



## PERMANENT GENERAL ASSURANCE CORPORATION

2636 Elm Hill Pike, Suite 510  
Nashville, TN 37214

### NEVADA AUTO POLICY

**Form Number**  
**PA001-0317-NV**

**Please read your policy.** It sets forth **your** coverage(s) as well as definitions, conditions, exclusions, limitations and other terms. **Your** policy also states duties for this insurance to apply.

**Call us at 1-800-280-1466 as soon as possible in the event of an auto accident.**

**If you have any other questions about **your** policy, call us at 1-800-280-1466.**

### **IMPORTANT NOTICE**

If this policy is issued by **us** as an Operator's Policy of Liability Insurance, the following notice applies:

This **operator's** policy of liability insurance is a limited policy of liability insurance that provides coverage for the **named insured** when **operating** any **auto** or while the **auto** the **named insured owns** is not being **operated** by any **person**.

This operator's policy of liability insurance **DOES NOT** provide any coverage for damages incurred while the **auto owned** by the **named insured** is **operated** by another **person**, including, without limitation, **bodily injury**, damage to the **auto owned** by the **named insured** or any other **property damage**.

Because subsection 4 of NRS 485.186 prohibits the **named insured** from allowing another **person** to **operate** the **auto** the **named insured owns** if he or she knows or should have known that the **person** does not have liability insurance to cover the operation of that **auto**, the **named insured** **SHOULD NOT** allow any **person** to **operate** the **auto** the **named insured owns** unless he or she knows that the **person** has liability insurance that will provide coverage when the **person** is **operating** that **auto**.

This **operator's** policy of liability insurance may not meet the requirements of the financial responsibility laws of other states, unless it is expressly indicated in the policy.

### OTHER DRIVERS

If a driver who **resides** with **you** is not listed with **us** as a driver on the policy, coverage may not apply for that driver. If **you** want coverage for drivers other than those shown on the **declarations page**, ask **us** or **your** agent to list those drivers on **your** policy.

### OUR FRAUD POLICY

To keep the lowest rates, **we** have a Tough On Fraud Policy. Under the **General Policy Terms** **we** state **we** do not provide coverage or benefits for any **person** who has engaged in fraudulent conduct or misrepresents a material fact to **us** in connection with any **accident, loss** or a claim. Any **person** who knowingly presents a false or fraudulent claim may be guilty of a **crime** and may be subject to fines and/or confinement in **state** prison. It is **our** policy to fully investigate suspicious claims and prosecute perpetrators to the fullest extent of the law. Cost savings from fraud prevention helps **us** keep **our** premiums as low as possible.

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## **GENERAL AGREEMENT TO INSURE**

1. Subject to all terms of this policy, **we** agree to insure **you** for the coverages **you** buy from **us**, as shown on the **declarations page**, if:
  - a. The premium and charges for this policy are paid when due; and
  - b. The **information you** gave **us** in **your application** is truthful and correct.
2. **We** deem premium and other charges to be paid when:
  - a. Payment is honored by **your** financial institution if the payment is made by a non-cash method such as check, ACH, EFT or credit card; or
  - b. Paid in cash to **us** or **our** authorized agent.
3. This policy is part of a binding legal contract between **you** and **us**. The contract also includes all of these forms (which are all hereby made a part of this policy as if attached):
  - a. The **application**, and **information** within it upon which **we** relied when issuing this policy;
  - b. The **declarations page**;
  - c. Endorsements **we** issue; and
  - d. Coverage election and rejection forms.
4. No coverage or benefits are provided under this policy unless there is full compliance with all of its terms and conditions.
5. Bolded terms used in this policy shall have the meaning shown in the **Policy Definitions** except when defined in the coverage part.

## **POLICY PERIOD – WHEN THIS INSURANCE APPLIES**

This policy applies to **accidents** and **losses** that occur during the policy period which:

1. Starts on:
  - a. The effective date and time shown on **your application**, which is when **we** or **our** authorized agent receive payment for this policy; or
  - b. 12:01 a.m. on a future effective date, as requested by **you**, as shown on the **declarations page**; and
2. Ends the earlier of:
  - a. The end of the policy period shown on the **declarations page**; or
  - b. The effective date and time of any Cancellation or Automatic Termination event set forth in this Policy.

The time zone that applies to the garaging address location shown on the **declarations page** will apply with respect to any time shown on the **declarations page** or in a cancel notice or other notice.

## **TERRITORY – WHERE THIS INSURANCE APPLIES**

This policy applies to **accidents** and **losses** that occur during the policy period within any **state**.

## **DUTY TO REPORT AN ACCIDENT OR LOSS**

**IMPORTANT: A person who fails to report an accident or loss may be denied some or all coverage and/or benefits.**

If an **accident** or **loss** occurs, any **person** seeking coverage or benefits under this policy must:

1. **REPORT IT TO US. Promptly call us at 1-800-280-1466 if there is an accident or loss.**  
**You** or any **person** insured or claiming coverage must:
  - a. Contact **us** within 24 hours, or as soon as practicable, after an **accident** or **loss** occurs; and
  - b. Promptly give **us** the following **information** when possible and as it becomes available:
    - (1) **Your** name, address, telephone number and policy number;
    - (2) All facts and circumstances of the **accident** or **loss**, **including, but not limited to**, how the incident occurred, place, date, time, weather conditions, and **law enforcement** action;
    - (3) A description and details of any:
      - (a) **Bodily injury** sustained by any **person** involved in the **accident**;
      - (b) **Property damage** sustained in the **accident**; and
      - (c) **Loss** incurred by **you** or anyone insured by this policy;
    - (4) Names and addresses of:
      - (a) All **persons** involved or injured in the **accident**; and
      - (b) All known witnesses;
    - (5) The license plate numbers and descriptions of all vehicles involved; and
    - (6) Description of any other policy of insurance or self-insurance that may apply to a driver, vehicle, trailer, **person** or property involved in the **accident** or **loss**.
2. **COMPLETE A POLICE REPORT.**  
 For **accidents** or **losses** that involve:
  - a. Hit-and-run vehicles;
  - b. Unidentified **motor vehicles**; or
  - c. Vandalism or theft;

the **accident** or **loss** must be reported to **law enforcement** within 24 hours, or as soon as is practicable, after the **accident** or after the discovery of the vandalism or theft.

## **OTHER DUTIES**

**IMPORTANT: A person who fails to perform any duty listed here or in this policy, or who fails to properly comply with all policy terms, may be denied some or all coverage and/or benefits.**

If an **accident** or **loss** occurs, any **person** seeking coverage or benefits under this policy must:

1. **COOPERATE WITH US.** A **person** who claims coverage or benefits must cooperate with **us** in all matters. This **includes, but is not limited to** all of the duties listed below.
2. Give **us** written or sworn proofs of **loss** as **we** may require.
3. Not admit fault or assume any obligation to other **persons** or parties.
4. Not incur any expense, unless at that **person's** own expense.
5. With respect to any claim or lawsuit:
  - a. Help **us** and cooperate with **us** in all matters **including, but not limited to** investigation, settlement and defense.
  - b. Promptly give **us** any legal papers and evidence.
  - c. When **we** ask, be present at depositions, hearings, arbitrations, mediations and trials.
  - d. Protect **our** rights and get **our** written consent prior to settling or getting recovery from a legally liable **person** or party.
6. When and as often as **we** reasonably ask, give **us**:
  - a. Signed statements;
  - b. Recorded statements; and
  - c. Statements under oath.

These examinations may be conducted by **us** or **our** representative. **We** may require that statements be made individually and outside the presence of **persons** claiming coverage or benefits and witnesses.
7. Be examined by doctors **we** choose when **we** reasonably request a physical or mental exam. **We** will pay for those exams.
8. Give **us** the following when relevant to the **accident, loss, bodily injury, property damage** or claimed damages, or which will lead to relevant **information**:
  - a. Medical records and reports;
  - b. Employment and wage records; and
  - c. Other relevant records, **including, but not limited to**:
    - (1) **Business** and/or financial records;
    - (2) Sales agreements and rental documents;
    - (3) Audio and video recordings;
    - (4) Phone records including cell phone records;
    - (5) Computer and electronic records;
    - (6) Current and prior insurance claims records;
    - (7) Access to any on-board computer in the **covered auto**;
    - (8) Global Positioning System (GPS) data records;
    - (9) Data and/or records of data contained in an Event Data Recorder or similar device;
    - (10) **Loss payee or lienholder** records; and
    - (11) Vehicle forensic analysis.
9. Give **us** written authorization to get:
  - a. Medical records and reports;
  - b. Employment and wage records; and
  - c. Other relevant records, **including, but not limited to** the records listed in clause 8.c., above.
10. Take reasonable steps after the **accident** or **loss** to protect property from any further **loss**. **We** will pay reasonable

expenses to do so. If **you** do not protect property, further **loss** will not be covered.

11. Allow **us** to inspect and/or photograph any **auto** or vehicle a **person** was **using** at the time of, or that was involved in, an **accident** or **loss**.
12. Allow **us** to inspect, photograph and appraise the damaged property before its repair or disposal.
13. Take reasonable steps after an **accident** or **loss** to prevent costs that are not **necessary including, but not limited to**, storage fees, impound fees, and parking fees.

### **POLICY DEFINITIONS**

Some of the words and phrases in this policy are defined to make the policy easier to read.

When shown in **bold** print, the words and phrases below are defined as set forth here. These definitions apply throughout this policy, including when the word or phrase is used in its singular, plural, possessive, active or passive form or, if a verb, when used in any verb tense.

In this policy:

1. "**Accident**" means a sudden and:
  - a. Unforeseen;
  - b. Unexpected; and
  - c. Unintended;

event that causes **bodily injury** or **property damage** and arises out of the ownership or **use** of a **motor vehicle**.
2. "**Actual cash value**" means, at the time of the **accident** or **loss**, the fair market value of the stolen or damaged property. The fair market value is affected by:
  - a. The age, mileage and physical condition of the property; and
  - b. **Depreciation** and prior damage; which may reduce value.
3. "**Additional acquired auto**" means any **auto** **you** acquire, other than a **replacement auto**, when **you** become the **owner** during the policy period in effect if:
  - a. **We** insure all **autos owned** by **you** on the date **you** take possession of the newly acquired **auto**;
  - b. No other valid and collectible insurance policy provides coverage for that **additional acquired auto**;
  - c. At **our** request, **you** make the **additional acquired auto** available for inspection by **us** or **our** representative;
  - d. **You** comply with any inspection requirements imposed by law; and
  - e. **You** pay the premium required by **us**.

As to an **additional acquired auto**:

- a. It will have the same coverage as the **auto** shown in the **declarations page** with the broadest coverage.
- b. If **you** ask **us** to broaden coverage (add coverages or increase limits) for that **additional acquired auto**, any

such change will not apply until after **we** agree in writing to add the coverage or increase the limits.

- c. It will have coverage only for the first 14 days after **you** become the **owner** unless **you** ask **us** within the initial 14 day period that **you** want to extend coverage for the **auto** beyond the initial 14 days.
  - d. If **you** do NOT ask **us** to insure the **additional acquired auto** within 14 days after **you** become the **owner**, no insurance applies to that **additional acquired auto** until after **you** ask **us** to insure it and **we** agree to insure that **additional acquired auto**.
4. "**After-market parts**" (also called non-OEM) means automotive replacement parts made by a company other than the original equipment **manufacturer**, but the parts are made to have the same fit and function as the original parts.
  5. "**Application**" means the form(s) or on-line screens used by **us** or **our** agent to get **information** about **you** on which **we** rely for purposes of issuing this policy. The **application** is used to decide if **we** will insure **you**, what coverage(s) **you** will be able to buy, and the premium **you** will have to pay. The **application includes, but is not limited to**, any form(s) or process used by **us** or **our** agent:
    - a. For **you** to:
      - (1) Select or reject coverage(s); or
      - (2) Make coverage elections (such as lower limits, deductibles and driver elections); and
    - b. Any additional request from **us** to **you** for **information** to issue or service **your** policy, and any renewal questionnaire.
  6. "**Auto**" means a **motor vehicle** of the private passenger type sedan, pickup truck, van or sport utility van that:
    - a. Has a gross vehicle weight rating stated by the **manufacturer** that is no greater than 10,000 pounds;
    - b. Has either four wheels, or is a six wheel dual rear wheel pick-up truck;
    - c. Is subject to **state motor vehicle** registration laws; and
    - d. Is designed for **use** on public roads and highways.
 However, the term **auto** does not include any:
    - a. Step-van or vans with cabs apart from the cargo area;
    - b. Motorcycles, motorized mini-bikes, or dirt bikes;
    - c. All-terrain vehicles (ATVs);
    - d. Golf carts;
    - e. Tractors or farm machines;
    - f. Vehicles driven on crawler treads, rails or skis;
    - g. Road machinery;
    - h. Recreational vehicles; or
    - i. Vehicles when parked and **used**:
      - (1) As a residence or premises; or
      - (2) For office, store or display purposes.
  7. "**Bodily Injury**" means:
    - a. Bodily harm or physical injury to a **person** that occurs during the policy period; and
    - b. Sickness, disease or death resulting from the physical injury referred to in a. above.

**Bodily Injury** does not include the passing of any communicable disease.

8. "**Business**" means any full-time or part-time job, trade, profession, occupation, employment or commercial activity of any kind. **Business** includes the transport of tools or supplies in an **auto** between multiple job sites.
9. "**Car trade or business**" means any **business** related to **motor vehicles**. This includes, but is not limited to, a **business** that sells, leases, rents, repairs, services, stores, parks, valets, washes, delivers, tests, road tests, tows or transports **autos**, other **motor vehicles** or trailers.
10. "**Covered auto**" means:
  - a. A **motor vehicle** that:
    - (1) Is **owned** by **you**;
    - (2) **You** have asked **us** to insure; and
    - (3) Is shown on the **declarations page**; but only for the coverage(s) that have been bought for it.
  - b. An **additional acquired auto**.
  - c. A **replacement auto**.
 An **auto** or **motor vehicle** ceases to be a **covered auto** when it is sold, assigned, gifted, titled transferred, or possession permanently transferred, to anyone other than **you**, a **family member** or an **insured driver**.
11. "**Crime**" means any act or omission that is:
  - a. A **state** or federal felony;
  - b. An illegal activity, trade or transportation; or
  - c. An attempt to elude **law enforcement**; whether or not there is an arrest, charge or conviction. **Crime** does not include misdemeanor violations of the **motor vehicle** or traffic laws other than an attempt to elude **law enforcement**.
12. "**Declarations page**" means the form the **named insured** receives from **us** that shows:
  - a. The types and limits of coverage **you** purchased from **us**;
  - b. The **autos** listed for this insurance;
  - c. **Insured drivers**;
  - d. The premiums charged;
  - e. Deductibles that apply;
  - f. The policy period; and
  - g. Other policy **information**.
13. "**Delivery of persons or property for compensation or a fee**" means to be engaged in an activity to transport, deliver or carry **persons**, products, goods, materials, property, animals or livestock, either in:
  - a. Exchange for any form of compensation, fee, money, income, salary, property or anything else of value; or
  - b. In the course of conducting **business** activities by a **person** seeking coverage under this policy.
 This applies whether or not:
  - a. Going to or made available (**including, but not limited to**, logging into a Transportation Network Company or ride-sharing network or software application) for a pick-up or returning from a drop-off; or

- b. Any of the **persons**, products, goods, materials, property, animals or livestock intended for the transport or delivery are in the **motor vehicle** at the time of the **accident** or **loss**.
- Delivery of persons or property for compensation or a fee includes, but is not limited to, the use of a vehicle for:**
- Wholesale or retail product deliveries;
  - Delivery of magazines, newspapers, products, pizza or other food;
  - Delivery or transport of animals or livestock;
  - A public or livery conveyance; or
  - Compensated transport of **persons, including, but not limited to**, participation in a:
    - Transportation Network Company; or
    - Ride-sharing service or program.
 This does not apply to:
    - A shared-expense car pool; or
    - Volunteer and uncompensated charity work.
14. **“Depreciation”** means the drop in value of property due to:
- Wear and tear; or
  - The decline in value of a car's parts over the course of its useful life.
15. **“Diminution of value”** means the real or perceived decrease in market or resale value that results from an **accident, loss** or repair.
16. **“Driver’s license”** means a current and valid permit, license or certificate:
- Issued by a government agency; and
  - That authorizes a **person to operate a motor vehicle**.
17. **“Failure to pay premium”** means the premium or other required payment is not paid when due. **Failure to pay premium** includes the dishonor, rejection or refusal to pay by a financial institution of any attempt to pay premium by a non-cash method, **including, but not limited to** check, credit card, ACH or other electronic payment method.
18. **“Family member”** means a **person** who:
- Resides in your household** and is:
    - Related to **you** by blood, marriage or adoption; or
    - Your** ward or foster child.
  - Is **your** unmarried and dependent child, ward or foster child who:
    - Temporarily lives elsewhere while away at school or in the armed forces; and
    - Can demonstrate that they intend to continue to **reside with you**.
19. **“Hazardous materials”** means:
- Explosive, flammable, nuclear, or radioactive liquid or material;
  - Irritants, pollutants, or other contaminants;
  - Pathogenic, poisonous, biological, toxic or other types of similar dangerous materials;
- but not to include fluids or materials **necessary** for the **use** of an **auto**.
20. **“Household”** means the place:
- Where the **named insured resides**; and
  - Which is located at the address shown on the **declarations page**.
21. **“Including, but not limited to”** and **“includes, but is not limited to”** (or any other similarly worded phrase) mean a list of examples of the items, things, parts, ideas, or activities being addressed or described by preceding policy text. The list is used to illustrate the intended policy meaning, but is not exhaustive or exclusive.
22. **“Information” includes, but is not limited to**, facts, data, statements, documents, e-mails and other communications.
23. **“Insured driver”** is a **person** specifically identified on the **declarations page** as an active driver under this policy.
24. **“Law enforcement”** means a **state**, county or local government body, unit, bureau or agency, and its employees, with lawful authority to protect citizens and enforce local, **state** or federal ordinances, statutes, rules or other laws. It also includes U.S. federal police, marshals and other U.S. **law enforcement** agents.
25. **“Loss”** means sudden, direct and accidental physical damage to, or theft of, property. Unless required by law, **loss** does not include any **diminution of value** of property.
26. **“Loss payee or lienholder”** means the **person** or party who has a financial interest in the **covered auto** and has been listed on the policy as the **loss payee or lienholder**.
27. **“Manufacturer”** means a producer of goods for sale.
28. **“Minimum limits”** means the minimum amounts of liability insurance that apply to the **owner** or **operator** of an **auto** as required by a financial responsibility or compulsory insurance law of the **state** in which **you reside**, as shown in **our** records.
29. **“Mold or fungus”** means any type or form of mold, mildew, fungi, fungus or yeast **including, but not limited to**, any of the following produced or released by those:
- Mycotoxins;
  - Spores;
  - Odors;
  - Toxins, bacteria, viruses; or
  - Any other by-products.
30. **“Motor vehicle”** means a self-propelled land **motor vehicle** that is:
- Subject to **state motor vehicle** registration laws; and
  - Designed for **use** on public roads and highways.
31. **“Named insured”** means the **person** or **persons** shown on the **declarations page** as the policyholder, or designated as **“Named Insured”**.
32. **“Necessary”** means needed or required.
33. **“Non-owned auto”** means an **auto**, if it is:
- Used** with the express permission of the **owner** of the **auto** and within the scope of that permission;
  - Not owned** by, registered to or available for regular or frequent **use** by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**;
  - Not owned** by, leased to or rented to **your** employer or the employer of any **family member, insured**

**driver**, or any **person** who **resides in your household**;

- d. Not used for **business** purposes;
- e. Not an **auto** rented for more than 31 consecutive days by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**; or
- f. Not an **auto** in possession, for more than 31 consecutive days, by **you**, a **family member**, an **insured driver**, or any **person** who **resides in your household**.

A **non-owned auto** does not include a **temporary substitute auto**.

- 34. "**Occupy**" and "**Occupying**" means in or upon or entering into or alighting from a **motor vehicle**. In no instance shall any **person** be deemed to be **occupying** more than one **motor vehicle** at one time.
- 35. "**OEM parts**" means automotive replacement parts made by the original equipment **manufacturer**.
- 36. "**Operate**" and "**Operating**" means the act of being directly in control of a **motor vehicle**.
- 37. "**Operator**" means the **person** who:
  - a. Sits in the driver's seat behind the steering controls of a **motor vehicle**; and
  - b. Is **operating a motor vehicle**.
- 38. "**Own**", "**owned**" and "**owns**" mean, as to a **motor vehicle**, to:
  - a. Hold legal title; or
  - b. Have primary legal possession:
    - (1) Subject to a written conditional sales agreement; or
    - (2) Under a lease agreement of at least six continuous months.
- 39. "**Owner**" means, as to a **motor vehicle**, the **person** or party who:
  - a. Holds legal title; or
  - b. Has primary legal possession:
    - (1) Subject to a written conditional sales agreement; or
    - (2) Under a lease agreement of at least six continuous months.
- 40. "**Person**" means a human being. A **person** does not include any corporation, partnership, association or **business**.
- 41. "**Property damage**" means:
  - a. Physical injury to, or destruction of, tangible personal or real property; and
  - b. Any resulting loss of use of that property; if caused solely by an **accident** insured under this policy and that occurs while this policy is in effect.
- 42. "**Punitive damages**" means all damages meant or awarded to:
  - a. Punish or deter conduct by any **person** or party that is determined to be malicious, grossly negligent, wanton, willful, or fraudulent; or
  - b. Fine, penalize or impose a statutory penalty;

that are separate from sums intended only to compensate for **bodily injury** or **property damage**.

**Punitive damages include, but are not limited to**, damages referred to under any law as **punitive damages**, exemplary damages, treble damages or statutory multiple damages.

- 43. "**Race, stunt or performance driving**" means:
  - a. To engage in or prepare for any:
    - (1) Race;
    - (2) Speed or distance contest;
    - (3) Demolition or stunt activity;
    - (4) Competition or timed contest or activity; whether or not spontaneous, pre-arranged or organized;
  - b. To **operate** a vehicle on an indoor or outdoor track, course or trail designed or **used** for:
    - (1) A racing or speed contest or adventure;
    - (2) Demonstration driving;
    - (3) Driver or skills training;
    - (4) High performance driving;
    - (5) Driving competition; or
    - (6) Off-road driving; or
  - c. Off-road driving. This does not include incidental **use** of an **auto** within 50 feet of a public roadway.
- 44. "**Recycled parts**" means automotive replacement parts obtained from a similar vehicle which may be refurbished, restored, reconditioned, remanufactured or used.
- 45. "**Replacement auto**" means an **auto** that **you** acquire, when **you** become the **owner**, if:
  - a. It replaces a **covered auto** shown on the **declarations page**;
  - b. **You** no longer **own** the replaced **covered auto**;
  - c. No other valid and collectible insurance policy provides coverage;
  - d. At **our** request, **you** make the **replacement auto** available for inspection by **us** or **our** representative;
  - e. **You** comply with any inspection requirements imposed by law; and
  - f. **You** pay the premium required by **us** when due.

Insurance under this policy for a **replacement auto** (as described above) is limited as follows:

- a. The **replacement auto** shall have the same coverage as the **auto** it replaced.
- b. If **you** ask **us** to broaden coverage (add coverage or increase limits) for a **replacement auto**, any such change will not apply until after **you** ask **us** and **we** agree to add the coverage or increase the limits.
- c. The **replacement auto** will have coverage only for the first 14 days after **you** become the **owner** unless **you** ask **us** within the initial 14 day period that **you** want to extend coverage for that **auto** beyond the initial 14 days.
- d. If **you** do not ask **us** to insure a **replacement auto** within 14 days after **you** become the **owner**, no insurance will apply to that **auto** until after **you** ask **us**



to insure it and we agree to insure that **replacement auto**.

46. “**Reside**”, “**resides**” and “**residing**” mean to live at a dwelling which is that **person's** primary and legal domicile.
47. “**State**” means:
  - a. Any **state**, territory or possession of the United States;
  - b. The District of Columbia; and
  - c. Any province or territory of Canada.
48. “**Temporary substitute auto**” means an **auto** that is a substitute for a **covered auto** while that **covered auto** is not in **use** due to breakdown, servicing, repair, **loss** or destruction if the substitute **auto** is:
  - a. Rented by **you** or an **insured driver** under a written contract from a **business** engaged in renting **motor vehicles**;
  - b. **Used** with the express permission of the **owner** of that **auto** and within the scope of that permission; and
  - c. Not owned by **you**, a **family member** or any **insured driver**.

An **auto** ceases to be a **temporary substitute auto** the earlier of when:

  - a. The **covered auto** it was replacing is repaired, restored to service or replaced;
  - b. The **auto** being rented is returned; or
  - c. 30 days.
49. “**Use**”, “**uses**” and “**using**” mean to **operate**, **occupy**, maintain, load or unload any **auto** or **motor vehicle**.
50. “**War**” means, whether or not declared or undeclared, a hostile state of conflict, antagonism, police action, or contention carried on by armed force between two or more nations, countries, **states**, sovereign powers or rulers. **War includes, but is not limited to:**
  - a. Civil war;
  - b. Insurrection;
  - c. Rebellion;
  - d. Revolution; or
  - e. Any action by governmental forces to:
    - (1) Respond to;
    - (2) Defend against; or
    - (3) Act to prevent, hinder or diminish; attack or threat of attack.
51. “**We**”, “**us**” and “**our**” mean the insurance company, as shown on the **declarations page**, which issues this policy to **you**.
52. “**You**” and “**your**” mean:
  - a. The **named insured**; and
  - b. If **residing** in the same **household** as the **named insured**, his or her:
    - (1) Spouse; or
    - (2) Domestic partner who is properly registered as such under any **state's** domestic partner or civil union law.

This insurance does not apply for a spouse or domestic partner under any part of this policy if the **named insured** is not a **person** or a trust for a **person**.

## **PART I – LIABILITY COVERAGE**

### **Insuring Agreement**

1. Subject to the limits of liability, if **you** buy Liability Coverage from **us** on this policy, **we** will pay compensatory damages, for which an **insured person** is legally liable to others because of:
  - a. **Bodily injury**; or
  - b. **Property damage**;

that results from a **motor vehicle accident**. These damages include prejudgment interest on compensatory damages that may be awarded against an **insured person**.
2. When coverage under this Part I applies, **we** also will pay, in addition to **our** limit of liability, all settlement and defense costs **we** incur. As **we** decide is proper, **we** will (with a lawyer of **our** choice, to be paid by **us**):
  - a. Investigate;
  - b. Negotiate and settle; and/or
  - c. Defend;

any claim or lawsuit brought against an **insured person** for **bodily injury** or **property damage**. **Our** duty to settle or defend ends when **we** pay **our** limit of liability for payment of a judgment or settlement. **We** have no duty to settle or defend any claim that is not covered by this policy.

### **Additional Payments**

If coverage under Part I applies, then in addition to **our** limit of liability, **we** will pay to or on behalf of an **insured person**:

1. All costs incurred by **us** or at **our** request in the settlement or trial of any claim or lawsuit.
2. Premiums on:
  - a. Appeal bonds; and
  - b. Bonds to release attachments in any suit **we** defend.

**We** have no duty to apply for or furnish bonds. **We** will not pay any portion of the premium that is for a bond more than **our** limit of liability.
3. Post-judgment interest for compensatory damages on that part of the judgment within **our** policy limits, **we** pay in any lawsuit **we** defend. **Our** duty to pay post-judgment interest ends when **we** offer to pay the lesser of the amount of the judgment or **our** limit of liability.
4. Upon request from the **insured person**:
  - a. Actual loss of earnings, but no other type of income, incurred by an **insured person** for work missed due to attendance, at **our** request, at depositions, mediations, arbitrations, hearings, or trials. For loss of earnings incurred, **we** will not pay more than:
    - (1) \$250 per day; or
    - (2) \$500 arising out of any one **accident**.
  - b. Reasonable amounts for travel expenses incurred by an **insured person** at **our** request to attend a deposition, mediation, arbitration, hearing, or trial. **We** must be given receipts for travel expenses incurred.

## Additional Definitions

When shown in **bold print**, the following definition(s) shall apply for Part I, including when the defined word or phrase is used in its singular, plural, possessive, active or passive form.

“**Insured person**”, in this Part I, means:

1. **You**, a **family member** or an **insured driver** for the ownership or use of a:
  - a. **Covered auto** covered by this Part I;
  - b. **Non-owned auto** or **temporary substitute auto**; or
  - c. Trailer while being towed by a **covered auto**, a **non-owned auto**, or a **temporary substitute auto**.

However, **insured person** does not include a **family member**, or any other **person** who **resides** in **your household**, who has not been disclosed to **us**.

2. Any other **person** who is **using** a **covered auto** with **your** permission but only if the **use** is within the scope of that permission. However, that **person** shall be an **insured person** only up to the **minimum limits**.

## Exclusions

We have no duty to defend and we do not provide this Part I – Liability Coverage for any **person** for:

1. **Bodily injury** or **property damage**:
  - a. Caused intentionally by or at the direction of; or
  - b. That is or should be reasonably expected to result from the willful acts by;
 that **person**, even if the **bodily injury** or **property damage** that results is not intended or is not the kind that was intended.
2. **Property damage** to any property:
  - a. **Owned** or transported by an **insured person**;
  - b. **Used** or **occupied** by an **insured person**; or
  - c. Rented to or in the care of an **insured person**.
3. **Bodily injury** or **property damage** that arises out of the ownership or **use** by a **person** of a vehicle for any **race**, **stunt** or **performance driving**.
4. **Bodily injury** to an employee, co-employee or employer of that **insured person** that arises out of or in the course and scope of employment.
5. Any liability arising out of the ownership or **use** of a vehicle in the course of any **business**. However, if a **business use** is declared by **you** and allowed by **us**, and **you** pay **our** charge for **business use**, this exclusion shall not apply to that declared **business use**.
6. **Bodily injury** or **property damage** that arises out of the ownership or **use** by a **person** of a vehicle for commercial purposes, **including, but not limited to**:
  - a. **Used** for **delivery of persons** or **property for compensation** or a **fee**;
  - b. That has permanently installed lifting, towing or digging equipment;
  - c. **Used** for snow plowing or other snow removal;
  - d. **Used** as an emergency or public safety vehicle;

- e. **Used** to transport nursery or school children, migrant workers, or hotel guests;
  - f. **Used** for show or parade;
  - g. **Used** for **race**, **stunt** or **performance driving**;
  - h. **Used** to transport explosives, chemicals, radioactive materials, or flammable substances except as **used** in the normal operation of a **motor vehicle**; or
  - i. **Used** as an escort vehicle.
7. **Use** of a vehicle:
    - a. Without the permission of its **owner** to do so; or
    - b. If the **use** is not within the scope of the permission given for that **use**.
  8. **Bodily injury** or **property damage** arising out of the ownership or **use** of any vehicle, other than a **covered auto**, which is **owned** by, furnished to, or available for the regular or frequent **use** of **you**, any **insured driver**, any **family member**, or any **person** who **resides** in **your household**.
  9. Any type of **punitive damages** or award of attorney fees based on **punitive damages**.
  10. The liability of that **person** that arises out of the ownership or **use** of any vehicle being **used** as an emergency vehicle.
  11. The liability of that **person** that arises out of the ownership or **use** of any vehicle while it is being **used** in the course of a **crime**.
  12. **Bodily injury** or **property damage** caused by **hazardous materials** or **war**.
  13. Operation of any **auto** by a **person** who:
    - a. Does not have a **driver's license**;
    - b. Has a **driver's license** that is suspended or revoked; or
    - c. Has a restricted **driver's license** and is **using** the vehicle outside the scope of that restriction.
 This does not apply to an **auto** being **operated** by any **insured driver**.
  14. Liability assumed under a contract or agreement.
  15. **Bodily injury** or **property damage** that arises out of the ownership or **use** of a **covered auto** when it is:
    - a. Rented, leased, loaned, sold or given to anyone in exchange for any form of value, compensation or reimbursement;
    - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession; or
    - c. Under a conditional sales agreement and is no longer in **your** possession.
  16. **Bodily injury** or **property damage** for any obligation for which the United States Government is liable under the Federal Tort Claims Act.
  17. **Bodily injury** or **property damage** that arises out of **use** of a vehicle while it is located for **use** as:
    - a. A residence or premises; or
    - b. An office, store or display.
  18. Emergency response fees, clean up fees or other fees imposed by local municipalities, **law enforcement** agencies, or other governmental or volunteer agencies as a result of a **motor vehicle accident**.

## Limits of Liability

1. The limits of liability for this Part I for **bodily injury** and **property damage** are shown on the **declarations page**.
2. We will not pay more than the **bodily injury** limit of liability shown on the **declarations page** "per person" for **bodily injury** sustained by a **person** in an **accident**. Only the limit shown "per person" will apply to the total of all claims made due to that **bodily injury**, even if claims are made by other **persons** who did not sustain that **bodily injury** but those claims arise from that **bodily injury**, including any and all claims:
  - a. Derived from that **bodily injury**, including, but not limited to:
    - (1) Loss of society;
    - (2) Loss of companionship;
    - (3) Loss of service or support;
    - (4) Loss of consortium; and
    - (5) Wrongful death;
  - b. For mental anguish or emotional distress due to seeing the **accident** or **bodily injury** occur.
3. Subject to the **bodily injury** limit "per person", we will not pay more than the limit of liability shown on the **declarations page** "per accident" for **bodily injury** sustained by two or more **persons** in one **accident**.
4. We will not pay more than the **property damage** limit of liability shown on the **declarations page** for each occurrence for any **property damage** in one **accident**.

**5. WE WILL NOT PAY MORE THAN THE LIMITS OF LIABILITY SHOWN ON THE DECLARATIONS PAGE, AND AS DESCRIBED IN THIS LIMITS OF LIABILITY CLAUSE, DUE TO ANY ONE ACCIDENT WITHOUT REGARD TO THE NUMBER OF:**

**A. AUTOS INSURED UNDER THIS POLICY;**  
**B. PREMIUMS PAID OR SHOWN ON THE DECLARATIONS PAGE;**  
**C. INSURED PERSONS;**  
**D. POLICIES ISSUED BY US;**  
**E. CLAIMS MADE OR PERSONS INJURED;**  
**F. VEHICLES OR TRAILERS INVOLVED IN AN ACCIDENT;**  
**G. HEIRS, SURVIVORS OR WRONGFUL DEATH BENEFICIARIES; OR**  
**H. LAWSUITS FILED.**

**THERE WILL BE NO ADDING, STACKING OR COMBINING OF COVERAGE.**

6. Our limit of liability will not be increased for an **accident** because a trailer is attached to an **auto** at the time of the **accident**.
7. No one is entitled to recover more than once from **us** for the same elements of damages that have been paid by **us** or any other source, which may **include, but is not limited to:**
  - a. Any other coverage under this policy;

- b. Any other policy we or another insurer issue; or
  - c. Workers' compensation or any similar insurance.
8. Any amount payable under this Part I to or for an injured **person** will be reduced by any payment made to or on behalf of that **person** under:
  - a. Part II – Uninsured/Underinsured Motorist Bodily Injury Coverage; and
  - b. Part III – Medical Payments Coverage; of this policy.

**9. IF WE, OR AN AFFILIATE INSURER, HAVE ISSUED MORE THAN ONE POLICY TO YOU WITH LIABILITY COVERAGE, WE WILL NOT PAY MORE THAN THE HIGHEST LIMIT OF LIABILITY THAT APPLIES UNDER ONE POLICY. THE LIMIT OF LIABILITY MAY NOT BE ADDED, COMBINED OR STACKED WITH SIMILAR COVERAGE UNDER ANY OTHER POLICY ISSUED BY US OR AN AFFILIATE INSURER.**

10. Our limit of liability for any **person** other than **you**, a **family member** or an **insured driver** is limited to the **minimum limits**, and no coverage in excess of the **minimum limits** shall apply to that **person** under Part I.

## Out-of-State Coverage

If an **accident**, to which this Part I applies, happens in any **state**, other than the one in which a **covered auto** is principally garaged, and that other **state** has:

1. A financial responsibility, compulsory insurance or other similar law that requires the **owner** or **operator** of an **auto** to have limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, we will provide the higher limit; or
2. A compulsory insurance or similar law that requires all **operators** of **autos** to maintain certain **auto** insurance coverages whenever an **auto** is driven in that **state**, and this policy does not show such coverage on the **declarations page**, we will provide the required minimum amounts and types of that coverage.

## Financial Responsibility

If we certify this policy as proof of future financial responsibility, this policy will comply with the minimum requirements of the financial responsibility laws, as amended, to the extent required for **bodily injury** and **property damage**. **You** or an **insured person** must reimburse **us** for any payment we make which we would not have made under the terms of this policy except for it being certified.

## Other Insurance

If any other liability insurance policy, bond or self-insurance applies under one or more policies or terms of coverage that is similar to coverage under Part I:

**1. THE MAXIMUM LIMIT OF LIABILITY UNDER ALL THE POLICIES (INCLUDING ANY OTHER POLICY ISSUED BY US OR AN AFFILIATE) OR TERMS OF COVERAGE SHALL BE NO MORE THAN THE HIGHEST APPLICABLE LIMIT OF LIABILITY THAT APPLIES ON ANY ONE POLICY.**

2. Any insurance we provide related to the ownership or use of an auto, other than:
- A covered auto that is owned by you or a family member; or
  - A temporary substitute auto;
- will be excess over all other insurance, bonds or self-insurance.

**3. SUBJECT TO THE OTHER TERMS OF THIS OTHER INSURANCE CLAUSE, IF WE PROVIDE COVERAGE UNDER THIS PART I:**

- ON A PRIMARY BASIS, WE WILL NOT PAY MORE THAN OUR SHARE OF THE DAMAGES THAT MUST BE PAID UNDER POLICIES OR TERMS OF COVERAGE THAT APPLY ON A PRIMARY BASIS. OUR SHARE IS THE PROPORTION THAT OUR LIMIT OF LIABILITY BEARS TO THE TOTAL OF ALL APPLICABLE LIMITS OF LIABILITY FOR COVERAGE PROVIDED ON A PRIMARY BASIS.**
- ON AN EXCESS BASIS, WE WILL NOT PAY MORE THAN OUR SHARE OF THE DAMAGES THAT MUST BE PAID UNDER POLICIES OR TERMS OF COVERAGE THAT APPLY ON AN EXCESS BASIS. OUR SHARE IS THE PROPORTION THAT OUR LIMIT OF LIABILITY BEARS TO THE TOTAL OF ALL APPLICABLE LIMITS OF LIABILITY FOR COVERAGE PROVIDED ON AN EXCESS BASIS.**

## **PART II – UNINSURED/UNDERINSURED MOTORIST COVERAGE**

### **Insuring Agreement – Uninsured/Underinsured Motorist Bodily Injury Coverage**

Subject to the limits of liability, if you buy Uninsured/Underinsured Motorist Bodily Injury Coverage from us on this policy, we will pay compensatory damages an insured person is legally entitled to recover from the owner or operator of an uninsured motor vehicle or underinsured motor vehicle due to bodily injury:

- Sustained by that insured person; and
  - Caused by an accident;
- that arises out of the ownership or use of the uninsured motor vehicle or underinsured motor vehicle.

### **Additional Terms & Duties**

These Additional Terms & Duties apply to this Part II:

- The liability of the owner or operator of an uninsured motor vehicle or underinsured motor vehicle for bodily injury must arise out of the ownership or use of an uninsured motor vehicle or underinsured motor vehicle.
- We will be entitled to full credit of the applicable policy or bond limits in the event an insured person enters into a settlement agreement for an amount less than the sum of the limits of liability under all applicable bodily injury policy injury or bonds. Our limit of liability under this Part II – Uninsured/Underinsured Motorist Coverage will not exceed the difference between the damages sustained by an insured person and the sum of all applicable bodily injury liability limits.
- If an offer of settlement has been made to an insured person by the insurer, or any person on behalf, of the owner or operator of the uninsured motor vehicle or underinsured motor vehicle, we must be given:
  - Not less than 30 days written notice of that offer to pay; and
  - A chance to advance payment to the insured person in an amount equal to the offered settlement within 30 days after we get notice.
- If a lawsuit is filed without prior notice to us, we are not bound by any judgment that arises out of that lawsuit as to:
  - The liability of an owner or operator of an uninsured motor vehicle or underinsured motor vehicle; or
  - The amount of bodily injury damages that result from an accident.
- If a settlement agreement is entered into with the owner or operator of an uninsured motor vehicle or underinsured motor vehicle but without our written consent, we are not bound by that agreement.
- Any lawsuit or arbitration against us by an insured person must be brought within 6 years after we have refused payment or otherwise denied a claim under this Part II.

### **Additional Definitions**

When shown in bold print, the words and phrases below are defined for Part II as set forth here. These definitions apply throughout this Part II, including when the word or phrase is used in its singular, plural, possessive, active or passive form.

In this Part II:

- “Insured person” means:
  - You, a family member, or an insured driver.
  - Any other person operating a covered auto with permission from you or an insured driver, if being used within the scope of that permission.
  - A person who is legally entitled to recover damages due to bodily injury to a person described in clause 1.a. or 1.b. directly above. This will not increase our

limit of liability in an **accident** to an amount more than the limit that applies to the **person** who has sustained the **bodily injury**.

2. “**Underinsured motor vehicle**” means a **motor vehicle** for which one or more **bodily injury** liability bonds, policies or self-insurance apply at the time of the **accident**, but all limits available under those sources of recovery for **bodily injury** liability are less than the compensatory damages an **insured person** is legally entitled to recover from the **owner** or **operator** of the **motor vehicle** due to **bodily injury**.

**Underinsured motor vehicle** does not include any vehicle or equipment that is:

- a. Insured under Part I of this policy;
  - b. Shown on the **declarations page**;
  - c. **Owned** by, or furnished or available for the regular **use of, you, an insured driver or a family member**;
  - d. Driven on rails or crawler treads;
  - e. Designed for **use** mainly off public roads, while not on public roads;
  - f. Located for **use** as a residence or premises; or
  - g. An **uninsured motor vehicle**.
3. “**Unidentified motor vehicle**” means a hit-and-run **motor vehicle** for which the **owner** or **operator** is unknown or after reasonable diligence cannot be found, and that **motor vehicle**:
- a. Hits, with actual physical contact:
    - (1) **You, an insured driver or a family member**; or
    - (2) Any vehicle that **you, an insured driver or a family member** is **occupying**; or
    - (3) A **covered auto** that an **insured person** is **occupying or using**; and
  - b. Causes **bodily injury** to that **insured person**.
4. “**Uninsured motor vehicle**” means a **motor vehicle**:
- a. For which no **bodily injury** liability bonds, policies or self-insurance apply at the time of the **accident**, or for which:
    - (1) There is not available at the Department of Motor Vehicles evidence of financial responsibility as required by Chapter 485 of the Nevada Revised Statutes; and
    - (2) No such evidence is supplied to the Department within 60 days of the **accident**.
  - b. For which there is liability bond or policy but:
    - (1) The bonding company or liability insurer:
      - (a) Has legally denied coverage; or
      - (b) Is or becomes insolvent within two years after the date of the **accident**; or
    - (2) The limit of liability for **bodily injury** under that policy or bond is less than **minimum limits**.
  - c. That is an **unidentified motor vehicle**. However, coverage with respect to an **accident** caused by **uninsured motor vehicle** shall not apply to an **accident** caused by an **unidentified motor vehicle** unless the injured **insured person**, or someone on his or her behalf, reports the **accident** within 24 hours or

as soon as practicable after the **accident** to the police department of the city where it occurred or, if it occurred in an unincorporated area, to the sheriff of the county or to the Nevada Highway Patrol.

**Uninsured motor vehicle** does not include any vehicle or its equipment that is:

- a. Insured under Part I of this policy;
- b. Shown on the **declarations page**;
- c. **Owned** by, or furnished or available for the regular **use of, you, an insured driver or a family member**;
- d. **Owned** by a **state** or any government body, unit or agency;
- e. Driven on rails or crawler treads;
- f. Designed for **use** mainly off public roads, while not on public roads;
- g. Located for **use** as a residence or premises;
- h. **Owned or operated** by a self-insured under any **motor vehicle** law that applies, other than a self-insured that is or becomes insolvent; or
- i. An **underinsured motor vehicle**.

### Exclusions

1. **We** do not provide coverage under this Part II for any **person**:
  - a. If that **person** or their legal representative settles a claim without **our** written consent.
  - b. While **occupying or using** any **motor vehicle** while an **insured person** is **using** that **motor vehicle** for the **delivery of persons or property for compensation or a fee**. This does not apply to **bodily injury** sustained by **you, an insured driver, or a family member** while a guest passenger in a non-owned taxi, limousine, public bus or other similar public transport.
  - c. While **occupying or using** any **motor vehicle owned** by, or furnished or available for the regular **use of, you, an insured driver or a family member**, if that **motor vehicle** is not a **covered auto** under this policy. This exclusion applies only to damages in excess of the **minimum limits**.
  - d. While **occupying or using** any:
    - (1) **Covered auto** without permission from **you** or an **insured driver**, or outside the scope of that permission; or
    - (2) Other vehicle without the express permission of its **owner** or outside the scope of that permission.
  - e. While an **auto** is **used** in the course of a **crime**.
  - f. For **bodily injury** that is caused by **hazardous materials**.
2. This Part II shall not apply, directly or indirectly, to benefit any:
  - a. Workers’ compensation or disability benefits insurer;
  - b. Self-insurer under any workers’ compensation, or disability benefits or similar law; or
  - c. **State** or government body, unit or agency.

3. No coverage under Part II applies for any type of **punitive damages** or any award of attorney fees based on **punitive damages**.

#### Limits of Liability

1. The limits of liability for this Part II are shown on the **declarations page**.
2. **We** will not pay more than the limit of liability shown on the **declarations page** for “per person” for **bodily injury** sustained by a **person** in an **accident**. Only the limit for “per person” will apply to the total of all claims made due to that **bodily injury**, including any and all claims:
  - a. Derived from that **bodily injury including, but not limited to**:
    - (1) Loss of society;
    - (2) Loss of companionship;
    - (3) Loss of service or support;
    - (4) Loss of consortium; and
    - (5) Wrongful death; and
  - b. For mental anguish or emotional distress due to observing the **accident** or **bodily injury** occur.
3. Subject to the limit for “per person”, **we** will not pay more than the limit of liability shown on the **declarations page** for “per accident” for all claims derived from **bodily injury** sustained by two or more **persons** in one **accident**.

**4. WE WILL NOT PAY MORE THAN THE LIMITS OF LIABILITY SHOWN ON THE DECLARATIONS PAGE, AND AS DESCRIBED IN THIS LIMITS OF LIABILITY CLAUSE, DUE TO ANY ONE ACCIDENT, WITHOUT REGARD TO THE NUMBER OF:**

**A. AUTOS INSURED UNDER THIS POLICY;**  
**B. PREMIUMS PAID OR SHOWN ON THE DECLARATIONS PAGE;**  
**C. INSURED PERSONS;**  
**D. POLICIES ISSUED BY US;**  
**E. CLAIMS MADE OR PERSONS INJURED;**  
**F. VEHICLES OR TRAILERS INVOLVED IN AN ACCIDENT;**  
**G. HEIRS, SURVIVORS OR WRONGFUL DEATH BENEFICIARIES; OR**  
**H. LAWSUITS FILED.**

**THERE WILL BE NO ADDING, STACKING OR COMBINING OF COVERAGE.**

5. No one is entitled to recover more than once from **us** for the same elements of damages that have been paid by this policy, under any other coverage or from any other source.
6. **Offsets:**
  - a. Any amount to be paid under this Part II, to or for an **insured person**, will reduce any amount that the **person** is entitled to recover under Part I.
  - b. In determining the amount of compensatory damages an **insured person** is legally entitled to recover from the **owner** or **operator** of an **uninsured motor**

**vehicle** or **underinsured motor vehicle** due to **bodily injury**, such amount shall be reduced by all amounts paid or payable because of **bodily injury**:

- (1) By or on behalf of any **persons** or parties that may be legally responsible, **including, but not limited to** the limits of any liability policies or bonds available to those **persons** or parties and all sums paid or payable under Part I of this policy;
- (2) Under Part III; and
- (3) Under any workers’ compensation law, disability benefits law, or similar laws.

**7. IF WE, OR AN AFFILIATE INSURER, HAVE ISSUED MORE THAN ONE POLICY TO YOU WITH UNINSURED OR UNDERINSURED MOTORIST COVERAGE, WE WILL NOT PAY MORE THAN THE HIGHEST LIMIT OF LIABILITY FOR THAT COVERAGE THAT APPLIES UNDER ONE POLICY. THE LIMIT OF LIABILITY MAY NOT BE ADDED, COMBINED, OR STACKED WITH SIMILAR COVERAGE UNDER ANY OTHER POLICY ISSUED BY US OR AN AFFILIATE INSURER.**

8. **Our** limit of liability for any **person** other than **you**, a **family member** listed as a driver on this policy or an **insured driver** is limited to the minimum limit of uninsured/underinsured motorist coverage required by law, and no coverage in excess of the minimum limit of uninsured/underinsured motorist coverage required by law shall apply to that **person** under Part II.

#### Other Insurance

If any other uninsured or underinsured motorist insurance policy, bond or self-insurance applies under one or more policies or terms of coverage that is similar to the coverage under Part II:

1. **THE MAXIMUM LIMIT OF LIABILITY UNDER ALL THE POLICIES (INCLUDING ANY OTHER POLICY ISSUED BY US OR AN AFFILIATE) OR TERMS OF COVERAGE SHALL BE NO MORE THAN THE HIGHEST APPLICABLE LIMIT OF LIABILITY THAT APPLIES FOR EITHER:**
  - A. ANY ONE POLICY AS TO BODILY INJURY TO AN INSURED PERSON WHILE THAT PERSON AT THE TIME OF THE ACCIDENT EITHER WAS:**
    - (1) **NOT OCCUPYING OR USING ANY VEHICLE; OR**
    - (2) **OCCUPYING OR USING A VEHICLE, THAT IS NOT A COVERED AUTO AND IS NOT OWNED BY YOU OR A FAMILY MEMBER; OR**
  - B. THE COVERED AUTO THAT:**
    - (1) **IS OWNED BY YOU OR A FAMILY MEMBER; AND**

**(2) WAS BEING OCCUPIED OR USED BY AN INSURED PERSON AT THE TIME OF THE ACCIDENT.**

2. Any insurance we provide for an **insured person** **occupying** or **using** any vehicle, other than a **covered auto** that is **owned** by **you** or a **family member**, will be excess over all other insurance, bonds or self-insurance.

3. **SUBJECT TO THE OTHER TERMS OF THIS OTHER INSURANCE CLAUSE, IF WE PROVIDE COVERAGE UNDER THIS PART II WE WILL NOT PAY MORE THAN OUR SHARE OF THE BODILY INJURY DAMAGES THAT MUST BE PAID UNDER THE HIGHEST LIMIT AVAILABLE UNDER ONE POLICY OF UNINSURED OR UNDERINSURED MOTORIST COVERAGE. OUR SHARE IS THE PROPORTION THAT OUR LIMIT OF LIABILITY BEARS TO THE TOTAL OF ALL APPLICABLE LIMITS OF LIABILITY FOR COVERAGE WITH THE SAME PRIORITY.**

#### Arbitration

1. Coverage disputes may not be arbitrated. Only a court with proper jurisdiction shall decide coverage issues.
2. Arbitration may be used to decide issues of tort liability and damages. If there is a dispute between the **insured person** and **us** as to:
  - a. Whether or not that **insured person** is legally entitled to recover **bodily injury** damages; or
  - b. The amount of **bodily injury** damages which are to be recovered by that **insured person**; from the **owner** or **operator** of an **uninsured motor vehicle** or **underinsured motor vehicle**, then those disputes only may be arbitrated if both parties agree.
3. If **we** and the **insured person** agree to arbitrate, a qualified and impartial arbitrator shall be picked by the parties. If the parties cannot agree on an arbitrator within 30 days, either may request that a judge of a court with proper jurisdiction pick that arbitrator.
4. Unless otherwise agreed by both parties:
  - a. Arbitration will take place in the county in the **state** in which the **insured person** resides; and
  - b. Local rules of law as to procedure and evidence will apply. Disputes as to procedure and evidence shall be decided by the arbitrator.
5. The arbitrator has no authority to:
  - a. Decide issues of coverage; or
  - b. Award any amount:
    - (1) In excess of the limit of liability;
    - (2) As **punitive damages**;
    - (3) As attorney fees; or
    - (4) As other fees, costs or interest.
6. Each party will:
  - a. Pay the expenses it incurs; and

b. Share in paying the agreed expenses of the arbitration and arbitrator equally.

7. Nothing in this clause shall preclude settlement of the claim at any time, upon terms and conditions as agreed to by the parties.

### PART III – MEDICAL PAYMENTS COVERAGE

#### Insuring Agreement

Subject to the limits of liability, if **you** buy Medical Payments Coverage from **us** on this policy, **we** will pay:

1. The **usual and customary charge** for reasonable and **necessary medical expenses**; and
2. For reasonable **funeral expenses**; incurred and either paid or required to be paid by an **insured person** due to **bodily injury** sustained by that **person** and caused by a **motor vehicle accident**.

#### Additional Terms & Duties

These Additional Terms & Duties apply to this Part III:

1. **We** will pay only for **medical expenses** or **funeral expenses** that are incurred within one year of the date of the **accident**.
2. To make sure any **medical expense** is:
  - a. Reasonable and **necessary** for treatment of the **bodily injury**;
  - b. For a **bodily injury** that results from the **accident**; and
  - c. The **usual and customary charge** for the service; **we** may use sources of **information** and experts which may **include, but are not limited to**:
    - a. Review of medical records and test results by **persons** and services selected by **us**;
    - b. Computer programs for analysis of medical treatment and expenses;
    - c. Published sources of **medical expense information**; and
    - d. Exams, to be paid for by **us**, by doctors **we** select.
3. **We** will not pay for a part or all of a **medical expense**:
  - a. That is unreasonable because the fee for the service is greater than the **usual and customary charge**.
  - b. When the service(s) provided is:
    - (1) Not **necessary** for the diagnosis and treatment of the **bodily injury**;
    - (2) For the treatment of a **bodily injury** that was not caused by the **accident**; or
    - (3) Not performed or prescribed by a **state** licensed medical or health care provider acting within the scope of that license.

#### Additional Definitions

When shown in **bold** print, the words and phrases below are defined for Part III as set forth here. These definitions apply

throughout this Part III, including when the word or phrase is used in its singular, plural, possessive, active or passive form.

In this Part III:

1. “**Funeral expenses**” means costs incurred for services directly related to the funeral, burial, cremation or interment of the remains of a deceased **insured person**.
2. “**Insured person**” means:
  - a. **You**, an **insured driver**, or a **family member** when:
    - (1) **Occupying a covered auto, a non-owned auto, or temporary substitute auto**; or
    - (2) A **pedestrian** and struck by a **motor vehicle**.
  - b. Any other **person occupying a covered auto** with permission from **you** or a **family member** and while being **used** within the scope of that permission.
3. “**Medical expenses**” means the fees, costs or charges to be paid for reasonable and **necessary**:
  - a. Services, treatment, procedures and products provided by a licensed health care provider, including ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, chiropractic, and pharmaceutical services;
  - b. Medications, eyeglasses, hearing aids, orthopedic and prosthetic devices, and other medical supplies when prescribed by a licensed health care provider; and
  - c. Services, treatment, procedures and products provided by a licensed health care provider for physical therapy, vocational rehabilitation, occupational therapy, and speech pathology and audiology.

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

  - a. Massage therapy not prescribed by a **state** licensed doctor or chiropractor;
  - b. Thermography or other related procedures of similar nature; or
  - c. Any services, treatment, procedures and products that are:
    - (1) Experimental, for research, or not primarily designed to serve a medical purpose; or
    - (2) Not commonly recognized in the medical profession in the United States as a customary treatment for the **bodily injury**.
4. “**Pedestrian**” means a **person** who is not **occupying** a self-propelled vehicle (other than a motorized wheel chair).
5. “**Usual and customary charge**” means the amount **we** find represents a common and typical charge for services in the geographic area in which the service is rendered. **We** may decide the **usual and customary charge** for **medical expenses** by using independent sources of **our** choice.

### Exclusions

**We** do not provide coverage under this Part III for any **person** for **bodily injury**:

1. That occurs while **occupying** or **using** any vehicle while an **insured person** is **using** that vehicle for the **delivery of**

**persons or property for compensation or a fee**. This does not apply to **bodily injury** sustained by **you**, an **insured driver**, or a **family member** while a guest passenger in a non-owned taxi, limousine, public bus or other similar public transport.

2. Sustained while **occupying** or **using** any **motor vehicle** while it is located for **use** as:
  - a. A residence or premises; or
  - b. An office, store or display.
3. Sustained during the course of employment if workers’ compensation or similar benefits are required, available or should apply for that **person**.
4. Sustained while **occupying** or **using** any vehicle **owned** by, or furnished or available for the regular **use** of, **you**, an **insured driver** or a **family member**, if that vehicle is not a **covered auto** under this policy.
5. Sustained while **occupying** or **using** any:
  - a. **Covered auto** without permission from **you** or an **insured driver**, or outside the scope of that permission; or
  - b. Other vehicle without the express permission of its **owner** or outside the scope of that permission.
6. That arises out of any **use** of a vehicle by any employee, agent, contractor or other **person** in connection with, or in the course of, any **car trade or business**.
7. That arises out of the **use** of a vehicle in the course of any **business**. This does not apply to:
  - a. The **use** of a **covered auto** if that specific **use** is declared by **you** and allowed by **us**, **you** pay **our** charge for that **business use**, and it is shown on the **declarations page**.
  - b. **Bodily injury** that arises out of the ownership or **use** of a **covered auto** or **non-owned auto** for:
    - (1) Commuting to or from **your** principal place of **business**; or
    - (2) An occasional **business** errand if not part of the **insured person’s** usual **business** or job responsibilities.
8. Caused by or as a consequence of:
  - a. **War**;
  - b. **Hazardous materials**; or
  - c. **Mold or fungus**.
9. That arises out of that **person’s use** of a vehicle for any **race, stunt or performance driving**.
10. Sustained while **occupying** a vehicle being **operated** by a **person**:
  - a. Who has no **driver’s license**;
  - b. Whose **driver’s license** is suspended or revoked; or
  - c. Who has a restricted **driver’s license** and is **using** the vehicle outside the scope of that restriction.

This does not apply to an **auto** being **operated** by **you** or any **insured driver**.
11. That arises out of the **use** of any vehicle as an emergency vehicle.
12. That arises out of that **person’s use** of any vehicle while it is being **used** in the course of a **crime**.



13. For which the United States Government or its military services are required (directly or indirectly) to provide similar services or benefits.
14. That arises out of the **use** of a **covered auto** when it is:
  - a. Rented, leased, loaned or given to anyone in exchange for any form of value, compensation or reimbursement;
  - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession; or
  - c. Under a conditional sales agreement and is no longer in **your** possession.
15. That is caused intentionally by, or at the direction of, or that is or should be reasonably expected to result from the willful acts by, the injured **insured person**, even if the **bodily injury** that results is not what was intended.

### Limits of Liability

1. The limits of liability for this Part III are shown on the **declarations page**.
2. **WE WILL NOT PAY MORE THAN THE LIMITS OF LIABILITY SHOWN ON THE DECLARATIONS PAGE FOR EACH INSURED PERSON IN ANY ONE ACCIDENT, WITHOUT REGARD TO THE NUMBER OF:**
  - A. AUTOS INSURED UNDER THIS POLICY;**
  - B. PREMIUMS PAID OR SHOWN ON THE DECLARATIONS PAGE;**
  - C. INSURED PERSONS;**
  - D. POLICIES ISSUED BY US;**
  - E. CLAIMS MADE OR PERSONS INJURED;**
  - F. VEHICLES OR TRAILERS INVOLVED IN AN ACCIDENT;**
  - G. HEIRS, SURVIVORS OR WRONGFUL DEATH BENEFICIARIES; OR**
  - H. LAWSUITS FILED.****THERE WILL BE NO ADDING, STACKING OR COMBINING OF COVERAGE.**
3. No one is entitled to recover more than once from **us** for the same elements of damages that have been paid by **us** or any other source, which may **include, but is not limited to:**
  - a. Any other coverage under this policy;
  - b. Any other policy **we** or another insurer issue; or
  - c. Workers' compensation or any similar insurance.
4. Any amount payable under this Part III to or for an **insured person** will be reduced by any amounts paid or payable for the same expense by any Liability to Others Coverage, Personal Injury Protection or Uninsured/Underinsured Motorist Coverage provided by this policy, any other policy or any other source of recovery.

**5. IF WE, OR AN AFFILIATE INSURER, HAVE ISSUED MORE THAN ONE POLICY TO YOU WITH COVERAGE FOR MEDICAL EXPENSES AND/OR FUNERAL EXPENSES COVERAGE, WE WILL NOT PAY MORE THAN THE HIGHEST LIMIT OF LIABILITY THAT APPLIES TO THE INSURED PERSON UNDER ONE POLICY. THE LIMIT OF LIABILITY MAY NOT BE ADDED, COMBINED, OR STACKED WITH SIMILAR COVERAGE UNDER ANY OTHER POLICY ISSUED BY US OR AN AFFILIATE INSURER.**

### Other Insurance

1. This Part III coverage is excess over any other applicable:
    - a. Benefits paid or payable under any workers' compensation insurance policy or law, disability benefits insurance policy or law or similar law or governmental programs;
    - b. Medical benefits available to the **insured person**. This does not apply to the first \$1,000 of coverage under this Part III; or
  2. If any other personal auto policy also affords **medical expense** and/or **funeral expense** coverage that is similar to the coverage provided under Part III, then:
    - a. The coverage on the vehicle which the **insured person** was **occupying** at the time of the **accident** is primary.
    - b. If the **insured person** was a **pedestrian** at the time of the **accident**, then the medical payments coverage afforded by the policy under which the **insured person** is a **named insured** is primary.
    - c. Coverage under this policy shall be excess to all such other coverage if the **insured person** was **occupying** any vehicle other than a **covered auto** at the time of the **accident**.
- d. WE WILL NOT PAY MORE THAN OUR SHARE OF THE DAMAGES. OUR SHARE IS THE PROPORTION THAT OUR LIMIT OF LIABILITY COVERAGE BEARS TO THE TOTAL OF ALL APPLICABLE LIMITS OF THE SAME PRIORITY.**

### Assignment of Benefits

**We** will pay for **medical expenses** directly to a **state** licensed doctor or other health care provider if the **insured person** gives a signed written assignment of benefits payable under Part III to **our** claim representative assigned to handle the claims arising out of the **accident**. If **we** pay benefits directly to a doctor or other health care provider, **we** have no further duty or liability to pay those same benefits.

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

### **Insuring Agreement – Collision**

Subject to the limits of liability, if **you** buy **Collision** Coverage from **us** on this policy for a **covered auto**, **we** will pay for direct **loss** to:

1. That **covered auto**; or
2. A **temporary substitute auto**;

if that **loss** is caused by an **accident** resulting from a **collision**.

### **Insuring Agreement – Comprehensive**

Subject to the limits of liability, if **you** buy **Comprehensive** Coverage from **us** on this policy for a **covered auto**, **we** will pay for **loss** to:

1. That **covered auto**; or
2. A **temporary substitute auto**;

if caused by a **comprehensive loss**.

### **Additional Terms & Duties**

These Additional Terms & Duties apply to this Part IV:

1. **We** will not pay for a covered **loss** that **we** determine is not more than the deductible that applies to that **covered auto**. The deductible shown on the **declarations page** is the portion of each **loss** that is not covered by this Part IV. **You** are responsible to pay for that portion of the **loss**.
2. If **we** make a payment under this Part IV due to:
  - a. The theft of an **auto**, **you** must transfer the title of that **auto** to **us** at or before the time of payment.
  - b. Total **loss** to an **auto**, **we** may require that **you** transfer the title of that **auto** to **us** at or before the time of payment, unless **you** or the **owner** keep the salvage.
3. If **you** or **your** authorized representative makes a claim under this Part IV, then **you** or that representative may:
  - a. If **we** give notice that the **auto** is a total loss vehicle as that term is defined in NRS 487.790, provide consent for the **auto** to be towed and placed in storage at **our** direction and expense; or
  - b. If **we** give notice that the **auto** is a repairable vehicle, provide consent for the **auto** to be towed to a repair shop designated by **you** or **your** authorized representative.

If **you** or **your** authorized representative does not provide such consent, **we** have no duty to pay any storage costs that are incurred but would have been avoided or reduced had the property been moved to a storage facility of **our** choice.

4. **We** are not liable for, nor will **we** pay, any fees or charges that are not part of the **necessary** cost to repair the **loss** or replace the **covered auto**. This may **include, but is not limited to**, any fee or charge to prepare an estimate, teardown, handle or negotiate or any other fee or charge which is not part of the **necessary** cost to repair the **loss** or replace the **covered auto**. **You** will be responsible for paying any such fees or charges.

5. **You** must take reasonable steps after the **accident** or **loss** to protect the **covered auto** and its equipment from any further **loss**. **We** will pay reasonable expenses incurred to protect the **covered auto**. If **you** fail to protect the **covered auto** and its equipment from further **loss**, **we** will not pay for the additional damage or **loss**.

### **Additional Definitions**

When shown in **bold** print, the words and phrases below are defined for Part IV as set forth here. These definitions apply throughout this Part IV, including when the word or phrase is used in its singular, plural, possessive, active or passive form.

In this Part IV:

1. “**Collision**” means the **auto**:
  - a. Overturned, rolled or flipped; or
  - b. Collided with, or was hit by, a vehicle or other object.
 A **collision loss** does not include:
  - a. Any **loss** covered as a **comprehensive loss**; or
  - b. Contact with an animal, bird or falling or thrown objects.
2. “**Comprehensive**” means a **loss** caused by:
  - a. Missiles;
  - b. Falling or thrown objects;
  - c. Fire or explosion, unless the direct consequence of a **collision**;
  - d. Theft or larceny;
  - e. Earthquake;
  - f. Windstorm, snow, ice, hail, rain, water, or flood;
  - g. Malicious mischief or vandalism;
  - h. Contact with an animal or bird; or
  - i. Broken glass, unless caused by a **collision**.
 A **comprehensive loss** does not include any **loss** covered as a **collision**.
3. “**Custom equipment**” means parts, equipment, devices, accessories, enhancements, modifications or changes in or on an **auto** that:
  - a. Are **permanently installed**; and
  - b. Change the **auto** or its function, appearance or performance.**Custom equipment may include, but is not limited to:**
  - a. Pickup truck caps, covers, bed liners and tool bench/boxes.
  - b. Camper bodies, slide-on campers, camper shells, van conversion or other equipment designed to create additional living or storage facilities (but not any trailer).
  - c. Special carpeting, insulation, furniture, or bars.
  - d. Facilities or equipment for cooking, refrigerating or sleeping.
  - e. Sunroofs, moon roofs, t-bar or height extending roofs, bubble domes or similar windows.
  - f. Equipment designed for **persons** with a disability or a handicap.

- g. Custom murals, paint, striping, decals, graphics or chrome.
  - h. Carbon fiber panels or hoods.
  - i. Winches, anti-roll, or anti-sway bars.
  - j. Custom wheels, special or wide tires or slicks, spinners, spoilers, ground effects, after-market lights, custom grilles, louvers, side pipes, hood scoops, or front end protectors.
  - k. Modified or custom suspension equipment, engines, carburetor or exhaust systems, or other modified or **custom equipment**.
  - l. **Electronic equipment**.
4. “**Electronic equipment**” means **permanently installed** electronic audio, video, digital or data devices that transmit, send, receive, record and/or playback data, media or GPS signals. **Electronic equipment** may include, but is not limited to the following when **permanently installed** in the **covered auto**:
- a. Audio devices that record, store and/or play sound, such as radios, satellite radios, stereos, compact disk systems, MP3 devices, internet audio streaming devices, audio interface devices, radio scanners, and similar devices for reproducing sound.
  - b. Video devices, such as DVD devices, VCR devices, monitors, cameras and televisions.
  - c. Communication devices, such as citizen band radios, two-way mobile radios, mobile cellular and other telephones, blue tooth devices, and scanning monitors or receivers.
  - d. Personal computers and internet access devices and systems.
  - e. GPS and other systems that help navigate.
  - f. Emergency assist and roadside assistance detection and/or communication devices; and
  - g. Any accessories, cables, connectors or antennas used with and attached to the devices described above.
- Electronic equipment** does not include, and there is no coverage for, any device or equipment that is not **permanently installed** in a **covered auto**.
5. “**Factory installed**” means **permanently installed** by:
- a. The original **manufacturer** of the **auto** at the time the **auto** is originally fabricated or assembled; or
  - b. The dealer of the original **manufacturer** as a new car option at the time of original purchase.
6. “**Permanently installed**” means an item is attached in the **auto** by way of brackets, screws, bolts, welding or other means so that the item cannot be removed without the use of tools.

### Optional Coverages

**You** must pay extra premium for any of the following optional Part IV coverages to apply. If the coverage applies to a **covered auto**, that coverage will be shown on the **declarations page** for that **covered auto**.

### Rental Reimbursement Coverage

Subject to all other terms of this Part IV, if **you** pay the premium for Rental Reimbursement Coverage:

1. **We** will reimburse **you** for **necessary** and reasonable **auto** rental charges **you** incur from a licensed rental car agency, a vehicle repair shop or other **car trade or business** to temporarily replace a **covered auto** (for which **you** bought Rental Reimbursement Coverage) when it:
  - a. Sustains **loss** covered by this Part IV; and
  - b. Is inoperable due to that **loss**.
2. This coverage applies only if the **covered auto** is withdrawn from normal **use** for more than 24 hours.
3. **Our** payment will be limited to the time starting 24 hours after the **covered auto** is withdrawn from normal **use** and ending the earliest of:
  - a. When the **covered auto** is returned to **use**;
  - b. After the length of time reasonably required to repair or replace the **covered auto**;
  - c. When **we** pay for its **loss**;
  - d. Thirty days after the **covered auto** is withdrawn from normal **use**; or
  - e. 72 hours after **we** offer to pay for the **loss** if **we** determine it is a theft or total **loss**.
4. **We** will not pay more than the daily limit of liability shown on the **declarations page**.
5. **You** must give **us** a verifiable receipt of the rental charges incurred.
6. This Rental Reimbursement Coverage does not apply to cover any charges for fuel, mileage, damage or **loss**, optional equipment, or charge for a collision damage waiver (CDW), personal accident insurance, personal effects insurance, or any other optional insurance, service or device offered with the rented **auto**.

### Towing and Labor Costs Coverage

Subject to all other terms of this Part IV, if **you** pay the premium for Towing and Labor Costs Coverage:

1. **We** will pay for **necessary** towing and labor costs incurred for a **covered auto** for which **you** purchased Towing and Labor Costs Coverage, when it is disabled or has a mechanical breakdown.
2. **We** will only pay for:
  - a. Labor performed at the place of disablement; and
  - b. One tow per disablement; that is **necessary** due to the disability of the **covered auto**.
3. **We** will not pay more than the limit of liability shown on the **declarations page** in any one occurrence.
4. This coverage is limited to no more than three (3) occurrences in any 6-month period.
5. **You** must give **us** a verifiable receipt of the towing or labor charges incurred.

6. This Towing and Labor Costs Coverage does not apply to cover any:
  - a. Towing of a **covered auto** that is stuck in snow, mud, water or sand, more than 50 feet from a public road or highway;
  - b. Towing or labor for a **covered auto** that is disabled on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather or earth movement.

### Custom Equipment Coverage

Subject to all other terms of this Part IV, if **you** pay the premium for extra Part IV coverage for **custom equipment** that is **NOT factory installed** in a **covered auto**, **we** will pay for **loss to custom equipment** as follows:

1. **Custom Equipment** Coverage only applies to non-factory installed **custom equipment** in or on a **covered auto** for which this coverage has been purchased, when that **auto** sustains a **collision** or **comprehensive loss** covered under this Part IV.
2. In addition to any deductible that may apply to the **loss** to the **covered auto**, a \$50.00 deductible applies to each claim made for non-factory installed **custom equipment** except when the **covered auto** has been stolen.
3. **You** must give **us** sales receipts or other verifiable proof that the non-factory installed **custom equipment** was purchased or installed on the **covered auto**.
4. **We** will not pay more than the limit of liability shown on the **declarations page** in any one occurrence.
5. **You** must tell **us** if the fair market value of the **custom equipment** has depreciated and **you** want **us** to lower **your** coverage limit.

### Exclusions

**We** do not provide coverage or other benefits under this Part IV for any **loss** or damage:

1. To any vehicle, other than a:
  - a. **Covered auto** for which the coverage has been bought; or
  - b. **Temporary substitute auto**.
2. That occurs while an **auto** is being used for the **delivery of persons or property for compensation or a fee**.
3. Due and confined to any of the following:
  - a. Normal wear and tear;
  - b. Rust or other corrosion;
  - c. Freezing;
  - d. Mechanical or electrical breakdown or failure;
  - e. Lack of lubricant or coolant;
  - f. **Mold or fungus** or seepage of water;
  - g. Faulty workmanship;
  - h. Road damage to tires; or
  - i. Pollution;
 unless that damage is the result of other **loss** covered by this policy.

4. Due and confined to:
  - a. Prior **loss** or damage;
  - b. **Manufacturer's** latent defects or faulty materials;
  - c. **Your** improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the **manufacturer**.
5. To any **custom equipment**, including **electronic equipment**, that is **NOT factory installed**. This will not apply:
  - a. If **you** have paid **us** extra premium, as shown on the **declarations page**, for coverage of **custom equipment** or **electronic equipment** and those items are listed or shown in the **application, declarations page** or any schedule **we** provide.
  - b. For sound reproduction equipment that is **permanently installed** in the **covered auto** in the opening used by the **manufacturer** of the **auto** for a **factory installed** radio. In this case, **we** will not pay more than the lesser of:
    - (1) The actual cost to repair or replace; or
    - (2) \$500;
 unless:
    - (1) That sound reproduction equipment is **factory installed** in the **covered auto**; or
    - (2) **You** buy extra Part IV coverage for **custom equipment** that are **NOT factory installed** and that sound reproduction equipment is listed with **us**.
6. To any personal property not **permanently installed** in a **covered auto**.
7. Intentionally or willfully caused by or at the direction of, or that is or should be reasonably expected to result from the willful acts by, **you**, an **insured driver**, a **family member** or any other **person residing in your household**, even if the damage that results is not what was intended. This exclusion will not apply to the **named insured**, or the **named insured's** spouse who **resides** in the same **household** as the **named insured**, to the extent of that **person's** legal interest in the damaged **covered auto** if:
  - a. The **state law** protects that interest;
  - b. That **person** did not consent to, direct, contribute to, or participate in the act causing the **loss**;
  - c. A complaint has been filed with **law enforcement** and is signed by the innocent **person** to make an arrest of the other for violation of a domestic violence or similar law; and
  - d. That **person** fully cooperates in any investigation, by **us** or **law enforcement**, relating to the **loss**.
8. While the **auto** is located for **use** as:
  - a. A residence or premises; or
  - b. An office, store or display.
9. That occurs while the **auto** is **used** for any **race, stunt or performance driving**. This does not apply to **loss** that occurs while a **covered auto** is **used** by a **person** who has stolen the **auto**.

10. Caused by or as a consequence of:
  - a. **War**; or
  - b. **Hazardous materials**, unless that **loss** or damage is a result of the theft of the **covered auto**.
11. That occurs while the **covered auto** is being **operated** by a **person**:
  - a. Who has no **driver's license**;
  - b. Whose **driver's license** is suspended or revoked; or
  - c. Who has a restricted **driver's license** and is **using** the vehicle outside the scope of that restriction.

This does not apply to a **covered auto**:

  - a. Being **operated** by **you** or any **insured driver**; or
  - b. When the **covered auto** has been stolen.
12. That occurs while the **covered auto** is being **used** as an emergency vehicle if it is **used** for that purpose on a regular basis, whether volunteer or otherwise.
13. Claimed for or resulting from:
  - a. **Diminution of value**; or
  - b. Loss of use of an **auto**; that arises from any **loss**.
14. Due to legal:
  - a. Confiscation, seizure or destruction of the **covered auto** for any reason by a government or civil authority; or
  - b. Repossession of the **covered auto** by a **person** or entity legally entitled to do so.
15. That arises out of an **auto used** in any **car trade or business**.
16. That occurs while the **auto** is being **used** in the course of any **business**. This does not apply to:
  - a. The **use** of that **covered auto** if that specific **use** is declared by **you** and allowed by **us**, **you** pay **our** charge for that **business use**, and it is shown on the **declarations page**.
  - b. **Loss** or damage that occurs while the **covered auto** (for which this Part IV applies) is being **used** in:
    - (1) Commuting to or from **your** principal place of **business**, other than a commute or travel for one of the following purposes which must be declared by **you** and allowed by **us** and for which extra premium must be paid for coverage to apply:
      - (a) Commuting to or from **business** or a work site while carrying tools and supplies between the **your household** and any job site; or
      - (b) Traveling to more than one place in the course of the insured **person's business**, for example as a real estate or insurance agent, lawyer, doctor, accountant, or other such professional.
    - (2) An occasional **business** errand if not part of the insured **person's** usual **business** or job responsibilities.
17. That occurs while the **auto** is being **used** in the course of a **crime**. This does not apply to **loss** that occurs when the **covered auto** has been stolen.

18. That occurs to an **auto** when it is:
  - a. Rented, leased, loaned, sold or given to anyone in exchange for any form of value, compensation or reimbursement;
  - b. Entrusted to another **person** or party for the purpose of subleasing, leasing, renting or selling and is no longer in **your** possession; or
  - c. Under a conditional sales agreement and is no longer in **your** possession.
19. Due to theft, embezzlement, or conversion of an **auto**:
  - a. By **you**, any **insured driver**, any **family member** or any other **person residing in your household**; or
  - b. Prior to its delivery to **you**, an **insured driver**, or a **family member**.

However, this does not apply to the legal interest of a **named insured**, or the **named insured's** spouse who **resides** in the same **household** as the **named insured**, if that **person**:

  - a. Did not consent to, direct, contribute to, or participate in the theft or conversion;
  - b. Files and signs a complaint with **law enforcement** that the **auto** was stolen or converted; and
  - c. Fully cooperates in any investigation by **us**, and investigation and prosecution by **law enforcement**, relating to the **loss**.
20. That occurs while the **operator** of the **auto** is texting, keying or typing on any portable electronic device, **including, but not limited to**, mobile phones, hand held electronic devices and computers.
21. To stickers, decals, logos, trademarks, insignias or other decorative marks on windshields or other glass on the **auto** unless **you** paid for **custom equipment** for that display.
22. To loss of use of a **temporary substitute auto**.
23. To **loss** to a **temporary substitute auto** if the company providing the **auto** is not allowed to recover for the **loss** from **you**, any **insured driver** or any **family member** under the rental agreement or **state law** that applies.
24. Emergency response fees, clean up fees or other fees imposed by local municipalities, **law enforcement** agencies, or other governmental or volunteer agencies as a result of a **motor vehicle accident**.

### Limits of Liability

1. For a **loss** covered under this Part IV, **we** will not pay more than **our** Limit of Liability which is the lesser of:
  - a. The **actual cash value**, at the time of **loss**, of the damaged or stolen **auto**, or its parts if the **loss** is limited to parts;
  - b. The amount **necessary** to repair physical damage to the **auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition. No amount for any **diminution of value** or other change in market value of the **auto** will be included in, or paid with, the amount to repair; or

- c. The amount **necessary** to replace the damaged or stolen **auto**, or its parts if the **loss** is limited to parts, with that of like kind and quality.
2. **Our** payment will not include the amount of any applicable deductible, as shown on the **declarations page**. As to the deductible:
  - a. If the **loss** is to more than one **covered auto** in the same **collision**, a separate deductible shall apply to each **covered auto**.
  - b. If the **loss** to the **covered auto** is the result of more than one **accident** or **loss**, a separate deductible shall apply to each **accident** or **loss**.
  - c. Any deductible amount that **you** are responsible for will not be reduced by any deductible that may apply to a **loss payee** or **lienholder**.
  - d. If **you** paid the extra premium for Part IV coverage for **custom equipment** that are NOT **factory installed**, there is an additional \$50.00 deductible that applies to each claim made for those non-**factory installed custom equipment**.
3. **We** will reduce what **we** will pay under this Part IV by the following:
  - a. The amount of **depreciation** or betterment, if the repair or replacement improves the condition of the **auto**. This **includes, but is not limited to**:
    - (1) The replacement of batteries, tires and other parts with a useful life longer than the useful life of the part replaced.
    - (2) The increase in value from the repair of prior damage.

**You** are responsible to pay for any betterment.
  - b. The salvage value if **you**, or the **owner**, keep any salvage.
4. If a **covered auto** is stolen or **we** decide it is a total **loss**, the **actual cash value** of the **covered auto** will be determined without consideration to any **custom equipment**, except when **custom equipment** coverage has been purchased as shown on the **declarations page**.
5. If the **auto** is to be repaired:
  - a. **We** will not pay:
    - (1) More than the prevailing competitive labor rates charged in the area where the **auto** is to be repaired as reasonably found by **us**.
    - (2) Any amount for any **diminution of value** due to the repair.
  - b. **We** will prepare a repair estimate that will set forth the amount needed to repair the **auto** and any parts needed to be replaced as a result of the **loss**.
  - c. The repair estimate will:
    - (1) Be based on the use of new or used **OEM parts, recycled parts** or **after-market parts**, as **we** see fit; and
    - (2) Specify which parts are new or used **OEM parts, recycled parts** or **after-market parts**.

6. If **you** agree to have window glass repaired, instead of replaced, at **our** expense after a **loss**, **we** have no further duty to also:
  - a. Pay the **actual cash value** of that glass; or
  - b. Replace it.
7. For coverage provided under this Part IV for **loss** to a **temporary substitute auto**, **we** will:
  - a. Apply the same **Collision** and/or **Comprehensive** coverage under Part IV; and
  - b. Apply the same deductible; that applies to the **covered auto** that the **temporary substitute auto** is replacing.
8. No one is entitled to recover more than once from **us** for the same elements of **loss** or damages that have been paid by this policy, under any other coverage or from any other source.

### Payment of Loss

1. As **we** see fit, **we** will:
  - a. Pay for the **loss** in money; or
  - b. Repair or replace the damaged or stolen property.
2. **We** may make payment for a **loss** to **you**, the **owner** or the **loss payee** or **lienholder** of the **covered auto**.
3. **We** may, at any time before the **loss** is paid or the property is replaced by **us**, return, at **our** expense any stolen property either to **you** or to the address shown in **our** records with payment for the resulting damage.
4. As to salvage:
  - a. **We, you** or the **owner** may keep all or part of the salvaged property that has sustained a **loss**. If **we** allow **you** or the **owner** to keep salvage, **we** will reduce the amount to be paid by **us** by the agreed or appraised value of the salvage.
  - b. **You** may not abandon salvage to **us**.
  - c. **We** have no duty to preserve salvage.

### Other Insurance

1. If there is other insurance or source of recovery that applies for **loss** to a **covered auto**, **we** will pay the proportionate share **our** limit of liability bears to the total of all available sources of recovery. The deductible of this policy will be taken in a proportionate share based on the deductibles of each policy. However, any coverage **we** provide under this Part IV for **loss** to a **temporary substitute auto** shall be excess over any other insurance or source of recovery for that **auto**.
2. Other sources of recovery **include, but are not limited to**, any:
  - a. Coverage from or by the **auto owner**; and
  - b. Other physical damage insurance available.

## Appraisal

1. If **we** and **you** do not agree on the amount of the **loss**, then either party may demand, in writing, an appraisal of the **loss**, and the amount of the **loss** to be covered under this Part IV shall be determined by appraisal.
2. If the parties can agree on one appraiser then the appraiser shall:
  - a. Inspect the **loss**; and
  - b. Decide the amount to be paid under this coverage.
 The amount determined by the appraiser shall be binding on the parties.
3. However, if the parties are unable to agree on one appraiser then each party will select a competent and impartial appraiser. The two appraisers shall select a third competent and impartial appraiser. The three appraisers shall:
  - a. Inspect the **loss**; and
  - b. Decide the amount to be paid under this coverage.
 An amount agreed upon by any two of the three appraisers shall be binding on the parties.
4. Coverage disputes under this policy may not be decided by any appraiser. Only a court with proper jurisdiction shall decide coverage issues.
5. Appraisers have authority only to decide the amount of the **loss**. They have no authority to make any coverage decisions under the policy.
6. If one appraiser is elected, each party shall pay in equal shares the cost of the appraiser. If three appraisers are selected, then each party shall pay the costs of its appraiser and shall pay in equal shares the cost of the third appraiser.
7. **We** do not waive any of **our** rights under the policy by agreeing to an appraisal.

## No Benefit to Bailee

No coverage shall, directly or indirectly, benefit any **person** or party caring for, handling, or in custody of property for a fee or other compensation.

## GENERAL POLICY TERMS

### Entire Contract, Policy Changes & Premium

1. This policy is part of a binding legal contract between **you** and **us**. The contract includes:
  - a. This policy form;
  - b. Endorsements **we** issue;
  - c. The **declarations page**;
  - d. The **application** and **information** listed on the **application**, which:
    - (1) **You** agree is true and correct; and
    - (2) Which **we** relied upon when agreeing to issue this policy and determining the premium **you** must pay for coverage to apply; and
  - e. Coverage election and rejection forms.
 This contract contains all agreements between **you** and **us**.

2. The terms of this contract may not be changed or waived except by **our** written agreement.
3. Any change that **you** request to be made to this policy will apply only to **accidents** and **losses** that occur after the effective date shown on the **declarations page** on which the change is shown.
4. **We** may adjust **your** premium, up or down, during the policy period and take other permitted action if:
  - a. **You** ask **us** to make any policy changes; or
  - b. Any **information**, upon which **we** rely to set the premium, is incorrect, incomplete, or changes.**We** will adjust **your** premium pursuant to **our** rates and rules.
5. **You** agree to:
  - a. Cooperate with **us** in making sure the **information** **we** rely on is correct and complete; and
  - b. Notify **us** if **your information** changes during the policy period.
6. To properly set premium and insure **you**, **your family members**, drivers and **autos**, **you** must promptly give **us** notice when:
  - a. There is a change in the number, type or **use** of **covered autos** shown on the **declarations page**;
  - b. **You** change **your** address;
  - c. **You** garage a **covered auto** at a garaging address not shown in **our** records for that **auto**;
  - d. There is any change in the **persons** who **reside** in **your household**;
  - e. There is any change in the **persons** who regularly **operate** a **covered auto**;
  - f. There is any change in the **driver's license** status of **you**, a **family member** or an **insured driver**;
  - g. **You** get an **additional acquired auto** or a **replacement auto**;
  - h. **You**, a **family member** or an **insured driver** get married, divorced or separated;
  - i. **You**, a **family member** or an **insured driver** obtain a **driver's license** or have a **driver's license** suspended, revoked, or refused; or
  - j. There is an **accident, loss** or traffic or **motor vehicle** law violation by any **person** who **resides** in **your household** or who regularly **operates** a **covered auto**.
7. All premium, and any fees or charges that may apply, must be paid.
8. The last day of any time period required by this policy to:
  - a. Pay premium, fees or charges;
  - b. Perform a duty stated in the policy or in a notice to **you** from **us**; or
  - c. Give any required notice to **us**;
 may be any day of the year, including a Saturday, Sunday or public holiday.
9. A coverage rejection, selection, election, or change, or the designation of an excluded driver, shall be binding upon all **persons** insured under the policy if made by:
  - a. The **named insured**; or

- b. If **residing** in the same **household** as the **named insured** and if not an excluded driver, the **named insured's**:
    - (1) Spouse; or
    - (2) Domestic partner if properly registered as such under any **state's** domestic partner or civil union law.
10. If a signature is required by law or otherwise for any coverage rejection, selection or election, or the designation of an excluded driver, the written or electronic signature, or recorded verbal consent, for such action shall be binding on behalf of all **persons** insured under this policy if made by:
- a. The **named insured**; or
  - b. If **residing** in the same **household** as the **named insured** and if not an excluded driver, the **named insured's**:
    - (1) Spouse; or
    - (2) Domestic partner if properly registered as such under any **state's** domestic partner or civil union law.

### Claims Handling

- 1. **We** will make every effort to resolve claims promptly and fairly.
- 2. To determine the value of any claim for damages or **loss** that may be covered by this policy, the sources **we** may use **include, but are not limited to**:
  - a. Review of medical records and test results by **persons** or services **we** choose.
  - b. Exams, at **our** expense, by doctors **we** choose as often as **we** reasonably request.
  - c. Computer programs and databases and published sources for:
    - (1) The analysis of medical treatment and expenses;
    - (2) Bodily injury, medical, medical expense and damage **information**;
    - (3) The evaluation of injuries and prediction of jury verdicts; and/or
    - (4) Determination of vehicle values and cost of repair and/or replacement.
  - d. Estimates by vehicle repair shops.
  - e. Third-party vendors providing estimating, appraisal, injury evaluation, earnings calculators, and analysis.

### Claims Fraud

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

- 1. Concealed or misrepresented any fact or circumstance;
- 2. Engaged in fraudulent conduct; or
- 3. Directed others to:
  - a. Conceal or misrepresent any fact or circumstance; or
  - b. Engage in fraudulent conduct;

in connection with any **accident** or **loss**, or a claim that arises out of any **accident** or **loss**.

However, this will not apply to deny payment to innocent third-parties under Part I – Liability Coverage that is less than or equal to the **minimum limits** required by Nevada Revised Statutes Annotated 485.3091.

### Loss Payee or Lienholder

If a **loss payee** or **lienholder** is shown on the **declarations page** as applying to a **covered auto**:

- 1. Any amount to be paid for **loss** to that **auto** will be paid according to **your** interest and that of the **loss payee** or **lienholder**. **We** may make joint or separate payments based on those interests. However, with **your** consent, payment may be made directly to the repair shop where the **loss** is being repaired.
- 2. **We** have no duty to make any payment to a **loss payee** or **lienholder** unless the **loss** is payable to **you** and all policy terms and conditions have been met. The interest of the **loss payee** or **lienholder** will not be protected if:
  - a. A claim is denied due to a breach of any of the terms of this policy or the duties owed to **us**;
  - b. Fraud, misrepresentation, material omission, intentional damage, or conversion, secretion and/or embezzlement of an **auto** has been committed by or at the direction of **you**, any **insured driver**, any **family member** or any other **person residing in your household**; or
  - c. The **loss** is not otherwise covered under the terms of this policy.
- 3. If the **covered auto** is repossessed by the **loss payee** or **lienholder** after a covered **accident** or **loss**, and the **loss** is payable to the **loss payee** or **lienholder**, that payment shall be subject to a deductible that is the lesser of:
  - a. The deductible shown on the **declarations page**; or
  - b. \$500.
- 4. Upon cancellation, nonrenewal or any other termination of this policy, **we** will give notice of termination to a **loss payee** or **lienholder** when required by law. Any notice given may be delivered electronically.
- 5. **We** will be subrogated to the **loss payee** or **lienholder's** rights of recovery to the extent of any payment **we** make.

### Cancellation

- 1. **How You May Cancel the Policy:**
  - a. **You** may cancel this policy by:
    - (1) Returning it to **us**;
    - (2) Giving **us** written notice of the future effective date of cancellation; or
    - (3) By any other means **we** and **you** mutually agree to use.
  - b. This policy will end as of 12:01 a.m. on the date **you** return the policy to **us**, or 12:01 a.m. on any future date



specified by **you** before any cancellation or other termination.

## 2. How We May Cancel the Policy:

- a. **We** may cancel this policy by giving notice of cancellation to:
  - (1) The **named insured** shown on the **declarations page**; or
  - (2) The **named insured's** last known address appearing in **our** records.
- b. **We** will mail or deliver a notice of cancellation at least:
  - (1) 10 days before the effective date of cancellation if:
    - (a) Due to **failure to pay premium**; or
    - (b) Notice is mailed during the first 69 days of the first policy period; or
  - (2) 30 days before the effective date of cancellation if this policy is to be cancelled for any other reason.
- c. The effective date and time of cancellation stated in a notice is the end of the policy period.
- d. During the first 69 days of the first policy period, **we** may cancel the policy for any lawful reason.
- e. Once this policy has been in effect for 70 days, or if this is a renewal policy, **we** may cancel only for one or more of the following reasons:
  - (1) The **failure to pay premium**;
  - (2) Conviction of an insured of a **crime** arising out of acts increasing the hazard insured against;
  - (3) Discovery of fraud or material misrepresentation in obtaining this policy or in the presentation of a claim under this policy;
  - (4) Discovery of:
    - (a) An act or omission; or
    - (b) A violation of any condition of this policy, which occurred after the first effective date of the current policy and that substantially and materially increases the hazard insured against;
  - (5) 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;
  - (6) A determination by the Nevada Insurance Commissioner that the continuation of **our** present volume of premiums would jeopardize **our** solvency or be hazardous to the interests of **our** policyholders, **our** creditors, or the public; or
  - (7) A determination by the Nevada Insurance Commissioner that the continuation of this policy would violate, or place **us** in violation of, any provision of the Nevada Insurance Code.

## 3. Premium Refund Upon Cancellation:

- a. If the policy cancels, the **named insured** may be entitled to a refund of unearned premium.

- b. If this policy is cancelled by **us** for any reason, other than **failure to pay premium**, any refund due will be computed on a daily pro-rata basis, and subject to any fully-earned fees.
  - c. If this policy is cancelled at **your** request or due to **failure to pay premium**, any refund due will be calculated at a 90% of pro-rata basis, and subject to any fully-earned fees.
  - d. **Our** making or offering of a refund:
    - (1) Is not a notice or condition of cancellation; and
    - (2) Will not affect the effective date of any cancellation.
  - e. All policy fees are fully earned on the effective date of the policy.
4. Any cancellation, either by **you** or **us**, will be effective for all **persons** and all vehicles no matter the reason for the cancellation. As to cancellation, this policy is not severable, dividable or divisible.
  5. Nothing in this "Cancellation" clause shall waive **our** rights to void this policy pursuant to the policy terms.

## Nonrenewal

1. If **we** decide not to renew this policy, **we** will mail or deliver notice of nonrenewal to a **named insured** shown on the **declarations page** at the last known address shown in **our** records.
2. Notice will be mailed at least 30 days before the end of the policy period.
3. No notice will be mailed, however, if **you** have:
  - a. Accepted replacement coverage; or
  - b. Requested or agreed to nonrenewal.
4. Nothing in this "Nonrenewal" clause shall waive **our** rights to void this policy pursuant to the policy terms.

## Proof of Notice

**We** may mail or deliver any notice to the **named insured** at the last address shown in **our** records. Proof of mailing or delivery of any notice, where law requires proof, shall be sufficient proof of notice.

## Automatic Termination

This policy, or coverage for a **covered auto**, may automatically end as described here:

1. This policy will automatically lapse and expire at the end of the current policy period if:
  - a. **You** do not accept **our** offer to renew **your** policy by the end of the policy period; or
  - b. There is any **failure to pay premium**, when due, for the renewal.

**Our** renewal offer is deemed rejected if there is any **failure to pay premium**, when due, for the renewal.

2. If other insurance on a **covered auto** is obtained, any similar insurance provided by this policy will end as to that **covered auto** on the effective date of the other insurance.
3. A **covered auto** is no longer a **covered auto** when that **covered auto** is sold, assigned, gifted or transferred to anyone other than **you**, a **family member** or an **insured driver**. Coverage for that **covered auto** will end the earlier of when:
  - a. Either title or possession is so transferred; or
  - b. No **person** shown on the **declarations page** has an insurable interest in the **covered auto**.

#### Our Right to Rescind

1. **We may void this policy for material misrepresentation or fraud in the application and/or endorsements, if you** have made false or incorrect statements, or concealed or omitted facts in connection with the **application** or any request for a change for this policy.
2. **We** have the right to void this policy from its inception, and may do so, if there is any **failure to pay premium** of the initial down-payment or any portion thereof.
3. If **we** void this contract:
  - a. It is as if the contract was never formed and this policy was never issued.
  - b. There is no coverage for any **accident or loss**.
  - c. Any partial premium payment **we** have received from **you** will be refunded.
  - d. **You** must repay **us** for any amounts **we** paid to or on behalf of any **insured person** under any part of this policy.
4. If **you**, or **your** assignee or representative, dispute **our** right to rescind, **you** must reimburse **us** for all of **our** lawyer fees, costs and expenses when **we** prevail in any such legal action.

Notwithstanding the foregoing, **our** voiding of this policy will not affect payment under Part I – Liability Coverage that is less than or equal to the **minimum limits** required by Nevada Revised Statutes Annotated 485.3091.

#### Non-Duplication

No one is entitled to recover more than once from **us** for the same elements of damages or **loss** that have been paid by this policy, under any other coverage or from any other source.

#### Ride-Sharing

There is no coverage under any Part of this policy for **use** of a **covered auto** or by an **insured person operating a non-owned auto** for participation in a:

1. Transportation Network Company; or
2. Ride-sharing service or program.

This applies whether or not:

1. Going to or made available for a pick-up or returning from a drop-off; or

2. Any of the **persons** intended for the transport or delivery are in the **motor vehicle** at the time of the **accident or loss**.

#### Our Right to Recover (Subrogation & Reimbursement)

1. Any **person** to whom payment was made to, or on behalf of, under this policy must:
  - a. Cooperate with **us**;
  - b. Do whatever is needed to protect **our** rights to recover; and
  - c. Do nothing after the **loss** to prejudice or harm **our** rights.
2. If there is a payment under this policy:
  - a. **We** will be subrogated to all rights of recovery of the **person** or party, to or for whom payment was made, against another **person** or party; and
  - b. Any **person** to or for whom a payment is made who recovers **loss** or damages from a liable **person** or party, or their insurer, shall:
    - (1) Hold the proceeds of that recovery in trust for **us**; and
    - (2) Reimburse **us** to the extent of **our** payment.

These rights shall be only to the extent of payments made under this policy.
3. **Our** right to subrogate will not apply as to payments under:
  - a. Part II for damages an **insured person** is legally entitled to recover from the **owner or operator** of an **underinsured motor vehicle** due to **bodily injury**. However, if payment is made to any **person** involving an **uninsured motor vehicle**, **we** are entitled to the proceeds of any settlement or recovery from any **person** legally responsible for the **bodily injury** as to which payment was made, and to amounts recoverable from the assets of the insolvent insurers of the other **motor vehicle**.
  - b. Part IV when a **person** uses a **covered auto** with **your** permission.
4. If **we** seek to recover from a liable party:
  - a. **You** authorize **us** to seek recovery of any deductible that may apply. **We** will notify **you** if **we** are unable to collect the deductible.
  - b. **We** reserve the right to compromise or settle the deductible and **property damage** claims against the responsible parties for less than the full amount. For those sums, **you** agree to be bound by:
    - (1) A settlement agreement entered into by **us** and the liable party; or
    - (2) The outcome of arbitration.
  - c. If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible to **you** based on the proportion that the actual recovery bears to the total of **our** payment and the deductible.
  - d. Any reimbursement to **you** by **us** will be reduced by a proportionate share of expenses and lawyer fees incurred due to the recovery.

5. **You** must reimburse **us** to the full extent of:
  - a. All **loss** or damages paid by **us**; and
  - b. **Our** claims adjustment expense;
 if **we** make a payment to or on behalf of anyone insured under this policy which is not covered by this policy but is compelled by law.

### Legal Action

1. No legal action may be brought against **us** until there has been full compliance with all terms of this policy.
2. In any lawsuit against any **person** or party insured under this policy, **we** shall not be bound by any:
  - a. Stipulated judgment;
  - b. Confessed judgment;
  - c. Default judgment or adverse entry due to failure to appear, respond or plead; or
  - d. Motion granted due to any failure to appear, respond or plead;
 unless **we** have consented in writing to the entry of that judgment, default or granting of that motion.
3. No legal action may be filed against **us** by anyone insured under this policy until **we** receive proof of **loss** and the claim representative assigned to the claim has received 30 days written notice, by certified U.S. mail, return receipt requested, of the intent to file suit and the details of the nature of the dispute.
4. As to Part I:
  - a. Except where required by law, no one other than an **insured person** under Part I of this policy shall have any interest in this policy prior to obtaining a verdict against an **insured person**.
  - b. No one shall have any right to make **us** a party to a suit to decide the liability of an **insured person**.
  - c. No legal action may be brought against **us** for payment under Part I until:
    - (1) **We** agree in writing that the **insured person**, as defined under Part I, has an obligation to pay damages; or
    - (2) The amount of the damages due under Part I on behalf of an **insured person** has been decided by final judgment after trial.
5. As to Part II, any lawsuit against **us** by a **person** seeking coverage under Part II must be brought within 6 years after **we** have refused payment or otherwise denied a claim.
6. As to Part IV, no one may sue **us** due to a dispute over the amount of **loss** payable until after having complied with the Appraisal clause under that Part.
7. **We** have no duty to preserve or retain salvage of any sort for any purpose **including, but not limited to**, as evidence for any type of court or other proceeding.
8. **We** have no duty to file any appeal. However, **we** reserve the right to file an appeal, at **our** expense, if any part of a judgment could fall within the scope of coverage provided under this policy. **We** must be given timely notice of any judgment to which this may apply. **We** will not be liable

for more than the applicable limit of liability under this policy plus the reasonable lawyer fees and expenses incurred with **our** consent as a result of any appeal **we** file.

### Transfer or Assignment of Your Interest in this Policy

1. **Your** rights and duties under this policy may not be transferred or assigned to another **person** or party without **our** prior written consent.
2. If a **named insured** dies:
  - a. This policy will provide coverage, subject to all other terms and conditions of this policy, for:
    - (1) Either of the following **persons** if **residing** in the **named insured's household** at the time of the death of the **named insured**, the **named insured's**:
      - (a) Spouse; or
      - (b) Domestic partner who is properly registered as such under any **state's** domestic partner or civil union law; and
    - (2) The legal representative of the deceased **named insured**, while acting in that capacity. This only applies to the legal representative's responsibility to **use the covered auto**.
  - b. Coverage will end the earliest of:
    - (1) The end of the policy period shown in the **declarations page**;
    - (2) When the policy is cancelled; or
    - (3) When the policy otherwise terminates under the terms of this policy.
  - c. The mailing or delivery of any notice required under this policy will be deemed good notice if mailed or delivered to the last known address shown in **our** records.

### Joint and Individual Interests

In addition to the **named insured**, the following **persons**, if **residing** in the same **household** as the **named insured** and not designated as an excluded driver, may change or cancel the policy, and any such change or cancellation shall be binding on **you** and all **persons** provided coverage under this policy:

1. The spouse of the **named insured**; or
2. The **named insured's** domestic partner if properly registered as such under any **state's** domestic partner or civil union law.

### Compliance with State Law

1. If any term(s) of this policy is in conflict with the laws of the **state** where **you reside** when this policy is issued, as shown in **our** records, that policy term is deemed revised to conform to the **state** law that applies.
2. If a court with proper jurisdiction invalidates any exclusion or limitation due to any financial responsibility law or compulsory insurance law, then, to the extent permitted by

law, that exclusion or limitation shall apply only to those amounts that are in excess of the **minimum limits** of coverage mandated under such law.

3. All other policy terms remain in full effect.

## **POLICY OPTIONS**

### **Excluded Drivers**

1. A specifically named driver may be excluded from all coverage under this policy. This can be done:
  - a. At the request of the **named insured**; or
  - b. By **us** where required by law to prevent the policy from being cancelled or non-renewed under the laws of the **state** where **you reside**.
2. The excluded driver will be named and shown on the **declarations page** as excluded.
3. If a driver is named and shown on the **declarations page** as excluded, there is NO coverage under any part of this policy for any **person**, including **you** and **family members**, or any other party, for any **accident** or **loss** that occurs while that named excluded driver is **operating** a vehicle. This will also exclude coverage for any other parties and **persons, including, but not limited to, you** and any **family member** who may be liable vicariously or for negligent entrustment as to any **accident** or **loss** that arises out of the operation of a vehicle by a named excluded driver. Notwithstanding any provision to the contrary, the exclusion of a named driver shall apply to exclude coverage for such **person** only to the extent to which the limits of liability under Part I – Liability Coverage exceed the **minimum limits** required under Nevada law.
4. A named driver exclusion will continue to apply to this policy and all renewals, reinstatements and/or replacement policies unless:
  - a. **We** get written notice from **you** ending that named driver exclusion; and
  - b. The extra premium for coverage of that driver is paid.

### **Operator's Policy of Liability Insurance**

If this policy is issued by **us** as an Operator's Policy of Liability Insurance, this policy only applies to liability incurred by the **named insured**:

1. While **operating** an **auto** with the permission of the **owner** of that **auto** and within the scope of that permission; or
2. While an **auto owned** by the **named insured** is not being **operated** by any **person**.

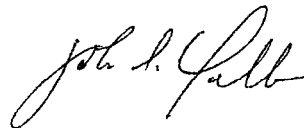
The following policy changes shall also apply:

1. The general policy definitions of **you**, **your**, and **insured driver** are revised to mean only the **named insured**. No party or **person** other than the **named insured** is insured under this policy.
2. The definition of **insured person** is revised in all parts of the policy to mean and only cover the **named insured**. No

party or **person** other than the **named insured** has any insurance under this policy.

3. No coverage applies under this policy for:
    - a. The **use** by any other **person** of an **auto owned** by the **named insured, including, but not limited to**:
      - (1) The **named insured's** vicarious liability for any such **use**;
      - (2) For liability imposed upon the **named insured** under NRS 41.440 or NRS 483.300, as those statutes may be amended; or
      - (3) Any **bodily injury**, damage to an **auto owned** by the **named insured**, or any other **property damage**; or
    - b. The **use** of any **auto** for **business** purposes.
- All exclusions under each part of this policy remain in effect and shall apply to the **named insured's** coverage under this Operator's Policy of Liability Insurance.
4. No coverage applies under the policy for anyone other than the **named insured**.
  5. The coverage provided by this policy may not meet the requirements of the financial responsibility laws of other states. The Out-of-State Coverage clause under Part I of this policy does not apply if this policy is issued as an Operator's Policy of Liability Insurance.
  6. The "Other Insurance" clause in each part of this policy is deleted and provides in its place that any insurance **we** provide shall be excess over any other applicable insurance, self-insurance or bond providing the same or similar insurance or benefits.
  7. No coverage applies under Part IV – Physical Damage Coverage.

### **EXECUTED BY:**



PRESIDENT – JOHN A. HOLLAR



ASST. SECRETARY – BRIAN M. DONOVAN