protect all property insured from further damage or loss. **We** will pay reasonable expenses incurred to protect that property;
 - b. preserve, to the extent possible, any and all damaged property for inspection; and
 - c. prevent costs when not necessary including, but not limited to, storage fees, impound fees, and parking fees.
2. Allow **us** to inspect and/or take pictures or video of:
 - a. any **auto** or vehicle being used at the time of, or that was involved in, an **accident** or **loss**; and
 - b. all damage to or loss of property so it can be appraised before repair, replacement or disposal.
3. Give **us** proof of loss or claim, and under oath, if so required by **us**.
4. Cooperate with **us** to investigate, settle and/or defend any claim, arbitration, mediation, appraisal or lawsuit, and help **us** as needed to:
 - a. make settlements;
 - b. get or secure evidence;
 - c. give evidence;
 - d. obtain the attendance of witnesses at hearings, depositions and trial; and
 - e. conduct arbitration, mediation, appraisal or lawsuits.
5. Give **us** as often as **we** reasonably request:
 - a. current and prior **accident**, loss, **bodily injury** and treatment information; and
 - b. written authorization to obtain any such information **we** find is relevant or may lead to relevant information.
6. Provide medical authorizations and submit to physical and mental exams, to be done at **our** expense by licensed health care providers **we** select, as often as **we** may reasonably require.
7. Give **us**, or allow **us** to get, written and/or recorded statements as often as **we** reasonably require.
8. Give **us**, and allow **us** to get with written authorization to be given to **us** by any **person** seeking coverage under this Policy, any and all relevant records and/or documents (or copies thereof) including, but not limited to:
 - a. medical records and reports, including current reports, notes and tests results, records of prior medical history and treatment, therapy records, and counseling records;
 - b. credit and financial records;
 - c. photographs;
 - d. telephone, including cellular, text messaging and all other telephonic communication records, including billing records;
 - e. employment, income and/or wage information;
 - f. current and prior insurance claims records; and
 - g. other records, receipts and/or invoices deemed by **us** to be relevant to investigate or settle a claim.
9. Allow or authorize **us** to get any information on any data, video device, maintenance or event recorder device installed or used in an **auto** as **we** deem relevant to the facts of the **accident** or loss. This may include information on, but is not limited to, any on-board computer, global positioning system (“GPS”) or data recorder.
10. Make a statement under oath or take an examination under oath (“EUO”), in which case, it will be:
 - a. at a reasonable location of **our** choice;
 - b. conducted by **us**, or **our** representative, as often as **we** reasonably require;
 - c. outside the presence of any witness, **person** or party making a claim due to the same **accident** or loss, or any other **person** except for:
 - (1) that **person’s** legal counsel; and
 - (2) if the **person** giving the EUO is a minor, that **person’s** parent or guardian; and
 - d. video and/or audio, or court reporter, recorded as **we** so choose.

We may also require a statement under oath or an EUO from:

- a. **you, your spouse**, any **relative**, any **additional driver** and any **person** who is insured under any Part of this Policy who may be able to help **us** to get relevant information, even if that **person** is not claiming benefits under this Policy; or
 - b. any health care provider rendering services for which benefits are sought under this Policy.
11. Not admit fault, assume any obligation to other **persons** or parties, incur any expenses (other than first aid to others) nor prejudice **our** rights in any way.
12. To the extent that Uninsured Motorist Coverage and/or Underinsured Motorist Coverage is being sought:
- a. report the **accident** to **us** within thirty (30) days of the **accident**;
 - b. promptly notify **us** in writing of an offer of settlement between the insured and the **owner**, operator or insurer of the uninsured or underinsured motor vehicle; and
 - c. allow **us** thirty (30) days after notice to **us** of any offer of settlement to advance payment to that insured in an amount equal to the offer, to preserve **our** rights against the insurer, **owner**, and driver of any uninsured or underinsured motor vehicle.

DUTY TO REPORT CHANGES

The following duties are a condition of this insurance:

1. **POLICY CHANGES BY YOU.** **You**, or **your spouse** if **your spouse** is a listed driver on this Policy, must promptly, and no later than thirty (30) days after the date of a material change affecting this insurance or the premium due, give **us** or **our** agent notice of changes that may affect the risk **we** have assumed or the premium **we** charge for this insurance. Changes that must be promptly reported include, but are not limited to:
 - a. changes to the number, type, and/or use of **autos** or other **motor vehicles** that are principally garaged at **your** address or at **your** household;
 - b. changes to the garaging address of any **insured vehicle**;
 - c. **your spouse**, a **relative** or an **additional driver** buy or take possession of a **newly acquired auto**. However, **you** must give **us** notice no later than thirty (30) days after **you** buy or takes possession of a **newly acquired auto**;
 - d. a **person** who was not listed as a driver on this Policy becomes **your spouse**;
 - e. a **person** who was not listed as a driver on this Policy resides in **your** household;
 - f. a **person** residing in **your** household reaches the age of eligibility for a learners or driver license;
 - g. changes to the **persons** of legal driving age residing in **your** household;
 - h. changes to the number of **relatives** or other regular operators using any **insured vehicle**;
 - i. a change to the marital status of **you**, a **relative**, an **additional driver**, a **resident** of **your** household, or a driver listed on this Policy;
 - j. changes to the actual or beneficial ownership or registration of any **insured vehicle**;
 - k. changes to the driver license status, driving history, accident history or marital status of any **person** who **resides** in **your** household or who regularly operates an **insured vehicle**; or
 - l. any change to **your** mailing address, the address where **you reside**, and/or the principal place where **you** garage any **auto** or **motor vehicle** insured under this Policy.

Only **you** may request changes that require **your** signature on a state-mandated form in order to make the change in the Policy or coverage(s).

Any change that increases **our** liability must have **our** prior approval.

2. **POLICY CHANGES BY US.** This Policy, **your Application** (which is made a part of this Policy as if attached hereto), the **declarations page**, as may be amended by **us**, and endorsements to this Policy issued by **us**, contain all the agreements between **you** and **us**. Any changes to the terms of this Policy contract must be agreed upon in writing by **us**. This can be done by **our** issuance of a revised **declarations page**, an endorsement, or a revised Policy. If **we** make a change to this Policy during the Policy period that:
 - a. expands any coverage without an additional premium charge, **you** will have the expanded coverage effective the date **your** policy first renews after the date **we** implement that change in **your** state.
 - b. both expands and limits coverage, and is to be implemented with a general program revision, it will

be given to **you** and effective upon renewal.

3. **PREMIUM CHANGES.** If a change to **your** Policy requires a premium adjustment or other action, **we** will:

- a. adjust the premium or take required action, to be effective the date of the change, in accord with **our** Rules; and
- b. give **you** notice of the premium or other change.

The premium due for this Policy is based on information **we** have received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period, or take other appropriate action.

CLAIMS SETTLEMENT

To adjust claims and determine amounts to be paid under this Policy, **we** may use estimating, appraisal or injury evaluation records, systems or tools. These records, systems or tools may be developed by **us** or by third parties, and may include, but are not limited to, published resources, medical fee schedules, and/or computer software, databases, and specialized technology.

GENERAL PROVISIONS

POLICY PERIOD

This Policy applies only during the Policy period shown on the **declarations page**. Coverage will begin the later of:

1. 12:01 A.M. Eastern Time (ET); or
2. Any later time of **Application** for this Policy; and

coverage will end at 12:01 A.M. in the time zone that applies to **your** address shown on the **declarations page**.

This Policy does not apply:

1. During any lapse in coverage under this Policy, including the period between the date and time of cancellation of this Policy and the date and time of any reinstatement of this Policy; or
2. After this Policy has been cancelled or otherwise terminated.

If **you** apply for coverage on the same day the Policy is to start, no coverage shall apply on that first day of the initial Policy period before the time **you** apply for coverage and **we** accept the risk.

POLICY TERRITORY

This Policy applies to **accidents** and loss that take place only in the Policy territory. The Policy territory is:

1. The United States of America, its territories and possessions;
2. Canada and its provinces; and
3. While the **insured vehicle** is being shipped between their ports.

There is no coverage under any Part of this policy for **bodily injury**, property damage, loss or expense that occurs within the Republic of Mexico.

TRANSFER OR ASSIGNMENT

You may not transfer or assign any of **your** interests, rights and/or duties under this Policy except as allowed by the express terms of this Policy for assignment of benefits under Medical Payments Coverage.

This Policy cannot be transferred to another **person** or organization without **our** written consent. However, if a **named insured** shown on the **declarations page** dies during the Policy period, coverage, other than Accidental Death Coverage, will be provided for:

1. **Your spouse** if that **person** survives **you** and was residing in **your** household at the time of **your** death. Coverage applies to that **spouse** as if he or she were a **named insured** shown on the **declarations page**; and
2. Any **person** with legal custody of an **insured vehicle**, until a legal representative is qualified; and thereafter, **your** legal representative, but only with respect to and within the scope of, such representative's legal duty to maintain or use an **insured vehicle** as **your** representative.

After death of the **named insured**, this Policy may not be renewed and will terminate at the end of the Policy period.

Coverage shall not apply under this Policy to any **auto** that is not an **insured vehicle owned by you or your spouse** on the date of **your** death.

Anyone who obtains any interest in this Policy, or its benefits, is subject to all the terms and conditions of the Policy.

JOINT & INDIVIDUAL INTERESTS

When there are two or more **named insureds** shown on the **declarations page**, each acts for all to cancel or change the Policy. The action of one **named insured** is binding on all **persons** and parties under this Policy.

BUSINESS USE COVERAGE

Use of an **auto** or other vehicle in the scope or course of a **business** is not covered under this Policy unless:

1. **You** disclose that use to **us**;
2. That use is eligible for business Use Coverage under **our** Rules; and
3. **You** pay **our** Business Use Surcharge.

If **we** determine that **you** are eligible, and **you** pay **our** Business Use Surcharge when due, the exclusions that apply for use of an **auto** in a **business** will not apply to that disclosed use of an **insured vehicle** for which the surcharge has been paid when the **insured vehicle** is used:

1. To convey **you** from one location to another;
2. During and in the course and scope of **your** employment in that **business**; and
3. At the direction of **your** employer.

No other commercial or **business** use of an **auto** or any other vehicle in connection with a **business** will be covered.

An **insured vehicle** is not eligible for any **business** use except when **you** pay the Business Use Surcharge for that **auto**:

1. For consumer-oriented sales, service or direct home sales.
2. To transport tools or other materials used in a trade or **business** if:
 - a. no more than three (3) job sites are visited per day; and
 - b. there is no transport of chemicals, or explosive, toxic or flammable materials.
3. For rare **business**-related errands that do not include:
 - a. the transportation of passengers, clients or customers, prospective clients or customers, patients, or children or elderly persons whose care has been entrusted to **you** or **your** employer;
 - b. the pickup or delivery of property or goods, including, but not limited to, delivery of magazines, newspapers, food, or any other products; or
 - c. snow removal.

PREMIUM PAYMENT

The premium, and any fees or charges that apply, must be paid when due for coverage to apply. This coverage and benefits under this Policy are conditioned on **our** receipt of the full and valid payment of the initial down-payment of premium.

If **your** initial premium payment is by check, draft, credit card, ACH, EFT or any remittance other than cash, coverage under this Policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is an **uncollectible instrument** or **not honored upon presentment**, this Policy will be deemed void from its inception – which is as if the Policy never existed. This means that **we** will not be liable under this Policy for any coverage, claims, **loss**, expenses or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

We reserve the right to restrict the form of payment **we** will accept.

If **we** are required by law to make any payment after **we** void this Policy, **you** must pay **us** for all expenses incurred and payments made.

If **your** installment payment is by check, draft, or any remittance other than cash, coverage under this Policy will not continue if the check, draft or remittance is an **uncollectible instrument** or **not honored upon presentment** to the bank or other financial institution. If the check, draft, or remittance is **not honored upon presentment**, this Policy will be cancelled at the hour and date shown on the Notice of Cancellation that would have applied to the payment that was not honored.

If **your** renewal payment is by check, draft, or any remittance other than cash, coverage under this Policy will not renew or continue if the check, money order, MoneyGram, Ace Cash Express, draft, credit card, debit card, electronic funds transfer (EFT), ACH or other remittance, and it is an **uncollectible instrument** or **not honored upon presentment** to the bank or other financial institution.

If a check, draft, or remittance is an **uncollectible instrument** or **not honored upon presentment**, a service charge will be added to **your** account.

LATE PAYMENT

To continue **your** coverage without interruption or lapse, **your** installment or renewal premium payment must be received in **our** office prior to or on the payment due date shown on any notice from **us**. Payment effective dates and times vary according to the payment method. The times set forth below are all based on Eastern Time (ET).

1. Payments made through the Safe Auto Check by Phone System are effective the date and time the checking account information is relayed to the Customer Service Representative or **our** Automated Attendant.
2. Payments made through money wire services are effective the date and time printed on the receipt.
3. Payments made via credit card are effective the date and time the transaction is approved by the creditor.
4. Payments mailed via the United States Postal Service with a legible postmark are effective at 12:01 A.M. (ET), the day after the postmark date shown on the payment envelope.
5. Payments made via an overnight carrier with a legible received date and time are effective the day and time the overnight carrier receives the payment.
6. Payments mailed via the United States Postal Service with an illegible postmark or no postmark are effective at 12:01 A.M. (ET), the day **we** receive the payment envelope.
7. Payments delivered by an overnight carrier with an illegible received date and time or no received date and time are effective at 12:01 A.M. (ET), the day **we** receive the payment envelope.
8. Payments delivered via a same day carrier are effective the date and time **we** receive the payment in **our** office.
9. Internet-based check payments are effective the date and time the payment information is received by **us** and the "make check payment" button is clicked.
10. Internet-based credit card payments are effective the date and time the transaction is approved by the creditor.

We reserve the right to refuse to accept late payments on policies that have cancelled. If **we** do not accept **your** late payment, **we** may deposit **your** check and will then issue a refund of any amount due to **you** after the termination of the Policy.

POLICY NON-RENEWAL

1. NAMED INSURED'S NONRENEWAL:

If **we** offer renewal of the Policy and **we** do not receive the renewal premium payment when due, the nonpayment shall be deemed the **named insured's** rejection of **our** offer to renew the Policy, and **named insured** agrees that the Policy will expire and lapse under its own terms and automatically end at the end of the current Policy period. This will not apply if **we** agree to accept late payment after, and subject to, a lapse in coverage.

2. OUR RIGHT NOT TO RENEW THIS POLICY:

- a. **We** may decide not to renew or continue this Policy at the end of the Policy period shown on the **declarations page** for any reason allowed by law. If **we** decide not to renew or continue this Policy at the end of a Policy period, **we** will give **you** notice. Notice will be given at least thirty (30) days before the end of the Policy period. If **we** give **you** notice that **we** will not renew this Policy, **you** are

obligated to make any outstanding premium installment payments when due for the remainder of the policy period.

- b. However, after this Policy has been in effect or renewed for five (5) or more years, **we** will exercise **our** right not to renew or continue this Policy at the end of a Policy period shown on the **declaration page** only:
 - (1) for one or more of the reasons listed below for which **we** may cancel this Policy after it has been in effect for sixty (60) days or more (as listed below in the Policy Cancellation clause); or
 - (2) if **we** give at least sixty (60) days prior notice of **our** right to not renew.

POLICY CANCELLATION

This Policy may be cancelled during the Policy period as follows:

1. YOUR RIGHT TO CANCEL THIS POLICY:

You may cancel this Policy by:

- a. giving **us**, or **our** authorized agent, advance written notice stating a future date and time on which **you** are requesting the Policy to be cancelled; or
- b. any other means **you** and **we** agree upon.

Cancellation by **you** shall be binding as to all **named insureds** and all others who could be insured under this Policy.

2. OUR RIGHT TO CANCEL THIS POLICY:

We may cancel this Policy during the Policy period, as allowed by law, as follows:

- a. if **we** decide to cancel this Policy during the Policy period, **we** will mail notice of cancellation to the first **named insured** shown on the **declarations page** at the last address known by **us** as shown in **our** records. This notice will be mailed at least:
 - (1) ten (10) days before the effective date of cancellation if cancellation is for nonpayment of premium when due; or
 - (2) thirty (30) days before the effective date of cancellation in all other cases.The earliest effective date and time shown in any notice of cancellation shall be the end of the Policy period.
- b. when this Policy has been in effect for less than sixty (60) days, **we** may cancel this Policy for any reason allowed by law.
- c. when this Policy has been in effect for sixty (60) days or more, or if this is a renewal or continuation Policy, **we** may cancel only for one or more of the following reasons:
 - (1) nonpayment of premium when due;
 - (2) the Policy was obtained through material misrepresentation;
 - (3) any insured violated any of the terms and conditions of the Policy;
 - (4) the **named insured** failed to disclose fully all **motor vehicle accidents** and moving traffic violations for the preceding thirty-six (36) months (if called for in the **application**);
 - (5) a **person** insured under this Policy made a false or fraudulent claim, or knowingly aided or abetted another in the presentation of such a claim;
 - (6) **your** driver license or that of any driver who:
 - (a) **resides** with **you**; or
 - (b) customarily uses an **insured vehicle**;has been suspended or revoked within the twelve (12) months prior to the notice of cancellation, unless that **person** is a named excluded driver;
 - (7) **you** or any driver who:
 - (a) **resides** with **you**; or
 - (b) customarily uses an **insured vehicle**;is or becomes subject to epilepsy or heart attacks, and that **person** does not produce a certificate from a physician testifying to that **person's** unqualified ability to operate a **motor vehicle** safely;
 - (8) **you** or any driver who either **resides** with **you** or customarily uses an **insured vehicle** has:
 - (a) an accident record, conviction record (criminal or traffic), physical, or mental condition which is such that the **person's** operation of an automobile might endanger the public safety; or
 - (b) within the thirty-six (36) months prior to the notice of cancellation, been addicted to the use of narcotics or other drugs;
 - (9) **you** or any driver who either **resides** with **you** or customarily uses an **insured vehicle** has been convicted of, or forfeited bail for, any of the following during the thirty-six (36) months

immediately preceding the notice of cancellation:

- (a) a felony;
 - (b) criminal negligence in the operation of a **motor vehicle** resulting in homicide, death or assault;
 - (c) driving while in an intoxicated condition or while under the influence of drugs;
 - (d) being intoxicated while in, or about, an automobile or while having custody of an automobile;
 - (e) leaving the scene of an **accident** without reporting the **accident**;
 - (f) theft or unlawful taking of a **motor vehicle**; or
 - (g) making false statements in an application for an operator's or chauffeur's license;
- (10) **you** or any driver who either **resides** with **you** or customarily uses an **insured vehicle** has been convicted of, or forfeited bail for, during the twelve (12) months immediately preceding the notice of cancellation, three (3) or more violations of any law, ordinance, or regulation limiting the speed of **motor vehicles** or any of the provisions of the **motor vehicle** laws of any state, the violation of which constitutes a misdemeanor whether or not the violations were repetitions of the same offense or different offenses;
- (11) an **insured vehicle** is:
- (a) so mechanically defective that its operation might endanger public safety;
 - (b) used in carrying passengers for hire or compensation. However, this shall not apply to a shared-expense car pool;
 - (c) used in the **business** of transportation of flammables or explosives;
 - (d) an authorized emergency vehicle;
 - (e) changed in shape or condition during the Policy period so as to become a substantially greater risk to insure;
 - (f) subject to inspection by law and has not been inspected or, if inspected, has failed to qualify; or
- (12) any other reason allowed by law.

Nothing in this Cancellation clause shall supersede or waive any of **our** rights with respect to void this Policy due to material misrepresentation or omission.

CANCELLATION REFUND

Upon cancellation, **you** may be entitled to a premium refund, but, **our** making or offering of a refund is not a condition of cancellation. Any refund of unearned premium due will be computed on a daily pro-rata basis. If this Policy is cancelled at **your** request, any refund of unearned premium due will be computed on a pro-rata basis.

AUTOMATIC TERMINATION

Coverage for an **insured vehicle** shall automatically terminate, and the Cancellation and Nonrenewal terms of this Policy do not apply when:

1. A **person** other than **you**, **your spouse**, a **relative** or an **additional driver** becomes the **owner** of the **auto** or **motor vehicle**.
2. No one in **your** household has an insurable interest in the **insured vehicle**. This occurs when a **person** or party, other than **you**, **your spouse**, a **relative** or an **additional driver** becomes the **owner** of an **insured vehicle**. In this case, coverage for that **auto** will end at the earlier of the time the:
 - a. new **owner** obtains possession; or
 - b. ownership is conveyed to the new **owner**.
3. **You** get other **motor vehicle** insurance on the **insured vehicle**. In this case, any similar insurance provided by this Policy will end, but only as to that **auto**, on the effective date of the other **motor vehicle** insurance.
4. **You** reject **our** offer to renew or continue this Policy by not paying the required renewal or continuation premium when due. In this case, **you** have allowed the Policy to expire and lapse under its own terms so that it automatically ends at the end of the current Policy period.

NON-DIVISIBILITY OF POLICY TERMINATION

Except for an Automatic Termination event, this Policy is neither divisible nor severable. This means that if this Policy is terminated by its terms or by operation of law, that termination will be effective for all coverage, all

autos, insured vehicles and motor vehicles, and all **persons**, even if the reason for termination pertains only to one coverage, one **insured vehicle** or one **person**.

PROOF OF NOTICE

Any proof of mailing by U.S. Mail or electronic delivery shall be sufficient proof of notice, unless contrary to law. The mailing or delivery of any notice required under this Policy or by law will be considered effective notice if mailed or delivered to **your** last known address in **our** records. As allowed by law, sufficient proof of notice can be proof of:

1. Mailing, which means sufficient evidence that a notice or paper has been presented to the United States Postal Service for mailing. This includes, but is not limited to, any:
 - a. form of certificate of mailing or certificate of bulk mailing issued by the United States Postal Service; or
 - b. intelligent mail barcode or another similar tracking method used and approved by the United States Postal Service; or
2. Delivery directly to **you**, including delivery via e-mail or any type of electronic device.

TERMS OF POLICY CONFORM TO STATE LAW

If any of the terms of this Policy:

1. Do not comply with the legal requirements of the state listed on **your application** as **your resident** address, Policy terms are deemed amended to comply with those state law legal requirements.
2. Are found invalid by a court with proper jurisdiction, then that Policy term(s) is amended so that it:
 - a. does not apply to the portion of the damages or loss that is less than or equal to **minimum limits** or minimum amounts of coverage required by law; and
 - b. continues to apply to the portion of the damages or loss that is greater than **minimum limits** or minimum amounts of coverage required by law.

All other Policy terms remain unchanged and shall be given full force and effect. Any disputes as to the coverages provided or the interpretation of this Policy contract shall be governed by the law of the state listed on **your application** as **your** residence.

ELECTRONIC SIGNATURES

As allowed by law, **you** and **we** agree that electronic signatures, notices and forms:

1. May be used to transact this insurance;
2. Will satisfy any legal or other requirement for written signatures, notices or forms; and
3. Shall include, but are not limited to, any assent, acceptance, agreement, election, selection, rejection, notice or form done as a recorded telephonic signature or assent or sent via e-mail, internet, text message or fax.

When a law requires a signature on any form or document, or letter or document to be notarized, verified or acknowledged or made under oath, the electronic signatures will satisfy this requirement if the signature of the **person** authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all the terms of this Policy. Any lawsuit or other legal action (including arbitration or appraisal) against **us** by **you, your spouse, a relative, an additional driver** or any **person** who is insured under any Part of this Policy must be commenced:

1. Within the time period after an **accident** (or after the cause of action accrues) that applies to **bodily injury** under the statute of limitations in the laws of the state listed in **our** records as **your** principal address, and subject to any tolling required by law; and
2. In the county in which **your** address shown on **your declarations page** is located.

With respect to Liability Coverage:

1. No **person** or party has any right to bring **us** into any action to determine the liability of an **insured** under the Liability Coverage of this Policy; and
2. **We** may not be sued until:
 - a. **we** agree in writing that an **insured** under Liability Coverage has an obligation to pay for damages due to a covered **accident**; or

- b. the amount of that obligation has been finally determined by judgment after actual trial and appeal (if any).

We have no duty to:

1. Retain or preserve salvage and/or property for any purpose, including for use as evidence in any civil or criminal proceeding; or
2. File any appeal. Though, **we** reserve the right to file an appeal if any part of a judgment impacts this Policy.

SUBROGATION AND RIGHTS TO RECOVER

If **we** make a payment under this Policy to or for the benefit of anyone who is an **insured** under any coverage part, then to the extent of that payment made by **us**:

1. The right of recovery of any such **person** or party passes to **us**, and **we** will be subrogated to all the rights of recovery that such **person** or party has against another.
2. If that **insured** recovers loss or damages from a responsible or at-fault **person** or party, or their insurer, the **insured** or their representative shall hold the proceeds of that recovery in trust for **us** and reimburse **us**.
3. Which is not actually covered by this Policy but is required by law, then (to the extent allowed by law) **you** must reimburse **us** to the full extent of all damages or loss paid by **us** as well as **our** claims adjustment expenses.

That **insured** must:

1. Cooperate with **us** by doing whatever is needed to protect **our** interests and rights to recover **our** payment if there is another responsible or at-fault **person** or party. This cooperation may include, but is not limited to, filing legal papers and taking action as requested by **us** to recover **our** payment;
2. Sign and deliver to **us** any legal papers relating to that recovery;
3. Do whatever else is necessary to help **us** exercise those rights; and
4. Not do anything after the **accident** or **loss** to harm **our** interests and rights.

However, **our** rights to recover do not apply as to **our** payment under Uninsured Motorist Coverage or Underinsured Motorist Coverage if **we**:

1. Have been given prompt written notice of a proposed settlement between an **insured** and the insurer of an **uninsured motor vehicle** or **underinsured motor vehicle** (as defined in that coverage); and
2. Fail to make advance payment to that insured in an amount equal to the proposed settlement within thirty (30) days after receipt of notice of the proposed settlement.

If **we** make advance payment to the insured in an amount equal to the proposed settlement within those thirty (30) days after receipt of notice, **our** rights are retained, and the insured must cooperate with **us** and assist **us** in recovering those sums from any and all responsible or at-fault **persons** or parties.

If **we** seek recovery from an at-fault or liable **person** or party:

1. **You** agree to allow **us** to seek recovery of any deductible that may apply (unless that deductible amount has been otherwise recovered by **you**), though **we**:
 - a. have no duty to do so; and
 - b. will give **you** notice if **we** do not intend to collect it.
2. **We** have the right to compromise or settle the deductible and property damage claims against the responsible or at-fault **person** or party for less than the full amount. For those sums, **you** agree to be bound by the:
 - a. settlement agreement entered into by **us** and that **person** or party; or
 - b. outcome of appraisal or arbitration.
3. **We** shall pay the full pro rata deductible share to **you** out of the net recovery on the subrogated claim, and before any part of such recovery is applied to any other use.
4. Any reimbursement to **you** by **us** will be reduced by a proportionate share of expenses (other than administrative expenses) and lawyer fees, collection fees and adjuster's fees incurred due to the recovery.

TWO OR MORE POLICIES ISSUED BY US

If this Policy, or any other policies issued by **us**, or any company affiliated with **us**, insure **you** as a **named insured** or an additional insured, and apply to the same **accident** or loss, the aggregate limit of liability under all such policies shall not exceed the highest applicable limit of liability under any one policy.

EMERGENCY SERVICES EXCLUSION

We will not pay any emergency response service charges, fees or assessments from fire department, emergency services or law enforcement agency responding to an **accident**. However, this does not apply to emergency ambulance services.

MISREPRESENTATION, CONCEALMENT OR FRAUD

This Policy was issued in reliance upon the information provided on **your** insurance **application**. This includes, but is not limited to information about:

1. The driver license status, driving history and insurance history of **you, your spouse, relatives, additional drivers** and other **persons** residing in **your** household;
2. **Your** marital status;
3. The **motor vehicles** to be insured; and
4. The principal garaging address of **insured vehicles** and the address where **you** reside.

OUR RIGHT TO RESCIND

We may rescind and void this Policy from its inception if in the initial **application you** or **your** representative:

1. Made incorrect or untrue statements or representations to **us** or **our** authorized agent as to any material fact or circumstance;
2. Concealed, omitted or misrepresented any material fact or circumstance; or
3. Engaged in fraudulent conduct.

A fact or circumstance is material if **we** would not have issued the Policy, would not have agreed to insure the risk or would not have insured it at the premium initially charged.

If **we** void or rescind this Policy:

1. The Policy will be void from its inception as if the contract was never formed, never existed and the Policy never issued.
2. There is NO coverage for any claims, damages or loss that would have otherwise been covered.
3. **You** are responsible to repay **us** for all:
 - a. amounts **we** are required by law to pay, and related expenses, if law requires **us** to protect any innocent third parties or requires **us** to pay any other amount; and
 - b. **our** lawyer fees, costs and expenses if **you**, or **your** assignee or representative, dispute **our** right to rescind and **we** prevail in any legal action to resolve that issue.

However, after this Policy has been in effect for one (1) year or one (1) policy term, whichever is less, **we** will not void or rescind this Policy for misrepresentation or fraud in the initial **application**.

OUR RIGHTS TO DENY COVERAGE AND END THE POLICY

We will not provide coverage or benefits for any **person** or party who has:

1. Misrepresented, concealed, omitted or misstated a material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Aided, abetted or directed any behavior of the type listed in clause 1 or 2 above;

in connection with this Policy or any **accident**, loss or claim under it. If **we** deny coverage due any of the reasons listed above, **you** must reimburse **us** if **we** made or make a payment. **We** may also cancel, non-renew or otherwise terminate this Policy, as allowed by law, for any such acts.

CONSUMER HOTLINE

This notice is to advise **you** that should any complaints arise regarding this insurance, **you** may contact **us** at:

Safe Auto Insurance Company
Complaint Unit
4 Easton Oval
Columbus, Ohio 43219
(800) SAFE-AUTO
(800) 723-3288

You may also contact:

**Illinois Department of Insurance
Attn: Consumer Division**

122 S. Michigan Ave., 19th Floor
Chicago, Illinois 60603

or

Illinois Department of Insurance

320 West Washington Street
Springfield, Illinois 62767
Phone 866-445-5364
TDD 217-524-4872
Fax 217-558-2083

consumer_complaints@ins.state.il.us

NAMED DRIVER EXCLUSION

If **you** have asked **us** to exclude any **person** from coverage under this Policy, or a driver is excluded in lieu of cancellation or non-renewal as required by the laws of the state where **you reside**, then **we** will not provide coverage under any Part of this Policy, and not defend any **insured** under Part I, for any claim arising from an **accident** or **loss** involving an **auto** or **motor vehicle** being operated by that excluded **person**.

THIS EXCLUSION INCLUDES ANY CLAIM FOR DAMAGES MADE AGAINST **YOU, YOUR SPOUSE, A RELATIVE, AN ADDITIONAL DRIVER OR ANY OTHER PERSON OR ORGANIZATION THAT IS VICARIOUSLY LIABLE FOR AN ACCIDENT ARISING OUT OF THE OPERATION OF AN AUTO OR MOTOR VEHICLE BY THE EXCLUDED DRIVER DUE TO NEGLIGENT ENTRUSTMENT, AGENCY OR OTHERWISE.**

However, this does not apply to prevent otherwise applicable Uninsured/Underinsured Motor Vehicle Bodily Injury Coverage, but only if and when required by law.

A named driver exclusion will continue to apply to this policy and all renewals, reinstatements and/or replacement policies unless:

1. **We** get notice from you ending that named driver exclusion; and
2. The extra premium for coverage of that driver is paid when due.

NAMED OPERATOR – NON-OWNED VEHICLE COVERAGE

If **you** elect Named Operator – Non-Owned Vehicle Coverage, **you** agree with **us** that the Policy is amended and this Policy only applies to **your** permissive use of an **auto** that is not **owned** by or registered to **you, your spouse, a relative, an additional driver** or any **person** who **resides** in **your** household.

Throughout the Policy, the definition of “**insured**” means **you**.

No coverage applies to the use of any vehicle rented to **you, your spouse, a relative, an additional driver** or any **person** who **resides** in **your** household.

No coverage of any type applies:

1. Under Part III of this Policy for **property damage**; or
2. Under Physical Damage Coverage.

EXECUTED ON BEHALF OF THE COMPANY BY:



PRESIDENT



SECRETARY