

Alfa Specialty Insurance Corporation
Private Passenger Auto Policy



Underwritten by

**ALFA SPECIALTY
INSURANCE
CORPORATION**

**2108 East South Boulevard
Montgomery, AL 36116**
(NAIC # 11004)

**PRIVATE
PASSENGER AUTO
POLICY**

GEORGIA
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Your Quick Reference Guide

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Agreement

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

Definitions

When shown in this policy in **bold** print the words and phrases listed below have the meaning shown here. These meanings will apply whether the word or phrase appears in the singular, possessive, plural, active or passive forms:

- A. Throughout this policy, "**you**" and "**your**" refer to:
1. The "**named insured**" shown in the Declarations; and
 2. The spouse if a resident of the same household.
If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered "**you**" and "**your**" under this policy but only until the earlier of:
 - a. The end of 90 days following the spouse's change of residency;
 - b. The effective date of another policy listing the spouse as a **named insured**; or
 3. The end of the policy period.
- B. "**We**," "**us**" and "**our**" refer to the Company providing this insurance.
- C. "**Auto**" means a motorized passenger type vehicle that is a sedan, passenger van, sport utility vehicle, or pick-up truck that:
1. is of a kind required to be registered under the state motor vehicle laws for use on the public roads;
 2. has no less or no more than four wheels;
 3. has a gross vehicle weight rating of 10,000 or less (as determined by the manufacturer)
 4. is not used in that **business** of any **insured** unless **you** have disclosed that business use to **us** on the Application; and
 5. does not include any of the following:
 - a. Motorcycle, dirt bike, or all-terrain vehicle (ATVs);

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- b. Golf cart;
 - c. Tractor;
 - d. Farm machinery;
 - e. Step-van or van with a cab separate from the cargo area;
 - f. Vehicles operated on rails or crawler treads;
 - g. Recreational vehicle; or
 - h. Vehicle of any type while used as a residence or for office, store or display purposes
- D. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from the injury.
- E. **"Business"** includes trade, profession, or occupation.
- F. **"Family member"** means a person related to **you** by blood, marriage, or adoption who is a resident of **your** household. This includes a ward or foster child.
- G. **"Named Insured"** means the person or persons shown as the policyholder in the Declarations
- H. **"Occupying"** means in, upon, getting in, on, out, or off.
- I. **"Owns"** or **"Owned"** means to:
- 1. Hold legal title to the **auto**;
 - 2. Have legal possession of the **auto** subject to a written conditional sales agreement; or
 - 3. Have legal possession of the **auto** under a lease or rental agreement for a continuous period of at least 6 months.
- J. **"Owner"** means the person, which does include a corporation, partnership, association or **business**, or entity who:
- 1. Holds legal title to the **auto**;
 - 2. Has legal possession of the **auto** subject to a written conditional sales agreement; or
 - 3. Has legal possession of the **auto** under a lease or rental agreement for a continuous period of at least 6 months.
- K. **"Property damage"** means physical injury to, destruction of, or loss of use of tangible property.
- L. **"Trailer"** means a vehicle designed to be pulled by an **auto**:
- It also means a farm wagon or farm implement while towed by an **auto**.

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It does not include:

1. A mobile home; or
2. A **trailer** used as an office, store, display, or passenger conveyance; or
3. A cement mixer; or
4. A semi-trailer; or
5. A **trailer** used for **business** purposes unless pulled by **your covered auto** and **you** have disclosed business use to **us** on the Application.

M. "**Your covered auto**" means:

1. Any **auto** shown in the Declarations.
2. Any **auto you** acquire to replace the **auto** described in the Declarations, subject to the following conditions:
 - a. The existing coverages on the **auto** replaced, will apply to a replacement **auto** as of the date it is acquired if **you** notify **us** within 14 days of the date it is acquired by **you**.
 - b. A replacement **auto** will not be provided more coverage than applied to the **auto** it replaced until and unless **you** ask **us** to add coverage and **our** conditions are met. If **you** add coverage or increase limits, that added coverage or increased limit does not apply until after **you** have asked **us** to add the coverage or increase limits.
3. Any additional **auto**, other than a replacement **auto**, that **you** acquire during the policy period, but only if **we** insure all **autos you own** and **you** give us notice within 14 days of the date the **auto** is acquired by **you**. No coverage will apply to an additional **auto** if **you** do not notify **us** within 14 days of acquiring that **auto**. No Coverage for Damage to Your Auto shall apply to an additional **auto** until after the time **you** give **us** notice **you** have acquired the **auto**..
4. Any **trailer you own**.
5. Any **auto** or **trailer you** do not **own** while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. breakdown;
 - b. repair;

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

This provision (M.5.) does not apply to Coverage for Damage to Your Auto.

Part A: Liability Coverage

Insuring Agreement

If **you** paid the premium for Liability Coverage, **we** will pay damages, for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the **insured**. **We** have the right to investigate, negotiate, and settle any claim for damages covered by this coverage as **we** consider appropriate. **We** will settle or defend claims and lawsuits for damages covered under this Part A as **we** deem proper with attorneys hired and paid for by **us**. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

Additional Definitions

When used in this Part:

"**Insured**" means:

1. **You** or any **family member** for the ownership, maintenance, or use of any **auto** or **trailer**.
2. Any person using **your covered auto** with the **owner's** expressed permission and provided such use is within the scope of that permission.
3. Additional interest listed in the Declarations but only to the extent of their vicarious liability for the acts of another insured.

Supplementary Payments

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

1. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend. However, **we** will not pay the premium for attachment bonds that are

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more than **our** limit of liability. **We** have no duty to apply for or furnish bonds.

2. Interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
3. Other reasonable expenses incurred at **our** request. However, **we** will not pay any costs or expenses, including attorney fees, incurred by any person or any **insured** because of a declaratory judgment action between that person or **insured** and **us**.

Exclusions

A. **We** do not provide Liability Coverage for any **insured**:

1. Who intentionally causes **bodily injury** or **property damage**. However, if no other source exists for the recovery of damages within the amounts of the state minimum financial responsibility limits, this exclusion A1 shall not apply to the extent that the state financial responsibility law prohibits.
2. For **property damage** to property **owned** or being transported by an **insured**.
3. For **property damage** to property:
 - a. rented to;
 - b. used by; or
 - c. in the care, custody, or control of;
an **insured**.
4. For **bodily injury** to an employee or fellow employee of any **insured** occurring during the course of employment. This exclusion (A.4.) does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
5. For that **insured's** liability arising out of the ownership or operation of a vehicle while it is being used to deliver persons or property for a fee or while being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.
6. While employed or otherwise engaged in the **business** of:
 - a. selling;
 - d. storing; or

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- b. repairing;
- c. servicing;
- e. parking;

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

7. Maintaining or using any vehicle while that **insured** is employed or otherwise engaged in that **business** (other than farming or ranching) not described in exclusion **A.6** unless **you** disclosed that business use to **us** on the Application.
 8. Using a vehicle without a reasonable belief that the **insured** is entitled to do so. Without limiting this exclusion, a person without a valid, in-force driver's license cannot reasonably believe that he or she is entitled to operate the vehicle.
 9. For **bodily injury** or **property damage** for which any **insured**:
 - a. is an **insured** under a nuclear energy liability policy; or
 - b. would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

 - a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
 10. For **bodily injury** to **you** or any **family member**.
 11. For **bodily injury** to an **insured** whenever the ultimate benefits of such indemnification accrue directly or indirectly to an **insured**.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:**
1. Any vehicle which:
 - a. has more or less than four wheels; or
 - b. is designed mainly for use off public roads.

This exclusion (**B.1.**) does not apply to any **trailer**.
 2. Any vehicle, other than **your covered auto**, which is:
 - a. **owned by you**; or
 - b. furnished or available for **your** regular use.

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3. Any vehicle, other than **your covered auto**, which is:
 - a. **owned by any family member**; or
 - b. furnished or available for the regular use of any **family member**.
 4. Any vehicle while:
 - a. competing in;
 - b. practicing or preparing for; or
 - c. located in a facility designed for the purpose of; any prearranged or organized racing, speed, stunt driving, or demolition contest.
 5. Any vehicle when rented to others or while being used to carry persons or property for compensation or a fee. This exclusion **(B.5.)** does not apply to a share-the-expense car pool.
- C. We do not provide Liability Coverage for:
1. Any liability assumed under any contract or bailment.
 2. **Bodily injury or property damage** due to war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation, or contamination or any consequence of any of these.
 3. Any obligation for which the United States Government is liable under the Federal Tort Claims Act.
 4. **Bodily injury or property damage** caused by the dumping, discharge, or escape of any irritants, pollutants or contaminants other than the fluids necessary for the operation of **your covered auto**.
 5. **Bodily injury or property damage** caused by explosives, other than the fluids necessary for the operation of **your covered auto**.
 6. **Bodily injury or property damage** caused by a:
 - a. **family member**;
 - b. resident of **your** household;
 - c. person who is not licensed to operate a motor vehicle; or
 - d. person who operates **your covered auto** on a regular basis;
unless that person is listed as a driver or resident on the application or endorsed onto the policy

during the policy term but before the loss.

7. **Bodily injury** or **property damage** caused intentionally by or at the direction of an **insured**. However, if no other source exists for the recovery of damages within the amounts of the state minimum financial responsibility limits, this exclusion C7 shall not apply to the extent that the state financial responsibility law prohibits.
8. **Bodily injury** or **property damage** resulting from the discharge of any firearm or weapon used in connection with any **auto**.
9. **Bodily injury** or **property damage** caused by, or reasonably expected to result from, a criminal act or omission of an **insured**. This exclusion applies regardless of whether an **insured** is actually charged with or convicted of, a crime.
10. **Bodily injury** or **property damage** caused by or resulting from any **insured's** use of any **auto** while attempting to avoid apprehension or arrest.
11. Any person operating **your covered auto** who is not listed as a driver on the application, or endorsed onto the policy prior to the loss, if that operator has available to them other applicable liability insurance.

Limit of Liability

- A. The limit of liability shown in the Declarations for each person for **bodily injury** Liability is **our** maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of **bodily injury** sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for **bodily injury** liability is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for **property damage** Liability is **our** maximum limit of liability for all **property damage** resulting from any one auto accident.

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

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1. **Insureds**;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the auto accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part B or Part C of this policy.
 2. Workers' compensation or any similar insurance

Out of State Coverage

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

- A. If the state or province has:
1. A financial responsibility or similar law specifying out of state or non-resident drivers must carry limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, **your** policy will provide the higher specified limit.
 2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, **your** policy will provide at least the required minimum amounts and types of coverage.
- B. No one will be entitled to duplicate payments for the same elements of loss.

Financial Responsibility

When this policy is certified as future proof of financial responsibility, this policy shall 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:

1. Any insurance **we** provide for a vehicle **you** do not **own** shall be excess over any other collectible insurance.
2. Any insurance **we** provide for a vehicle **you own** shall be excess to that of a person engaged in the

business of:

- a. storing;
- b. parking;
- c. servicing; or
- d. repairing;

motor vehicles, if the accident occurs while the vehicle is in that person's possession, custody or control.

3. We will pay only **our** share of the loss for **your covered auto**. Our share is the proportion that **our** limit of liability bears to the total of all applicable limits.

Part B: Medical Payments

Insuring Agreement

If **you** paid the premium for Medical Payments Coverage when due, **we** will pay the usual and customary charge for reasonable expenses incurred for necessary medical and funeral services because of **bodily injury**:

1. Caused by accident; and
2. Sustained by an **insured** while operating or **occupying your covered auto** or as a pedestrian when struck by a motor vehicle designed for use mainly on public roads or a trailer of any type.

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

Additional Definitions

When used in this Part:

"**Insured**" as used in this Part means:

1. **You** or any **family member**:
 - a. while **occupying**; or
 - b. as a pedestrian when struck by;
a motor vehicle designed for use mainly on public roads or a **trailer** of any type.
2. Any other person while legally **occupying your covered auto**.

Exclusions

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

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1. Sustained while **occupying** any motorized vehicle having more or less than four wheels.
2. Sustained while **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.
3. Sustained while **occupying** any vehicle located for use as a residence or premises.
4. Occurring during the course of employment.
5. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:
 - a. **owned by you**; or
 - b. furnished or available for **your** regular use.
6. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:
 - a. **Owned** by any **family member**; or
 - b. **Furnished** or available for the regular use of any **family member**.
7. Sustained while **occupying** a vehicle without a reasonable belief that that **insured** is entitled to do so.
8. Sustained while **occupying** a vehicle when it is being used in the **business** of an **insured**.
9. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection; or
 - e. rebellion or revolution.
10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation; or
 - c. radioactive contamination.
11. Sustained while **occupying** any vehicle while:
 - a. competing in;
 - b. practicing or preparing for; or
 - c. located inside a facility designed for the purpose of; any prearranged or organized racing, speed, stunt driving, or demolition contest.
12. Sustained while **occupying your covered auto** without

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the express or implied permission of **you** or a **family member**.

13. Sustained by **you** or a **family member** while **occupying** any **auto** or **trailer**, other than **your covered auto**, without the express or implied permission of the **owner**.
14. Sustained while **occupying** any vehicle when rented to others or while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, pizza, other types of food, or any other products. This exclusion (14.) does not apply to shared expense car pools.
15. Sustained by a:
 - a. **family member**;
 - b. resident of **your** household;
 - c. person who is not licensed to operate a motor vehicle; or
 - d. person who operates **your covered auto** on a regular basis;unless that person is listed as a driver or resident on the application or endorsed onto the policy during the policy term but before the loss.
16. For which the United States Government is liable under the Federal Tort Claims Act.
17. Caused by the dumping, discharge, or escape of any irritants, pollutants or contaminants other than the fluids necessary for the operation of **your covered auto**.
18. Caused by explosives, other than the fluids necessary for the operation of **your covered auto**.
19. Caused intentionally by or at the direction of any **insured**.
20. Resulting from the criminal acts of an **insured** or from an **insured's** involvement in an illegal occupation.
21. Resulting from any **insured's** use of any **auto** while attempting to avoid apprehension or arrest

Limit of Liability

- A. The limit of liability shown in the Declarations for this coverage is **our** maximum limit of liability for each person injured in any one accident. This is the most **we** will pay regardless of the number of:
 1. **Insureds**;

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2. Claims made;
 3. Vehicles or premiums shown in the Declarations;
 4. Vehicles involved in the accident; or
 5. Policies issued.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part **A** or Part **C** of this policy.
- C. Any payment made under this coverage shall be excess insurance over benefits paid or payable under the provisions of any disability benefits or similar law.

Other Insurance

If there is other applicable **auto** medical payments insurance **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

Part C: Uninsured Motorist Coverage

Insuring Agreement

If **you** paid the premium for Uninsured Motorist Coverage when due, **we** will pay compensatory damages which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of:

1. **Bodily injury** sustained by an **insured** and caused by an accident; and
2. **Property damage** caused by an accident if the Declarations indicate that both **bodily injury** and **property damage** Uninsured Motorist Coverage applies.

Additional Terms for Part C

- A. The liability of the **owner** or operator of an **uninsured motor vehicle** must arise out of the ownership or use of an **uninsured motor vehicle**.
- B. **We** will pay under this Part only:
 1. After the limits of liability under any **bodily injury** liability bonds or policies applicable to the **uninsured motor vehicle** have been exhausted by payment of

- judgments or settlements; or
2. After an offer of settlement has been made to the **insured** by the insurer of the **uninsured motor vehicle** and we have been given:
 - a. not less than 30 days written notice of that offer to pay sent certified mail return receipt requested or by some other method with written verification; and
 - b. an opportunity to advance payment to the **insured** in an amount equal to the offer settlement within 30 days after receipt of the written notification required by this Part.
- C. We are not bound by any judgment that arises out of a lawsuit with respect to:
1. the liability of an **owner** or operator of an **uninsured motor vehicle**; or
 2. the amount of damages for **bodily injury** or **property damage** that result from an accident.
- D. We are not bound by any settlement agreement entered into with the **owner** or operator of an **uninsured motor vehicle** that occurs without **our** written consent.

Additional Definitions

When used in Part C:

A. "**Insured**" means:

1. **You** or any **family member**.
2. Any other person using **your covered auto** with permission. However, the limit of **our** liability for individuals who become **insureds** solely because of this subparagraph, will be the minimum limits of uninsured motorist insurance coverage specified by the uninsured motorist law or financial responsibility law applicable to the accident, regardless of the limit stated in the Declarations.

B. "**Property damage**" means physical damage to or destruction of:

1. **Your covered auto** shown in the Declarations with a premium paid for Uninsured Motorists Property Damage Coverage.
2. Any property **owned** by the **insured** while contained

in **your covered auto** at the time of the accident.

C. **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. For which there are liability bonds, policies, self-insurance or other similar protection at the time of the accident, but the limit of liability under the bonds, policies, self-insurance or other similar protection available or paid to the **insured** after payment of liability claims to others or otherwise, is less than the:
 - a. full amount of compensatory damages the **insured** is legally entitled to recover from the **owner** or operator of the **uninsured motor vehicle**. THIS APPLIES ONLY IF YOU PAID THE PREMIUM FOR UNINSURED MOTORIST COVERAGE WITH THE "ADDED ON AT-FAULT LIABILITY LIMITS OPTION"; or
 - b. sum of the limits of liability of Uninsured Motorist Coverage covering that **insured** under this policy and any other policies covering that person. THIS APPLIES ONLY IF YOU PAID THE PREMIUM FOR UNINSURED MOTORIST COVERAGE WITH THE "REDUCED AT-FAULT LIABILITY LIMITS OPTION".
3. For which the **owner** or operator cannot be identified, and that motor vehicle causes **bodily injury** to that **insured** or **property damage**.

If there is no physical contact with the unidentified vehicle alleged to have caused the accident and the **insured**, a vehicle occupied by an **insured** or **your covered auto**, the facts of the accident must be corroborated by an eyewitness to the accident other than the claimant. **We** will only accept competent evidence other than evidence provided by an occupant of:

- a. **your covered auto**, if **your covered auto** is involved in the accident.
- b. the vehicle **you** or any **family member** are **occupying**, if **you** or any **family member** are **occupying** a vehicle other than **your covered auto** at the time of the accident.

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4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. legally denies coverage; or
 - b. is or becomes insolvent.

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

1. **Owned** by or furnished or available for the regular use of **you** or any **family member**.
2. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Designed mainly for use off public roads while not on public roads.
4. While located for use as a residence or premises.

Exclusions

- A. We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained:
 1. By an **insured** while **occupying**, or when struck by, any motor vehicle **owned** by any **insured** which is not **insured** for this coverage under this policy. This includes a **trailer** of any type used with that vehicle.
 2. By any **family member** while **occupying**, or when struck by, any motor vehicle **you own** which is **insured** for this coverage on a primary basis under any other policy.
- B. We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained while any **insured** operates or occupies a motor vehicle:
 1. **owned** by;
 2. furnished to; or
 3. available for the regular use of;**you** or a **family member**, but not **insured** for Liability Coverage under this policy. It also does not apply if any **insured** is hit by any such motor vehicle.
- C. We do not provide Uninsured Motorists Coverage for **property damage** or **bodily injury** sustained by any **insured**:
 1. If that **insured** or the legal representative settles the **bodily injury** or **property damage** claim without **our** consent. This exclusion (C.1.) does not apply to a settlement made with the insurer of a vehicle

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- described in Section 2. of the definition of **uninsured motor vehicle**.
2. When **your covered auto** is being used as a public or livery conveyance. This exclusion (C.2.) does not apply to a share-the-expense car pool.
 3. Using a vehicle without a reasonable belief that that **insured** is entitled to do so. Without limiting this exclusion, a person without a valid, in-force driver's license cannot reasonably believe that he or she is entitled to operate the vehicle.
 4. If the property is contained in or struck by a motor vehicle (other than **your covered auto**) **owned by you** or any **family member**.
 5. While using or **occupying** any vehicle while any **insured** is committing a crime.
- D. We do not provide Uninsured Motorists Coverage for any **property damage**:
1. While **your covered auto** is used for any racing.
 2. While **your covered auto** is used in an auto business.
 3. That arises out of the use, care, custody, or control of **your covered auto** when it is sold to any entity or person other than **you** or a **family member**
 4. For which an **insured** has been compensated by any other property or physical damage insurance.
- E. This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any of the following or similar law:
 - a. worker's compensation law; or
 - b. disability benefits law.
 2. Any insurer of property.
- F. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

If a court with proper jurisdiction finds an exclusion invalid, that exclusion is revised to apply only to the portion of damages that exceeds minimum financial responsibility limits.

Limit of Liability

- A. The limit of **bodily injury** Liability shown in the Declarations for each person for Uninsured Motorists

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Coverage is **our** maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of **bodily injury** sustained by any one person in any one accident. Subject to this limit for each person, the limit of **bodily injury** Liability shown in the Declarations for each accident for Uninsured Motorists Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one accident. The limit of **property damage** Liability shown in the Declarations for each accident for Uninsured Motorists Coverage is **our** maximum limit of liability for all **property damage** resulting from any one accident.

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

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

There will be no stacking or combining of coverage afforded to more than one vehicle under this policy.

- B. The limit of liability shall be reduced by all sums:
1. Paid or payable because of **bodily injury** under any of the following or similar law:
 - a. workers' compensation law; or
 - b. disability benefits law.
- C. No payment will be made for loss paid or payable to the **insured** under Part **D** of the policy.
- D. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part **A** or Part **B** of this policy.
- E. **We** will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- F. Payments under this Part are subject to a deductible if shown in the Declarations.
- G. **We** will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Worker's compensation law; or
 2. Disability benefits law.

Limits of Liability Under Uninsured Motorist “Reduced At-Fault Liability Limits” or “Added On At-Fault Liability Limits” Option Coverage

The Declarations will show if **you** have purchased Uninsured Motorist Coverage

A. Uninsured Motorist “Added On At-Fault Liability Limits” Option

If **you** paid the premium for this coverage, the damages an **insured** is entitled to recover for **bodily injury** or **property damage**, as applicable, from the **owner** or operator of the **uninsured motor vehicle** shall be reduced by any amount:

1. Paid under Part B-Medical Payments, or any similar type medical payments coverage under any other motor vehicle policy, for the same element of damages;
2. Paid under Part D-Coverage for Damage to Your Auto for the same element of damages; and
3. Paid or payable for the same element of damages because of **bodily injury** under any workers' compensation law.

B. Uninsured Motorist “Reduced At-Fault Liability Limits” Option

If **you** paid the premium for this coverage, **our** limit of liability under this Part C-Uninsured Motorist Coverage for **bodily injury** or **property damage**, as applicable, shall be reduced by any amount paid or to be paid:

1. To the **insured** because of **bodily injury** or **property damage** by or on behalf of any persons or organizations that may be legally responsible, including but not limited to all sums paid under Part A-Liability Coverage of this policy;
2. Under Part B-Medical Payments, or any similar type medical payments coverage under any other motor vehicle policy, for the same element of damages;
3. Under Part D-Coverage for Damage to Your Auto for the same element of damages; and

4. Under any workers' compensation law, disability benefits law or similar laws for the same element of damages because of **bodily injury**.

Other Insurance

- A. If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy, any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any one policy or provision of coverage.
- B. Subject to Paragraph A., with respect to **bodily injury** to an "**insured**":
 1. While not **occupying** a vehicle, only the policy or provision, under which the injured person is an **insured**, that provides the highest limit of liability of Uninsured Motorist Coverage, will apply. No other policies or provisions of coverage with lesser limits of liability will apply. If two or more policies or provisions of coverage provide the highest limit of liability, they will share the loss equally.
 2. While **occupying** a vehicle **owned** by that **insured**, only the Uninsured Motorist Coverage applicable to that vehicle will apply, and no other policies or provisions of coverage will apply.
 3. While **occupying** a vehicle not **owned** by that **insured**, the following will be the priorities of recovery:

First Priority. The Uninsured Motorist Coverage applicable to the vehicle the **insured** was **occupying** at the time of the accident.

Second Priority. If the first priority is exhausted, only the policy or provision, applicable to a vehicle under which the **insured** is a **named insured**, that provides the highest limit of liability of Uninsured Motorist Coverage.

Third Priority. If the first and second priorities are exhausted, only the policy or provision, applicable to a vehicle under which the **insured** is other than a **named insured**, that provides the highest limit of liability of Uninsured Motorist Coverage.

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If two or more policies or provisions of coverage in the second or third priority provide the highest limit of liability, they will equally share the loss applicable to that priority. No policies or provisions of coverage with lesser limits of liability will apply to the second or third priority.

Additional Duties after an Accident or Loss

- A. A person seeking Uninsured Motorists Coverage must also:
1. Promptly notify the police if a hit-and-run driver is involved.
 2. Promptly send us copies of the legal papers if a suit is brought.
- B. A person seeking Uninsured Motorists Coverage under Section 2. of the definition of **uninsured motor vehicle** must also promptly notify us in writing of a tentative settlement between the **insured** and the insurer, **owner** or operator of the **uninsured motor vehicle**.

We have 30 days after we have received such notification and any other written notification required by the insurer of the **uninsured motor vehicle** to either:

1. Consent in writing to the settlement thereby waiving **our** rights against the insurer, **owner** or operator of the **uninsured motor vehicle** and requiring arbitration of all issues of tort liability and damages arising out of the ownership, maintenance or use of the **uninsured motor vehicle**; or
2. Advance payment to any **insured** in an amount equal to the tentative settlement to preserve **our** rights against the insurer, **owner** or operator of such **uninsured motor vehicle**.

Part D: Coverage for Damage to Your Auto

Insuring Agreement

If **you** paid the premium for coverage under Part D, we will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including their equipment, minus any applicable deductible shown in the Declarations. If loss to more than one **your covered auto** or **non-owned auto** results from the same **collision**, only the highest applicable

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deductible will apply. We will pay for loss to **your covered auto** caused by:

1. Other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for that **auto**.
2. **Collision** only if the Declarations indicate that Collision Coverage is provided for that **auto**.

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

Additional Definitions

When used in this Part:

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

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

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

B. "**Non-owned auto**" means:

1. Any **auto** or **trailer** not **owned** by or furnished or available for the regular use of **you** or any **family member** while in the custody of or being operated by **you** or any **family member**; or
2. Any **auto** or **trailer** you do not **own** while used as a temporary substitute for **your covered auto** which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.

- C. "**Diminution in value**" means the actual or perceived loss in market or resale value which results from a direct and accidental loss.

Rental Reimbursement

- A. We will pay, without application of a deductible, up to the limit shown in the Declarations as applicable to that vehicle, for:
1. Temporary transportation expenses incurred by **you** in the event of a loss to **your covered auto**. We will pay for such expenses if the loss is caused by:
 - a. other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for that **auto**.
 - b. **collision** only if the Declarations indicate that Collision Coverage is provided for that **auto**.
 2. Loss of use expenses for which **you** become legally responsible in the event of loss to a **non-owned auto**. We will pay for loss of use expenses if the loss is caused by:
 - a. other than **collision** only if the Declarations indicate that Other Than Collision Coverage is provided for any **your covered auto**.
 - b. **collision** only if the Declarations indicate that Collision Coverage is provided for any **your covered auto**.
- B. If the loss is caused by:
1. A total theft of **your covered auto** or a **non-owned auto**, we will pay only expenses incurred during the period:
 - a. beginning 48 hours after the theft; and
 - b. ending when **your covered auto** or the **non-owned auto** is returned to use or we pay for its loss.
 2. Other than theft of **your covered auto** or a **non-owned auto**, we will pay only the expenses beginning when the **auto** is withdrawn from use for more than 24 hours.
- C. Our payment will be limited to that period of time reasonably required to repair or replace **your covered auto** or the **non-owned auto**.

Towing and Labor

We will pay towing and labor costs, other than locksmith services, incurred each time **your covered auto** or any **non-owned auto** is disabled, up to the amount shown in the Declarations as applicable to that vehicle. If a **non-owned auto** is disabled, we will provide the broadest towing and labor costs coverage applicable to any **your covered auto** shown in the Declarations. We will only pay for labor performed at the place of disablement.

Exclusions

We will not pay for:

1. Loss to **your covered auto** or any **non-owned auto** which occurs while it is being used as a public or livery conveyance. This exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure;
 - d. prior loss or damage;
 - e. manufacturer's defects; or
 - f. road damage to tires;
 - g. improper repair.This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto** or any **non-owned auto**.
3. Loss due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. War (declared or undeclared);
 - d. Civil war;
 - e. Insurrection; or
 - f. Rebellion or revolution.
4. Loss to any electronic equipment designed for the reproduction of sound and any accessories used with such equipment. This includes but is not limited to:
 - a. Radios, stereos, receivers, or amplifiers;
 - b. Tape decks, satellite radios, MP3 devices;

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- c. Compact disc players;
- d. Speakers;
- e. Video devices, including DVD devices, VCR's; monitors, cameras and televisions;
- f. GPS and other navigation systems; and
- g. Personal computers and internet access systems.

This exclusion (4.) does not apply to equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

- a. The equipment is permanently installed in **your covered auto** or any **non-owned auto** in the opening of the dash or console normally used by the manufacturer for the installation of a radio; or
- b. The equipment is:
 - (1) removable from a housing unit which is permanently installed in the **auto** in the opening of the dash or console normally used by the manufacturer for the installation of a radio;
 - (2) designed to be solely operated by use of the power from the **auto's** electrical system; and
 - (3) in or upon **your covered auto** or any **non-owned auto** at the time of the loss.

However, unless separately listed as additional equipment with a separate premium paid, the most we will pay for any such equipment is \$500.

5. Loss to any electronic equipment that receives or transmits audio, visual or data signals and any accessories used with such equipment. This includes but is not limited to:
- a. citizens band radios;
 - b. telephones;
 - c. two-way mobile radios;
 - d. scanning monitor receivers;
 - e. television monitor receivers;
 - f. video cassette recorders;
 - g. audio cassette recorders;
 - h. personal computers; or
 - i. fax machines.

This exclusion (5.) does not apply to any electronic equipment that is necessary for the normal operation of the **auto** or the monitoring of the **auto's** operating systems.

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However, unless separately listed as additional equipment with a separate premium paid, the most we will pay for any such equipment is \$500.

6. Loss to tapes, records, discs or other media used with equipment described in exclusions 4. and 5.
7. A total loss to **your covered auto** or any **non-owned auto** due to destruction or confiscation by governmental or civil authorities.
8. Loss to:
 - a. A **trailer**, camper body, or motor home which is not shown in the Declarations.
 - b. Facilities or equipment used with such **trailer**, camper body or motor home. Facilities or equipment include, but are not limited to:
 - (1) cooking, dining, plumbing or refrigeration facilities;
 - (2) awnings or cabanas; or
 - (3) any other facilities or equipment used with a **trailer**, camper body or motor home.
 - c. Equipment designed to create additional living facilities.
9. Loss to any **non-owned auto** when used by **you** or any **family member** without a reasonable belief that **you** or that **family member** are entitled to do so.
10. Loss to equipment designed or used for the detection or location of radar or laser.
11. Loss to any custom furnishings or equipment in or upon any **auto**. Custom furnishings or equipment include, but are not limited to:
 - a. Special carpeting or insulation;
 - b. Running boards, special windows;
 - c. Furniture or bars;
 - d. Control panels or consoles;
 - e. Wood trim;
 - f. Drapes, blinds or shades;
 - g. Television receivers;
 - h. Facilities for cooking and sleeping;
 - i. Height-extending roofs;
 - j. Custom murals, paintings, or other decals or graphics; or

k. Caps or shells.

12. Loss to additional equipment. Additional equipment includes, but is not limited to:

- a. Non-factory installed wheels;
- b. Special wide-tread tires or slicks;
- c. Custom paint, striping, murals, decals or graphics;
- d. Non-factory-installed sun or moon roofs, T-bar roofs, height extending roofs or special windows;
- e. Customized engines;
- f. Modified suspension;
- g. Special lighting;
- h. Winches, plows, utility and/or tool boxes; or
- i. Any other custom changes which alter the use or appearance of **your covered auto** or a **non-owned auto**.
- j. The value in excess of \$500 for covered equipment designed solely for the reproduction of sound and accessories used with such equipment.

This exclusion (12.) does not apply to additional equipment specifically identified and declared on the application with a premium shown in the Declarations.

13. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in the **business** of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing; or
- e. parking;

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

14. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in any **business** not described in exclusion 13. This exclusion (14.) does not apply to the maintenance or use by **you** or any **family member** of a **non-owned auto** which is an **auto** or **trailer**.

15. Loss to **your covered auto** or any **non-owned auto** while:

- a. Competing in;
- b. Practicing or preparing for; or
- c. Located in a facility designed for the purpose of;

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any prearranged or organized racing, speed, stunt driving, or demolition contest.

16. Loss to, or loss of use of, a **non-owned auto** rented by:
 - a. **You**; or
 - b. Any **family member**;
if a rental vehicle company is precluded from recovering such loss or loss of use, from **you** or that **family member**, pursuant to the provisions of any applicable rental agreement or state law.
17. Loss caused intentionally by or at the direction of **you** or a **family member**.
18. Loss to any **your covered auto** or **non-owned auto** occurring while rented to others or while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, pizza, other types of food, or any other products. This exclusion (18.) does not apply to a share-the-expense car pool.
19. Loss to personal effects or personal property including, but not limited to, money, clothes, luggage, tools, tapes, compact discs, and sports equipment.
20. Loss caused by explosives, other than the fluids necessary for the operation of a motor vehicle.
21. Loss to **your covered auto** or a **non-owned auto** caused by a:
 - a. **family member**;
 - b. resident of **your** household;
 - c. person who is not licensed to operate a motor vehicle; or
 - d. person who operates **your covered auto** or the **non-owned auto** on a regular basis;
unless that person is listed as a driver or resident on the application or endorsed onto the policy during the policy term but before the loss.
22. Loss to **your covered auto** or a **non-owned auto** resulting from the illegal activities of an **insured**.
23. Loss caused by the wrongful conversion, embezzlement, or secretion by the purchaser, mortgagor, or lessee in possession of **your covered auto** under mortgage, conditional sale contract, lease agreement, or other contract.

24. Loss that occurs while the operator of **your covered auto** is texting, keying or typing on any portable electronic device, including but not limited to mobile phones, PDA, Blackberry computer or similar device.
25. Loss that occurs while **you**, or anyone driving with **your permission** is using **your covered auto**:
 - a. In an illegal trade or transportation;
 - b. While committing a crime (other than a violation of a traffic law or similar law governing the ownership or operation of a vehicle); or
 - c. While fleeing any law enforcement personnel.
26. Lock out service or costs associated with gaining access to your vehicle when the keys are lost, not available, or locked inside the vehicle.

Limit of Liability

- A. **Our** limit of liability for loss will be the lesser of the:
 1. Actual cash value of the stolen or damaged property; or
 2. Amount necessary to repair or replace the property with other property of like kind and quality.

Our payment for loss will be reduced by any applicable deductible shown in the Declarations. If loss to more than one **your covered auto** or **non-owned auto** results from the same **collision**, only the highest applicable deductible will apply.
- B. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
- C. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.

Payment of Loss

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

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

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

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If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

No Benefit to Bailee

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

Other Sources of Recovery

If other sources of recovery also cover the loss, we will pay our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

However, any insurance we provide with respect to a **non-owned auto** shall be excess over any other collectible source of recovery including, but not limited to:

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

Appraisal

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

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

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

Additional Duties after an Accident or Loss

A person seeking Coverage for Damage to Your Auto must also:

1. Take reasonable steps after loss to protect **your covered auto** or any **non-owned auto** and their equipment from further loss. We will pay reasonable expenses incurred to do this.
2. Permit us to inspect and appraise the damaged property before its repair or disposal.

Loss Payable Clause

Loss or damage under this policy shall be paid, as interest may appear, to **you** and the loss payee shown in the Declarations. The loss payee has no greater rights under this policy than the **insured**. Where coverage is denied to the **insured** coverage is also denied to the loss payee.

We reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the loss payee's interest. **We** will give the same advance notice of cancellation to the loss payee as **we** give to the **named insured** shown in the Declarations. However, the failure to do so shall not affect the validity of the cancellation to the **insured**.

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

Part E: Duties after an Accident or Loss

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

- A. **We** must be notified promptly. **You** or someone on **your** behalf must notify **us** within thirty (30) days, or soon as practicable, of how, when, and where the accident or loss happened. This notice should also include:
 - 1. Time and place of accident or loss;
 - 2. Circumstances of the accident or loss;
 - 3. Names and addresses of any injured persons;
 - 4. Names and addresses of any witnesses; and,
 - 5. The license plate numbers of all vehicles involved.
- B. A person seeking any coverage must:
 - 1. Cooperate with **us** in the investigation, settlement or defense of any claim or suit.
 - 2. Promptly send **us** copies of any notices or legal papers received in connection with the accident or loss.
 - 3. Submit, as often as **we** reasonably require:
 - a. to physical exams by physicians **we** select. **We** will pay for these exams.
 - b. to examination under oath, while not in the

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presence of any other **insured**, and subscribe to the same. This includes, but is not limited to, allowing **us** to take signed or recorded statements, including statements under oath, and to answer all reasonable questions **we** may ask, when and as often as **we** may reasonably require.

4. Authorize us to obtain:
 - a. medical reports; and
 - b. other pertinent records.
 5. Submit a proof of loss when required by **us**.
 6. Attend hearings and trials as **we** require.
- C. **You** must notify the police within 24 hours, or as soon as practicable, if:
1. A hit-and-run driver is involved;
 2. **You** cannot identify the **owner** or operator of a vehicle involved in the accident; or
 3. A theft or vandalism has occurred.
- D. **You** must send **us** copies of the legal papers within 24 hours, or as soon as practicable, if a suit is brought.

Part F: General Provisions

By acceptance of this policy, **you** agree:

1. That the statements in the Declarations and the application are **your** representations;
2. That this policy is issued in reliance upon the truth of those representations;
3. That the application forms a part of this policy; and
4. That this policy embodies all agreements existing between **you** and **us** or any of the agents relating to this policy.

Bankruptcy

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

Changes

- A. This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**.
- B. If there is a change to the information used to develop the policy premium, **we** may adjust **your** premium.

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Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

1. The number, type, or use classification of **insured** vehicles;
2. Operators using **insured** vehicles;
3. The place of principal garaging of **insured** vehicles;
4. Coverage, deductible, or limits.

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

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

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

Fraud

We do not provide coverage for any **insured** who has made false or fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

Legal Action against Us

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

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

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

Our Right To Recover Payment

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

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights in this paragraph (A.) do not apply under Part D, against any person using your covered auto with a reasonable belief that that person is entitled to do so.

Our rights under Paragraph A. with respect to coverage under Section 2. of **uninsured motor vehicle** do not apply with respect to the insurer, owner or operator of an **uninsured motor vehicle** if we have been given prompt written notice of a tentative settlement between an **insured** and the insurer, owner or operator of an **uninsured motor vehicle**, and we:

1. Consent to a settlement for the full limits of all liability insurance policies or bonds available to the owner or operator of an **uninsured motor vehicle** and we agree to arbitrate; or
2. Fail to advance payment to the **insured** in an amount equal to the tentative settlement, within 30 days after receipt of the written notification required by this provision.

However, if we advance payment to the **insured** in an amount equal to the tentative settlement with 30 days after receipt of notification:

1. That payment will be separate from any amount the **insured** is entitled to recover under the provisions of Uninsured Motorists Coverage; and
2. We also have a right to recover the advanced payment, unless judgment is rendered in favor of the owner or operator of an **uninsured motor vehicle**.

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

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

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We shall be entitled to recovery under Paragraph A. or B. only after the person has been fully compensated for damages.

Our Right to Void for Fraud or Misrepresentation

We have the right to deny any and all claims submitted under this insurance policy if **you** provided false information or omitted information in **your** Application that was material either to **our** acceptance of the risk or to the hazard assumed by **us**. This policy is issued in reliance upon information provided on **your** Application. **We** may also, in our sole discretion, cancel or non-renew this policy if **you** misrepresented or omitted information, or concealed any fact, or made an incorrect statement at the time of application that **we** determine:

1. Is material either to **our** acceptance of the risk or to the hazard assumed by **us**;
2. Is fraudulent; or
3. If known by **us**, **we**, in good faith, would either not have issued the policy or would not have issued the policy in as large an amount or at the premium rate as applied for or would not have provided coverage with respect to the hazard resulting in the accident or loss.

If **we** deny a claim submitted under this policy and **you** or **your** assignee or representative contest **our** decision, **you** must reimburse **us** for all of **our** attorney fees, costs and expenses when **we** prevail in such legal action.

Our Right to Void for Policy for Failure of Consideration

All coverage afforded under this policy is conditioned upon payment to **us** of all **your** premium installments. Regardless of how **your** initial payment is made; whether by transfer, check, draft, debit card payment, credit card payment or other remittance; if that initial payment is not honored by the financial institution or card issuer or if **we** are otherwise unable to collect from the financial institution or card issuer, **we** shall be

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deemed not to have accepted the application and the policy shall be void from inception. **We** are deemed unable to collect in the following instances:

1. Whenever the financial institution or card issuer refuses the card or check,
2. Whenever the card issuer cancels or revokes the card; and
3. Whenever the financial institution or card issuer does not pay **us**, for any reason whatsoever, upon **our** request.

If **you** authorize a transfer, check, draft, debit card payment, credit card payment or other remittance for any payment other than the initial payment, this policy is subject to cancellation or non-renewal of premium if **we** are unable to collect the premium payment from the financial institution or card issuer. **We** shall be deemed unable to collect for the same reasons listed in the case of an initial premium payment.

Policy Period and Territory

- A. This policy applies only to accidents and losses which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy territory is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

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

Termination

- A. **Cancellation.** This policy may be canceled during the policy period as follows:
1. The **named insured** shown in the Declarations may cancel by:
 - a. returning this policy to **us**; or
 - b. giving **us** advance written notice of the date

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cancellation is to take effect.

2. We may cancel by mailing to the **named insured** shown in the Declarations at the address last known by **us**:
 - a. at least 10 days notice:
 - (1) if cancellation is for nonpayment of premium; or
 - (2) if notice is mailed during the first 59 days this policy is in effect and this is not a renewal or continuation policy; or
 - b. at least 30 days notice in all other cases.
3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, **we** will cancel only:
 - a. for nonpayment of premium;
 - b. if any **insured** violated any of the terms and conditions of the policy;
 - c. the **named insured** failed to disclose fully, if called for in the Application, his or her record for the preceding 36 months of motor vehicle accidents and moving traffic violations;
 - d. the **named insured** failed to disclose in the written Application, or in response to inquiry by **us**, **our** authorized agent or a broker, information needed for the acceptance or proper rating of the risk;
 - e. the **named insured** submits, or knowingly aids or abets another in the presentation of, a false or fraudulent;
 - f. the loss of driving privileges through suspension or revocation of **your** operator's license or motor vehicle registration, or that of any driver who lives with you or customarily uses **your covered auto**. This must have occurred within the 36 month period prior to the notice of cancellation;
 - g. the **named insured** or any other driver who either resides in the same household or who customarily uses **your covered auto**:
 - (1) Is or becomes subject to epilepsy or heart attacks and the person does not produce a certificate from a doctor testifying to the person's unqualified ability to operate a motor vehicle;

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- (2) Has an accident, conviction, criminal or traffic record, or a physical, mental, or other condition which is such that the person's operation of a motor vehicle might endanger the public safety;
- (3) Has within a three-year period prior to the notice of cancellation been addicted to the use of narcotics or other drugs;
- (4) Has been convicted or forfeited bail during the 36 months immediately prior to the notice of cancellation for:
 - (a) any felony;
 - (b) criminal negligence resulting in death, homicide, or assault arising out of the operation of a motor vehicle;
 - (c) operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 - (d) being intoxicated while in or about a motor vehicle or while having custody of a motor vehicle;
 - (e) leaving the scene of an accident without stopping to report;
 - (f) theft or unlawful taking of a motor vehicle; or
 - (g) making false statements in an application for a driver's license; or
- (5) Has been convicted of or forfeited bail for three or more violations, within the 36 months immediately prior to the notice of cancellation, or any law, ordinance, or regulation limiting the speed of motor vehicles or 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 of the same offense or different offenses;
- (6) **your covered auto:**
 - (a) is so mechanically defective that its operation might endanger public safety;
 - (b) is used in carrying passengers for hire or compensation; does not apply to share-

the-expense carpool;

(c) is used in the transportation of flammables or explosives;

(d) is an authorized emergency vehicle; or

(e) has changed in shape or condition during the policy period so as to increase substantially the risk; or

(7) Any other reason permitted by law.

h. if the policy was obtained through material misrepresentation.

B. Non-renewal. If we decide not to renew or continue this policy, we will mail notice to the **named insured** shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period.

C. Automatic Termination. If we offer to renew or continue and **you** or **your** representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.

If **you** obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance.

D. Other Termination Provisions.

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

2. If this policy is canceled, **you** may be entitled to a premium refund. If so, we will send **you** the refund. The premium refund, if any, will be computed according to **our** manuals. However, making or offering to make the refund is not a condition of cancellation.

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

Transfer of Your Interest in This Policy

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

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coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a **named insured** shown in the Declarations; and
 2. The legal representative of the deceased person as if a **named insured** shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.
- B. Coverage will only be provided until the end of the policy period unless the policy terminates prior to that time.

Two or More Auto Policies

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

Our Right to Recompute Premium

We established the premium for this policy based on the statements **you** made in the application for insurance. We have the right to recompute the premium if **we** later obtain information which affects the premium development.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

Named Non-Owner Coverage Endorsement

14 PA GA NO (9/11)

This endorsement applies only if Form 14 PA GA NO is indicated in the Declarations.

Coverage applies to **non-owned autos** used by the **named insured** only. Coverage does not apply to a vehicle **owned** by members of the household in which the **named insured** resides.

With respect to the individuals and coverages listed in the Declarations, the provisions of the policy apply unless modified by this endorsement.

- I. **Definitions.** The definitions section is amended as follows:

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A. **You** or **your** refers to the individual named in the Declarations.

B. The definition of **your covered auto** is replaced by the following:

Your covered auto means any of the following types of vehicles on the date **you** become the **owner**:

a. a private passenger auto; or

b. a pickup or van that has a Gross Vehicle Weight of less than 10,000 lbs.;

that is not used in that **business** of any **insured** unless **you** that disclosed that business use to **us** on the Application.

This provision applies only:

a. if **you** acquire the vehicle during the policy period; and

b. for 30 days after **you** become the **owner**.

This insurance does not apply if other insurance applies with respect to that vehicle.

II. **Part A: Liability Coverage.** Part **A** is amended as follows:

A. Paragraph 1. of the definition of **insured** is amended by deleting reference to **family member**.

B. The **Exclusions** Section is amended as follows:

1. Exclusions **A.6.** and **A.7.** are replaced by the following:

We do not provide Liability Coverage for any **insured** maintaining or using any vehicle in that **business** of any **insured** unless **you** disclosed that business use to us on the Application.

2. Exclusion **B.2.** is replaced by the following:

We do not provide Liability Coverage for the ownership, maintenance or use of any vehicle, other than **your covered auto**, which is **owned** by **you**.

3. Exclusion **B.3.** is replaced by the following:

We do not provide Liability Coverage for the ownership, maintenance or use of any vehicle, other than **your covered auto**, which is **owned** by any **family member**.

C. The **Out of State Coverage** Provision is replaced by

the following:

Out of State Coverage

If an auto accident to which this policy applies occurs in any state or province other than where **you** reside, **we** will interpret **your** policy for that accident as follows:

- A. If the state or province has:
 - 1. A financial responsibility or similar law specifying out of state or non-resident drivers must carry limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, **your** policy will provide the higher specified limit.
 - 2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, **your** policy will provide at least the required minimum amounts and types of coverage.
- B. No one will be entitled to duplicate payments for the same elements of loss.

III. Part B: Medical Payments Coverage. Part B is amended as follows:

- A. Paragraph 1. of the definition of **insured** is amended by deleting reference to **family member**.
- B. The **Exclusions** Section is amended as follows:
 - Exclusion 5. is replaced by the following:

We do not provide Medical Payments Coverage for any insured for bodily injury sustained while occupying, or when struck by, any vehicle (other than your covered auto) which is owned by you.

IV. Part C: Uninsured Motorists Coverage. Part C Additional Definitions is amended as follows:

- A. Paragraph A.1. The definition of **insured** is amended by deleting reference to any **family member**.
- B. Paragraph C.3.b. The definition of **Uninsured motor vehicle** is amended by deleting all references to any **family member** .

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

Business Use Coverage

14 PA GA BU (9/11)

This endorsement applies only if Form 14 PA GA BU is indicated in the Declarations.

With respect to coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

A. Paragraph 4. of definition C. in the Definitions section is replaced by the following:

4. is not used for the delivery or transportation of goods and materials unless such use is:

- a. incidental to **your business** of installing, maintaining or repairing furnishings or equipment; or
- b. for farming or ranching.

B. Exclusion A.7. of Part A, Liability Coverage, is replaced by the following:

7. Maintaining or using any vehicle while any **insured** is employed or otherwise engaged in any **business** (other than farming or ranching) not described in exclusion A.6, **unless that business has been disclosed to us on the application for this insurance.**

This exclusion (A.7.) does not apply to the maintenance or use of a:

a. private passenger auto;

b. pickup or van that:

(1) **you own**; or

(2) **you do not own** while used as a temporary substitute for **your covered auto** which is out of normal use because of its:

(a) breakdown;

(d) loss; or

(b) repair;

(e) destruction; or

(c) servicing;

c. **trailer** used with a vehicle described in a. or b. above.

C. Exclusion 8. of Part B, Medical Payments Coverage, is replaced by the following:

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8. Sustained while **occupying** a vehicle when it is being used in the **business** of an **insured**. This exclusion (8.) does not apply to **bodily injury** sustained while **occupying** a:
- private passenger auto;
 - pickup or van that **you own**; or
 - trailer** used with a vehicle described in a. or b. above.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

Punitive Damage Exclusion

14 PA GA PE (9/11)

This endorsement applies only if Form 14 PA GA PE is indicated in the Declarations.

With respect to coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

Part A of this policy is amended as follows:

In the paragraph titled **INSURING AGREEMENT** in Part A, the first sentence is changed to read:

1. If **you** paid the premium for Liability Coverage, **we** will pay damages, other than punitive or exemplary, for bodily injury or property damage for which any **insured** becomes legally responsible because of an auto accident.
2. In the paragraph titled **EXCLUSIONS** in Part A, the following is added to sub-paragraph A as exclusion 12: Punitive or exemplary damages, restitution orders imposed by any criminal or traffic court, or any damages other than compensatory.

IMPORTANT NOTICE:

Calculation of Premium Refunds

14 PA GA RF (9/11)

If **we** cancel **your** policy for any reason, **we** will refund to **you** in full the unearned portion of the premium. The

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unearned premium is the pro rata portion based on how much time remains until the expiration date of **your** policy.

If **you** cancel **your** policy, **we** will calculate the unearned portion on a pro rata basis. That means that **we** will refund to **you** only a portion of the unearned premium.

If the policy is canceled due to **your** nonpayment of premium, **we** will consider the policy to be canceled at the company's request, and **we** will compute the premium refund on a pro rata basis.

IMPORTANT NOTICE:

Privacy Notice

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Alfa Specialty Insurance Corporation

The Vision Insurance Group

We obtain most of our information from the application you complete and from your other transactions with us, our affiliates, or other agencies. We may get additional information from your motor vehicle records, a consumer credit bureau, insurance claims and other loss information reports, or medical reports. We may require additional information on your insured property, such as photographs. We do not disclose any non-public personal information about our customers or former customers, except as permitted by law. We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. Our employees are instructed on their responsibilities and the importance of the confidentiality of personal information. We maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information.