



4 Easton Oval  
Columbus, OH 43219  
1-800-SAFEAUTO  
(723-3288)

# **Illinois Personal Automobile Policy**

**Safe Auto Insurance Company**  
a stock company

## **ILLINOIS MOTOR VEHICLE POLICY**

If **you** pay **your** premium when due, **we** agree to provide this insurance, subject to all the terms and provisions of this policy, and up to the Limits of Liability described in this policy and shown on the **declarations page**.

### **YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS**

#### **NOTICE OF ACCIDENT OR LOSS**

**If there is an accident or loss arising out of the ownership, maintenance or use of a vehicle, for which coverage may be provided under this policy, report it to us within twenty-four (24) hours or as soon as practicable by calling us at 1-800-SAFE-AUTO (1-800-723-3288).**

**For coverage to apply under this policy, you or an insured person must report each accident or loss even if an insured person is not at fault.**

The following **accident** information should be reported as it is obtained:

1. time;
2. place;
3. circumstances of the **accident** or loss (for example, how the accident happened and weather conditions);
4. names and addresses of all persons involved;
5. names and addresses of any witnesses; and
6. the license plate numbers of the vehicles involved.

**You** should also notify the police within twenty-four (24) hours or as soon as practicable if:

1. a hit-and-run vehicle is involved;
2. **you** cannot identify the **owner** or operator of a vehicle involved in the **accident**; or
3. theft or vandalism has occurred.

#### **OTHER DUTIES**

A person claiming coverage under this policy must:

1. cooperate with **us** in any matter concerning a claim or lawsuit;
2. provide any written proof of loss **we** may reasonably require;
3. allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, and answer all reasonable questions **we** may ask, when and as often as **we** may reasonably require;
4. promptly send **us** any and all legal papers relating to any claim or lawsuit;
5. attend hearings and trials as **we** require;
6. take reasonable steps after a **loss** to protect the **cov-**

- ered vehicle** or **non-owned vehicle** from further **loss**. **We** will pay reasonable expenses incurred in providing that protection. If **you** fail to do so, any further damages will not be covered under this policy;
7. allow **us** to inspect and appraise the damage to a **covered vehicle** or **non-owned vehicle** before its repair or disposal;
  8. submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
  9. authorize **us** to obtain medical and other records.

### GENERAL DEFINITIONS

Except as otherwise defined in this policy, terms appearing in boldface will have the following meaning:

**“Accident”** means a sudden, unexpected, and unintended occurrence.

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

**“Child restraint system”** means any device which meets the standards of the United States Department of Transportation designed to restrain, seat or position children.

**“Covered vehicle”** means:

1. any **vehicle** shown on the **declarations page**, unless **you** have asked **us** to delete that **vehicle** from the policy;
2. any additional **vehicle** on the date **you** become the **owner** if:
  - a. **you** acquire the **vehicle** during the policy period shown on the **declarations page**;
  - b. **we** insure all **vehicles owned** by **you**; and
  - c. no other insurance policy provides coverage for that **vehicle**.

Physical damage coverage does not apply to any additional **vehicle** unless specifically requested by the named insured prior to a **loss** involving the additional **vehicle**. **We** will provide coverage, other than physical damage coverage, for a period of thirty (30) days after **you** become the **owner**. **We** will not provide coverage after this thirty (30) day period, unless, within this period, **you** ask **us** to insure the **vehicle**;

3. any replacement **vehicle** on the date **you** become the **owner** if:
  - a. **you** acquire the **vehicle** during the policy period shown on the **declarations page**;
  - b. the **vehicle** that **you** acquire replaces one shown on the **declarations page**; and

- c. no other insurance policy provides coverage for that **vehicle**.

If the **vehicle** that **you** acquire replaces one shown on the **declarations page**, it will have the same coverage as the **vehicle** it replaces. **You** must ask **us** to insure a replacement **vehicle** within thirty (30) days after **you** become the **owner** if **you** want to continue any coverage **you** had under Part IV – Physical Damage Coverage. If the **vehicle** replaced did not have coverage under Part IV – Physical Damage Coverage, **you** may add coverage for the replacement **vehicle**. However, if **you** are adding coverage under Part IV – Physical Damage Coverage, this will not become effective until after **you** ask **us** to add the coverage;

4. any **temporary substitute motor vehicle**; and
5. any **trailer owned** by **you**, while drawn by or attached to a **vehicle** described in 1, 2, 3, or 4 above. Physical damage coverage does not transfer to **trailers**.

**“Declarations page”** means the report from **us** listing:

1. the policy period;
2. the types of coverage **you** have selected;
3. the limit for each coverage;
4. the cost for each coverage;
5. the specified **vehicles** covered by this policy;
6. the types of coverage for each such **vehicle**; and
7. other information applicable to this policy.

**“Loss”** means sudden, direct, and accidental loss or damage, but does not include loss of use.

**“Non-owned vehicle”** means any **vehicle** that is not **owned** by **you**, a **relative**, or the named insured’s non-resident spouse.

**“Occupying”** means in, upon, getting in, on, out, or off.

**“Owned”** means the person:

1. holds legal title to the **vehicle**;
2. has legal possession of the **vehicle** that is subject to a written security agreement with an original term of six (6) months or more; or
3. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous period of six (6) months or more.

**“Owner”** means any person who, with respect to a **vehicle**:

1. holds legal title to the **vehicle**;
2. has legal possession of the **vehicle** that is subject to a written security agreement with an original term of six (6) months or more; or
3. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous

period of six (6) months or more.

**“Property damage”** means only physical damage to or destruction of tangible property.

**“Relative”** means a person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, including a ward, stepchild, or foster child. Unmarried children temporarily away from home will be considered residents if:

1. they are under the age of twenty-five (25) years; and
2. they intend to continue to reside in **your** household.

**“Resident”** means any person who lives in the same household as the Named Insured for longer than fourteen (14) consecutive days.

**“Temporary substitute motor vehicle”** means any **vehicle** rented from a car rental agency or garage and used while the **covered vehicle** is being serviced or repaired due to a **loss** covered by this policy.

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

**“Vehicle”** means a land motor vehicle:

1. which is a private passenger auto, pickup, or van;
2. designed for operation principally upon public roads;
3. with no more or less than four (4) wheels; and
4. with a gross vehicle weight of 10,000 pounds or less.

**“We,” “us,”** and **“our”** mean Safe Auto Insurance Company.

**“You”** and **“your”** mean a person shown as the named insured on the **declarations page**.

## **PART I – LIABILITY TO OTHERS**

### **INSURING AGREEMENT – BODILY INJURY**

Subject to the terms, exclusions and Limits of Liability of this policy, if **you** pay a premium for **bodily injury** liability coverage, **we** will pay damages, other than punitive or exemplary damages, for **bodily injury** for which an **insured person** becomes legally responsible because of an **accident** arising out of the ownership, maintenance, or use of a **vehicle**.

### **INSURING AGREEMENT – PROPERTY DAMAGE**

Subject to the terms, exclusions and Limits of Liability of this policy, if **you** pay a premium for **property damage** liability coverage, **we** will pay damages, other than punitive or exemplary damages, for **property damage** for which an

**insured person** becomes legally responsible because of an **accident** arising out of the ownership, maintenance, or use of a **vehicle**.

**We** will settle or defend, at **our** option, any claim for damages covered by this Part I. If a lawsuit brought against an **insured person** with respect to a claim for acts or alleged acts covered under this Part I seeks both compensatory and punitive or exemplary damages, **we** will provide a defense to such lawsuit but **we** will not assume liability of any kind for punitive or exemplary damages. **We** will not be obligated to pay for the cost of any further investigation or arrangement for settlement, or continued defense after **we** have paid or offered to pay **our** entire limit of liability.

### **ADDITIONAL DEFINITIONS**

When used in this Part I, “**insured person**” or “**insured persons**” means:

1. **you**, a **relative**, or any other person listed on the **declarations page** as an additional driver, with respect to an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle**;
2. any person with respect to an **accident** arising out of that person’s use of a **covered vehicle** with the express or implied permission of **you** or a **relative**;
3. a **relative** or any other person listed on the **declarations page** as an additional driver, with respect to an **accident** arising out of the maintenance or use of a **non-owned vehicle** with the express or implied permission of the **owner** of the **vehicle**;
4. **you** with respect to an **accident** arising out of the maintenance or use of a **non-owned vehicle** with the express or implied permission of the **owner** of the **vehicle**;
5. any person or organization with respect only to vicarious liability for an **accident** arising out of the use of a **covered vehicle** or **non-owned vehicle** by a person described in 1, 2, 3, or 4 above; and
6. any Additional Interest Insured designated by **you** in **your** application or by a change request agreed to by **us**, with respect to liability for an **accident** arising out of the use of a **covered vehicle** or **non-owned vehicle** by a person described in 1, 2, 3, or 4 above.

### **ADDITIONAL PAYMENTS**

In addition to **our** Limit of Liability, **we** will pay for an **insured person**:

1. all expenses that **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid or tendered that portion of the judgment which does not exceed **our** Limit of Liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;

3. the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** Limit of Liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle** or **non-owned vehicle**. **We** have no duty to apply for or furnish this bond;
5. reasonable expenses, including loss of earnings up to \$50 a day, incurred at **our** request; and
6. their expense for first aid to others at the scene of an **accident** involving a **vehicle we** insure.

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

Coverage under this Part I, including **our** duty to defend, does not apply to:

1. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **vehicle** or trailer while being used to carry persons or property for a fee. This exclusion does not apply to shared-expense car pools;
2. any liability assumed by an **insured person** under any contract, bailment or agreement;
3. **bodily injury** to an employee of an **insured person** arising out of or within the course of employment, except for domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;
4. **bodily injury** or **property damage** arising out of an **accident** involving a **vehicle or trailer** while being used by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing **vehicles**. However, this exclusion:
  - a. applies only to the damages that are in excess of the minimum limits of liability coverage required by the Illinois Motor Vehicle Safety and Family Financial Responsibility Law; and
  - b. does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
5. **bodily injury** or **property damage** due to nuclear reaction or radiation;
6. **bodily injury** or **property damage** caused by an intentional act of an **insured person** or at the direction of an **insured person**;
7. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of an **insured person**. However, this exclusion does not apply to a rented residence or a rented garage damaged

- by a **covered vehicle**;
8. **bodily injury to you** or a **relative**. However, this does not apply when:
    - a. a third party acquires a right of contribution against a member of **your** family; or,
    - b. any person not in your household was driving a **covered vehicle** involved in the **accident** which is the subject of the claim or lawsuit.
  9. **bodily injury** or **property damage** resulting from **your** operation or use of a vehicle **owned** by **you**, other than a **covered vehicle**;
  10. **bodily injury** or **property damage** resulting from a **relative's** operation or use of a vehicle, other than a **covered vehicle**, **owned** by a person who resides with **you**;
  11. **bodily injury** or **property damage** resulting from an **insured person's** operation or use of a vehicle that is not listed on the **declarations page** that is available for the **insured person's** regular use;
  12. **bodily injury** or **property damage** arising out of the use of a **covered vehicle** while leased or rented to others. However, this exclusion does not apply to the operation of a **covered vehicle** by **you** or a **relative**; or
  13. **bodily injury** or **property damage** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity.

#### **LIMITS OF LIABILITY**

The Limit of Liability shown on the **declarations page** is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;
4. lawsuits brought;
5. vehicles involved in the **accident**;
6. premiums paid;
7. claimants; or
8. policies.

**Your declarations page** shows a split limit. This means:

1. the amount shown for "each person" is the most **we** will pay for all damages due to a **bodily injury** to one (1) person;
2. subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two (2) or more persons in any one (1) **accident**; and
3. the amount shown for "property damage" is the most **we** will pay for the total of all **property damage** for

which an **insured person** becomes liable as a result of any one (1) **accident**.

The **bodily injury** limit for “each person” includes the total of all claims made for such **bodily injury** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** of another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

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

Any payment to a person under this Part I shall be reduced by payment to that person under Part III – Uninsured Motorist Coverage.

A **vehicle** and attached **trailer** are considered one (1) **vehicle**. Therefore, the Limits of Liability will not be increased for an **accident** involving a **vehicle** which has an attached **trailer**.

#### **FINANCIAL RESPONSIBILITY LAWS**

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

#### **OTHER INSURANCE**

If there is other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits. Any insurance **we** provide for a **vehicle**, other than a **covered vehicle**, will be excess over any other collectible insurance, self-insurance, or bond.

#### **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, other than the one in which a **covered vehicle** is principally garaged, and the state, province or territory or possession has:

1. a financial responsibility or similar law requiring limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, this policy will provide the higher limit; or
2. a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a **vehicle** in that state, province, territory 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.

## **PART II – EXCESS MEDICAL EXPENSE COVERAGE**

### **INSURING AGREEMENT**

Subject to the terms, exclusions and Limits of Liability in this policy shown on the **declarations page**, if **you** pay a premium for Excess Medical Expense Coverage, **we** will pay the **usual and customary charge** for reasonable and necessary expenses, incurred within three (3) years from the date of an **accident**, for medical and funeral services because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by **accident**; and
3. arising out of the ownership, maintenance or use of a motor vehicle.

Any dispute as to the **usual and customary charge** will be resolved between **us** and the service provider.

### **ADDITIONAL DEFINITIONS**

When used in this Part II:

**“Insured person”** and **“insured persons”** mean:

1. **you** while **occupying** any **vehicle**, other than a **vehicle owned** by **you** which is not a **covered vehicle**;
2. a **relative** while **occupying** a **covered vehicle** or **non-owned vehicle**;
3. **you** or any **relative** when struck by a motor vehicle or **trailer** while not **occupying** a motor vehicle; and
4. any other person while **occupying** a **covered vehicle**.

**“Usual and customary charge”** means an amount which **we** determine represents a customary charge for services in the geographical area in which the service is rendered. **We** shall determine this customary charge through the use of independent sources of **our** choice.

### **EXCLUSIONS – READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II.**

Coverage under this Part II does not apply to **bodily injury**:

1. sustained while **occupying** a **vehicle** while being used to carry persons or property for a fee. This exclusion does not apply to shared expense car pools;
2. sustained while **occupying** any **vehicle** while being used as a residence or premises;
3. if workers’ compensation benefits are available for the **bodily injury**;
4. sustained by any person while occupying a **covered vehicle** without the express or implied permission of **you** or a **relative**;
5. sustained by **you** or a **relative** while occupying a **non-owned vehicle** without the express or implied permis-

- sion of the **owner**; or
6. caused intentionally by an **insured person** or at an **insured person's** direction, or that is inflicted intentionally on an **insured person** at that person's request or is self-inflicted;
  7. arising out of an accident involving a **vehicle** or **trailer** while being used by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
  8. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
  9. due to a nuclear reaction or radiation;

#### **LIMIT OF LIABILITY**

The Excess Medical Payments Limit of Liability shown on the **declarations page** is the most **we** will pay for each **insured person** injured in any one (1) **accident**, regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;
4. lawsuits brought;
5. vehicles involved in the **accident**;
6. premiums paid; or
7. policies.

Any amounts payable to an **insured person** under this Part II will be reduced by any amounts paid or payable under Part I – Liability To Others or Part III – Uninsured Motorist Coverage.

#### **OTHER INSURANCE**

If there is other applicable **vehicle** medical payments insurance, **we** will pay only **our** share of the medical and funeral expenses. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits. Any insurance **we** provide for an **insured person occupying a vehicle**, other than a **covered vehicle**, will be excess over any other **vehicle** insurance providing payments for medical or funeral expenses.

THIS COVERAGE DOES NOT APPLY TO THAT AMOUNT PAID OR PAYABLE UNDER ANY HEALTH OR ACCIDENT INSURANCE AVAILABLE TO **YOU** REGARDLESS OF WHETHER THE OTHER COVERAGE IS PRIMARY, EXCESS, OR CONTINGENT. THIS COVERAGE DOES NOT APPLY TO CARE WHICH THE UNITED STATES GOVERNMENT OR ITS MILITARY SERVICES ARE REQUIRED TO PROVIDE TO EMPLOYEES, MEMBERS, OR

DEPENDENTS.

### **PART III – UNINSURED MOTORIST COVERAGE**

#### **INSURING AGREEMENT – UNINSURED MOTORIST BODILY INJURY COVERAGE**

Subject to the terms, exclusions and Limits of Liability of this policy, if **you** pay a premium for Uninsured Motorist **Bodily Injury** Coverage, **we** will pay for damages, other than punitive or exemplary damages, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by **accident**; and
3. arising out of the ownership, maintenance, or use of an **uninsured motor vehicle**.

#### **INSURING AGREEMENT – UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE**

Subject to the terms, exclusions and Limits of Liability of this policy, if **you** pay a premium for Uninsured Motorist Property Damage Coverage, **we** will pay for damages, other than punitive or exemplary damages, which an **insured person** becomes entitled to recover from the **owner** or operator of an **uninsured motor vehicle** due to **property damage**:

1. to a **covered vehicle** for which Uninsured Motorist Property Damage Coverage has been purchased;
2. caused by **accident**; and
3. arising out of the ownership, maintenance, or use of an **uninsured motor vehicle**.

Subject to the Limits of Liability, **we** will pay for replacement of a **child restraint system** that was in use by a child in a **covered vehicle** during an **accident** for which Uninsured Motorist Property Damage Coverage applies due to the liability of the **owner** or operator of an **uninsured motor vehicle**.

**We** will pay under this Part III only after the limits of liability under all applicable liability bonds or policies, or deposits of cash or securities which have been made in lieu of a liability policy, have been exhausted by the payment of judgments or settlements.

An **insured person** must notify **us** in writing at least thirty (30) days before entering into any settlement with the **owner** or operator of an **uninsured motor vehicle**, or any liability insurer. In order to preserve **our** right of subrogation, **we** may elect to pay any sum offered in settlement by, or on behalf of, the **owner** or operator of an **uninsured motor vehicle**. If **we** do this, **you** agree to assign to **us** all rights that **you** have against the **owner** or operator of the

**uninsured motor vehicle.**

### **ADDITIONAL DEFINITIONS**

When used in this Part III:

**"Insured person"** and **"insured persons"** mean:

1. **you** or a **relative**;
2. any person **occupying** a **covered vehicle**; and
3. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in 1 or 2 above.

**"Property damage"** means only physical damage to or destruction of a **covered vehicle**. **Property damage** does not include loss of use of a **covered vehicle**.

**"Uninsured motor vehicle"** means a land motor vehicle or **trailer** of any type:

1. to which no liability bond or policy applies at the time of the **accident**;
2. to which a liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
  - a. denies coverage; or
  - b. is or becomes insolvent;
3. to which a liability bond or policy applies at the time of the **accident**, but the sum of the limits of liability available under all valid and collectible liability bonds and policies is less than the Limits of Liability shown on the **declarations page** for the coverages under this Part III; or
4. which is a hit-and-run **vehicle** whose operator or **owner** cannot be identified and which makes physical contact with:
  - a. **you** or any **relative**;
  - b. a vehicle that **you** or any **relative** are **occupying**; or
  - c. a **covered vehicle**;

provided that the **insured person**, or someone on his or her behalf, reports the **accident** to the police or civil authority within twenty-four (24) hours or as soon as practicable after the **accident**.

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

1. **owned** by, or furnished or available for the regular use of, **you** or a **relative**;
2. **owned** or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
3. **owned** by any governmental unit or agency if a claim can be made under the Federal Tort Claims Act;

4. operated on rails or crawler treads;
5. designed primarily for use off public roads, while not on public roads, or for use a farm equipment or a tractor;
6. while used as a residence or premises;
7. not required to be registered as a motor vehicle; or
8. shown on the **declarations page** of this policy.

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

Coverage under this Part III is not provided:

1. for **bodily injury** or **property damage** sustained by any person while using or **occupying** a **covered vehicle** while being used to carry persons or property for a fee. This exclusion does not apply to shared-expense car pools;
2. for **bodily injury** or **property damage** sustained by any person while using or **occupying** a **covered vehicle** without the express or implied permission of **you** or a **relative**;
3. for **bodily injury** or **property damage** sustained by any person while using or **occupying** a **non-owned vehicle** without the express or implied permission of the **owner**;
4. for **bodily injury** to an **insured person** which is caused by a spouse or a **resident** of the **insured person's** household;
5. for **bodily injury** or **property damage**, if **you** or **your** legal representative settles a claim without **our** consent;
6. for **bodily injury** or **property damage** caused intentionally by an **insured person** or at an **insured person's** direction;
7. for **property damage** if the **owner** or operator of the at-fault **uninsured motor vehicle** or hit-and-run motor vehicle cannot be identified;
8. for **property damage** to a **trailer**;
9. for **property damage** to custom parts or equipment;
10. for **property damage** if coverage is available under any other property insurance, including, but not limited to, Part IV of this policy;
11. to a **covered vehicle**, 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;
12. to wearing apparel or personal effects;
13. to any device used for the detection or location of radar, laser, or other speed measuring equipment or its

transmissions; or

14. to any of the following optional equipment whether or not factory installed by the original auto manufacturer:
  - a. car telephone equipment;
  - b. televisions or their accessories or antennas;
  - c. home high fidelity equipment;
  - d. two-way radios;
  - e. scanning monitor receivers; or
  - f. awnings, cabanas, or equipment designed to provide additional living facilities.

Coverage under this Part III will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:

1. workers' compensation law; or
2. disability benefits law.

#### **LIMITS OF LIABILITY**

The Limit of Liability shown on the **declarations page** for the coverages shown under this Part III is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;
4. lawsuits brought;
5. vehicles involved in an **accident**;
6. premiums paid;
7. claimants; or
8. policies.

**Your declarations page** shows a split limit. This means:

1. the amount shown for "each person" is the most **we** will pay for all damages due to a **bodily injury** to one (1) person;
2. subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to **bodily injury** sustained by two (2) or more persons in any one (1) **accident**; and
3. the amount shown for "property damage" is the most **we** will pay for the total of all **property damage** caused by any one (1) **accident**.

The **bodily injury** Limit of Liability under this Part III for "each person" includes the total of all claims made for such **bodily injury** to an **insured person** and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** of another, loss of society, loss of companionship,

loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this Part III for **bodily injury** shall be the lesser of:

1. the Limits of Liability shown on the **declarations page** for Uninsured Motorist Coverage for **bodily injury** under this Part III, reduced by all sums paid because of **bodily injury** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others; or
2. the damages, other than punitive or exemplary damages, which an **insured person** is entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury**, reduced by all sums:
  - a. paid because of **bodily injury** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others;
  - b. paid or payable under Part II – Excess Medical Expense Coverage; and
  - c. paid or payable because of bodily injury under any of the following or similar laws:
    - i. workers' compensation law; or
    - ii. disability benefits law.

**Our** Limit of Liability under this Part III for **property damage** to a **covered vehicle** arising out of one (1) **accident** is the lowest of:

1. the actual cash value of the **covered vehicle** at the time of the **accident**, reduced by the deductible shown on the **declarations page**, and by its salvage value if **you** retain the salvage;
2. the amount necessary to replace the **covered vehicle**, reduced by the deductible shown on the **declarations page**;
3. the amount necessary to repair the **covered vehicle** to its pre-**loss** condition, reduced by the deductible shown on the **declarations page**; or
4. any Limit of Liability shown on the **declarations page** for "property damage" under this Part III, reduced by the salvage value of the **covered vehicle** if **you** or the **owner** retain the salvage.

Payments for **property damage** under this Part III are subject to the following provisions:

1. no more than one (1) deductible shall be applied to any one (1) **accident**;
2. an adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of the **accident**.

The Limits of Liability under this Part III for **property damage** shall be reduced by all sums paid:

1. because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I – Liability to Others; and
2. under Part IV – Physical Damage Coverage for **property damage**.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover under Part I – Liability To Others or Part IV – Physical Damage Coverage of this policy

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

Any judgment or settlement for damages against an operator or **owner** of an **uninsured motor vehicle** which arises out of a lawsuit brought without **our** written consent is not binding on **us**.

#### **OTHER INSURANCE**

If there is other applicable uninsured motorist coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** Limit of Liability bears to the total of all available coverage limits. Any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury to you** or a **relative** when **occupying a covered vehicle**.

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

#### **ARBITRATION**

If **we** and an **insured person** cannot agree on:

1. the legal liability of the operator or **owner** of an **uninsured motor vehicle**; or
2. the amount of the damages sustained by the **insured person**;

this will be determined by arbitration if **we** or the **insured person** make a written demand for arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the **accident** occurred.

If a written demand for arbitration is made, each party shall select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third within forty-five (45) days, then either party may request that the arbitration be submitted to the American Arbitration Association, or on joint application by the **insured person** and **us**, the third arbitrator may be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally. In the event the arbitrators award reasonable arbitration costs, fees or expenses, **we** will pay only that portion of such awarded costs, fees or expenses as is necessary to prevent the amount available under this policy for payment of compen-

satory damages awarded by the arbitrators from being reduced to an amount less than the minimum amount required under the Illinois Vehicle Code and the Illinois Insurance Code, as amended.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Rules of procedure and evidence will apply according to Illinois law.

A decision agreed to by two or the arbitrators will be binding with respect to a determination of:

1. the legal liability of the operator or **owner** of an **uninsured motor vehicle**; and
2. the amount of the damages sustained by the **insured person**.

The arbitrators shall have no authority to award compensatory damages in an amount in excess of the limit of liability. The decision of the arbitrators is binding only if the amount of the award does not exceed the minimum limit of liability specified by the financial responsibility laws of the state listed on **your** application as **your** residence. If the award of the arbitrators for damages caused by an **uninsured motor vehicle** exceeds this minimum limit, either party may demand the right to a trial. This demand must be made in writing within sixty (60) days of the arbitrators' decision. If the demand is not made within sixty (60) days, the amount of damages agreed to by the arbitrators will be binding.

#### **PART IV – PHYSICAL DAMAGE COVERAGE**

##### **INSURING AGREEMENT – COLLISION COVERAGE**

If **you** pay a premium for Collision Coverage, **we** will pay for **loss** to a **covered vehicle** for which Collision Coverage has been purchased, when it collides with another object or overturns, subject to the terms, exclusions and Limits of Liability of this policy.

##### **INSURING AGREEMENT – COMPREHENSIVE COVERAGE**

If **you** pay a premium for Comprehensive Coverage, **we** will pay for comprehensive **loss** to a **covered vehicle** for which Comprehensive Coverage has been purchased, subject to the terms, exclusions and Limits of Liability of this policy.

A comprehensive **loss** is a **loss** to a **covered vehicle** caused by any event other than collision, including, but not limited to, any of the following:

1. contact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;

5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny; or
8. windstorm, water, hail, or flood.

If **you** pay a premium for Comprehensive Coverage under this policy, **we** will pay **you** up to \$10 per day, but not more than a total of \$300 per **loss**, for transportation expenses incurred by **you** if a **covered vehicle** is stolen.

Transportation expenses coverage begins forty-eight (48) hours after **you** report the theft to **us**, and ends the earlier of when the **covered vehicle** has been:

1. recovered and returned to **you** or its **owner**;
2. recovered and repaired; or
3. replaced.

However, if the **covered vehicle** is deemed by **us** to be a **total loss** or unrecoverable, transportation expenses coverage ends forty-eight (48) hours after **we** make an offer to pay the applicable limit of liability under this Part IV.

**You** must provide **us** written proof of **your** transportation expenses and damages.

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

#### **ADDITIONAL DEFINITIONS**

When used in this Part IV:

**“Covered loss”** means a loss that occurs during **our** policy period in which **our** Physical Damage Coverage applies.

**“Custom parts or equipment”** means equipment, devices, accessories, enhancements, and changes, other than those which are original manufacturer installed, which:

1. are permanently installed or attached; and
2. alter the appearance or performance of a **vehicle**.

This includes any electronic equipment, antennas, and other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which are original manufacturer installed, that are permanently installed in a **covered vehicle** using bolts or brackets, including slide-out brackets.

The definition of **“temporary substitute motor vehicle”** is hereby deleted and replaced with **“temporary substitute motor vehicle”** means any **vehicle** rented from a car rental agency or garage used while the **covered vehicle** is being repaired as a result of a **covered loss**.

**“Total loss”** means:

1. the theft of the **covered vehicle** if the **covered vehicle**

- is not recovered within thirty (30) days; or
2. any other **loss** to the **covered vehicle** that is payable under this Part IV if the cost to repair the damage to the **covered vehicle** exceeds the actual cash value of the **covered vehicle** at the time of the **loss**.

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

Coverage under this Part IV does not apply for **loss**:

1. to a **covered vehicle** while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools;
2. to a **covered vehicle**, while being used or driven by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing **vehicles**. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
3. arising out of the ownership, maintenance, or use of any **motor vehicle** during the course of any **business** or employment, unless **you** have paid a specific premium for **business use** coverage;
4. to a **covered vehicle**, due to nuclear reaction or radiation;
5. due to destruction or confiscation by governmental or civil authorities of a **covered vehicle**, because **you** or any **relative** engaged in illegal activities;
6. to a **covered vehicle**, caused by an intentional act of **you** or a **relative** or at the direction of **you** or a **relative**. However, this exclusion does not bar coverage to an innocent co-insured if the loss arose out of a pattern of criminal domestic violation and the perpetrator of the loss is criminally prosecuted for the act causing the loss. **We** may limit payment to an innocent co-insured under this provision to his or her ownership interest less any payments to a mortgagor or other secured interest;
7. to a **covered vehicle**, that is due and confined to:
  - a. wear and tear;
  - b. freezing;
  - c. mechanical or electrical breakdown or failure;
  - d. road damage to tires; or
  - e. manufacturer's defects.This exclusion does not apply if the damage results from the theft of a **covered vehicle**;
8. due to theft or conversion of a **covered vehicle**:
  - a. by **you**, a **relative**, or any resident of **your** house-

- hold;
  - b. prior to its delivery to **you** or a **relative**; or
  - c. while in the care, custody, or control of anyone engaged in the business of selling the **vehicle**;
9. to wearing apparel or personal effects;
  10. to a camper body or **trailer**;
  11. to any device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
  12. to any of the optional equipment which is not available from the **covered vehicle**'s manufacturer for that **covered vehicle**'s make, model and model year:
    - a. car telephone equipment;
    - b. televisions or their accessories or antennas;
    - c. home high fidelity equipment;
    - d. two-way radios;
    - e. scanning monitor receivers; or
    - f. awnings, cabanas, or equipment designed to provide additional living facilities;
  13. to any device or instrument designed for the recording, reproduction, receiving, or transmittal of sound, radio waves, microwaves or television signals, unless such device is permanently installed in the dash or console opening specified by the **covered vehicle**'s manufacturer for the installation of such equipment;
  14. while the **covered vehicle** is subject to any bailment, lease, conditional sale, mortgage, or other encumbrance not specifically declared and described on this policy;
  15. to a **covered vehicle** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such activity;
  16. to any optional equipment not factory installed by the original auto manufacturer;
  17. to **custom parts or equipment**; or
  18. to a **covered vehicle**, for diminution of value.

#### **LIMITS OF LIABILITY**

1. The Limit of Liability for **loss** to a **covered vehicle** is the lowest of:
  - a. the actual cash value of the stolen or damaged property at the time of the **loss**, reduced by the applicable deductible shown on the **declarations page**, and by its salvage value if **you** or the **owner** retain the salvage;
  - b. the amount necessary to replace the stolen or damaged property, reduced by the applicable deductible shown on the **declarations page**; or

- c. the amount necessary to repair the damaged property to its pre-**loss** condition, reduced by the applicable deductible shown on the **declarations page**.
2. Payments for **loss** covered under Collision Coverage and Comprehensive Coverage are subject to the following provisions:
    - a. no more than one (1) deductible shall be applied to any one (1) covered **loss**;
    - b. an adjustment for depreciation, wear and tear, and physical condition will be made in determining the Limit of Liability at the time of **loss**;
    - c. in determining the amount necessary to repair damaged property to its pre-**loss** condition, **our** estimate will be based on:
      - i. the prevailing competitive labor rates charged in the area where the property is to be repaired, as reasonably determined by **us**; and
      - ii. the cost of repair or replacement parts and equipment which may be new, refurbished, restored, or used, including, but not limited to:
        - (a) original manufacturer parts and equipment; and
        - (b) nonoriginal manufacturer parts or equipment;
    - d. the actual cash value is determined by the market value, age and condition of the **vehicle** at the time the **loss** occurs; and
    - e. duplicate recovery for identical elements of damages is not permitted under this policy.
  3. If more than one (1) **vehicle** is shown on **your declarations page**, coverage will be provided as specified on the **declarations page** as to each **vehicle**.
  4. Any payment to a person under this Part IV shall be reduced by any amount paid for **property damage** under Part III – Uninsured Motorist Coverage of this policy.

#### **INSURING AGREEMENT — TOWING AND LABOR COVERAGE**

If **you** pay a premium for Towing And Labor Coverage for a **covered vehicle**, **we** will pay for towing and labor costs incurred by **you** as a result of the disablement of the **covered vehicle** for which this coverage has been purchased, subject to the Limit of Liability shown on the **declarations page**, not to exceed six (6) occurrences per 6-month policy period, provided that:

1. the labor is performed at the place of disablement; and
2. the disablement does not occur at **your** residence.

## **INSURING AGREEMENT – RENTAL REIMBURSEMENT COVERAGE**

Subject to the Limit of Liability, if **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse rental charges incurred when **you** rent a **temporary replacement vehicle** due to a loss to a **covered vehicle** that is payable under Comprehensive Coverage or Collision Coverage under this Part IV. However, this coverage:

1. does not apply to the theft of a **covered vehicle**; and
2. applies only to **loss** to a **covered vehicle** for which this coverage has been purchased.

**Our** Limit of Liability is the amount and the number of days shown on the **declarations page**.

Rental charges will be reimbursed beginning:

1. when the **covered vehicle** cannot be driven due to a **loss**; or
2. if the **covered vehicle** can be driven, when **you** deliver the **covered vehicle** to a vehicle repair shop for repairs due to the **loss**;

and ending the earlier of when the **covered vehicle** has been:

1. returned to **you**;
2. repaired; or
3. replaced.

However, if the **covered vehicle** is deemed by **us** to be a **total loss**, rental charges will be reimbursed until forty-eight (48) hours after **we** make an offer to pay the applicable Limit of Liability under this Part IV.

**You** must provide **us** with written proof of **your** rental charges.

Duplicate recovery for identical elements of damages is not permitted under this policy.

### **PAYMENT OF LOSS**

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property.

### **NO BENEFIT TO BAILEE**

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

### **LOSS PAYEE AGREEMENT**

Payment for a **loss** to a **covered vehicle** will be made according to **your** interest and the interest of any Loss Payee or lienholder shown on the **declarations page** or desig-

nated by **you**. Payment may be made both jointly, or separately, at **our** discretion.

**We** will be entitled to the Loss Payee or lienholder's rights of recovery, to the extent of **our** payment to the Loss Payee or lienholder.

#### **OTHER INSURANCE**

If there is other applicable insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits of liability.

#### **APPRAISAL**

If **we** cannot agree with **you** on the amount of a **loss**, then **we** or **you** may demand an appraisal of the **loss**. If the demand for an appraisal is made, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. The amount of **loss** agreed to by any two will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally by **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

### **GENERAL PROVISIONS**

#### **GENERAL EXCLUSIONS**

Coverage and **our** duty to defend under Part I – Liability To Others, Part II – Excess Medical Payments Coverage, Part III – Uninsured Motorist Coverage, and Part IV – Physical Damage Coverage does not apply to a **loss**:

1. while a **covered vehicle** is being used as a residence or premises;
2. arising out of the ownership, maintenance, or use of any vehicle with less or more than four wheels;
3. sustained while a **covered vehicle** is being used to flee or elude law enforcement official(s);
4. sustained while a **covered vehicle** is used in any illicit trade or transportation;
5. which occurs while a **covered vehicle** is used in the commission of any felony, including theft of **your covered vehicle**;
6. which occurs while a **covered vehicle** is being used for snow removal, or any kind of wholesale or retail delivery, including but not limited to pizza, magazine, flowers, newspaper, mail or other business types of delivery;
7. occurring while the **covered vehicle** is used to carry persons or property for a charge, compensation, or fee.

This exclusion does not apply to shared-expense car pools;

8. which occurs while a **covered vehicle** is used to pull a mobile home or **trailer** which is used as an office, store, display, or recreational vehicle;
9. arising out of the use of farm machinery;
10. arising out of or due to the use of a **covered vehicle** for the transportation of any explosive substance, flammable liquid, or similarly hazardous material, except transportation incidental to **your** ordinary household maintenance activities;
11. which occurs while a **covered vehicle** is being towed, or is towing another vehicle;
12. arising while a **covered vehicle** is being operated by a person who is listed as an excluded driver on the **declarations page**;
13. arising out of the ownership, maintenance, or use of any **vehicle**, other than a **covered vehicle**, which is **owned** by **you**, a resident, or an **insured person**, furnished to or available for **your**, a resident's, or an **insured person's** regular use;
14. if a **covered vehicle** is used without the insured's permission;
15. if a **non-owned vehicle** is used without the express or implied permission of the **owner**;
16. if the driver used the **covered vehicle** without a reasonable belief that he or she was entitled to do so;
17. involving **bodily injury** or **property damage** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
18. arising out of an auto business operation, including but not limited to the selling, repairing, servicing, testing, storing, or parking of **vehicles**;
19. caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation, radioactive contamination, or any consequence of these;
20. to anyone protected at the time of the **accident** by an atomic or nuclear energy liability insurance contract. The reason for this is that by law such policies protect all persons involved in the **accident**, regardless of fault;
21. for which the United States Government is liable under the Federal Claims Tort Act; or
22. arising during the period of time between the cancellation date and time and the reinstatement date and time.

#### **BUSINESS USE COVERAGE**

If **you** pay a specific premium for **business use** coverage, **we** will pay for direct and accidental **loss** that occurs while **you** are operating **your covered vehicle** and traveling between locations during the course and within the scope of

**your** employment, subject to the coverages shown on **your declarations page**, and all the terms, provisions, conditions and exclusions described throughout this policy.

### **POLICY PERIOD AND TERRITORY**

This policy applies only to **accidents** and **losses** occurring during the policy period shown on the **declarations page** and which occur within any state, territory, or possession of the United States of America, or any province of Canada, or while a **covered vehicle** is being transported between their ports.

### **POLICY CHANGES**

This policy, **your** insurance application (which is made a part of this policy as if attached hereto), the **declarations page**, as amended, and endorsements issued by **us** to this policy contain agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived except by an endorsement issued by **us**.

The premium for each **vehicle** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and **you** will notify **us** if it changes during the policy period. 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. To properly insure **your vehicle**, **you** must promptly notify **us** when:

1. an insured person changes their address;
2. any resident operators are added or deleted;
3. an insured person acquires an additional or replacement **vehicle**; or
4. an insured person's marital relationship is terminated.

Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to:

1. changes in the number, type, or use classification of **covered vehicles**;
2. changes in operators using **covered vehicles** or changes in their marital status;
3. a **relative** obtaining a driver's license or operator's permit;
4. changes in the place of principal garaging of any **covered vehicle**;
5. changes in coverages, deductibles, or limits of liability; or
6. changes in rating territory or discount eligibility.

### **TERMS OF POLICY CONFORMS TO STATUTES**

If any provision of this policy fails to conform with the legal requirements of the state listed on **your** application as **your**

residence, the provision shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state listed on **your** application as **your** residence.

### **TRANSFER**

This policy may not be transferred to another person without **our** written consent. If a named insured dies, this policy will provide coverage until the end of the policy period for the legal representative of the named insured, while acting as such, and for persons covered under this policy on the date of the named insured's death.

### **NUMBER OF VEHICLES LISTED**

Four (4) is the maximum number of **covered vehicles** that may be listed on **your** policy.

### **TWO OR MORE VEHICLE POLICIES**

If this policy and any other insurance policy issued to **you** by **us** apply to the same **accident**, the maximum limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy, even though separate premiums have been paid. **You** cannot stack coverages or policies.

### **FRAUD OR MISREPRESENTATION**

This policy was issued in reliance upon the information provided on **your** insurance application. The statements, representations and information provided on **your** application were material to **our** decision to issue this policy. The application is hereby made a part of this policy as if attached. **We** may void this policy if **you** or an insured person have:

1. made incorrect statements or representations or provide **us** with incorrect information with regard to any material fact or circumstance;
2. concealed or misrepresented any material fact or circumstance; or
3. engaged in fraudulent conduct;

at the time the application was made. **We** may void this policy due to fraud or misrepresentation even after the occurrence of an **accident** or **loss**. This means that **we** would not be liable for any claims or damages which would otherwise be covered.

No coverage will be provided to **you** or any other person who engages in fraudulent conduct in connection with an **accident** or claim.

If **we** void this policy or deny coverage due to fraudulent conduct, **you** must reimburse **us** if **we** make a payment.

**We** will not void this policy due to a misrepresentation of a material fact or circumstance in the application if this policy

has been in effect for one (1) year or one (1) policy term, whichever is less.

#### **UNDISCLOSED REGULAR OPERATOR SURCHARGE**

In the event of payment under Part I, Part II, or Part III of this policy due to an **accident** or **loss** caused by an undisclosed regular operator of a **covered vehicle**, **we** may surcharge **you** by an amount not to exceed two hundred percent (200%) of the premium for such undisclosed regular operator or the amount of the **loss**, whichever is less.

#### **PAYMENT OF PREMIUM**

If **your** initial premium payment is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment. If the check, draft, or remittance is not honored upon presentment, this policy will be deemed void from its inception, as if the policy never took effect. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

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

#### **LATE PAYMENT**

In order to continue **your** coverage with no interruption, **your** installment or renewal payment must be received in **our** office prior to the cancellation date and time shown on **your** Notice of Payment Due/Notice of Cancellation or Renewal Notice/Cancellation Notice. Payment effective dates and times vary per the payment method. Payments:

1. made through the Safe Auto Phone Pay system are effective the date and time the checking account information is relayed to **our** Representative;
2. made via Western Union are effective the date and time printed on the receipt;
3. made via MoneyGram are effective the date and time printed on the receipt, converted to Eastern Time Zone;
4. made via credit card are effective the date and time the credit card company approves the credit card transaction;
5. mailed via the post office are effective the day after the postmark date on the payment envelope at 12:01 A.M.;
6. delivered by an overnight carrier with a legible received date and time are effective the day and time the overnight carrier receives the payment;
7. mailed via the post office, but with no legible postmark date on the envelope or delivered by an overnight carrier with no legible received date and time are effective the day **we** receive the payment at 12:01 A.M.; and
8. walked-in or delivered via a same day carrier are effective

tive the date and time **we** receive **your** payment.

If the payment effective date and time is prior to the cancellation date and time shown on **your** Notice of Payment Due/Notice of Cancellation or Renewal Notice/Cancellation Notice, the policy will not cancel. If **your** payment is effective after the cancellation date and time, **your** policy will cancel as of the date and time shown on **your** Notice of Payment Due/Notice of Cancellation or Renewal Notice/Cancellation Notice that applies to that payment and **your** policy will reinstate effective the effective date and time of the payment.

**We** may accept a payment effective after the cancellation date and time and reinstate **your** policy as long as the payment's effective date and time is no more than ten (10) days after the cancellation's effective date and time.

In the event **we** accept **your** late payment and reinstate **your** policy, **we** will not cover any loss or **accident** which occurred during the period of time between the cancellation date and time and the reinstatement date and time. Any lapse in coverage will result in a credit being applied to **your** account for the period of time for which **you** had no coverage. In the event that this policy is reinstated, it will reinstate under the same policy terms, limits, conditions, elections, and exclusions which were in effect prior to the cancellation. **Your** policy expiration and/or renewal date will remain unchanged by any reinstatement by **us**.

**We** reserve the right not to accept late payments on policies that have cancelled. **We** cannot accept any payment that is effective more than ten (10) days after the cancellation date and time.

## **CANCELLATION**

**You** may cancel this policy by calling or writing **us**, and stating the future date that **you** wish the cancellation to be effective.

**We** may cancel this policy by mailing a notice of cancellation to the named insured shown on the **declarations page** at the last known address appearing in **our** records.

If cancellation is due to nonpayment of premium, notice will be mailed at least ten (10) days before the effective date of cancellation. If cancellation is due to any reason other than nonpayment of premium, notice will be mailed at least thirty (30) days before the effective date of cancellation.

The notice of cancellation may be included in or with **your** billing invoice.

**We** may cancel this policy for any reason within the first sixty (60) days of the initial policy period.

After this policy is in effect for sixty (60) days; **we** may cancel only for one (1) or more of the following reasons:

1. **you** do not pay the required premium for this policy when due;

2. misrepresentation by **you** of any material fact in the procurement or renewal of this policy or in the submission of any claim under this policy;
3. an insured person makes a false or fraudulent claim under this policy or knowingly aids or abets another in the presentation of such a claim;
4. an insured person violated any of the terms or conditions of the policy;
5. the named insured failed to fully disclose motor vehicle **accidents** and moving traffic violations for the preceding thirty-six (36) months;
6. the named insured, or any operator who either resides in the same household or customarily operates a **covered vehicle**:
  - a. has had a driver's license under suspension or revocation within the twelve (12) months prior to the notice of cancellation;
  - b. is or becomes subject to epilepsy or heart attacks, and such individual does not provide a certificate from a qualified physician testifying to the person's unqualified ability to operate a motor vehicle safely;
  - c. has:
    - i. an accident record;
    - ii. a criminal or traffic conviction record; or
    - iii. a physical or mental condition which is such that the person's operation of a vehicle might endanger the public safety;
  - d. has been addicted to the use of narcotics or other drugs within the thirty-six (36) months immediately prior to the notice of cancellation;
  - e. during the thirty-six (36) months immediately preceding the notice of cancellation has been convicted of, or forfeited bail for:
    - i. any felony;
    - ii. criminal negligence resulting in death;
    - iii. homicide or assault arising out of the operation of a motor vehicle;
    - iv. operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
    - v. being intoxicated while in, or about, a **vehicle**, or while having custody of a **vehicle**;
    - vi. leaving the scene of an accident without stopping to report;
    - vii. theft or unlawful taking of a motor vehicle; or
    - viii. making false statements in an application for an operator's or chauffeur's license; or
  - f. within the twelve (12) months immediately preceding the notice of cancellation has been convicted

of, or forfeited bail for:

- i. three or more violations of any law, ordinance or regulation limiting the speed of motor vehicles; or
  - ii. any of the provisions of the motor vehicle laws of any state, violation of which constitutes a misdemeanor, whether or not the violations were repetitions or the same offense or different offenses;
7. the **covered 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 increase the risk substantially; or
  - f. subject to an inspection by law and has not been inspected or, if inspected, has failed to qualify; or
8. any other reason specified by statute.

If this policy is cancelled, coverage will not be provided as of the effective date and time shown in the notice of cancellation.

With regard to cancellation, this policy is not severable or divisible. Any cancellation will be effective for all coverages, all persons and all **vehicles**.

#### **CANCELLATION REFUND**

Upon cancellation, **you** may be entitled to a premium refund. However, **our** making or offering of a refund is not a condition of cancellation.

If this policy is cancelled, any refund due will be computed on a daily pro-rata basis.

#### **NONRENEWAL**

If **we** decide not to renew or continue this policy, other than for nonpayment of premium, **we** will mail notice of nonrenewal to the named insured shown on the **declarations page** at the last known address appearing on **our** records. Notice will be mailed at least thirty (30) days before the end of the policy period.

After this policy has been in effect or renewed for five (5) or more years, **we** shall not exercise **our** right of nonrenewal unless:

1. there exists one or more of the grounds for cancellation, as set forth above as reasons for cancellation after a policy is in effect for more than sixty (60) days; and

2. **we** mail notice to **you** at least sixty (60) days before the end of the policy period.

Once a nonrenewal notice has been mailed to **you**, **you** still have an obligation to make any outstanding premium installment payments when due, for the remainder of the policy period.

Failure to pay any such payments when due may result in an earlier cancellation of **your** policy for nonpayment of premium following at least ten (10) days written notice by **us**. No late payments will be accepted and coverage will not be extended to the non-renewal date.

#### **PROOF OF NOTICE**

Proof of mailing of any notice will be sufficient proof of notice.

#### **AUTOMATIC TERMINATION**

Coverage for a **covered vehicle** shall automatically terminate:

1. when a person other than **you** or a **relative** becomes the **owner** of the **vehicle**; or
2. on the effective date of any other motor vehicle insurance policy covering that **vehicle**.

#### **COVERAGE CHANGES**

If **we** make a change which broadens a coverage **you** have under this edition of **your** policy, without additional charge, **you** will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in **your** state. This provision does not apply to a general program revision or **our** issuance of a subsequent edition of **your** policy. Otherwise, this policy can be changed only by endorsement issued by **us**.

#### **LEGAL ACTION AGAINST US**

**We** may not be sued unless there is full compliance with all the terms of this policy. Any lawsuit against **us** by **you**, a relative, or any other insured person must be commenced following an **accident**, or an alleged breach of **our** obligations under this policy, within the time period set forth as the **bodily injury** statute of limitations in the laws of the state listed in **our** records as **your** principal address.

**We** may not be sued for payment under Part I – Liability To Others until the obligation of an insured person to pay is finally determined either by final judgment against that person or by written agreement of the insured person, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an insured person.

If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

## **OUR RIGHTS TO RECOVER PAYMENT**

In the event of any payment under this policy, **we** are entitled to all the rights of recovery that the insured person to whom payment was made has against another. That insured person must sign and deliver to **us** any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise those rights, and do nothing after an **accident** or **loss** to prejudice **our** rights.

However, **we** may not assert rights of recovery against any person who was using a **covered vehicle** with **your** express or implied permission for any payment made under Part IV – Physical Damage Coverage.

When an insured person has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the insured person in trust for **us** and reimbursed to **us** to the extent of **our** payment.

If recovery is made by an insured person under this policy from a responsible party or that party's insurer without our written consent, the insured person's right to payment under any affected coverage will no longer exist.

## **BANKRUPTCY**

The bankruptcy or insolvency of an insured person will not relieve **us** of any obligations under this policy.

## **POLLUTION EXCLUSION**

It is agreed that this insurance does not provide coverage for **you** or others for **bodily injury, property damage**, or financial loss, including the decrease of property value arising out of or resulting from the intentional or unintentional, actual, alleged, or threatened discharge, release, dispersal, seepage or escape of pollutants into or upon land, the atmosphere or any water course, body of water or underground water of any kind or any environmental damage or pollution. Pollutants means any solid, liquid, gaseous, or thermal substance, irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed, known or unknown to contain pollutants or result in environmental damage.

It is agreed that this insurance does not provide coverage for any loss, cost, liability, or expense of any kind, including attorney's fees and costs and/or expense of litigation, arising out of any judicial, administrative or governmental order, direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants or environmental damage.

## **CONSUMER HOTLINE**

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

Safe Auto Insurance Company  
Complaint Unit  
3883 E Broad St  
Columbus, Ohio 43213-1129  
(800) SAFE-AUTO  
(800) 723-3288

**You** may also contact:

Illinois Department of Professional and Financial Regulation  
Consumer Division or Public Services Section,  
Springfield, Illinois 62767.

### **NAMED DRIVER EXCLUSION**

If **you** have asked **us** to exclude any person from coverage under this policy, then **we** will not provide coverage for any claim arising from an **accident** or **loss** involving a **vehicle** being operated by an excluded person. THIS INCLUDES ANY CLAIM FOR DAMAGES MADE AGAINST **YOU**, A **RELATIVE**, OR ANY OTHER PERSON OR ORGANIZATION THAT IS VICARIOUSLY LIABLE FOR AN **ACCIDENT** ARISING OUT OF THE OPERATION OF A **VEHICLE** BY THE EXCLUDED DRIVER.

### **NAMED OPERATOR – NON-OWNED VEHICLE COVERAGE**

If **you** elect Named Operator – Non-Owned Vehicle Coverage, **you** agree with **us** that the policy is amended as follows:

#### **GENERAL DEFINITIONS**

1. The general policy definition of “**you**” and “**your**” is deleted and replaced by the following:  
“**You**” and “**your**” mean the person shown as the named insured on the **declarations page**.
2. The general policy definition of “**covered vehicle**” is deleted and no coverage is provided with respect to a **covered vehicle** under this policy.
3. The general policy definition of “**non-owned vehicle**” is deleted and replaced by the following:  
“**Non-owned vehicle**” means any **vehicle** that is not owned by **you** if this policy is certified as proof of financial responsibility.  
“**Non-owned vehicle**” means any **vehicle** that is not **owned by you**, a **relative**, or **your** spouse if this policy is not certified as proof of financial responsibility.

**PART I – LIABILITY TO OTHERS**

ADDITIONAL DEFINITION: When used in Part I, the definition of “insured person” and “insured persons” is deleted and replaced by the following

“Insured person” and “insured persons” mean:

1. **you**, when operating or using a **vehicle**, other than a **vehicle owned** by **you** or a **relative**, with the express or implied permission of the **owner**; and
2. any person or organization with respect only to vicarious liability for an **accident** arising out of the use of a **non-owned vehicle** by **you** with the express or implied permission of the **owner**.

**PART II – EXCESS MEDICAL PAYMENTS**

ADDITIONAL DEFINITIONS: When used in Part II, the definition of “insured person” and “insured persons” means **you**:

1. while **occupying** any **vehicle**, other than a **vehicle owned** by **you**; or
2. when struck by a motor vehicle or **trailer** while not **occupying** a motor vehicle.

**PART III – UNINSURED MOTORIST COVERAGE**

ADDITIONAL DEFINITIONS: When used in Part III, the Additional Definition of “insured person” and “insured persons” is deleted and replaced by the following:

“Insured person” and “insured persons” mean:

1. **you**; and
2. any person who is entitled to recover damages covered by Part III because of **bodily injury** to **you**.

Uninsured Motorist Property Damage Coverage is deleted.

All other terms, limits, and provisions of this policy remain unchanged.

In witness whereof, **we** have caused this policy to be executed and attested by **our** President and Secretary.



Jon P. Diamond



April D. Miller

**Safe Auto Insurance Company**

Corporate Office:

4 Easton Oval

Columbus, Ohio 43219

(614) 231-0200

1(800) SAFE-AUTO

1(800) 723-3288