



USAA
 9800 Fredericksburg Road
 San Antonio, Texas 78288

NEVADA AUTO POLICY

READ YOUR POLICY, DECLARATIONS AND ENDORSEMENTS CAREFULLY

The automobile insurance contract between the named insured and the company shown on the Declarations page consists of this policy plus the Declarations page and any applicable endorsements. The Quick Reference section outlines essential information contained in the Declarations and the major parts of the policy.

The policy provides the coverages and amounts of insurance shown in the Declarations for which a premium is shown.

This is a participating policy. You are entitled to dividends as may be declared by the company's Board of Directors.

If this policy is issued by United Services Automobile Association ("USAA"), a reciprocal interinsurance exchange, the following apply:

By purchasing this policy you are a member of USAA and are subject to its bylaws.

This is a non-assessable policy. You are liable only for the amount of your premium as USAA has a free surplus in compliance with Article 19.03 of the Texas Insurance Code of 1951, as amended.

The USAA Board of Directors may annually allocate a portion of USAA's surplus to Subscriber's Savings Accounts. Amounts allocated to such accounts remain a part of USAA's surplus and may be used as necessary to support the operations of the Association. A member shall have no right to any balance in the member's account except until following termination of membership, as provided in the bylaws.

QUICK REFERENCE

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NEVADA\AUTO POLICY

AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, **we** will provide the coverages and limits of liability for which a premium is shown in the Declarations.

DEFINITIONS

The words defined below are used throughout this policy. They are in **boldface** when used.

- A. **You** and **your** refer to the "named insured" shown in the Declarations and spouse if a resident of the same household.
- B. **We**, **us**, and **our** refer to the Company providing this insurance.
- C. **Auto business** means the business of altering, customizing, leasing, parking, repairing, road testing, delivering, selling, servicing, or storing vehicles.
- D. **Bodily injury** (referred to as **BI**) means bodily harm, sickness, disease or death.
- E. **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.
- F. **Miscellaneous vehicle** means the following motorized vehicles: a motorcycle, moped or similar type vehicle; motor home; golfcart; snowmobile; all-terrain vehicle; or dune buggy.
- G. **Occupying** means in, on, getting into or out of.
- H. **Property damage** (referred to as **PD**) means physical injury to, destruction of, or loss of use of tangible property.
- I. **Temporary substitute vehicle** means a private passenger auto, pickup, **van**, **miscellaneous vehicle** or **trailer** not owned by **you** or a **family member** while it is used as a temporary replacement for **your covered auto** when withdrawn from normal use because of its breakdown, repair, servicing, loss, or destruction.
- J. **Trailer** means a vehicle designed to be pulled by a private passenger auto, pickup, **van**, or **miscellaneous vehicle**. It also means a farm wagon or implement while towed by such vehicles.
- K. **Van** means a four-wheeled land motor vehicle of the van type with a load capacity of not more than 2,000 pounds.
- L. **Your covered auto** means:
1. Any vehicle shown in the Declarations.
 2. Any of the following types of vehicles acquired by **you** or a **family member** during the policy period, beginning on the date **you** or a **family member** becomes the owner, but only if no other insurance policy provides coverage for such vehicle:
 - a. A private passenger auto;
 - b. A pickup or **van**; or
 - c. A **miscellaneous vehicle** not used in any business or occupation.
 3. Any **trailer you own**.
 4. Any **temporary substitute vehicle**. Only those coverages provided for the vehicle withdrawn from normal use will be extended to its **temporary substitute vehicle**.

For such newly acquired vehicles, **we** will automatically provide the broadest coverages as are provided for any vehicle shown in the Declarations. If **your** policy does not provide Comprehensive and Collision coverages, **we** will provide each with a \$250 deductible. However, **we** will not provide any coverage for more than 30 days after the date **you** or a **family member** becomes the owner of the vehicle. If **you** wish to continue any coverage beyond the 30-day period, **you** must request it prior to the end of the 30-day period.

PART A - LIABILITY COVERAGE

DEFINITIONS

Covered person as used in this Part 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.
3. Any other person or organization, but only with respect to legal liability imposed on them for the acts or omissions of a person for whom coverage is afforded in 1. or 2. above. With respect to an auto or trailer other than your covered auto, this provision only applies if the other person or organization does not own or hire the auto or trailer.

The following are not covered persons under Part A:

1. The United States of America or any of its agencies.
2. Any person with respect to BI or PD resulting from the operation of an auto by that person as an employee of the United States Government. This applies only if the provisions of Section 2679 of Title 28, United States Code as amended, require the Attorney General of the United States to defend that person in any civil action which may be brought for the BI or PD.

INSURING AGREEMENT

We will pay compensatory damages for BI or PD for which any covered person becomes legally liable because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. Our duty to settle or defend ends when our limit of liability for these coverages has been paid or tendered. We have no duty to defend any suit or settle any claim for BI or PD not covered under this policy.

LIMIT OF LIABILITY

For BI sustained by any one person in any one auto accident, our maximum limit of liability for all resulting damages, including, but not limited to, all direct, derivative or consequential damages recoverable by any persons, is the limit of liability shown in the Declarations for each person for BI liability. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for BI liability is our maximum limit of liability for all damages for BI resulting

from any one auto accident. The limit of liability shown in the Declarations for each accident for PD liability is our maximum limit of liability for all damages to all property resulting from any one auto accident.

These limits are the most we will pay regardless of the number of:

1. Covered Persons;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

However, if a policy provision that would defeat coverage for a claim under this part is declared to be unenforceable as a violation of the state's financial responsibility law, our limit of liability will be the minimum required by the Nevada's Motor Vehicle Insurance and Financial Responsibility Act.

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of a covered person:

1. Premiums on appeal bonds and bonds to release attachments in any suit we defend. But we will not pay the premium for bonds with a face value over our limit of liability shown in the Declarations.
2. Prejudgment interest awarded against the covered person on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.
3. Interest accruing, in any suit we defend, on that part of a judgment that does not exceed our limit of liability. Our duty to pay interest ends when we offer to pay that part of the judgment that does not exceed our limit of liability.
4. Up to \$100 a day for loss of wages because of attendance at hearings or trials at our request.

(PART A Cont'd.)

5. The amount a **covered person** must pay to the United States Government because of damage to a government-owned private passenger auto, pickup, or **van** which occurs while the vehicle is in the care, custody, or control of a **covered person**. The most **we** will pay is an amount equal to one month of the basic salary of the **covered person** at the time of loss. Only Exclusions A.1. and A.8. apply.
6. Other reasonable expenses incurred at **our** request.
7. All defense costs **we** incur.

EXCLUSIONS

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

1. Who intentionally acts or directs to cause **BI** or **PD**, or who acts or directs to cause with reasonable expectation of causing, **BI** or **PD**.
2. For **PD** to property owned or being transported by a **covered person**.
3. For **PD** to property rented to, used by, or in the care of any **covered person**. This does not apply to damage to a residence or garage.
4. For **BI** to an employee of that person which occurs during the course of employment. This exclusion (A.4.) does not apply to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
5. For that person's liability arising out of the ownership or operation of a vehicle while it is being used to carry persons for a fee. This exclusion (A.5.) does not apply to a share-the-expense car pool.
6. While employed or otherwise engaged in the **auto business**. This exclusion (A.6.) does not apply to the ownership, maintenance, or use of **your covered auto** by **you**, any **family member**, or any partner, agent, or employee of **you** or any **family member**.
7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation other than the **auto business**, farming, or ranching. This exclusion (A.7.) does not apply to the

maintenance or use of a private passenger auto; a pickup or **van** that **you** own; or a **trailer** used with these vehicles.

8. Using a vehicle without expressed or implied permission.
 9. For **BI** or **PD** for which that person is an insured under any nuclear energy liability policy. This exclusion (A.9.) applies even if that policy is terminated due to exhaustion of its limit of liability.
 10. For **BI** or **PD** occurring while **your covered auto** is rented or leased to others.
 11. For punitive or exemplary damages.
- B. **We do not provide Liability Coverage for the ownership, maintenance, or use of:**
1. Any vehicle that is not **your covered auto** unless that vehicle is:
 - a. A four or six wheel land motor vehicle designed for use on public roads with a rated load capacity of no more than 2000 pounds;
 - b. A moving van for personal use;
 - c. A **miscellaneous vehicle** having at least four wheels; or
 - d. A vehicle used in the business of farming or ranching.
 2. Any vehicle, other than your covered auto, that is owned by you, or furnished or available for your regular use.
 3. Any vehicle, other than your covered auto, that is owned by, or furnished or available for the regular use of, any family member. This exclusion (B.3.) does not apply to your maintenance or use of such vehicle.
 4. Any vehicle while being operated in, or in practice for, any speed contest.

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, **your** policy will provide at least the minimum amounts and types of coverages required by law. However, no one will be entitled to duplicate payments for the same elements of loss.

(PART A Cont'd.)

OTHER INSURANCE

If there is other applicable insurance, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any insurance we provide will be excess over any other applicable liability insurance or self-insurance in compliance with a state's financial responsibility law on the following vehicles:

1. Your covered auto when it is being operated by a person engaged in an auto business while in pursuit of that business;
2. Any vehicle you do not own except:
 - a. A temporary substitute loaned to you by an auto business while that business is repairing or servicing your covered

auto. This applies only if a covered person is operating the vehicle; and is neither the person engaged in such business nor that person's employee or agent.

- b. A vehicle rented by you or a family member:
 - (1) From an auto rental company with qualified self-insurance on the vehicle; and
 - (2) Under a rental contract in which the renter declines optional liability coverage from the rental company and agrees to provide primary liability coverage from a personal vehicle.

PART B - MEDICAL PAYMENTS COVERAGE

DEFINITIONS

- A. **Air Bag** means a supplemental passive restraint system commonly referred to as an **air bag** which is originally installed by the vehicle manufacturer and which, at the time of the accident, had not been made inoperable through modification, deactivation, disconnection, switching off or prior deployment.
- B. **Beneficiary** means (in order of priority of payment):
 1. The surviving spouse if a resident in the same household as the deceased at the time of the accident; or
 2. If the deceased is an unmarried minor, either of the surviving parents who had legal custody at the time of the accident; or
 3. The estate of the deceased.
- C. **Covered person** as used in this Part means:
 1. **You** or any **family member** while **occupying** any auto.
 2. Any other person while **occupying your covered auto**.
 3. **You** or any **family member** while not **occupying** a motor vehicle if injured by:
 - a. A motor vehicle designed for use mainly on public roads;

- b. A miscellaneous vehicle;
- c. A trailer.

- D. **Essential services** means those household services that a **covered person** who is at least 18 years old would have performed without pay.
- E. **Income actually lost** means the difference between: The total of gross salary, fees, commissions, and profits from a business that a **covered person** was earning at the time of the accident; and

The total of gross salary, fees, commissions, profits from a business and payments from an income continuation or similar plan that the **covered person** received during the period of **total disability**.

- F. **Medically necessary and appropriate medical services** are those services or supplies provided or prescribed by a licensed hospital, licensed physician, or other licensed medical provider that, as determined by **us** or someone on **our** behalf, are required to identify or treat **BI** caused by an auto accident and sustained by a **covered person** and that are:
 1. Consistent with the symptoms, diagnosis, and treatment of the **covered person's** injury and appropriately documented in the **covered person's** medical records;

(PART B Cont'd.)

2. Provided in accordance with recognized standards of care for the **covered person's** injury at the time the charge is incurred;
3. Consistent with published practice guidelines and technology, and assessment standards of national organizations or multi-disciplinary medical groups;
4. Not primarily for the convenience of the **covered person**, his or her physician, hospital, or other health care provider;
5. The most appropriate supply or level of service that can be safely provided to the **covered person**; and
6. Not excessive in terms of scope, duration, or intensity of care needed to provide safe, adequate, and appropriate diagnosis and treatment.

However, **medically necessary and appropriate medical services** do not include the following:

1. Nutritional supplements or over-the-counter drugs;
2. Experimental services or supplies, which means services or supplies that **we** determine have not been accepted by the majority of the relevant medical specialty as safe and effective for treatment of the condition for which its use is proposed;
3. Inpatient services or supplies provided to the **covered person**, when these could safely have been provided to the **covered person** as an outpatient.

G. **Reasonable fee** is the amount, as determined by **us** or someone on **our** behalf, which **we** will pay for charges made by a licensed hospital, licensed physician, or other licensed medical provider for **medically necessary and appropriate medical services**. **We** will pay the lesser of:

1. The actual charge;
2. The charge negotiated with a provider; or
3. The charge determined by a statistically valid database that is designed to reflect charges for the same or comparable services or supplies in the same or similar geographic region. The database will also reflect, where applicable, (a) the value of the actual medical services based on a nonspecialty specific relative value scale for the services relative to other services

and, (b) in the case of new procedures, services, or supplies, a comparison to commonly-used procedures, services, or supplies.

- H. **Seat Belt** means manual or automatic safety belts or seat and shoulder restraints or a child restraint device. Both the lap and shoulder restraints must be worn at the time of the accident for coverage to apply. If the **covered person** is a child, the child restraint device must meet federal motor vehicle safety standards and must be one recommended by its manufacturer as appropriate for use by children of like age and weight. The child must be properly seated and restrained within the device and the device must be attached to the interior of the vehicle in accordance with the manufacturer's instructions.
- I. **Total disability** means disability which continuously prevents the **covered person** from performing the substantial duties of that person's usual occupation.

INSURING AGREEMENT

A. Medical Payments Coverage. **We** will pay only the **reasonable fee for medically necessary and appropriate medical services** and the reasonable expense for funeral services because of **BI** caused by an auto accident, sustained by a **covered person** and incurred for services rendered within three years of the date of the accident.

A provider of medical services may charge more than the limits established by this policy's defined terms, but such additional charges are not covered. **We** or someone on **our** behalf will review, by audit or otherwise, claims for benefits under this coverage to determine whether fees and expenses were reasonable and whether treatment was medically necessary and appropriate.

B. Air Bag and Seat Belt Benefits. **We** will provide the benefits described only if at the time of the accident, Medical Payments Coverage was provided by the policy and the **covered person** for whom benefits are sought was:

1. Wearing a **seat belt**; or
2. Wearing a **seat belt** and **occupying** a seat in an automobile in which he was protected by an **air bag**; and
3. Entitled to collect benefits for medical expenses incurred as a result of the accident under the terms of the policy's Medical Payments Coverage.

(PART B Cont'd.)

We will pay a Death Benefit of \$15,000 to the **beneficiary** of a **covered person** who dies as the direct result of **BI** sustained in an automobile accident while wearing a **seat belt**. We will pay an Additional Death Benefit of \$10,000 to the **beneficiary** of a **covered person** who dies as a direct result of **BI** sustained in an automobile accident while wearing a **seat belt** and **occupying** a seat protected by an **air bag**. In either case, death must occur within three years of the date of the accident.

C. Extended Benefits Coverage. We will pay the following benefits for **BI** caused by an auto accident and sustained by a **covered person**:

1. Wage Earner Disability Benefit of 85% of **income actually lost** by an employed **covered person** during a period of **total disability**.
2. Essential Services Disability Benefit for reasonable expenses incurred for **essential services** during the time the **covered person** is actually unable to perform the services. This benefit applies only if the services are performed by a non-**family member**.
3. Death Benefit of \$5,000 to the **beneficiary** of a **covered person** who dies within three years from the date of the auto accident as a direct result of **BI** caused by that accident.

LIMIT OF LIABILITY

A. Medical Payments

1. **Our** maximum limit of liability for **you** or any **family member** injured in any one accident is the limit shown in the declarations for medical payments coverage multiplied by the number of premiums shown for medical payments coverage.
2. The maximum limit of liability for a covered person other than you or any family member injured in any one accident is the limit of liability shown in the Declarations for medical payments coverage. These limits are the most we will pay regardless of the number of covered persons or beneficiaries, claims made, vehicles or premiums shown in the Declarations, or vehicles involved in the accident.

3. 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 the policy.

B. The maximum death benefit we will pay under air bag and seat belt benefits is \$15,000 for death of any one covered person. The maximum additional death benefit we will pay for death of any one covered person is \$10,000. These amounts are the most we will pay regardless of the number of vehicles to which this coverage applies, the number of coverages or premiums shown in the Declarations.

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

C. The limit of liability for wage earner disability benefit and the limit of liability for essential services disability benefit, as stated in the Declarations, is the maximum limit of liability for each coverage for each covered person injured in any one accident, subject to the following conditions:

1. Payment of Wage Earner Disability Benefit to **you** or a **family member** will not exceed the amount shown on the Declarations Page per 30-day period.
2. Payment of Wage Earner Disability Benefit to a **covered person** other than **you** or a **family member** will not exceed \$1,000 per 30-day period.
3. Wage Earner Disability Benefit and Essential Services Disability Benefit begin the eighth day after the accident. We will pay these benefits for no more than two years to any one **covered person**. These benefits will not continue after the death of the **covered person**.
4. Any amounts otherwise payable as benefits under Wage Earner Disability Benefit shall be reduced by:
 - a. The amount of any similar benefits which are paid or payable under any workers' compensation law or policy, or under any disability or health and accident policy; and

(PART B Cont'd.)

- b. The amount of any disability benefits provided by any governmental agency.

11. Sustained while a participant in, or in practice for, any speed contest.

EXCLUSIONS

We do not provide benefits under this Part for any **covered person** for **BI**:

1. Sustained while **occupying** any vehicle that is not **your covered auto** unless that vehicle is:
 - a. A four or six wheel land motor vehicle designed for use on public roads with a rated load capacity of no more than 2000 pounds;
 - b. A moving van for personal use;
 - c. A **miscellaneous vehicle** having at least four wheels; or
 - d. A vehicle used in the business of farming or ranching.
2. Sustained while **occupying your covered auto** when it is being used to carry persons for a fee. This does not apply to a share-the-expense car pool.
3. Sustained while **occupying** any vehicle located for use as a residence.
4. Occurring during the course of employment if workers' compensation benefits are required or available. This does not apply to Extended Benefits.
5. Sustained while occupying, or when struck by, any vehicle other than your covered auto that is owned by you, or furnished or available for your regular use.
6. Sustained while occupying, or when struck by, any vehicle, other than your covered auto, that is owned by or furnished or available for the regular use of any family member. This does not apply to you.
7. Sustained while **occupying** a vehicle without expressed or implied permission.
8. Sustained while **occupying** a vehicle when it is being used in the business or occupation of a **covered person**. This does not apply to **BI** sustained while **occupying** a private passenger auto; a pickup or **van you own**; or a **trailer** used with these vehicles.
9. Caused by or as a consequence of war, insurrection, revolution, nuclear reaction, or radioactive contamination.
10. Sustained while **occupying your covered auto** while it is rented or leased to others.

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 with respect to a vehicle **you** do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

The Death Benefit and Additional Death Benefit provided by Air Bag and Seat Belt Benefits will be paid in addition to any death benefit payable under the policy's Medical Payments Coverage.

If there is other applicable air bag and seat belt benefits, the maximum limit of **our** liability for the death of any one **covered person** under all such policies shall not exceed \$15,000 for the Death Benefit and \$10,000 for the Additional Death Benefit.

SPECIAL PROVISIONS

- A. To establish Wage Earner Disability Benefits, any **covered person** making a claim for **income actually lost** must submit all income-related documents **we** may reasonably require.

Income will be computed using the monthly rate being earned on the date of the accident and will be paid monthly as loss accrues. If not a salary or fixed amount, the monthly rate will be the average monthly income actually earned during the 12 months preceding the accident, or during the period the **covered person** actually was employed if less than 12 months.

- B. If **your covered auto** and every other motor vehicle **you** own are within the policy territory referred to in Part E, General Provisions, then coverage under Part B will apply to **you** and any **family member** anywhere in the world.

CONDITIONS

The Air Bag and Seat Belt Benefits coverage provided is subject to all provisions and conditions of the policy's Medical Payments Coverage and to the policy's general conditions, except as specifically modified herein.

(PART B Cont'd.)

ARBITRATION

If we and a covered person do not agree:

1. On the reasonable fee;
2. That expenses are reasonable;
3. Whether services or supplies are medically necessary and appropriate medical services; or
4. Whether there is coverage under the terms of the Insuring Agreement for Part B.

then, that disagreement may be arbitrated, provided both parties so agree. This arbitration shall be limited to the aforementioned issues and shall not address any other coverage questions.

Any arbitration finding that goes beyond the aforementioned issues shall be voidable by us or the covered person involved in the disagreement.

If both parties agree to arbitrate, each party will select an arbitrator, and those two arbitrators will select a third. If the two arbitrators cannot agree on a third within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the covered person lived at the time of the accident, and local rules of law as to procedure and evidence will apply. A decision agreed to by two or more of the arbitrators will not be binding.

PART C - UNINSURED MOTORISTS COVERAGE (referred to as UM)

DEFINITIONS

A. **Covered person** as used in this Part means:

1. You or any family member.
2. Any other person occupying your covered auto.
3. Any person for damages that person is entitled to recover because of BI to which this coverage applies sustained by a person described in 1. or 2. above.

However, the definition of a covered person does not include the Government of the United States of America.

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

1. To which no liability bond or policy applies at the time of the accident.
2. To which a liability bond or policy applies at the time of the accident but its limit for bodily injury liability is not enough to pay the full amount the covered person is legally entitled to recover as damages.
3. That is a hit-and-run motor vehicle. This means a motor vehicle whose owner or operator cannot be identified and that hits:
 - a. You or any family member;
 - b. A vehicle you or any family member are occupying; or
 - c. Your covered auto.

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

C. **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.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads, except for a snowmobile.
5. Designed mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.

INSURING AGREEMENT

We will pay compensatory damages which a covered person is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of BI sustained by a covered person and caused by an auto accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the uninsured motor vehicle. Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

(PART C Cont'd.)

LIMIT OF LIABILITY

- A. For BI sustained by **you** or any **family member** in any one accident, **our** maximum limit of liability for all resulting damages, including, but not limited to, all direct, derivative or consequential damages recoverable by any persons, is the limit of BI liability shown in the Declarations for "each person" for UM Coverage, multiplied by the number of premiums shown for UM Coverage. Subject to this limit for "each person", our maximum limit of liability for all damages for BI resulting from any one accident is the limit of BI liability shown in the Declarations for "each accident" for UM Coverage, multiplied by the number of premiums shown for UM Coverage.
- B. Subject to the maximum limits of liability set forth in A. above, the most **we** will pay for BI sustained in any accident by a **covered person** other than **you** or any **family member** is that **covered person's** pro-rata share of the "each person" or "each accident" limit of liability shown in the Declarations applicable to the vehicle that **covered person** was **occupying** at the time of the accident. **You** or any **family member** who sustains BI in such accident will also be entitled to a pro-rata share of the "each person" or "each accident" limit shown in the Declarations for that vehicle.

A person's pro-rata share shall be the proportion that that person's damages bears to the total damages sustained by all **covered persons**.

These limits are the most **we** will pay regardless of the number of:

1. **Covered persons;**
2. Claims made;
3. Vehicles or premiums shown in the Declarations;
4. Premiums paid; or
5. Vehicles involved in the accident.

- C. For BI sustained by any covered person other than you or any family member in any one accident in which neither you nor any family member sustained BI, our maximum limit of liability for all resulting damages, including, but not limited to, all direct, derivative or consequential damages recoverable by any persons, is the limit of liability shown in the Declarations under any one vehicle

for UM Coverage for "each person". Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for UM Coverage is our maximum limit of liability for all damages for BI resulting from any one accident. These limits are the most we will pay regardless of the number of:

1. Covered persons;
2. Claims made;
3. Vehicles or premiums shown in the Declarations;
4. Premiums paid; or
5. Vehicles involved in the accident.

- D. Any amounts otherwise payable for damages under UM Coverage shall be reduced by the greater of all sums:
1. Paid because of the **BI** by or on behalf of persons or organizations who may be legally responsible or the persons' or organizations' **BI** Coverage limits. This includes all sums paid under Part A, Part C; and
 2. Paid or payable because of the **BI** under any of the following or similar law:
 - a. Workers' compensation or similar disability insurance law; or
 - b. Private disability benefits or insurance.

EXCLUSIONS

- A. **We** do not provide UM Coverage for **BI** sustained by any **covered person** if that person or the legal representative settles the **BI** claim without **our** consent. However, this exclusion (A.) does not apply to a settlement made with the insurer of a vehicle described in Section B.2 of the definition of **uninsured motor vehicle**.
- B. We do not provide UM Coverage for BI sustained by any covered person while occupying, or when struck by, any motor vehicle owned by you or any family member which is not insured for UM under this policy. This includes a trailer of any type used with that vehicle. However, this exclusion applies only to the extent that the limits of liability for this coverage exceed the limits of liability required by the Nevada Motor Vehicle Insurance and Financial Responsibility Act.

(PART C Cont'd.)

C. We do not provide UM Coverage for BI sustained by any covered person:

1. While **occupying your covered auto** when it is being used to carry persons for a fee. This exclusion (C.1.) does not apply to a share-the-expense car pool.
2. Using a vehicle without expressed or implied permission.
3. While **your covered auto** is rented or leased to others.
4. While **occupying** any vehicle when it is being operated in, or in practice for, any speed contest.

D. UM Coverage shall not apply directly or indirectly to the benefit of any insurer or self-insurer under any workers' compensation law or similar disability benefits law.

E. We do not provide UM Coverage for punitive or exemplary damages.

OTHER INSURANCE

If a covered person has similar coverage available under more than one policy or provision of coverage, any recovery for damages:

1. May equal but not exceed the higher of the applicable limits of this insurance and any other insurance; and
2. Must be prorated between the applicable coverages in the proportion that their respective limits bear to the aggregate of their limits.

Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.

NON-DUPLICATION

No covered person will be entitled to receive duplicate payments under this coverage for the same elements of loss which were:

- A. Paid because of the BI by or on behalf of persons or organizations who may be legally responsible.
- B. Paid or payable under any workers' compensation or similar disability law or private disability benefits or insurance.
- C. Paid under another provision or coverage in this policy.

ARBITRATION

- A. If we and a covered person disagree as to:
 1. Whether the covered person is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle**; or
 2. The amount of damages that the covered person is Legally entitled to collect from that owner;

then, this matter may be arbitrated subject to the provisions of the Nevada Uniform Arbitration Act.

- B. In this event, each party will select an arbitrator, and those two arbitrators will select a third. If the two arbitrators cannot agree on a third within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expense of the third arbitrator equally.
- C. Unless both parties agree otherwise, arbitration will take place in the county in which the covered person lived at the time of the accident, and local rules of law as to procedure and evidence will apply. Any decision of the arbitrators will not be binding.

Disputes concerning coverage under this Part may not be arbitrated.

PART D - PHYSICAL DAMAGE COVERAGE

DEFINITIONS

- A. **Actual cash value** means the amount that it would cost, at the time of **loss**, to buy a vehicle of the same make, model, body type, model year, and equipment, with substantially similar mileage and physical condition.
- B. **Collision** means the impact with an object and includes upset of a vehicle. **Loss** caused by the following is covered under Comprehensive Coverage and is not considered **collision**: fire; missiles or falling objects; hail, water or flood; malicious mischief or vandalism; theft or larceny; riot or civil commotion; explosion or earthquake; contact with bird or animal; windstorm; or breakage of window glass. If breakage of window glass is caused by a **collision you** may elect to have it considered a **loss** caused by **collision**.
- C. **Loss** means direct and accidental damage to the operational safety, function, or appearance of **your covered auto**, including its equipment. **Loss** does not include any diminution in value that remains after the damaged or stolen property or parts thereof have been **repaired** or **replaced**.
- D. **Nonowned vehicle** means any private passenger auto, **trailer**, pickup, **van**, or **miscellaneous vehicle** not owned by, or furnished or available for the regular use of, **you** or any **family member**. This applies only when such vehicle is in the custody of or being operated by **you** or a **family member**. A **nonowned vehicle** does not include a **temporary substitute vehicle** or any of the following vehicles used in any business or occupation other than farming or ranching - pickup, **van** or **miscellaneous vehicle**.
- E. **Repair or replace** means restoring the damaged property or parts thereof to their pre-accident operational safety, function, and appearance. However, **we** may at **our** option **repair or replace** with parts of like kind and quality, including used or non-OEM parts (non-OEM parts are those produced by someone other than the original equipment manufacturer). **Repair or replace** does not require:
1. A return to the pre-accident market value of the property or parts thereof; or
 2. Restoration, alteration, or replacement of undamaged property or parts thereof, unless such is needed for the operational safety of the vehicle.
- F. **Your covered auto**, as used in this Part, includes:
1. A **nonowned vehicle**. If there is a **loss** to a **nonowned vehicle**, **we** will provide the broadest coverage shown in the Declarations.
 2. Equipment and accessories of **your covered auto**.
 3. Any device or instrument for the transmitting, recording, receiving or reproduction of data, sound or pictures that is operated by power from the electrical system of **your covered auto**, including:
 - a. Accessories or antennas; or
 - b. Tapes, wires, records, discs or other media for use with any such device or instrument;while in or upon **your covered auto**.

INSURING AGREEMENT

- A. Comprehensive Coverage (excluding **collision**). **We** will pay for **loss** caused by other than **collision** to **your covered auto**, minus any applicable deductible shown in the Declarations. The deductible will be waived for **loss** to glass that can be repaired rather than replaced. In cases where the repair proves unsuccessful and the glass must be replaced, the full amount of the deductible, if any, must be paid.

In addition, **we** will pay up to \$15 a day, to a maximum of \$450, for transportation expenses incurred by **you**. This applies only in the event of a total theft of **your covered auto**. **We** will pay only transportation expenses incurred during the period beginning 48 hours after the theft and ending when **your covered auto** is returned to use or, if not recovered or not repairable, three days after **we** have made a settlement offer.

If Increased Rental Reimbursement Coverage is afforded, limits for transportation expenses are increased up to \$30 per day to a maximum of \$900.

(PART D Cont'd.)

- B. Collision Coverage. **We** will pay for **loss** caused by **collision** to **your covered auto** minus any applicable deductible shown in the Declarations.
- C. Rental Reimbursement Coverage and Increased Rental Reimbursement Coverage (for **loss** other than total theft). **We** will reimburse **you** for expenses **you** incur to rent a substitute for **your covered auto**. These coverages apply only if **your covered auto** is withdrawn from use for more than 24 hours due to a **loss**, other than a total theft, to that auto. **Our** payment will be limited to that period of time reasonably required to **repair or replace your covered auto**. If **we** determine **your covered auto** is not repairable, the rental period will end three days after **we** have made a settlement offer.

Under Rental Reimbursement Coverage, **we** will pay up to \$15 a day, to a maximum of \$450. Under Increased Rental Reimbursement Coverage, **we** will pay up to \$30 a day, to a maximum of \$900.

- D. Towing and Labor Costs Coverage. **We** will pay the reasonable costs **you** incur for one of the following each time **your covered auto** is disabled:
1. Mechanical labor up to one hour at the place of breakdown.
 2. Towing, to the nearest place where necessary repairs can be made during regular business hours, if the vehicle will not run or is stranded on or immediately next to a public road.
 3. Delivery of gas, oil, a battery or a change of tire. However, **we** do not pay for the cost of these items.

LIMIT OF LIABILITY

- A. For total losses, the limit of liability for Comprehensive and Collision Coverages, is the **actual cash value** of **your covered auto**.
- B. For partial losses, the limit of liability for Comprehensive and Collision Coverages is the amount necessary to **repair or replace** the damaged or stolen property or parts thereof without deduction for depreciation.

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 **you** or to the address shown in the Declarations. If **we** return stolen property **we** will pay for any damage resulting from the theft. **We** may keep all or part of the damaged or stolen property and pay **you** an agreed or appraised value for it. **We** cannot be required to assume the ownership of damaged property. **We** may settle a claim either with **you** or with the owner of the property.

LOSS PAYABLE CLAUSE

Loss or damage under this policy will be paid, as interest may appear, to the named insured and the loss payee shown in the Declarations. This insurance, with respect to the interest of the loss payee, will not become invalid because of **your** fraudulent acts or omissions unless the **loss** results from **your** conversion, secretion, or embezzlement of **your covered auto**. **We** may cancel the policy as permitted by policy terms and the cancellation will 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. When **we** pay the loss payee **we** will, to the extent of payment, be subrogated to the loss payee's rights of recovery.

WAIVER OF COLLISION DEDUCTIBLE

We will not apply the deductible to **loss** caused by **collision** with another vehicle if all of these conditions are met:

1. The **loss** to **your covered auto** is greater than the deductible amount; and
2. The owner and driver of the other vehicle are identified; and
3. The owner or driver of the other vehicle has a liability policy covering the **loss**; and
4. The driver of **your covered auto** is not legally responsible, in any way, for causing or contributing to the **loss**.

(PART D Cont'd)

EXCLUSIONS

We will not pay for:

1. **Loss to your covered auto** which occurs while it is used to carry persons for a fee. This does not apply to a share-the-expense car pool.
2. Damage due and confined to wear and tear, freezing, or road damage to tires. This does not apply if the damage results from the total theft of **your covered auto**. This exclusion (2.) does not apply to Towing and Labor Costs Coverage.
3. Damage due and confined to mechanical or electrical breakdown or failure, including such damage resulting from negligent servicing or repair of **your covered auto** or its equipment. **We will pay for ensuing damage only to the extent the damage occurs outside of the major component (such as transmission/transaxle, electrical system, engine including cooling and lubrication thereof, air conditioning, computer, suspension, braking, drive assembly, and steering) in which the initial mechanical or electrical breakdown or failure occurs.**

This exclusion does not apply if the damage results from the total theft of **your covered auto**, and it does not apply to Towing and Labor Costs Coverage.
4. **Loss** due to or as a consequence of war, insurrection, revolution, nuclear reaction, or radioactive contamination.
5. **Loss** to a camper body or **trailer you** own which is not shown in the Declarations. This does not apply to one **you** acquire during the policy period and ask **us** to insure within 30 days after **you** become the owner.
6. **Loss** to any **nonowned vehicle** or **temporary substitute vehicle** when used by any person without a reasonable belief that that person is entitled to do so.
7. **Loss** to equipment designed or used to evade or avoid the enforcement of motor vehicle laws.
8. **Loss** to any **nonowned vehicle** arising out of its use by **you** or a **family member** while employed or otherwise engaged in **auto business** operations.

9. **Loss to your covered auto** while it is rented or leased to others.
10. **Loss** to any vehicle while it is being operated in, or in practice for, any speed contest.
11. **Loss** resulting from:
 - a. The acquisition of a stolen vehicle;
 - b. Any legal or governmental action to return a vehicle to its legal owner; or
 - c. Any confiscation or seizure of a vehicle by governmental authorities.

This exclusion does not apply to innocent purchasers of stolen vehicles for value under circumstances that would not cause a reasonable person to be suspicious of the sales transaction or the validity of the title.

12. **Loss** resulting from use in any illicit or prohibited trade or transportation.
13. Any **loss** arising out of any act committed:
 - a. By or at the direction of **you** or any **family member**; and
 - b. With the intent to cause a **loss**.

NO BENEFIT TO BAILEE

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

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the **loss**, we will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a **nonowned vehicle** or **temporary substitute vehicle** will be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **nonowned vehicle** or **temporary substitute vehicle**.
2. Any other applicable physical damage insurance.
3. Any other source of recovery applicable to the **loss**.

This provision does not apply to Towing and Labor Costs Coverage.

APPRAISAL

If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal. 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 pay its chosen appraiser and share the expenses of the umpire equally. Neither **we** nor **you** waive any of our rights under this policy by agreeing to an appraisal.

PART E - GENERAL PROVISIONS

AIR BAG

If an air bag in **your covered auto** deploys for any reason, **we** will pay without deductible to replace it.

BANKRUPTCY

Bankruptcy or insolvency of the **covered person**, as defined in this policy, shall not relieve **us** of any obligations under this policy.

CHANGES

- A. The premium is based on information **we** have received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, or is incorrect or incomplete, **we** may adjust **your** premiums accordingly during the policy period.
- B. If, during the policy period, the risk exposure changes for any of the following reasons, the necessary premium adjustments will be made effective the date of change in exposure. **You** agree to give **us** notice of such exposure changes as soon as is reasonably possible:
1. Change in location where any vehicle is garaged.
 2. Change, addition, or deletion relating to the description, equipment, purchase date, registration, cost, usage, miles driven annually, or operators of any vehicle.
 3. Replacement, deletion, or addition of any vehicle. **You** must request coverage for a newly acquired vehicle within 30 days from the date the vehicle is acquired if **you** wish to continue any coverage. See DEFINITIONS - **your covered auto**.
 4. Change, addition, or deletion relating to the date of birth, marital status, or driving record of any operator.
 5. Addition or deletion of an operator.
 6. Change, addition, or deletion of any coverage or limits.

- C. **We** will make any calculations or adjustments of **your** premium using the applicable rules, rates, and forms as of the effective date of the change.
- D. If **we** make a change which broadens coverage under this edition of **our** policy without additional premium charge, that change will automatically apply to **your** insurance as of the date **we** implement that change in **your** location. This paragraph does not apply to changes implemented with a revision that includes both broadenings and restrictions in coverage. Otherwise, this policy includes all of the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**.

DUTIES AFTER AN ACCIDENT OR LOSS

- A. **We** must be notified promptly of how, when, and where an accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- 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 a suit, 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. The examination must be signed.
 4. Authorize **us** to obtain medical reports and other pertinent records.
 5. Submit a proof of loss when required by **us**.
 6. Promptly notify the police if a hit-and-run driver is involved.

(PART E Cont'd.)

- C. A person seeking coverage under Part D - Physical Damage Coverage must also:
1. Take reasonable steps after loss to protect **your covered auto** and its equipment from further loss. **We** will pay reasonable expenses incurred to do this.
 2. Promptly notify the police if **your covered auto** is stolen.
 3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.
- B. 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** will be subrogated to that right. That person shall do whatever is necessary to enable **us** to exercise **our** rights, and shall do nothing after loss to prejudice them. However, **our** rights in this paragraph do not apply under:
1. Part D, against any person using **your covered auto** with a reasonable belief that that person is entitled to do so; and
 2. Paragraph B.2. of the definition of **uninsured motor vehicle** under Part C, for any amount which that person is entitled to recover in excess of the limits of **BI** liability coverage applicable to the **uninsured motor vehicle**.

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 **we** agree in writing that the **covered person**, as defined in Part A, has an obligation to pay, or 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 a **covered person**, as defined in this policy.
- C. If **we** make a payment under this policy and the person to or for whom payment was made recovers damages from another, that person shall hold in trust for **us** the proceeds of the recovery and reimburse **us** to the extent of **our** payment.
- D. If the **covered person**, as defined in this policy, recovers from the party at fault and **we** share in the recovery, **we** will pay **our** share of the legal expenses. **Our** share is that percent of the legal expenses that the amount **we** recover bears to the total recovery. This does not apply to any amounts recovered or recoverable by **us** from any other insurer under any inter-insurer arbitration agreement.

MISREPRESENTATION

We do not provide coverage for any **covered person**, as defined in this policy, who has knowingly concealed or misrepresented any material fact or circumstance relating to this insurance:

1. At the time application was made; or
2. At any time during the policy period; or
3. In connection with the presentation or settlement of a claim.

NON-DUPLICATION OF PAYMENT

When a claim, or part of a claim, is payable under more than one provision of this policy, **we** will pay the claim only once under this policy.

OUR RIGHT TO RECOVER PAYMENT

- A. The Our Right to Recover Payment provision does not apply to Part B.

then, the **covered person** shall reimburse **us** to the extent of **our** payment and cost of defense.

OWNERSHIP

For purposes of this policy, a private passenger type auto, pickup or **van** is 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.

(PART E Cont'd.)

POLICY PERIOD AND TERRITORY

A. This policy applies only to accidents and losses which occur during the policy period as shown in the Declarations and within the policy territory. The policy territory is the United States of America (USA), its territories and possessions, Puerto Rico, and Canada, including transportation of **your covered auto** between any ports of these locations.

B. The policy territory also includes Mexico, subject to the following conditions:

1. All coverages afforded by the policy are extended to include coverage during trips into Mexico. This applies only to loss or accident that occurs within 75 miles of the USA border.
2. Any liability coverage afforded by the policy is extended to include the remainder of Mexico, but only if **you** have valid and collectible liability coverages from a licensed Mexican insurance company at the time of loss. Also, for this Part to be effective, the original liability suit for **BI** or **PD** must be brought in the USA.

This coverage does not extend:

- a. To any **covered person**, as defined in this policy, who does not live in the USA.
- b. To any **covered person**, as defined in this policy, **occupying** an auto which is not principally garaged and used in the USA.
- c. To any auto which is not principally garaged and used in the USA.

The words "state or province" as used in the Out of State Coverage provision in Part A of the policy do not include a "state or province" of Mexico.

Losses payable under Part D of the policy will be paid in the USA. If the auto must be repaired in Mexico, **our** limit of liability will be determined at the nearest point in the USA where repairs can be made.

Any insurance **we** provide will be excess over any other similar valid and collectible insurance.

TERMINATION

A. Cancellation. This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by giving us advance written notice of the date cancellation is to take effect.
2. **We** may cancel by mailing a notice to the named insured shown in the Declarations at the address shown in this policy by giving:
 - a. At least ten days notice:
 - (1) If cancellation is for nonpayment of premium; or
 - (2) If notice is mailed during the first 70 days this policy is in effect and this is not a renewal policy; or
 - b. At least 30 days notice in all other cases.
3. After this policy is in effect for 70 days, or if this is a renewal policy, **we** will cancel only for:
 - a. Failure to pay a premium when due;
 - b. Conviction to **you** or a **family member** of a crime arising out of acts increasing the hazard insured against;
 - c. Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - d. Discovery of:
 1. An act or omission; or
 2. A violation of any condition of the policy,which occurred after the first effective date of the current policy and substantially and materially increases the hazard insured against;
 - e. A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;

(PART E Cont'd.)

- f. A determination by the commissioner that continuation of **our** present volume of premiums would jeopardize **our** insolvency or be hazardous to the interests of **our** policyholders, **our** creditors or the public; or
- g. A determination by the commissioner that the continuation of the policy would violate, or place **us** in violation of, any provision of the code.

B. Nonrenewal. If **we** decide not to renew 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 and **you** do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal premium when due will 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. This does not apply to liability coverage purchased for travel in Mexico.

D. Other Termination Provisions.

- 1. Proof of mailing of any notice will be sufficient proof of notice.
- 2. If this policy is cancelled, the named insured shown in the Declarations may be entitled to a premium 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

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, **we** will provide coverage until the end of the policy period 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**.

TWO OR MORE AUTO POLICIES

If this policy and any other auto insurance policy we issued to you apply to the same accident, the maximum limit of our liability under all the policies will not exceed the highest applicable limit of liability under any one policy. This provision does not apply to Parts B and C.

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