

SPECIAL MOTOR VEHICLE

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SPECIAL MOTOR VEHICLE

DEFINITIONS

In this **MOTOR VEHICLE** Segment, certain words and phrases are italicized, which identifies them as having specific meaning for this **MOTOR VEHICLE** Segment. The meaning of each italicized word or phrase is provided in the Definitions below.

1. **Accident** means an event that unexpectedly, unintentionally, and instantly causes ***bodily injury*** or ***property damage*** during the policy period.
2. **Automobile** means:
 - a. A private passenger car;
 - b. A pickup or van that:
 - (1) Has a Gross Vehicle Weight of less than 10,000 lbs; and
 - (2) Is not used for the delivery or transportation of goods and materials unless such use is:
 - (a) Incidental to ***your*** business of installing, maintaining or repairing furnishings or equipment; or
 - (b) For farming or ranching.

The term ***automobile*** does not include a motor home.

3. **Bodily Injury** means bodily harm, sickness or disease, including death resulting therefrom. ***Bodily injury*** does not include any communicable disease, such as:
 - a. Any venereal disease;
 - b. Herpes;
 - c. Acquired Immune Deficiency Syndrome (AIDS);
 - d. AIDS Related Complex (ARC);
 - e. Human Immunodeficiency Virus (HIV);or any resulting or related symptom, effect, condition, disease or illness.

4. **Business** includes trade, profession or occupation.
5. **Collision** means the upset or contact of a covered ***motor vehicle*** or ***non-owned automobile*** with another vehicle or object.

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

6. **Comprehensive** means loss caused by other than ***collision***, to a covered ***motor vehicle*** or ***non-owned automobile***.

For example, loss caused by the following is considered ***comprehensive***:

- a. Missiles or falling objects;
- b. Fire;
- c. Theft or larceny;
- d. Explosion or earthquake;
- e. Windstorm;
- f. Hail, water or flood;
- g. Malicious mischief or vandalism;
- h. Riot or civil commotion;
- i. Contact with bird or animal; or
- j. Breakage of glass.

7. **Covered Person(s):**
 - a. Under ***Personal Liability - Motor Vehicle***, ***covered person*** means:
 - (1) ***You*** or any ***family member*** for the ownership, maintenance or use of any covered ***motor vehicle***.
 - (2) Any other person ***occupying*** or using any covered ***motor vehicle*** with permission from ***you*** or a ***family member***.

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- (3) With respect to a covered **motor vehicle** that **you** own or that is shown on the Coverage Summary, any person or organization legally responsible but only for acts or omissions of any person included in 7.a.(1) above.
- (4) With respect to a covered **motor vehicle**, other than one described in 7.a.(3) above, any person or organization legally responsible but only for acts or omissions of any person included in 7.a.(1) above. This provision applies only if the person or organization does not own or hire the **motor vehicle**.
- b. Under **Medical Expense - Motor Vehicle, covered person** means:
- (1) **You** or a **family member**:
- (a) While **occupying**; or
- (b) As a pedestrian when struck by; a **motor vehicle**.
- (2) Any other person while **occupying** :
- (a) A **motor vehicle** shown in the Coverage Summary or any trailer that **you** own;
- (b) An additional **motor vehicle** when **you** ask **us** to insure it within the 30 day period after **you** become the owner and coverage has been agreed to by **us**;
- (c) A **motor vehicle** that replaces one shown in the Coverage Summary when **you** ask **us** to insure it within the 30 day period after **you** become the owner and coverage has been agreed to by **us**; or
- (d) Any **motor vehicle** used as a temporary substitute for a covered **motor vehicle** of the same type shown on the Coverage Summary which is out of normal use because of its:
- (i) Breakdown;
- (ii) Repair;
- (iii) Servicing;
- (iv) Loss; or
- (v) Destruction.
8. **Custom** means features and equipment not normally installed at the factory, including but not limited to:
- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;
- c. Height-extending roofs;
- d. Custom murals, paintings or other decals or graphics.
9. **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.
- For the purposes of this definition, to be considered a resident of **your** household when evaluating coverage for a loss a person must have been actually residing in **your** household on the date the loss occurred. However, **your**:
- a. Son;
- b. Daughter;
- c. Ward; or
- d. Foster child;
- in the United States military or away at school will be considered a resident of **your** household unless he or she has demonstrated an intent to reside elsewhere permanently.
10. **Medical expenses** means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services.
11. **Motor vehicle** means:
- a. An **automobile**.

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- b. Any other motorized land vehicle designed for travel on public roads and subject to private passenger motor vehicle registration.
- c. A trailer type vehicle designed to be pulled by a private passenger **motor vehicle**. This includes a farm wagon or farm implement while towed by a vehicle classified in a. or b. above.
- d. A motorized golf cart, snowmobile or other motorized land vehicle owned by **you** or any **covered person** and designed for recreational use off public roads.
- e. Any vehicle while being towed by or carried on a vehicle included in 11.a., 11.b., 11.c. or 11.d.

For purposes of this policy, a **motor vehicle** shall be deemed to be owned by a person if leased under a written agreement to that person for a continuous period of at least six months.

12. Non-owned automobile means:

- a. Any **automobile** 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**;
- b. Any **motor vehicle** used as a temporary substitute for a covered **motor vehicle** of the same type shown on the Coverage Summary which is out of normal use because of its:

- (1) Breakdown;
- (2) Repair;
- (3) Servicing;
- (4) Loss; or
- (5) Destruction.

13. Occupying means in, upon, or getting in, out, on or off.

14. Property Damage means physical injury to or destruction of property including loss of use of the property.

15. **Theft** refers to property which has been stolen, attempted theft and the loss of property from a known location where it is likely that the property has been stolen.

PERSONAL LIABILITY - MOTOR VEHICLE

INSURING AGREEMENT

If a claim or suit is brought against **you** or any **covered person** for:

- 1. **Bodily injury**; or
- 2. **Property damage**;

caused by a **motor vehicle accident**, **we** will pay, except as excluded by the provisions listed under **Personal Liability - Losses We Do Not Cover**, on **your** behalf:

- 1. Damages for which **you** or any **covered person** are legally liable;
- 2. Damages including prejudgment interest awarded against **you** or any **covered person**; up to **our** limit of liability.

LIMIT OF LIABILITY

- 1. **Personal Liability** - The limit of liability shown in the Coverage Summary for "Bodily Injury Each Person" is **our** total limit of liability for damages because of **bodily injury** sustained by any one person in any one **motor vehicle accident**, including damages sustained by anyone else as a result of that **bodily injury**.

Subject to this limit for each person, the limit of liability shown in the Coverage Summary for "Bodily Injury Each Accident" is **our** total limit of liability for all damages for **bodily injury** sustained by two or more persons in any one **motor vehicle accident**.

The limit of liability shown in the Coverage Summary for "Property Damage Each Accident" is **our** maximum limit of liability for all **property damage** resulting from any one vehicle **accident**.

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

- a. **Covered persons**;

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- b. Claims or suits made;
- c. Vehicles involved in an **accident** or shown in the Coverage Summary;
- d. Persons who sustain injury or damage;
- e. Vehicles insured by this or any other policy issued by **us** or others; or
- f. Premiums paid for this coverage.

2. Motorcycle Guest Passenger Liability - This limit of liability will apply for any person **occupying**, as a passenger, a covered motorcycle.

The limit of liability shown in the Coverage Summary for each person for "Motorcycle Guest Passenger Liability, Bodily Injury Each Person" is **our** total limit of liability for damages because of **bodily injury** sustained by any one person in any one **motor vehicle accident**, including damages sustained by anyone else as a result of that **bodily injury**.

Subject to this limit for each person, the limit of liability shown in the Coverage Summary for "Motorcycle Guest Passenger Liability, Bodily Injury Each Accident" is **our** total limit of liability for all damages for **bodily injury** sustained by two or more persons in any one **motor vehicle accident**.

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

- a. **Covered persons**;
- b. Claims or suits made;
- c. Vehicles involved in an **accident** or shown in the Coverage Summary;
- d. Persons who sustain injury or damage;
- e. Vehicles insured by this or any other policy issued by **us** or others; or
- f. Premiums paid for this coverage.

We will defend or settle any claim or suit as **we** decide is appropriate even if the claim or suit is groundless, false or fraudulent. **Our** obligation to defend any claim or suit ends when the amount **we** pay for damages for settlement or judgment equals

our limit of liability. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this **MOTOR VEHICLE** Segment.

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

- 1. Medical Expense Coverage; or
- 2. Uninsured/Underinsured Motorists Coverage; provided by this policy.

OTHER PAYMENTS WE MAKE

In addition to the limit of liability shown in the Coverage Summary, **we** pay on behalf of the **covered person**:

- 1. Up to **\$250** for the cost of bail bonds required because of an **accident**, including related traffic law violations. The **accident** must result in a **bodily injury** or **property damage** loss which is covered under this **MOTOR VEHICLE** Segment.
- 2. The expenses described below for a claim or suit **we** are obligated to defend:
 - a. Defense costs incurred at **our** discretion;
 - b. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend; **we** have no obligation to secure or provide bonds;
 - c. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at **our** request;
 - d. Other reasonable expenses (other than loss of earnings) incurred at **our** request;
 - e. Expenses incurred by **us** and costs taxed against any **covered person** in any suit **we** defend.
 - f. For first aid administered to others at the scene of a **motor vehicle accident**.
- 3. Interest accruing after a judgment is entered and before the loss is paid in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to

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pay that part of the judgment which does not exceed **our** limit of liability for this coverage.

We are not obligated to defend suits brought against a **covered person** in any country where **we** are prevented from defending because of laws or other reasons. However, **we** will pay any expense incurred with **our** written consent for the **covered person's** defense.

Our obligation to pay the above costs ends when **our** limit of liability has been exhausted.

LOSSES WE DO NOT COVER

We do not provide **Personal Liability - Motor Vehicle Coverage** for:

1. **Bodily injury** or **property damage** which:

- a. May reasonably be expected to result from the intentional or criminal acts of any **covered person**; or
- b. Is in fact intended by any **covered person**.

2. Using a **motor vehicle** without a reasonable belief that the **covered person** is entitled to do so.

3. Any **covered person** for **property damage** to property owned or being transported by any **covered person**.

4. **Property damage** to property:

- a. Rented to;
- b. Used by; or
- c. In the care of; any **covered person**.

This exclusion does not apply to **property damage** to a residence or private garage.

5. Liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool.

6. Any **covered person** while employed or otherwise engaged in the **business** of:

- a. Selling;
- b. Repairing;

- c. Servicing;
- d. Storing; or
- e. Parking;

motor vehicles designed for use mainly on public highways. This includes testing and delivery. This exclusion does not apply to the ownership, maintenance or use of a covered **motor vehicle** by:

- a. **You**;
- b. Any **family member**; or
- c. Any partner, agent or employee of **you** or any **family member**.

7. The maintenance or use of any vehicle while a **covered person** is employed or otherwise engaged in any **business** (other than farming or ranching) not described in exclusion 6. This exclusion (7.) does not apply to the maintenance or use of an:

- a. **Automobile**; or
- b. Trailer used with a vehicle described in (7.a.) above.

8. **Bodily injury** to **you** or any **family member**. This exclusion also applies to any claim made or suit brought against any **covered person to**:

- a. Repay; or
- b. Share damages with;

another person who may be obligated to pay damages because of **bodily injury** to a **covered person**.

9. The ownership, maintenance or use of any **motor vehicle** other than:

- a. A **motor vehicle** shown in the Coverage Summary or any trailer that **you** own.
- b. An additional **motor vehicle** when **you** ask **us** to insure it within the 30 day period after **you** become the owner and coverage has been agreed to by **us**.

If there is loss to an additional **motor vehicle** **we** will provide the broadest

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coverage applicable to any **motor vehicle** shown in the Coverage Summary.

- c. A **motor vehicle** that replaces one shown in the Coverage Summary.

The replacement vehicle will have the same coverage as the vehicle it replaced.

- d. Any **motor vehicle** used as a temporary substitute for a covered **motor vehicle** of the same type shown on the Coverage Summary which is out of its normal use because of its:

- (1) Breakdown;
- (2) Repair;
- (3) Servicing;
- (4) Loss; or
- (5) Destruction.

- e. Only for **you** or a **family member**, any **automobile** or trailer not owned by or furnished or available for the regular use of **you** or any **family member**.

- f. A **motor vehicle you** maintain or use which is:

- (1) Owned by a **family member** and not shown in the Coverage Summary; or
- (2) Furnished or available for the regular use of any **family member**.

10. The liability of:

- a. Any **covered person(s)**; or
- b. Anyone while maintaining or using vehicle(s);

excluded from coverage by endorsements attached to this policy.

11. The ownership, maintenance or use of any vehicle located inside a facility designed for racing, for the purpose of:

- a. Competing in; or
- b. Practicing or preparing for;

any prearranged or organized racing or speed contest.

12. **Bodily injury** or **property damage** for which any **covered person**:

- a. Is also an insured under a nuclear energy liability policy; or
- b. Would be an insured under that policy but for its termination upon the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by:

- a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters;
 - c. Nuclear Insurance Association of Canada;
- or any of their successors.

13. Liability from or as a consequence of the following, whether controlled or uncontrolled or however caused:

- a. Nuclear reaction;
- b. Radiation; or
- c. Radioactive contamination.

MEDICAL EXPENSE - MOTOR VEHICLE INSURING AGREEMENT

We will pay **medical expenses** incurred or medically ascertained within three years from the date of **accident** except as excluded by the provisions listed in the **Medical Expense - Losses We Do Not Cover. Medical Expense - Motor Vehicles** applies to **bodily injury** caused by a vehicle **accident** and sustained by a **covered person**.

LIMIT OF LIABILITY

1. The limit of liability shown in the Coverage Summary for "Medical Expense" 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:
 - a. **Covered persons**;
 - b. Claims or suits made;
 - c. Vehicles shown in the Coverage Summary;

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- d. Vehicles involved in the **accident**; or
- e. Vehicles insured by this or any other policy issued by **us** or others.

2. Within the provisions of **Medical Expense - Motor Vehicle**, **we** cover funeral service expenses, as follows. If an injured person dies as the result of a covered vehicle **accident**, **we** will pay the lesser of the following as a funeral service expenses benefit:

- a. \$2,000; or
- b. The "Medical Expense" limit of liability stated on the Coverage Summary; or
- c. The remaining portion of the "Medical Expense" limit of liability not expended for other covered *medical expenses*.

This funeral service expenses benefit does not increase, and will not be paid in addition to, the limits of liability stated on the Coverage Summary for "Medical Expense". This benefit is payable to the deceased injured person's spouse if a resident of the same household at the time of the **accident**. However, if the deceased is a minor, the benefit is payable to any parent who is a resident of the same household at the time of the **accident**. In all other cases, the benefit is payable to the deceased injured person's estate.

3. **Medical expense** benefits, other than funeral service expenses benefits, will be reduced by:

- a. Amounts payable under any workers' compensation law or similar law;
- b. Amounts received from others, including their insurers, who may be legally responsible for the injuries. This reduction applies only to amounts that are a duplication of payment for the same loss; and
- c. Amounts of other similar, collectible vehicle medical insurance benefits available to the injured person.

4. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

- a. Personal Liability Coverage; or

- b. Uninsured/Underinsured Motorists Coverage;

provided by this policy.

UNREASONABLE OR UNNECESSARY MEDICAL EXPENSES

If the **covered person** incurs **medical expenses** which are unreasonable or unnecessary, **we** may refuse to pay those **medical expenses** and contest them. Unreasonable **medical expenses** are fees for medical services which are substantially higher than the usual and customary charges for those services. Unnecessary **medical expenses** are fees for medical services which are not usually and customarily performed for treatment of the injury, including fees for an excessive number, amount or duration of medical services.

If the **covered person** is sued by a medical services provider because **we** refuse to pay contested **medical expenses**, **we** will pay all defense costs and any resulting judgment against the **covered person**. **We** will choose the counsel. The **covered person** must cooperate with **us** in the defense of any claim or lawsuit. If **we** ask the **covered person** to attend hearings or trials, **we** will provide the coverage described in 2.c., **Personal Liability - Motor Vehicle**, Other Payments **We** Make. **We** will also pay other reasonable expenses incurred at **our** request.

LOSSES WE DO NOT COVER

We do not provide **Medical Expense - Motor Vehicle Coverage** for **bodily injury**:

- 1. Which:
 - a. May reasonably be expected to result from the intentional or criminal acts of any **covered person**; or
 - b. Is in fact intended by any **covered person**;
- 2. Sustained while using a vehicle without a reasonable belief that the **covered person** is entitled to do so;
- 3. Sustained while **occupying** a covered vehicle while it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool;

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4. Sustained while **occupying** a vehicle when it is being used in the **business** of any **covered person**. This exclusion does not apply to the **bodily injury** sustained while **occupying** a:

- a. **Automobile**;
- b. Trailer used with an **automobile**;

5. Sustained while **occupying** any vehicle located inside a facility designed for racing, for the purpose of:

- a. Competing in; or
 - b. Practicing or preparing for;
- any prearranged or organized racing or speed contest;

6. Caused directly or indirectly by:

- a. War, including undeclared war;
- b. Civil war;
- c. Insurrection;
- d. Rebellion or revolution;
- e. Warlike act by a military force or military personnel;
- f. Destruction or seizure or use for a military purpose; or
- g. Discharge of a nuclear weapon, even if accidental;

including any consequence of any of these;

7. Sustained while **occupying** any vehicle located for use as a residence or premises;

8. Sustained while **occupying**, or when struck by, any vehicle (other than a vehicle covered under **Personal Liability - Motor Vehicle**) which is:

- a. Owned by **you**; or
- b. Furnished or available for **your** regular use;

9. Sustained while **occupying**, or when struck by, any vehicle (other than a vehicle covered under **Personal Liability - Motor Vehicle**) which is:

- a. Owned by any **family member**; or

b. Furnished or available for the regular use of any **family member**.

However, this exclusion (9.) does not apply to **you**;

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; or

11. Sustained by:

- a. Any **covered person**; or
- b. Anyone while **occupying** any vehicle; excluded from coverage by endorsements attached to this policy.

HOW WE SETTLE PERSONAL LIABILITY - MOTOR VEHICLE AND MEDICAL EXPENSE - MOTOR VEHICLE CLAIMS AND WHAT YOU MUST DO

1. Your Duties After Loss.

After an **accident**, **you** and any other **covered person** under this policy must make sure that all of the following are done. **We** have no duty to provide coverage under this policy unless there has been full compliance with these duties:

- a. Give **us** or **our** agent as soon as possible:
 - (1) All information **you** know on the time, place and circumstances of the **accident**, and in the case of a crime also tell the police.
 - (2) Identity of claimants, witnesses and **covered persons**.
- b. Forward to **us** all written material **you** receive regarding the **accident**;
- c. At **our** request, assist **us** in:
 - (1) Making settlement;
 - (2) Conducting suits and attending hearings or trials;

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(3) Securing and giving evidence; and

(4) Enforcing any right of contribution or indemnity against any person or organization who may be liable to a **covered person**;

d. **You** or any other **covered person** shall not, except at **your** own cost, voluntarily make any payment, assume any obligation or incur any expense other than first aid to others.

e. Cooperate with **us** in the investigation, settlement or defense of any claim or suit.

2. Duties of an Injured Person.

The injured person shall:

a. Give **us** written proof of claim;

b. Authorize **us** to obtain medical information and other pertinent records;

c. As often as **we** reasonably require:

(1) Submit to physical examination by a physician of **our** choice;

(2) Submit to examination under oath, while not in the presence of any other **covered person** and sign the same; and

d. Not construe payment of medical claims as an admission of liability.

3. Suit Against Us.

No action can be brought against **us** unless there has been compliance with the policy provisions.

No action can be brought against **us** until the obligation of the **covered person** has been determined by final judgment or agreement signed by **us**.

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

PHYSICAL DAMAGE - MOTOR VEHICLE

INSURING AGREEMENT

1. **We** will pay for direct physical loss to the **motor vehicles** shown in the Coverage Summary,

including their equipment, less any applicable deductible shown in the Coverage Summary. **We** will pay for loss caused by:

a. **Comprehensive** only if the Coverage Summary indicates that **Comprehensive** is provided for that **motor vehicle**; and

b. **Collision** only if the Coverage Summary indicates that **Collision** is provided for that **motor vehicle**.

2. **We** will cover additional **motor vehicles** for 30 days after **you** become the owner, provided all the other **motor vehicles** owned by **you** are covered by **us**, unless excluded by endorsement.

If there is a loss to an additional **motor vehicle we** will provide the broadest coverage applicable to any **motor vehicle** shown in the Coverage Summary.

For coverage beyond the 30 days **you** must have asked **us** to insure the **motor vehicle** and **we** must have agreed to provide coverage. With respect to a newly acquired pickup or van, no other insurance policy may provide coverage for the vehicle.

3. **We** will cover **non-owned automobiles**. If there is a loss to a **non-owned automobile we** will provide the broadest coverage applicable to any **motor vehicle** shown in the Coverage Summary. However, the most **we** will pay for loss to a **non-owned automobile** which is a trailer, is \$500.

4. **We** will cover **motor vehicles** that replace one shown in the Coverage Summary. The replacement vehicle will have the same coverage as the vehicle it replaced. However, if:

a. **You** wish to add or continue **Collision** or **Comprehensive** coverage for the replacement vehicle; or

b. The replacement vehicle is a pickup or van used in any **business**, other than farming or ranching;

You must have asked **us** to insure it within **30** days after **you** become the owner and **we** must have agreed to provide coverage.

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If loss to more than one covered **motor vehicle** or **non-owned automobile** results from the same covered loss, only the highest applicable deductible will apply.

LIMIT OF LIABILITY

1. **Our** limit of liability for loss will be the lesser of the:
 - a. Actual cash value of the stolen or damaged **motor vehicle**, including its equipment; or
 - b. Amount necessary to repair or replace the **motor vehicle**, including its equipment.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
3. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the betterment.

ADDITIONAL PHYSICAL DAMAGE COVERAGES

The following additional coverages are provided if the Coverage Summary indicates that "Comprehensive" coverage is provided for the vehicle involved in the loss.

1. Towing

We will pay, up to the amount shown for "Towing" in the Coverage Summary as applicable to that vehicle, costs incurred each time a covered **automobile** or **non-owned automobile** is disabled and it is towed or labor is performed at the place of disablement. The deductible does not apply.

2. Loss of Use - Rental Non-Owned Automobiles

We will pay, without application of a deductible, loss of use expenses for which **you** become legally responsible in the event of loss to a **non-owned automobile**.

3. Transportation Coverage

We will pay, without application of a deductible, up to \$20 per day, to a maximum of \$600, for transportation expenses incurred by **you** resulting from a covered **comprehensive** or **collision** loss.

However:

- a. For covered total **theft** losses, **we** will pay only transportation expenses incurred during the period:
 - (1) Beginning 48 hours after the **theft**; and
 - (2) Ending when the covered **automobile** or the **non-owned automobile** is returned to use or **we** make an offer to pay for its loss.
- b. For covered losses other than total **theft**, **we** will pay only if the covered **automobile** is disabled more than 24 hours. Payment will be limited to that period of time reasonably required to repair or replace the **automobile**.

PHYSICAL DAMAGE LOSSES WE DO NOT COVER

We will not pay for:

1. Damage due and confined to:
 - a. Freezing;
 - b. Wear and tear;
 - c. Electrical or mechanical breakdown or failure; or
 - d. Road damage to tires.

This exclusion (1.) does not apply if the damage results from the total **theft** of a covered **motor vehicle** or any **non-owned automobile**.

2. Loss or damage due to neglect, meaning neglect of **you** or a **family member** to use all reasonable means to save and preserve property at and after the time of a loss.
3. Loss to any **non-owned automobile** when used by **you** or a **family member** without a reasonable belief that the person is entitled to do so.
4. Loss to any **non-owned automobile** being maintained or used by any person while employed or otherwise engaged in the **business** of:
 - a. Selling;

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- b. Repairing;
- c. Servicing;
- d. Storing; or
- e. Parking;

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

5. Loss to any **non-owned automobile** being maintained or used by any person while employed or otherwise engaged in any **business** not described in exclusion 4. This exclusion (5.) does not apply to the maintenance or use by **you** or a **family member** of a **non-owned automobile** which is a private passenger **automobile** or trailer.

6. Loss to a covered **motor vehicle** or any **non-owned automobile** which occurs while it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool.

7. A total loss to a covered **motor vehicle** or a **non-owned automobile** due to destruction or confiscation by governmental or civil authorities.

This exclusion (7.) does not apply to the interest of lienholders in a covered **motor vehicle**.

8. Loss or damage to any **custom** furnishings or equipment in or upon any pickup or van shown in the Coverage Summary, unless the Coverage Summary indicates that "Customization Coverage" is provided for that vehicle.

9. Loss to:

- a. Any electronic equipment designed for the reproduction of sound, including, but not limited to:
 - (1) Radios and stereos;
 - (2) Tape decks; or
 - (3) Compact disc players;
- b. Any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:
 - (1) Citizens band radios;

- (2) Telephones;
 - (3) Two-way mobile radios;
 - (4) Scanning monitor receivers;
 - (5) Television monitor receivers;
 - (6) Video cassette recorders;
 - (7) Audio cassette recorders; or
 - (8) Personal computers;
- c. Tapes, records, discs, or other media used with equipment described in 9.a. or 9.b.; or
 - d. Any other accessories used with equipment described in 9.a. or 9.b.

This exclusion (9.) does not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:
 - (1) The equipment is permanently installed in a covered **motor vehicle** or any **non-owned automobile**; or
 - (2) The equipment is:
 - (a) Removable from a housing unit which is permanently installed in the **motor vehicle**;
 - (b) Designed to be solely operated by the use of the power from the **motor vehicle's** electrical system;
 - (c) In or upon a covered **motor vehicle** or any **non-owned automobile**;

At the time of the loss.

- b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the **automobile** or the monitoring of the **automobile's** operating systems; or

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- (2) An integral part of the same unit housing any sound reproducing equipment described in 9.a. and permanently installed in the opening of the dash or console of a covered **motor vehicle** or any **non-owned automobile** normally used by the manufacturer for installation of a radio.

- 10. Loss to equipment designed or used for the detection or location of law enforcement devices for monitoring speed.
- 11. Loss to any vehicle located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for;any prearranged or organized racing or speed contest.
- 12. Loss caused directly or indirectly by:
 - a. War, including undeclared war;
 - b. Civil war;
 - c. Insurrection;
 - d. Rebellion or revolution;
 - e. Warlike act by a military force or military personnel;
 - f. Destruction or seizure or use for a military purpose;
 - g. Discharge of a nuclear weapon, even if accidental; or
 - h. Radioactive contamination;including any consequence of any of these.
- 13. Loss which:
 - a. May reasonably be expected to result from the intentional acts of **you** or any **family member**, or
 - b. Is in fact intended by **you** or any **family member**.
- 14. Loss to, or loss of use of, a **non-owned automobile** rented by:

- a. **You**; or
- b. Any **family member**;

If the 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.

HOW WE SETTLE PHYSICAL DAMAGE CLAIMS AND WHAT YOU MUST DO

1. How We Pay Claims.

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 **you**.

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 upon or appraised value.

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

2. Appraisal.

If **we** and **you** do not agree on the amount of loss, either may demand an appraisal of the loss. In this event each party will select a competent appraiser within 20 days after receiving a written request from the other. The two appraisers will select an umpire. If they cannot agree upon an umpire within 15 days, **you** or **we** may request that the choice be made by a judge of a court of record in the state where **you** live. The appraisers will state separately 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:

- a. Pay its own appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

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3. Your Duties After Loss.

You agree to see that the following things are done after a loss. **We** have no duty to provide coverage under this policy unless there has been full compliance with these duties:

- a. Give prompt notice to **us** or **our** agent.
- b. Notify the police in case of loss by **theft**.
- c. Protect the **motor vehicles** and their equipment from further damage. **We** will pay reasonable expenses incurred to do this.
- d. As often as **we** reasonably require:
 - (1) Permit **us** to inspect and appraise the damaged property before its repair or disposal;
 - (2) Provide **us** with records and documents **we** request and permit **us** to make copies; and
 - (3) Submit to examination under oath, while not in the presence of any other **covered person** and sign the same.
- e. Send to **us**, within 60 days after **our** request, **your** signed, sworn proof of loss which sets forth, to the best of **your** knowledge and belief:
 - (1) The time and cause of loss;
 - (2) The interest of **you, family members** and all others in the property involved and all loss payees on the **motor vehicle**;
 - (3) Other insurance which may cover the loss;
 - (4) Specifications of damaged property and detailed repair estimates;
- f. A person seeking any coverage must cooperate with **us** in the investigation, settlement or defense of any claim or suit.

4. Who We Pay.

We pay **you** unless another party is named in the policy or is legally entitled to receive payment.

5. No Benefit To Bailee.

There is no coverage for anyone holding, storing or transporting property for a fee regardless of any other coverage afforded by this policy.

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

6. Suit Against Us.

No action can be brought unless the policy provisions have been complied with and the action is started:

- a. Within one year after the date of loss; but
- b. Not until 30 days after the proof of loss has been filed and the amount of loss has been determined.

However, the one year period is extended by the number of days between the date the proof of loss is submitted and the date the claim is submitted in whole or in part.

7. Abandonment of Property.

We need not accept any property abandoned by a **covered person**.

GENERAL PROVISIONS - MOTOR VEHICLE

1. The **GENERAL PROVISIONS** is amended as follows:

OTHER INSURANCE - The following exception is added:

Exception:

Any insurance **we** provide with respect to a vehicle **you** do not own, or a covered corporately owned **automobile**, shall be excess over any other collectible insurance or other source of recovery including, but not limited to:

- a. Any coverage provided by the owner of the vehicle;
- b. Any other applicable physical damage insurance; or
- c. Any other source of recovery applicable to the loss.

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TERRITORY -The following exception is added:

Exception:

For **Personal Liability - Motor Vehicle** coverage, if the **accident** occurs in Mexico the suit must be brought in the United States of America.

This policy applies to loss to, or **accidents** involving, a covered **motor vehicle** while being transported by sea to and between foreign ports, including Mexican ports.

IMPORTANT INFORMATION ABOUT PERSONAL LIABILITY COVERAGE FOR YOUR MOTOR VEHICLES

Motor vehicle accidents in Mexico are subject to the laws of Mexico, not the laws of the United States. Under Mexican law, **motor vehicle accidents** are considered a criminal offense as well as a civil matter.

THE COVERAGE WE PROVIDE YOU UNDER THE MOTOR VEHICLE SEGMENT DOES NOT MEET MEXICAN MOTOR VEHICLE INSURANCE REQUIREMENTS.

Mexican law requires **you** to purchase liability insurance through a licensed Mexican insurance company if **you** are driving **your motor vehicle** into Mexico.

2. The following provisions are added to the GENERAL PROVISIONS:

a. 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 Coverage Summary. This insurance, with respect to the interest of the loss payee, shall not become invalid because of **your** fraudulent acts or omissions unless the loss results from **your** conversion, secretion or embezzlement of **your motor vehicle**. However, **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 or nonrenewal to the loss payee as **we** give to

the named insured shown in the Coverage Summary.

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

b. THE LAW.

If anything in this policy conflicts with state or local laws, **we** agree to honor any claim or suit in conformity with the law.

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

- (1) If a state or province has a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a **motor vehicle** in that state or province, **your** policy will provide at least the required minimum amounts and types of coverage.
- (2) If a state or province has a financial responsibility or similar law specifying limit(s) of liability for **bodily injury** or **property damage** higher than the limit(s) shown in the Coverage Summary, **your** policy will provide the higher specified limit(s).

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

When this policy is certified as future proof of financial responsibility, this policy complies with the law to the extent required.

c. SUBROGATION.

We may require an assignment of rights of recovery for a loss to the extent that payment is made by **us**. If an assignment is sought, a person to or for whom payment was made must sign and deliver all related papers and cooperate with **us**.

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However, **our** rights under this provision do not apply under **Physical Damage - Motor Vehicles** against any person using a covered **motor vehicle** with permission from **you**.

shall not exceed the highest applicable limit of liability under any one policy.

With respect to any **motor vehicle** to which this policy applies, any person that **we** make payment to under this policy that recovers damages from another shall:

- (1) Hold in trust for **us** any proceeds from the recovery; and
- (2) Reimburse **us** to the extent of **our** payment.

d. **CHANGES DURING THE POLICY PERIOD.**

For all policy changes during the policy term, **you** must notify **us** within 30 days of the change. All premium adjustments as a result of the policy change will be made effective on the date of change. Changes made during the last 30 days of the policy term will not be reflected in the current term, however, these changes must be reported to **us** in order for coverage to be provided.

If there is a change to the information used to develop the premium for this policy, **we** may adjust **your** premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

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

If a change requires a premium adjustment, **we** will make the premium adjustment in accordance with **our** manual rules.

e. **TWO OR MORE MOTOR VEHICLE POLICIES.**

If this policy and any other **motor vehicle** policy issued to **you** by **us** apply to the same **accident**, the maximum limit of **our** liability under all the policies

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