

\*9638 WA 0710\*



# WASHINGTON

## MOTOR HOME POLICY



Form 9638 WA (07/10)

***PROGRESSIVE***<sup>®</sup>



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# WASHINGTON MOTOR HOME POLICY

## INSURING AGREEMENT

In return for **your** payment of the premium, **we** agree to insure **you** subject to all the terms, conditions, and limitations of this policy. **We** will insure **you** for the coverages and the limits of liability shown on this policy's **declarations page**. **Your** policy consists of the policy contract, **your** insurance application, the **declarations page**, and all endorsements to this policy.

## GENERAL DEFINITIONS

The following definitions apply throughout the policy. Defined terms are printed in boldface type and have the same meaning whether in the singular, plural, or any other form.

1. **"Additional vehicle"** means a **vehicle you** become the owner of during the policy period that does not permanently replace a **vehicle** shown on the **declarations page** if:
  - a. **we** insure all other **vehicles you** own;
  - b. the **additional vehicle** is not covered by any other insurance policy;
  - c. **you** notify **us** within 30 days of becoming the owner of the **additional vehicle**; and
  - d. **you** pay any additional premium due.

An **additional vehicle** will have the broadest coverage **we** provide for any **vehicle** shown on the **declarations page** other than Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage. **We** will provide basic Collision Coverage and Comprehensive Coverage for an **additional vehicle** instead of Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage. If **you** decide to add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us**, and **we** have agreed, to add the coverage or increase **your** limits. If **you** ask **us** to insure an **additional vehicle** more than 30 days after **you** become the owner, any coverage **we** provide will begin at the time **you** request coverage.

2. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease. **"Bodily injury"** does not include any sickness or disease which is transmitted by an insured person through personal or sexual contact.
3. **"Covered vehicle"** means:
  - a. any **vehicle** owned by **you** and shown on the **declarations page** for the coverages applicable to that **vehicle**;
  - b. any **additional vehicle**;
  - c. any **replacement vehicle**; and
  - d. a **trailer** owned by **you**.
4. **"Declarations page"** means the document showing **your** coverages, limits of liability, **covered vehicles**, premium, and other policy-related information. The **declarations page** may also be referred to as the Motor Home Insurance Coverage Summary.

5. **“Occupying”** means in, on, entering, or exiting.
6. **“Relative”** means a person residing in the same household as **you**, and related to **you** by blood, marriage, or adoption, and includes a ward, stepchild, or foster child. **Your** unmarried dependent children temporarily away from home will qualify as a **relative** if they intend to continue to reside in **your** household.
7. **“Replacement vehicle”** means a **vehicle** that permanently replaces a **vehicle** shown on the **declarations page**. A **replacement vehicle** will have the same coverage as the **vehicle** it replaces if the **replacement vehicle** is not covered by any other insurance policy. However:
  - a. if the **vehicle** being replaced had coverage under Part IV - Damage To A Vehicle, such coverage will apply to the **replacement vehicle** only during the first 30 days after **you** become the owner unless **you** notify **us** within that 30-day period that **you** want **us** to extend coverage beyond the initial 30 days; and
  - b. if the **vehicle** being replaced had Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage, **we** will provide basic Collision Coverage and Comprehensive Coverage for the **replacement vehicle** instead of Total Loss Replacement/Purchase Price Coverage or Agreed Value Coverage.If the **vehicle** being replaced did not have coverage under Part IV - Damage To A Vehicle, such coverage may be added, but the **replacement vehicle** will have no coverage under Part IV until **you** notify **us** of the **replacement vehicle** and ask **us** to add the coverage. If **you** decide to add any coverage to this policy or increase **your** limits, these changes to **your** policy will not become effective until after **you** ask **us**, and **we** have agreed, to add the coverage or increase **your** limits.
8. **“Trailer”** means a non-motorized trailer designed to be towed on public roads by a land motor vehicle. **“Trailer”** does not include any type of mobile home, manufactured housing, or any other wheeled device not designed for regular use on public roads.
9. **“Vehicle”** means a land motor vehicle, including its permanently attached equipment, that:
  - a. has built-in:
    - (i) cooking, refrigeration, sleeping, and bathroom facilities; and
    - (ii) self-contained:
      - (a) heating and/or air-conditioning;
      - (b) drinking water supply system; and
      - (c) 110-125 volt electrical power system; or
  - b. is shown on the **declarations page** and customarily used with a fifth-wheel trailer:
    - (i) owned by **you** and insured under **our** Travel Trailer insurance program; and
    - (ii) containing living quarters.**“Vehicle”** does not include any type of mobile home, manufactured housing, or any other wheeled device not designed for regular use on public roads.
10. **“Vehicle business”** means the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing **vehicles**.
11. **“We”, “us”, and “our”** mean the underwriting company providing the insurance, as shown on the **declarations page**.

12. “**You**” and “**your**” mean:

- a. a person shown as a named insured on the **declarations page**; and
- b. the spouse of a named insured if residing in the same household.

## PART I - LIABILITY TO OTHERS

### INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an accident.

Damages include prejudgment interest awarded against an **insured person**.

**We** will settle or defend, at **our** option, any claim for damages covered by this Part I.

### ADDITIONAL DEFINITIONS

When used in this Part I:

1. “**Insured person**” means:
  - a. **you** or a **relative** with respect to an accident arising out of the ownership, maintenance, or use of a **vehicle**, or a **trailer** while attached to a **vehicle**;
  - b. any person with respect to an accident arising out of that person’s use of a **covered vehicle** with the permission of **you** or a **relative**;
  - c. any person or organization with respect only to vicarious liability for the acts or omissions of a person described in a. or b. above; and
  - d. any Additional Interest shown on the **declarations page** with respect only to its liability for the acts or omissions of a person described in a. or b. above.
2. “**Property damage**” means physical damage to, destruction of, or loss of use of tangible property.

### ADDITIONAL PAYMENTS

In addition to **our** limit of liability, **we** will pay for an **insured person**:

1. all expenses **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid, offered to pay, or deposited in court that portion of the judgment which does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. the premium on an appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident resulting in **bodily injury** or **property damage** covered under this Part I. **We** have no duty to apply for or furnish this bond; and
5. reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.



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

Coverage under this Part I, including **our** duty to defend, will not apply to any **insured person** for:

1. **bodily injury or property damage** arising out of the ownership, maintenance, or use of any vehicle or trailer while being used:
  - a. to carry persons or property for compensation or a fee; or
  - b. for retail or wholesale delivery, including, but not limited to, the pickup, transport, or delivery of magazines, newspapers, mail, or food.This exclusion does not apply:
  - a. to shared-expense transportation pools; or
  - b. when a driver hired by **you** and listed in **our** records as a regular driver of a **covered vehicle** is operating that **covered vehicle** to transport **you** or a **relative**;
2. any liability assumed under any contract or agreement by **you** or a **relative**;
3. **bodily injury** to an employee of that **insured person** arising out of or within the course of employment. This exclusion does not apply to domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;
4. **bodily injury or property damage** arising out of an accident involving any vehicle while being maintained or used by a person while employed or engaged in any **vehicle business**. This exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
5. **bodily injury or property damage** resulting from, or sustained during practice or preparation for:
  - a. any pre-arranged or organized:
    - (i) racing;
    - (ii) stunting;
    - (iii) speed or demolition contest or activity; or
  - b. any riding activity conducted on a permanent or temporary racetrack, racecourse, or during any closed course event;
6. **bodily injury or property damage** due to a nuclear reaction or radiation;
7. **bodily injury or property damage** for which insurance:
  - a. is afforded under a nuclear energy liability insurance contract; or
  - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
8. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
9. **bodily injury or property damage** caused by an intentional act of that **insured person** or at the direction of that **insured person**, even if the actual injury or damage is different than that which was intended or expected;
10. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of that **insured person**. This exclusion does not apply to a rented residence or a rented garage;

11. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any vehicle owned by **you** or furnished or available for **your** regular use, other than a **covered vehicle** for which this coverage has been purchased;
12. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any vehicle owned by a **relative** or furnished or available for the regular use of a **relative**, other than a **covered vehicle** for which this coverage has been purchased. This exclusion does not apply to **your** maintenance or use of such vehicle;
13. **bodily injury** or **property damage** arising out of **your** or a **relative's** use of a vehicle, other than a **covered vehicle**, without the permission of the owner of the vehicle or the person in lawful possession of the vehicle;
14. **bodily injury** or **property damage** arising out of the use of a **covered vehicle** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered vehicle** by **you** or a **relative**;
15. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **vehicle** or **trailer** while it is parked and:
  - a. being used as a residence or premises;
  - b. being used for commercial or business purposes;
  - c. being used as a premises for office, store, or display purposes; or
  - d. stabilizing jacks are in use.Types of use "as a residence or premises" to which this exclusion applies include, but are not limited to, use of a **vehicle** or **trailer** for entertainment purposes, for camping purposes, as a living facility, or as a sleeping facility; or
16. punitive or exemplary damages.

## LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for liability coverage is the most **we** will pay regardless of the number of:

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

If **your declarations page** shows a split limit:

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

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

If the **declarations page** shows that “combined single limit” or “CSL” applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one accident. However, without changing this limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

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

Any payment under this Part I to a person other than **you** or a **relative** will be reduced by any payment to that person under Part III - Underinsured Motorist Coverage.

**We** will not pay under this Part I any expenses paid or payable under Part II(A) - Medical Payments Coverage.

If multiple vehicle policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

A **vehicle** and attached **trailer** are considered one **vehicle**. Therefore, the limits of liability will not be increased for an accident involving a **vehicle** that has an attached **trailer**.

## **FINANCIAL RESPONSIBILITY LAWS**

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

## **OTHER INSURANCE**

No coverage is provided under this Part I for **bodily injury** or **property damage** covered under:

1. a policy applicable to an insured location, as described in Part VII - Full Timer's Package, or to a temporary residence; or
2. Part VII - Full Timer's Package or Part VIII - Vacation Liability Coverage.

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

## OUT-OF-STATE COVERAGE

If an accident to which this Part I applies occurs in any state, territory, or possession of the United States of America or any province or territory of Canada, other than the one in which a **covered vehicle** is principally garaged, and the state, province, territory, or possession has:

1. a financial responsibility or similar law requiring limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, this policy will provide the higher limits; or
2. a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a **vehicle** in that state, province, territory, or possession, this policy will provide the greater of:
  - a. the required minimum amounts and types of coverage; or
  - b. the limits of liability under this policy.

## PART II(A) - MEDICAL PAYMENTS COVERAGE

### INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay the reasonable expenses incurred for necessary **medical services** received within three years from the date of a **motor vehicle** accident because of **bodily injury**:

1. sustained by an **insured person**; and
2. caused by that **motor vehicle** accident.

**We**, or someone on **our** behalf, will determine:

1. whether the expenses for **medical services** are reasonable; and
2. whether the **medical services** are necessary.

### ADDITIONAL DEFINITIONS

When used in this Part II(A):

1. "**Insured person**" means:
  - a. **you** or a **relative**:
    - (i) while **occupying a vehicle**; or
    - (ii) when struck by a **motor vehicle** or a trailer while not **occupying** a self-propelled motorized vehicle; and
  - b. any other person while **occupying a covered vehicle** with the permission of **you** or a **relative**.
2. "**Medical services**" means medical, surgical, funeral, dental, x-ray, ambulance, hospital, and professional nursing services, and includes the cost of eyeglasses, hearing aids, pharmaceuticals, and orthopedic and prosthetic devices.
3. "**Motor vehicle**" means a land motor vehicle designed for use principally on public roads.

**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II(A).**

Coverage under this Part II(A) will not apply to **bodily injury**:

1. sustained by any person while **occupying a covered vehicle** while it is being used:
  - a. to carry persons or property for compensation or a fee; or
  - b. for retail or wholesale delivery, including, but not limited to, the pickup, transport, or delivery of magazines, newspapers, mail, or food.This exclusion does not apply:
  - a. to shared-expense transportation pools; or
  - b. when a driver hired by **you** and listed in **our** records as a regular driver of a **covered vehicle** is operating that **covered vehicle** to transport **you** or a **relative**;
2. sustained while **occupying** any **vehicle** or **trailer** while it is parked and:
  - a. being used as a residence or premises;
  - b. being used for commercial or business purposes;
  - c. being used as a premises for office, store, or display purposes; or
  - d. stabilizing jacks are in use.Types of use "as a residence or premises" to which this exclusion applies include, but are not limited to, use of a **vehicle** or **trailer** for entertainment purposes, for camping purposes, as a living facility, or as a sleeping facility;
3. arising out of an accident involving a vehicle while being maintained or used by a person while employed or engaged in any **vehicle business**. This exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
4. resulting from, or sustained during practice or preparation for:
  - a. any pre-arranged or organized:
    - (i) racing;
    - (ii) stunting;
    - (iii) speed or demolition contest or activity; or
  - b. any riding activity conducted on a permanent or temporary racetrack, race-course, or during any closed course event;
5. due to a nuclear reaction or radiation;
6. for which insurance:
  - a. is afforded under a nuclear energy liability insurance contract; or
  - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
7. for which the United States Government is liable under the Federal Tort Claims Act;
8. if workers' compensation benefits are available for the **bodily injury**;
9. sustained by any person while **occupying** or when struck by any vehicle owned by **you** or furnished or available for **your** regular use, other than a **covered vehicle** for which this coverage has been purchased;
10. sustained by any person while **occupying** or when struck by any vehicle owned by a **relative** or furnished or available for the regular use of a **relative**, other than

- a **covered vehicle** for which this coverage has been purchased. This exclusion does not apply to **you**;
11. to **you** or a **relative** while **occupying** any vehicle, other than a **covered vehicle**, without the permission of the owner of the vehicle or the person in lawful possession of the vehicle;
  12. to any person while **occupying a covered vehicle** while leased or rented to others or given in exchange for any compensation. This exclusion does not apply to the operation of a **covered vehicle** by **you** or a **relative**;
  13. caused directly or indirectly by:
    - a. war (declared or undeclared) or civil war;
    - b. warlike action by any military force of any government, sovereign, or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
    - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;
  14. caused directly or indirectly by:
    - a. any accidental or intentional discharge, dispersal, or release of radioactive, nuclear, pathogenic, or poisonous biological material; or
    - b. any intentional discharge, dispersal, or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
  15. caused by, or reasonably expected to result from, a criminal act or omission of an **insured person**. This exclusion applies regardless of whether the **insured person** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Medical Payments Coverage is the most **we** will pay for each **insured person** injured in any one accident regardless of the number of:

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

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

Any amount payable to an **insured person** under this Part II(A) will be reduced by any amount paid or payable for the same expense under Part I - Liability To Others or Part III - Underinsured Motorist Coverage.

If multiple vehicle policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

## UNREASONABLE OR UNNECESSARY MEDICAL EXPENSES

If an **insured person** incurs expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** may refuse to pay for those expenses and contest them.

If the medical service provider sues the **insured person** because **we** refuse to pay expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** will pay any resulting defense costs, and any resulting judgment against the **insured person**, subject to the limit of liability for this coverage. **We** will choose the counsel. **We** will also pay reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

The **insured person** may not sue **us** for expenses for **medical services** **we** deem to be unreasonable or unnecessary unless the **insured person** paid the entire disputed amount to the medical service provider or the medical service provider has initiated collection activity against the **insured person** for the unreasonable or unnecessary expenses.

## OTHER INSURANCE

If there is other applicable vehicle medical payments insurance, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for an **insured person occupying** a vehicle or trailer, other than a **covered vehicle**, will be excess over any other vehicle insurance providing payments for **medical services** or personal injury protection coverage.

## PART II(B) - PERSONAL INJURY PROTECTION COVERAGE

### INSURING AGREEMENT

Subject to the Limits of Liability, if **you** pay the premium for Personal Injury Protection Coverage, **we** will pay the following benefits to or on behalf of an **insured person** for losses or expenses incurred because of **bodily injury** sustained by an **insured person**, caused by an accident and arising out of the ownership, operation, maintenance, or use of an **automobile**:

1. **medical and hospital benefits**;
2. **income continuation benefits** to or on behalf of each **insured person** engaged in a remunerative occupation at the time of the accident;
3. **funeral expenses**; and
4. **loss of services benefits**.

### ADDITIONAL DEFINITIONS

When used in this Part II(B):

1. **“Automobile”** means a motor vehicle designed for carrying 10 passengers or less and used for the transportation of persons.

- An “**automobile**” does not include any of the following motor vehicles:
- a. motor-driven cycles;
  - b. farm-type tractors or other self-propelled equipment designed for use principally off public roads;
  - c. motor vehicles operated on rails or crawler treads;
  - d. motor vehicles located for use as a residence; or
  - e. mopeds, as defined by Revised Code of Washington 46.04.304.
2. “**Funeral expenses**” means payment for reasonable funeral expenses incurred because of **bodily injury** sustained by an **insured person** in an accident.
3. “**Income continuation benefits**” means payment of an **insured person’s** loss of income from work, subject to the following:
- a. income from work lost between the date of the accident and the 14th day after the accident will not be paid;
  - b. payments will end the earliest of:
    - (i) the date on which the **insured person** is reasonably able to perform the duties of his or her usual occupation;
    - (ii) 54 weeks from the date of the accident; or
    - (iii) the date of the **insured person’s** death; and
  - c. income earned during the period **income continuation benefits** are being paid will be deducted from **income continuation benefits**.
4. “**Insured person**” means:
- a. **you** or a **relative**; and
  - b. any other person:
    - (i) who sustains **bodily injury** while using or **occupying a covered vehicle** with **your** permission; or
    - (ii) when struck by a **covered vehicle** while a pedestrian.
5. “**Loss of services benefits**” means reimbursement for payment to persons other than members of the **insured person’s** household for expenses reasonably incurred for essential services actually rendered in lieu of those the **insured person** would have performed without compensation if the **insured person** had not sustained **bodily injury** in the accident. Payment for such expenses will end the earliest of:
- a. the date the **insured person** is reasonably able to perform such services;
  - b. 52 weeks from the date of the accident; or
  - c. the date of the **insured person’s** death.
6. “**Medical and hospital benefits**” means payment of the reasonable and necessary expenses incurred by or on behalf of an **insured person** within three years of the date of the accident for health care services provided by persons licensed by law to render such services and for pharmaceuticals, prosthetic devices, eyeglasses, and necessary ambulance, hospital, and professional nursing services. To determine whether a charge for **medical and hospital benefits** is reasonable and necessary, **we** may consider outside sources of information of **our** choice, including, but not limited to:
- a. licensed, certified or registered health care professionals;
  - b. medical examinations;
  - c. medical file reviews; or
  - d. computerized databases.



**EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART II(B).**

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

1. to any person who intentionally causes their own **bodily injury**;
2. resulting from any pre-arranged or organized racing or speed contest, or in practice or preparation for any such contest;
3. due to war, whether or not declared, or to an act or condition incident to war;
4. resulting from the radioactive, toxic, explosive, or other hazardous properties of nuclear material;
5. to **you** or a **relative** while **occupying** a motor vehicle, other than a **covered vehicle** owned by **you** or furnished for **your** regular use;
6. to a **relative** while **occupying** a motor vehicle, other than a **covered vehicle** owned by a **relative** or furnished for the regular use of a **relative**; or
7. to any person who sustains **bodily injury** while using an **automobile** in the commission of a felony.

**LIMITS OF LIABILITY**

The Limits of Liability for losses or expenses incurred by or on behalf of any one **insured person** because of **bodily injury** sustained in any one accident will be as follows:

1. \$10,000 for **medical and hospital benefits**;
2. \$10,000 for **income continuation benefits**, subject to a limit of \$200 per week. However the combined weekly payment an **insured person** may receive under personal injury protection coverage, workers' compensation, disability insurance, or other income continuation benefits may not exceed 85% of the **insured person's** weekly income at the time of the accident;
3. \$2,000 for **funeral expenses**; and
4. \$5,000 for **loss of services benefits** subject to a limit of \$40 per day, not to exceed \$200 per week.

However, if **you** have paid the premium for Additional Personal Injury Protection Coverage, the Limits of Liability for losses or expenses incurred by or on behalf of one **insured person** because of **bodily injury** sustained in one accident will be as follows:

1. \$35,000 for **medical and hospital benefits**;
2. \$35,000 for **income continuation benefits**, subject to a limit of \$700 per week. However, the combined weekly payment an **insured person** may receive under personal injury protection coverage, workers' compensation, disability insurance, or other income continuation benefits may not exceed 85% of the **insured person's** weekly income at the time of the accident;
3. \$2,000 for **funeral expenses**; and
4. \$14,600 for **loss of services benefits**, subject to a limit of \$40 per day for up to one year from the date of the accident.

The Limits of Liability are the most **we** will pay for all losses and expenses incurred because of **bodily injury** to one **insured person** sustained in one accident, regardless of the number of:

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

Any amount payable under this Part II(B) will be reduced by any amount paid or payable because of **bodily injury** under any of the following or similar laws:

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

Payments under this Part II(B) are limited to the amount of the actual loss or expense incurred.

## **OTHER INSURANCE**

If there is other applicable **automobile** medical payments insurance or personal injury protection coverage for **medical and hospital benefits**, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** Limit of Liability for **medical and hospital benefits** bears to the total of all applicable limits. Any insurance that **we** provide for an **insured person** while using, **occupying**, or when struck by an **automobile**, other than a **covered vehicle**, will be excess over any other medical payments or personal injury protection coverage.

## **ARBITRATION**

If **we** and an **insured person** cannot agree on the amount payable under this Part II(B) and have agreed to submit the dispute to arbitration, the decision as to the amount payable under this Part II(B) will be made by an arbitrator agreed to by the parties. If the parties cannot agree on an arbitrator within 30 days, then on joint application by **us** and the **insured person**, the arbitrator will be appointed by a court having jurisdiction.

Each party will pay half the costs of the arbitrator. Each party will pay their own expenses. Unless both parties agree otherwise, arbitration will take place in the county where the **insured person** resides. Local rules of procedure and evidence will apply.

The written decision of the arbitrator will be binding on the parties as to the amount of benefits payable under this Part II(B). The arbitrator will have no authority to award:

1. costs, expenses, interest, or fees; or
2. an amount in excess of the Limit of Liability under this Part II(B).

## PART III - UNDERINSURED MOTORIST COVERAGE

### **INSURING AGREEMENT - UNDERINSURED MOTORIST BODILY INJURY COVERAGE**

If **you** pay the premium for this coverage, **we** will pay for damages that an **insured person** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **bodily injury**:

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

### **INSURING AGREEMENT - UNDERINSURED MOTORIST PROPERTY DAMAGE COVERAGE**

If **you** pay the premium for this coverage, **we** will pay for damages that an **insured person** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **property damage**:

1. caused by an **accident**; and
2. arising out of the ownership, maintenance, or use of an **underinsured motor vehicle**.

### **ADDITIONAL DEFINITIONS**

When used in this Part III:

1. "**Accident**" means an occurrence that is unexpected and unintended from the standpoint of the **insured person**.
2. "**Insured person**" means:
  - a. **you** or a **relative**;
  - b. any person while operating a **covered vehicle** with the permission of **you** or a **relative**;
  - c. any person **occupying**, but not operating, a **covered vehicle**; and
  - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a., b., or c. above.
3. "**Phantom vehicle**" means a vehicle whose operator or owner cannot be identified and that causes an **accident** resulting in **bodily injury** to an **insured person** or **property damage**, and has no physical contact with the **insured person** or the vehicle that the **insured person** is **occupying** at the time of the **accident**, if:
  - a. the facts of the **accident** can be corroborated by competent evidence other than **your** testimony or the testimony of an **insured person** having a claim under this Part III resulting from the **accident**; and
  - b. the **insured person**, or someone on his or her behalf, reports the **accident** to the police or civil authority within 72 hours after the **accident**.

4. **“Property damage”** means:
- physical damage to or destruction of a **covered vehicle**; and
  - damages for loss of use of a **covered vehicle** incurred by **you**, up to \$30 per day for up to 30 days, resulting from physical damage to or destruction of that **covered vehicle**.
- “Property damage”** does not include:
- damage to the contents of a **covered vehicle**; or
  - any other form of **property damage**.
5. **“Underinsured motor vehicle”** means a land motor vehicle or trailer of any type:
- to which no bodily injury liability bond or policy applies at the time of the **accident**;
  - to which a bodily injury liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
    - denies coverage; or
    - is or becomes insolvent;
  - that is a **phantom vehicle**; or
  - to which a liability bond or policy applies at the time of the **accident**, but the sum of all applicable limits of liability under all applicable bonds and policies is less than the damages the **insured person** is legally entitled to recover.
- An **“underinsured motor vehicle”** does not include any vehicle or equipment:
- owned by **you** or a **relative** or furnished or available for the regular use of **you** or a **relative**. However, this exclusion to the definition of **underinsured motor vehicle** does not apply to a **covered vehicle** with respect to **bodily injury to you** or a **relative**;
  - owned by any governmental unit or agency. However, this exclusion to the definition of **underinsured motor vehicle** does not apply if the governmental entity is unable to satisfy a claim because of financial inability or its insolvency;
  - operated on rails or crawler treads;
  - designed mainly for use off public roads, while not on public roads;
  - while located for use as a residence or premises; or
  - that is a **covered vehicle**. However, this limitation on the definition of **underinsured motor vehicle** does not apply to a **covered vehicle** with respect to **bodily injury to you** or a **relative**.

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

Coverage under this Part III will not apply:

- to **bodily injury** sustained by any person while using or **occupying**:
  - a **covered vehicle** while being used:
    - to carry persons or property for compensation or a fee; or
    - for retail or wholesale delivery, including, but not limited to, the pickup, transport, or delivery of magazines, newspapers, mail, or food.

This exclusion does not apply:

- (i) to shared-expense transportation pools; or
  - (ii) when a driver hired by **you** and listed in **our** records as a regular driver of a **covered vehicle** is operating that **covered vehicle** to transport **you** or a **relative**;
- b. a motor vehicle that is owned by or available for the regular use of **you** or a **relative**. However, with respect to **bodily injury** to **you** or a **relative**, this exclusion does not apply to a **covered vehicle** that is insured under this Part III; or
  - c. a motorcycle or motor-driven cycle;
2. to **bodily injury** sustained by **you** or a **relative** while using any vehicle, other than a **covered vehicle**, without the permission of the owner of the vehicle or the person in lawful possession of the vehicle;
  3. directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
    - a. workers' compensation law; or
    - b. disability benefits law;
  4. to any punitive or exemplary damages;
  5. to **bodily injury** sustained by any person if that person or the legal representative of that person fails to promptly notify **us** about any tentative settlement;
  6. to **bodily injury** or **property damage** if the **insured person** seeking coverage under this Part III intended to cause the damage; or
  7. to **property damage**:
    - a. sustained while a **covered vehicle** is being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools;
    - b. resulting from, or sustained during practice or preparation for:
      - (i) any pre-arranged or organized racing, stunting, speed, or demolition contest or activity; or
      - (ii) any driving activity conducted on a permanent or temporary racetrack or racecourse;
    - c. due to a nuclear reaction or radiation;
    - d. for which insurance is afforded under a nuclear energy liability insurance contract; or
    - e. to a **trailer**.

## LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for Underinsured Motorist Coverage is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;
4. lawsuits brought;

5. vehicles involved in the **accident**; or
6. premiums paid.

If **your declarations page** shows a split limit:

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

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

If the **declarations page** shows that “combined single limit” or “CSL” applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one **accident**. However, without changing this total limit of liability, **we** will comply with any law that requires **us** to provide any separate limits.

The damages under this Part III will be reduced by all sums:

1. available to an **insured person** under the limits of liability under all liability insurance or bonds applicable to the owner or operator of the **underinsured motor vehicle**. This includes all available limits of liability under Part I - Liability To Others and Part IV - Damage To A Vehicle;
2. paid by or for any other liable persons or organizations due to **bodily injury** to the **insured person**; and
3. paid under Personal Injury Protection, Medical Payments Coverage, or any similar vehicle medical payments coverage.

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

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

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

1. no more than one deductible will be applied to any one **accident**; and

2. the applicable deductible for **property damage** under this Part III for an **accident** with a hit-and-run vehicle or a **phantom vehicle** is \$300. The applicable deductible for **property damage** under this Part III for all other **accidents** is \$100.

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

If multiple vehicle policies issued by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

## **OTHER INSURANCE**

If there is other applicable similar insurance, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. If this policy and any other policy providing similar insurance apply to the same **accident**, the maximum limit of liability under all the policies shall be the highest applicable limit of liability under any one policy. However, any insurance **we** provide with respect to a vehicle **you** do not own will be excess over any other collectible insurance.

## **ARBITRATION**

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

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

this will be determined by arbitration if **we** and the **insured person** mutually agree to arbitration prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred. If **we** and the **insured person** do not agree to arbitration, then the legal liability of the operator or owner of the **underinsured motor vehicle**, and the amount of the damages sustained by the **insured person**, may be determined in a court of competent jurisdiction.

If **we** and an **insured person** have agreed to arbitration, the decision will be made by an arbitrator agreed to by the parties. If the parties cannot agree on an arbitrator within 30 days, then on joint application by the **insured person** and **us**, the arbitrator will be appointed by a court having jurisdiction.

**We** will pay the costs and fees of the arbitrator. Each party will pay their own costs and fees that they incur, including but not limited to attorney fees and fees paid to medical or other expert witnesses.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply.

A decision by the arbitrator will be binding with respect to a determination of:

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

**We** cannot be bound by the arbitrator for any amount in excess of the limit of liability.

**We** and an **insured person** may agree to an alternate form of arbitration.

## **PART IV - DAMAGE TO A VEHICLE**

### **INSURING AGREEMENT - COLLISION COVERAGE**

If **you** pay the premium for this coverage, **we** will pay for sudden, direct, and accidental loss to a:

1. **covered vehicle**, including an attached **trailer**; or
2. **non-owned vehicle**;  
resulting from **collision**.

In addition, **we** will pay the reasonable cost to replace any child safety seat damaged in a **collision** to which this coverage applies.

### **INSURING AGREEMENT - COMPREHENSIVE COVERAGE**

If **you** pay the premium for this coverage, **we** will pay for sudden, direct, and accidental loss to a:

1. **covered vehicle**, including an attached **trailer**; or
2. **non-owned vehicle**;  
that is not caused by **collision**.

A loss not caused by **collision** includes:

1. impact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny;
8. windstorm, hail, water, or flood; or
9. breakage of glass not caused by **collision**.

### **INSURING AGREEMENT - PET INJURY COVERAGE**

If **you** have purchased both Collision Coverage and Comprehensive Coverage for at least one **covered vehicle** under **your** policy and **your pet** sustains injury or death as a result of a collision or comprehensive loss involving any **covered vehicle** or **non-owned vehicle**, **we** will pay up to \$500 for:

1. reasonable and customary costs incurred by **you** or a **relative** for veterinary fees arising from such collision or comprehensive loss; or
2. **your pet's replacement cost** if **your pet** dies as a result of the loss.



Pet Injury Coverage applies:

1. only if **your pet** is inside the **covered vehicle** or **non-owned vehicle** at the time of the loss; and
2. only if the loss to the **vehicle** carrying **your pet** is covered under this Part IV.

The limit of liability for Pet Injury Coverage is as follows:

The most **we** will pay for all damages under Pet Injury Coverage with respect to any one covered loss is a total of \$500 regardless of the number of dogs or cats that are injured or die in that loss. The following additional provisions also apply:

- a. If **your pet** is injured as a result of a covered loss, **we** will pay for all necessary medications and procedures prescribed by **your pet's** veterinarian for treatment of such covered injury.
- b. If **your pet** dies as a result of a covered loss, **we** will pay **your pet's replacement cost** whether **your pet** is actually replaced or not.
- c. No deductible shall apply to this coverage.

## **INSURING AGREEMENT - TOTAL LOSS REPLACEMENT/ PURCHASE PRICE COVERAGE**

If **you** have paid the premium for this coverage for a **covered vehicle** and **we** determine there is a total loss to that **covered vehicle**, then subsection 1. of the Limits of Liability provision under this Part IV will not apply to that total loss and the following shall apply:

1. The limit of liability for a **covered vehicle** for which Total Loss Replacement/Purchase Price Coverage was purchased is as follows:
  - a. When the **covered vehicle** is, at the time of loss, the current model year or the first through fourth preceding model year, the applicable limit of liability will be as follows:
    - (i) **We** will pay the actual cash value of the **covered vehicle** at the time of loss reduced by the applicable deductible.
    - (ii) If **you** wish to replace the **covered vehicle**, **you** must notify **us** within 14 days of the payment described in item (i) above. If **you** so notify **us**, **we** will identify and offer to **you** a **vehicle** to replace the **covered vehicle**. The **vehicle we** offer to **you** will:
      - (a) be of any model year, as determined by **us**, but no older than the model year of the **covered vehicle** being replaced;
      - (b) not have previously had a title issued or recorded to any person or entity, other than a dealer or manufacturer; and
      - (c) be, to the extent possible, the same make, class, size and type as, and will contain reasonably similar equipment to, the **covered vehicle**.
    - (iii) Within 30 days of the date **we** make the offer described in item (ii) above, **you** must arrange financing, and enter into a contract, to purchase either the **vehicle we** have offered to **you** or another **vehicle** to replace the **covered vehicle**. **We** are not responsible for payment of any costs related to that financing or contract. If the cost of the replacement **vehicle**

exceeds the amount of the payment described in item (i) above, upon delivery of that **vehicle** to **you**, **we** also will pay the difference between the amount of that payment and the cost of the replacement **vehicle**, reduced by the applicable deductible. However, the total amount of **our** payments under item (i) above and this item (iii) will not exceed the cost, as determined by **us**, of the **vehicle we** identified and offered to **you** pursuant to item (ii) above, reduced by the applicable deductible.

- b. When the **covered vehicle** is, at the time of loss, the fifth preceding model year or older, the applicable limit of liability will be the **purchase price** reduced by the applicable deductible.

## **INSURING AGREEMENT - AGREED VALUE COVERAGE**

If **you** pay the premium for this coverage for a **covered vehicle**, then subsection 1. of the Limits of Liability provision under this Part IV shall not apply and the following provision shall apply to a loss to that **covered vehicle**:

1. The limit of liability for a loss to a **covered vehicle** for which Agreed Value Coverage was purchased is as follows:
  - a. for a loss that **we** determine is a total loss to a **covered vehicle**, **our** limit of liability is the **agreed value** for that **covered vehicle** reduced by the applicable deductible; and
  - b. for a loss that **we** determine is not a total loss to a **covered vehicle**, **our** limit of liability is the lowest of:
    - (i) the actual cash value of the stolen or damaged property at the time of the loss reduced by the applicable deductible;
    - (ii) the amount necessary to replace the stolen or damaged property reduced by the applicable deductible;
    - (iii) the amount necessary to repair the stolen or damaged property to its pre-loss condition reduced by the applicable deductible; or
    - (iv) the **agreed value** for that **covered vehicle** reduced by the applicable deductible.

## **INSURING AGREEMENT - DISAPPEARING DEDUCTIBLES**

If Disappearing Deductibles is shown on the **declarations page**, then the following is added to the Limits of Liability provision under this Part IV of **your** policy:

- If, during any policy period, **you** do not have a loss under this Part IV for which **we** have paid any amount for any **vehicle**, then:
1. any deductible for Collision Coverage and Comprehensive Coverage shall be reduced for the following policy period by 25%; and
  2. no deductible for Collision Coverage and Comprehensive Coverage will apply for the fifth policy period and thereafter if **you** do not have any losses during the previous four consecutive policy periods.

If **you** have a loss at any time for which **we** make a payment under this Part IV for any **vehicle**, then the most recent elected deductible will be restored for the subsequent policy period. Thereafter, the deductible may again be reduced if the conditions set forth above are satisfied.

Reductions and increases in the deductible under this provision shall apply to all **covered vehicles** for which Disappearing Deductibles is shown on the **declarations page**.

The provisions in this policy regarding Disappearing Deductibles will reduce or eliminate the deductible for loss to a **covered vehicle** only if the **declarations page** shows Disappearing Deductibles for that **covered vehicle**.

## **INSURING AGREEMENT - LOAN/LEASE PAYOFF COVERAGE**

If **you** pay the premium for this coverage, and the **covered vehicle** for which this coverage was purchased is deemed by **us** to be a total loss, **we** will pay, in addition to any amounts otherwise payable under this Part IV, the difference between:

1. the actual cash value of the **covered vehicle** at the time of the total loss; and
2. any greater amount the owner of the **covered vehicle** is legally obligated to pay under a written loan or lease agreement to which the **covered vehicle** is subject at the time of the total loss, reduced by:
  - a. unpaid finance charges or refunds due to the owner for such charges;
  - b. excess mileage charges or charges for wear and tear;
  - c. charges for extended warranties or refunds due to the owner for extended warranties;
  - d. charges for credit insurance or refunds due to the owner for credit insurance;
  - e. past due payments and charges for past due payments; and
  - f. collection or repossession expenses.

However, **our** payment under this coverage shall not exceed the limit of liability shown on the **declarations page**. The limit of liability is a percentage of the actual cash value of the **covered vehicle** at the time of the loss. This limitation does not apply to outstanding indebtedness secured by and incurred in conjunction with the purchase of a new **covered vehicle** that is added to this policy within 30 days of **your** becoming the owner. For purposes of this coverage, "new" means a vehicle that was not previously titled.

This coverage applies only if **you** have purchased both Collision Coverage and Comprehensive Coverage for that **covered vehicle** and the loss is covered under one of those coverages.

## **INSURING AGREEMENT - FIRE DEPARTMENT SERVICE COVERAGE**

If **you** purchase Collision Coverage and Comprehensive Coverage, **we** will pay up to an additional \$1,000 for **your** liability assumed by contract or agreement for fire de-

partment charges incurred when the fire department is called to save or protect a **covered vehicle** for which Collision Coverage and Comprehensive Coverage have been purchased.

## **INSURING AGREEMENT - EMERGENCY EXPENSE COVERAGE**

If **you** pay the premium for this coverage, and a loss covered under Collision Coverage or Comprehensive Coverage occurs which:

1. renders the **covered vehicle** or **non-owned vehicle** inoperable;
2. requires the **covered vehicle** to be repaired; or
3. is one in which the **covered vehicle** is stolen;

and such loss occurs more than 50 miles from **your** residence shown on the **declarations page** or **you** have the Full Timer's Package, then, subject to the limits of liability for Emergency Expense Coverage shown on the **declarations page**, **we** will reimburse **your** reasonable expenses incurred for:

1. temporary living facilities;
2. transportation back to **your** residence;
3. the cost of returning the **covered vehicle** or **non-owned vehicle** to **your** residence if **we** have not declared such **vehicle** a total loss; and
4. rental charges if **you** rent a motor vehicle from a rental agency or vehicle repair shop as a temporary substitute for the damaged **covered vehicle** while such **covered vehicle** is being repaired.

**You** must provide **us** written proof of **your** expenses.

**We** will only pay for the above reasonable expenses incurred by **you** beginning on the date of loss, and ending:

1. when the **covered vehicle** or **non-owned vehicle** has been repaired or replaced;  
or
2. in the case of theft, when the **covered vehicle** or **non-owned vehicle** has been recovered and repaired, replaced, or loss settlement has been reimbursed.

This coverage applies only if **you** have purchased both Collision Coverage and Comprehensive Coverage and the loss is covered under one of those coverages.

This coverage does not apply to a loss involving a **covered vehicle** unless **you** purchased both Collision Coverage and Comprehensive Coverage for that **covered vehicle**.

Duplicate recovery for the same elements of damages is not permitted.

## **INSURING AGREEMENT - MEXICO COVERAGE**

If **you** purchase Collision Coverage and Comprehensive Coverage, the policy territory described in the General Provisions of this policy is extended for Collision Coverage and Comprehensive Coverage to include a loss to a **covered vehicle** that occurs in

Mexico or while the **covered vehicle** is being transported between Mexican ports, subject to the additional following conditions and restrictions:

1. this Mexico Coverage does not apply if liability insurance from a licensed Mexican insurance company is not in force at the time of loss;
2. **we** will only pay for repairs performed in the United States; and
3. **we** will not pay for repairs performed in Mexico.

If the **covered vehicle** cannot be driven as a result of a loss that occurs in Mexico, **we** will pay the cost of necessary towing and labor to return the **covered vehicle** to the nearest point in the United States where repairs can be made.

**MEXICO COVERAGE WARNING:** MOTOR VEHICLE ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO, NOT THE LAWS OF THE UNITED STATES. UNDER MEXICAN LAW, MOTOR VEHICLE ACCIDENTS ARE CONSIDERED A CRIMINAL OFFENSE AS WELL AS A CIVIL MATTER. THE MEXICO COVERAGE PROVIDED UNDER THIS POLICY DOES NOT MEET MEXICAN MOTOR VEHICLE INSURANCE REQUIREMENTS. **YOU** ARE REQUIRED TO PURCHASE LIABILITY INSURANCE THROUGH A LICENSED MEXICAN INSURANCE COMPANY FOR MEXICO COVERAGE UNDER THIS POLICY TO APPLY.

## **ADDITIONAL DEFINITIONS**

When used in this Part IV:

1. “**Agreed value**” means the “agreed value” as shown on the **declarations page**.
2. “**Collision**” means the upset of a **vehicle** or its impact with another vehicle or object.
3. “**Non-owned vehicle**” means a **vehicle** that is not owned by or furnished or available for the regular use of **you** or a **relative** while in the custody of or being operated by **you** or a **relative** with the permission of the owner of the **vehicle** or the person in lawful possession of the **vehicle**.
4. “**Purchase price**” means the “purchase price” as shown on the **declarations page**.
5. “**Your pet**” means any dog or cat owned by **you** or a **relative**.
6. “**Your pet’s replacement cost**” means the cost to replace the deceased dog or cat with one of like kind and quality. It does not include any amounts for veterinary bills, training, or any other amounts other than the cost to replace the pet itself.

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

Coverage under this Part IV will not apply for loss:

1. to any vehicle while being used:
  - a. to carry persons or property for compensation or a fee;
  - b. for retail or wholesale delivery, including, but not limited to, the pickup, transport, or delivery of magazines, newspapers, mail, or food; or

c. in any business or occupation.

This exclusion does not apply:

- a. to shared-expense transportation pools; or
  - b. when a driver hired by **you** and listed in **our** records as a regular driver of a **covered vehicle** is operating that **covered vehicle** to transport **you** or a **relative**;
2. to a **non-owned vehicle** or **trailer** while being maintained or used by a person while employed or engaged in any **vehicle business**;
  3. resulting from, or sustained during practice or preparation for:
    - a. any pre-arranged or organized:
      - (i) racing;
      - (ii) stunting;
      - (iii) speed or demolition contest or activity; or
    - b. any riding activity conducted on a permanent or temporary racetrack, race-course, or during any closed course event;
  4. to any vehicle for which insurance:
    - a. is afforded under a nuclear energy liability insurance contract; or
    - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
  5. to any vehicle caused by an intentional act of a person entitled to payment under this Part IV, or caused by an intentional act at the direction of a person entitled to payment, to the extent of that person's interest in that **covered vehicle** even if the actual damage is different than that which was intended or expected;
  6. to any **covered vehicle** while it is leased or rented to others or given in exchange for compensation. This exclusion does not apply to the operation of a **covered vehicle** by **you** or a **relative**;
  7. due to destruction or confiscation by governmental or civil authorities of any vehicle because **you** or any **relative** engaged in illegal activities;
  8. to any vehicle that is due and confined to:
    - a. wear and tear;
    - b. prior loss or damage;
    - c. manufacturing defects;
    - d. improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the manufacturer;
    - e. contamination, pollutants, odors, sewage, or waste;
    - f. freezing;
    - g. gradual accumulation of snow or ice on a vehicle;
    - h. scorching, marring, scratching, or breakage of internal equipment or furnishings whether permanently attached or not. However, this exclusion does not apply to:
      - (i) scorching, marring, scratching or breakage caused by malicious mischief, vandalism, riot, civil commotion, fire, or lightning; or
      - (ii) breakage of glass which is permanently a part of or attached to the **covered vehicle**;
    - i. mechanical or electrical breakdown or failure; or
    - j. road damage to tires.

This exclusion does not apply if the damage results from the theft of a vehicle;

9. to any vehicle caused directly or indirectly by any of the following:
  - a. water leakage or seepage unless caused by any other loss covered under this Part IV;
  - b. wet or dry rot;
  - c. rust or corrosion;
  - d. dampness of atmosphere or extremes of temperature; or
  - e. deterioration.

This exclusion does not apply to sudden and immediate damage caused by the failure or breakage of a hot water heater, fresh water or wastewater plumbing system, dishwasher, refrigerator, washing machine, or similar appliance;

10. to a **covered vehicle** or **non-owned vehicle** caused directly or indirectly by mold, mildew, or fungus, including any type or form of:
  - a. decomposing or disintegrating organic material or microorganism;
  - b. organic surface growth on moist, damp, or decaying matter;
  - c. yeast or spore-bearing plant-like organism; or
  - d. spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

This exclusion does not apply to loss caused by mold, mildew, or fungus if such loss is caused by any other loss covered under this Part IV;

11. to portable equipment, devices, accessories, or any other personal effects that are not permanently installed. This includes, but is not limited to:
  - a. tapes, compact discs, cassettes, DVDs, and other recording or recorded media;
  - b. any case or other container designed for use in storing or carrying tapes, compact discs, cassettes, DVDs, or other recording or recorded media;
  - c. any device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions; and
  - d. CB radios, telephones, two-way mobile radios, DVD players, personal computers, personal digital assistants, or televisions;

12. to any vehicle for diminution of value;
13. caused by insects, birds, or other animals, including rodents and other types of vermin, while the vehicle is unoccupied and has been so for more than two weeks;

14. to any vehicle caused directly or indirectly by:
  - a. war (declared or undeclared) or civil war;
  - b. warlike action by any military force of any government, sovereign, or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
  - c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;

15. to any vehicle caused directly or indirectly by:
  - a. any accidental or intentional discharge, dispersal, or release of radioactive, nuclear, pathogenic, or poisonous biological material; or
  - b. any intentional discharge, dispersal, or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
16. to any vehicle caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of a **non-owned vehicle**. This exclusion

applies regardless of whether **you**, the **relative**, or the owner of the **non-owned vehicle** is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

1. The limit of liability for loss to a **covered vehicle** or **non-owned vehicle** is the lowest of:
  - a. the actual cash value of the stolen or damaged property at the time of the loss reduced by the applicable deductible;
  - b. the amount necessary to replace the stolen or damaged property reduced by the applicable deductible;
  - c. the amount necessary to repair the damaged property to its pre-loss condition reduced by the applicable deductible; or
  - d. any amount shown on the **declarations page** for that **covered vehicle** reduced by the applicable deductible.
2. The limit of liability for loss to a **trailer** is the lowest of:
  - a. the actual cash value of the stolen or damaged property at the time of the loss reduced by the applicable deductible;
  - b. the amount necessary to replace the stolen or damaged property reduced by the applicable deductible;
  - c. the amount necessary to repair the damaged property to its pre-loss condition reduced by the applicable deductible; or
  - d. the limit of liability shown on the **declarations page** for Trailer coverage.
3. If **you** purchase Total Loss Replacement/Purchase Price Coverage for a **covered vehicle**, then subsection 1. of this Limits of Liability provision shall not apply if **we** determine such **vehicle** sustained a total loss, and the limit of liability for Total Loss Replacement/Purchase Price Coverage shall apply instead.
4. If **you** purchase Agreed Value Coverage for a **covered vehicle**, then subsection 1. of this Limits of Liability provision shall not apply if that **vehicle** sustains a loss, and the limit of liability for Agreed Value Coverage shall apply instead.
5. Payments for loss to a **covered vehicle** or **non-owned vehicle** are subject to the following provisions:
  - a. If coverage applies to a **non-owned vehicle**, **we** will provide the broadest coverage applicable to any **vehicle** shown on the **declarations page**.
  - b. The actual cash value is determined by the market value, age, and condition of the vehicle at the time the loss occurs.
  - c. Duplicate recovery for the same elements of damages is not permitted.
  - d. In determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
    - (i) shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
    - (ii) will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
      - (a) original manufacturer parts or equipment; and
      - (b) nonoriginal manufacturer parts or equipment.



- e. **We** may make reductions for unrepaired prior damage in determining the amount of loss.
  - f. In the event of a loss to part of a pair, set or series of objects, pieces, or panels, **we** may elect to:
    - (i) pay to repair or replace any part needed to restore the pair, set, or series to its pre-loss condition, reduced by the applicable deductible; or
    - (ii) pay the cost of a substitute part that reasonably matches the remainder of the pair, set, or series, reduced by the applicable deductible.

**We** have no obligation to repair or replace the entire pair, set, or series if only a portion is lost or damaged.
  - g. Any amount payable under this Part IV for loss to a **covered vehicle** will be reduced by any amount paid for the same element of loss under Part III - Underinsured Motorist Coverage.
6. No deductible will apply to a loss to the windshield or any other window glass when the windshield or other window glass is repaired instead of replaced.
  7. If **you** purchase Windshield coverage and the only loss is to the windshield in a **covered vehicle** or **non-owned vehicle**, no deductible will apply regardless of whether the windshield is repaired or replaced.

## PAYMENT OF LOSS

**We** may, at **our** option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

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

**We** may settle any loss with **you** or the owner or lienholder of the property.

## SALVAGE

If **we** pay the actual cash value of **your covered vehicle** less any applicable deductible, or if **we** pay the amount necessary to replace **your covered vehicle** less any applicable deductible, **we** are entitled to all salvage. If **we** determine that **your covered vehicle** is a total loss and **we** pay the applicable limit of liability shown on the **declarations page**, **we** are entitled to the same percent of salvage as **our** payment bears to the actual cash value of **your covered vehicle**.

## NO BENEFIT TO BAILEE

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

## LOSS PAYEE AGREEMENT

1. Loss or damage, if any, under this policy will be payable first to the loss payee or mortgagee (hereinafter called "secured party"), and, second, to **you**, as the in-

terests of each may appear; PROVIDED, that, upon demand for separate settlement by the secured party, the amount of said loss will be paid directly to the secured party to the extent of its interest.

2. This insurance as to the interest of the secured party will not be invalidated by any act or neglect of **you** or **your** agents, employees or representatives, nor by any change in the title or ownership of **your covered vehicle**; PROVIDED, HOWEVER, that the conversion, embezzlement or secretion by **you** or **your** agents, employees or representatives is not covered under said policy unless specifically insured against and premiums paid therefor.
3. In applying the pro rata provisions of the policy, the amount payable to the secured party will be reduced only to the extent of pro rata payments receivable by the secured party under other policies.
4. **We** reserve the right to cancel the policy at any time as provided by its terms, but in such case **we** will mail to the secured party a notice stating when such cancellation will become effective as to the interest of said secured party. The amount and form of such notice will be not less than that required to be given **you** by law or by the policy provisions, whichever is more favorable to the secured party.
5. If **you** fail to render proof of loss within the time granted in the policy conditions, the secured party will provide written proof of loss to **us** within 60 days after having knowledge of a loss, and, further, will be subject to the provisions of the policy relating to appraisal and the time of payment and bringing suit.
6. Whenever **we** shall pay the secured party any sum for loss or damage under this policy and shall claim that, as to **you**, no liability exists, **we** will, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment will be made, under all collateral held to secure the debt, or may, at **our** option, pay the secured party the whole principal due or to grow due on the mortgage or other security agreement, with interest, and will thereupon receive a full assignment and transfer of the mortgage or other security agreement and of all collateral held to secure it; but no subrogation will impair the right of the secured party to recover the full amount due it.
7. All notices sent to the secured party will be sent to its last reported address.

## **OTHER SOURCES OF RECOVERY**

If other sources of recovery also cover the loss, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide for a **non-owned vehicle**, or **trailer** not shown on the **declarations page**, will be excess over any other collectible source of recovery including, but not limited to:

1. any coverage provided by the owner of the **non-owned vehicle** or **trailer**;

2. any other applicable physical damage insurance; and
3. any other source of recovery applicable to the loss.

## APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** or **you** may demand an appraisal of the loss. Within 30 days of any demand for an appraisal, each party shall appoint a competent appraiser and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

## PART V - ROADSIDE ASSISTANCE COVERAGE

### INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay for **our** authorized service representative to provide the following services when necessary due to a **covered emergency**:

1. towing of a **covered disabled vehicle** to the nearest qualified repair facility; and
2. labor on a **covered disabled vehicle** at the place of disablement.

If a **covered disabled vehicle** is towed to any place other than the nearest qualified repair facility, **you** will be responsible for any additional charges incurred.

### ADDITIONAL DEFINITIONS

When used in this Part V:

1. "**Covered disabled vehicle**" means:
  - a. a **covered vehicle** for which this coverage has been purchased that sustains a **covered emergency**;
  - b. any trailer or motor vehicle while being towed by a **covered vehicle** for which this coverage has been purchased that sustains a **covered emergency**; or
  - c. any motor vehicle that is customarily towed by a **covered vehicle** for which this coverage has been purchased, that sustains a **covered emergency** while such **covered vehicle** is parked and being used as **your** residence.
2. "**Covered emergency**" means a disablement that is a result of:
  - a. mechanical or electrical breakdown;
  - b. battery failure;
  - c. insufficient supply of fuel, oil, water, or other fluid;

- d. flat tire;
- e. lock-out; or
- f. entrapment in snow, mud, water, or sand, within 100 feet of a road or highway.

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

Coverage under this Part V will not apply to:

- 1. the cost of purchasing parts, fluid, lubricants, fuel, or replacement keys, or the labor to make replacement keys;
- 2. installation of products or materials not related to the disablement;
- 3. labor not related to the disablement;
- 4. labor on a **covered disabled vehicle** for any time period in excess of 60 minutes per disablement;
- 5. towing or storage related to impoundment, abandonment, illegal parking, or other violations of law;
- 6. assistance with jacks, levelers, airbags, or awnings;
- 7. towing from a service station, garage, or repair shop;
- 8. labor or repair work performed at a service station, garage, or repair shop;
- 9. vehicle storage charges;
- 10. a second service call or tow for a single disablement;
- 11. disablement that occurs on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather, or earth movement;
- 12. mounting or removing of snow tires or chains;
- 13. tire repair;
- 14. repeated service calls for a **covered disabled vehicle** in need of routine maintenance or repair; or
- 15. disablement that results from an intentional or willful act or action by **you**, a **relative**, or the operator of a **covered disabled vehicle**.

**UNAUTHORIZED SERVICE PROVIDER**

When service is rendered by a provider in the business of providing roadside assistance and towing services, other than one of **our** authorized service representatives, **we** will pay only reasonable charges, as determined by **us**, for:

- 1. towing of a **covered disabled vehicle** to the nearest qualified repair facility; and
- 2. labor on a **covered disabled vehicle** at the place of disablement; which is necessary due to a **covered emergency**.

**OTHER INSURANCE**

Any coverage provided under this Part V for service rendered by an unauthorized service provider will be excess over any other collectible insurance or towing protection coverage.

## PART VI - PERSONAL EFFECTS COVERAGE

### INSURING AGREEMENT - PERSONAL EFFECTS COVERAGE

If **you** pay the premium for this coverage, **we** will pay for a **covered loss** to unscheduled **personal effects** and **non-owned personal effects** which occurs while those items are located:

1. inside the **covered vehicle**; or
2. on the parcel of real property that is:
  - a. owned by **you** or reserved for **your** exclusive use; and
  - b. occupied by the **covered vehicle**.

### INSURING AGREEMENT - SCHEDULED PERSONAL EFFECTS COVERAGE

If **you** pay the premium for this coverage, **we** will pay for a **covered loss** to **scheduled personal effects** which occurs while those items are:

1. inside the **covered vehicle**;
2. on the parcel of real property that is:
  - a. owned by **you** or reserved for **your** exclusive use; and
  - b. occupied by the **covered vehicle**;
3. inside a **secured storage location**; or
4. in any other location within the policy territory specified in the General Provisions of this policy if no homeowners, tenants, renters, condominium, unit-owners, co-operative, recreational, or other insurance applies to cover such items of **scheduled personal effects**.

### INSURING AGREEMENT - FULL TIMER'S SECURED STORAGE PERSONAL EFFECTS COVERAGE

If **you** pay the premium for this coverage, **we** will pay for a **covered loss** to unscheduled **personal effects** inside a **secured storage location**.

### ADDITIONAL DEFINITIONS

When used in this Part VI:

1. "**Covered loss**" means a loss caused by one or more of the perils listed under the Covered Loss provision of this Part VI.
2. "**Non-owned personal effects**" means any personal property not owned by **you** or a **relative**, which is lawfully in the possession of **you** or a **relative**, other than:
  - a. self-propelled vehicles or watercraft;
  - b. deeds, documents, records, bills, money, coin collections, stamp collections, negotiable instruments, notes, securities, or other evidence of debt;
  - c. any property used in a business;
  - d. any property held for rental to others by **you** or a **relative**;
  - e. any property located within the insured person's permanent or primary residence other than the **covered vehicle**;

- f. any property of **your** employees; and
  - g. animals (including birds and fish).
3. **“Personal effects”** means any personal property owned by **you** or a **relative** other than:
    - a. watercraft, golf carts, or other self-propelled vehicles, except electric wheel-chairs or other self-propelled vehicles that are:
      - (i) designed for assisting the physically impaired;
      - (ii) designed to operate off of the public roads; and
      - (iii) not subject to motor vehicle registration;
    - b. deeds, documents, records, bills, money (other than coin collections), negotiable instruments, notes, securities, or other evidence of debt;
    - c. any property used in a business;
    - d. any property held for rental to others by **you** or a **relative**;
    - e. any property located within the insured person’s permanent or primary residence other than the **covered vehicle**; and
    - f. animals (including birds and fish).
  4. **“Scheduled personal effects”** means any **personal effects** which have been listed with a declared value on the personal effects schedule contained in **our** records.
  5. **“Secured storage location”** means a segregated portion of a building used in a commercial storage business where access to **your personal effects** is restricted to **you** or **your** designated representative by a locked:
    - a. door;
    - b. cage; or
    - c. wall.

## COVERED LOSS

A **covered loss** under this Part VI is a loss caused by one or more of the following perils:

1. fire or lightning;
2. explosion, smoke, or charring;
3. windstorm, hail, earthquake, earth movement, volcanic explosion, lava flow, landslide, flood, rain, snow, sand, sleet, or dust. However, this does not include loss to items in the **covered vehicle** or **secured storage location** caused by rain, snow, sand, sleet, or dust unless the **covered vehicle** or **secured storage location** is first damaged by a direct, accidental force, creating an opening through which the rain, snow, sand, sleet, or dust enters;
4. riot or civil commotion;
5. vandalism, but not when caused by, or at the direction of, **you** or a **relative**;
6. aircraft or missiles;
7. objects falling on:
  - a. the **covered vehicle**;
  - b. unscheduled **personal effects**, **scheduled personal effects**, or **non-owned personal effects**, if not in the **covered vehicle**, but located on the parcel of real property that is:
    - (i) owned by **you** or reserved for **your** exclusive use; and

- (ii) occupied by the **covered vehicle**; or
  - c. the **secured storage location**;
  - 8. sudden impact caused by an animal;
  - 9. any loss to unscheduled **personal effects**, **scheduled personal effects**, or **non-owned personal effects** if caused by a loss to a **covered vehicle** for which Collision Coverage or Comprehensive Coverage is provided under Part IV - Damage To A Vehicle. This peril does not apply to Full Timer's Secured Storage Personal Effects Coverage; or
  - 10. theft of:
    - a. unscheduled **personal effects**, **scheduled personal effects**, or **non-owned personal effects** from:
      - (i) inside:
        - (a) the **covered vehicle**;
        - (b) a trailer used with the **covered vehicle** while located on the parcel of real property owned by **you**, or reserved for **your** exclusive use, that is occupied by the **covered vehicle**; or
        - (c) an enclosed structure owned by **you**, or reserved for **your** exclusive use, that is located on the parcel of real property occupied by the **covered vehicle**;
      - if the theft is supported by evidence of forcible entry; or
      - (ii) anywhere else on the parcel of real property owned by **you**, or reserved for **your** exclusive use, that is occupied by the **covered vehicle**;
    - b. unscheduled **personal effects** or **scheduled personal effects** from a **secured storage location** if the theft is supported by evidence of forcible entry; and
    - c. **scheduled personal effects** from any other location within the policy territory specified in the General Provisions of this policy if no homeowners, tenants, renters, condominium, unit-owners, cooperative, recreational, or other insurance applies to cover such items of **scheduled personal effects**.
- Loss caused by theft must be reported to the police or civil authority within 24 hours or as soon as practicable after the loss.

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

Coverage under this Part VI will not apply for loss:

- 1. caused by insects, birds, or other animals, including rodents and other types of vermin, while the **covered vehicle** or non-owned vehicle is unoccupied and has been so for more than two weeks;
- 2. for diminution of value;
- 3. that is confined to scorching, marring, scratching or breakage that is not a result of a **covered loss**;
- 4. due to theft of any of the following items while not in a **covered vehicle**, trailer, or an enclosed structure owned by **you** or reserved for **your** exclusive use that is located on the parcel of real property occupied by a **covered vehicle**:
  - a. travel tickets, passports, and manuscripts;

- b. coin collections and equipment, and stamp collections and collecting supplies;
- c. all cameras and equipment used with cameras;
- d. any jewelry, art, heirlooms, antiques, furs (including any article containing fur which represents its principal value), fine china, and crystal;
- e. personal computers, monitors, printers, word processors and data media used for personal purposes;
- f. devices or instruments for the transmitting, recording, receiving, or reproduction of sound or pictures that are not permanently installed in a **covered vehicle**, including accessories and antennas, tapes, wires, records, discs, or other media for use with any such device or instrument; or
- g. silverware, silver-plated ware, goldware, gold-plated ware, and pewterware (including, but not limited to, flatware, hollowware, tea sets, trays, and trophies made of or including silver, gold, or pewter).

However, this exclusion does not apply if **you** have paid the premium for:

- a. Scheduled Personal Effects Coverage, and the items are **scheduled personal effects** which:
    - (i) are stolen from a **secured storage location** and the theft is supported by evidence of forcible entry; or
    - (ii) are stolen from any other location within the policy territory specified in the General Provisions of this policy and no homeowners, tenants, renters, condominium, unit-owners, cooperative, recreational, or other insurance applies to cover such items of **scheduled personal effects**; or
  - b. Full Timer's Secured Storage Personal Effects Coverage, and such items are stolen from a **secured storage location** and the theft is supported by evidence of forcible entry;
5. caused by an intentional act committed by or at the direction of **you** or a **relative** even if the actual damage is different than that which was intended or expected;
6. sustained while the **covered vehicle** is being used:
- a. to carry persons or property for compensation or a fee; or
  - b. for retail or wholesale delivery, including, but not limited to, the pickup, transport, or delivery of magazines, newspapers, mail, or food.

This exclusion does not apply:

- a. to shared-expense transportation pools; or
  - b. when a driver hired by **you** and listed in **our** records as a regular driver of a **covered vehicle** is operating that **covered vehicle** to transport **you** or a **relative**;
7. arising out of or related to a business;
8. resulting in, arising out of, or related to any of the following:
- a. consequential damages;
  - b. the cost of recreating any records or documentation; or
  - c. business interruption;
9. that is due and confined to:
- a. wear and tear;
  - b. prior loss or damage;
  - c. manufacturing defects;



- d. improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the manufacturer;
- e. contamination, pollutants, odors, sewage, or waste;
- f. freezing;
- g. gradual accumulation of snow or ice;
- h. scorching, marring, scratching, or breakage of property. This exclusion does not apply to scorching, marring, scratching or breakage caused by malicious mischief, vandalism, riot, civil commotion, fire, lightning, or other **covered loss**; or
- i. mechanical or electrical breakdown or failure.

This exclusion does not apply if the loss results from theft;

10. caused directly or indirectly by any of the following:

- a. water leakage or seepage unless caused by any other loss covered under this Part VI;
- b. wet or dry rot;
- c. rust or corrosion;
- d. dampness of atmosphere or extremes of temperature; or
- e. deterioration.

This exclusion does not apply to sudden and immediate damage caused by the failure or breakage of a hot water heater, fresh water or wastewater plumbing system, dishwasher, refrigerator, washing machine, or similar appliance;

11. caused directly or indirectly by mold, mildew, or fungus, including any type or form of:

- a. decomposing or disintegrating organic material or microorganism;
- b. organic surface growth on moist, damp, or decaying matter;
- c. yeast or spore-bearing plant-like organism; or
- d. spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

This exclusion does not apply to loss caused by mold, mildew, or fungus if such loss is caused by any other loss covered under this Part VI;

12. due to destruction or confiscation by any governmental or civil authority of any **covered vehicle** because **you** or any **relative** engaged in illegal activities;

13. to any anti-sway, tow or torsion bars, tow hitches, tow dollies, or other towing devices, that are covered under Part IV - Damage To A Vehicle;

14. to **scheduled personal effects** while located in **your** permanent or primary residence, other than a **covered vehicle**, if any other insurance applies to the loss;

15. to personal property, other than **scheduled personal effects**, while located in **your** permanent or primary residence, other than a **covered vehicle**;

16. caused directly or indirectly by:

- a. war (declared or undeclared) or civil war;
- b. warlike action by any military force of any government, sovereign, or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack; or
- c. insurrection, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts;

17. caused directly or indirectly by:

- a. any accidental or intentional discharge, dispersal, or release of radioactive, nuclear, pathogenic, or poisonous biological material; or

- b. any intentional discharge, dispersal, or release of chemical or hazardous material for any purpose other than its safe and useful purpose; or
18. caused by, or reasonably expected to result from, a criminal act or omission of **you**, a **relative**, or the owner of a non-owned vehicle. This exclusion applies regardless of whether **you**, the **relative**, or the owner of the non-owned vehicle is actually charged with, or convicted of, a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations.

## LIMITS OF LIABILITY

1. Payments for loss covered under this Part VI are subject to a \$100 deductible that shall apply to each loss. However, no deductible shall apply under this Part VI if **you** have incurred a deductible under Part IV - Damage To A Vehicle in the same loss.
2. The aggregate limit of liability for loss to unscheduled **personal effects** will be the lowest of:
  - a. the amount shown on the **declarations page** for:
    - (i) Personal Effects Coverage; or
    - (ii) Full Timer's Secured Storage Personal Effects Coverage;whichever is applicable;
  - b. the cost of repairing the item or items;
  - c. the cost of replacing the item or items;
  - d. if the loss occurs outside a **covered vehicle** to unscheduled **personal effects**, 25% of the limit of liability shown on the **declarations page** for Personal Effects Coverage;
  - e. \$500 per item; or
  - f. the applicable group limit set forth below.
3. Subject to the aggregate limit of liability shown on the **declarations page** for Personal Effects Coverage or Full Timer's Secured Storage Personal Effects Coverage, whichever is applicable, **we** will pay no more than \$1,000 for loss to any group of unscheduled **personal effects** from the following groups:
  - a. travel tickets, passports, and manuscripts;
  - b. coin collections and equipment, and stamp collections and collecting supplies;
  - c. trading cards, sports memorabilia, comic books, and other collectibles;
  - d. all cameras and equipment used with cameras;
  - e. jewelry, watches, gems, precious and semiprecious stones, art, heirlooms, antiques, and furs (including any article containing fur which represents its principal value); or
  - f. non-motorized recreational equipment, firearms, firearm-related equipment, ammunition, and fishing, golf and skiing equipment.
4. Subject to the aggregate limit of liability shown on the **declarations page** for Personal Effects Coverage or Full Timer's Secured Storage Personal Effects Coverage, whichever is applicable, **we** will pay no more than \$3,000 for loss to any group of unscheduled **personal effects** from the following groups:
  - a. electronic data processing system equipment, including, but not limited to, personal computers, monitors, printers, word processors, data media used

- for personal purposes, and the recording or storage media used with that equipment;
- b. devices or instruments for the transmitting, recording, receiving, or reproduction of sound or pictures that are not permanently installed in a **covered vehicle**, including accessories and antennas, tapes, wires, records, discs, or other media for use with any such device or instrument;
  - c. silverware, silver-plated ware, goldware, gold-plated ware, fine china, crystal, and pewterware (including, but not limited to, flatware, hollowware, tea sets, trays and trophies made of or including silver, gold, or pewter);
  - d. tools; or
  - e. if Full Timer's Secured Storage Personal Effects Coverage applies, **we** will pay no more than \$3,000 for loss to any group of unscheduled **personal effects** from the additional following groups:
    - (i) household furnishings, including furniture, lamps, paintings, and rugs;
    - (ii) appliances and other equipment used at, and in the normal maintenance of, a residence; or
    - (iii) lawn and garden equipment.
5. Subject to the limit of liability shown on the **declarations page** for Personal Effects Coverage, for loss to **non-owned personal effects**, **we** will pay the lowest of:
- a. the aggregate of \$500 per loss to **non-owned personal effects**;
  - b. the cost of repairing the item or items;
  - c. the cost of replacing the item or items; or
  - d. if the loss occurs outside a **covered vehicle** to **non-owned personal effects**, 25% of the limit of liability shown on the **declarations page** for Personal Effects Coverage.
6. Subject to the limit of liability shown on the **declarations page** for Scheduled Personal Effects Coverage, for loss to **scheduled personal effects**, **we** will pay the lowest of:
- a. the cost of repairing the item or items;
  - b. the cost of replacing the item or items; or
  - c. the declared value for the item or items of **scheduled personal effects**.
- The declared value of all **scheduled personal effects** must be supported by an appraisal for each item. Loss to an item of **scheduled personal effects** that does not have an appraisal will be treated as a loss to unscheduled **personal effects**.
7. Subject to all other applicable limits of liability, **our** limit of liability for loss to part of a pair, set or series of objects, pieces, or panels is the lowest of:
- a. the cost to repair or replace the part that restores the pair, set, or series to its pre-loss condition; or
  - b. the cost of a substitute part that reasonably matches the remainder of the pair, set, or series.
- We** have no obligation to repair or replace the entire pair, set, or series if only a portion is lost or damaged.
8. Payments for loss under Personal Effects Coverage and Scheduled Personal Effects Coverage will be excess over any loss paid or payable under Full Timer's Shed Contents Coverage in Part VII - Full Timer's Package.
9. Duplicate recovery for the same elements of damages is not permitted.

## OTHER INSURANCE

If other sources of recovery also cover the loss, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any insurance **we** provide under this Part VI will be:

1. primary over any coverage provided by homeowners, tenants, renters, condominium, unit-owners, cooperative, recreational, or other insurance; and
2. excess over any other collectible source of recovery.

## PAYMENT OF LOSS

**We** may, at **our** option:

1. pay for the loss in money; or
2. repair or replace the damaged or stolen property.

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

**We** may settle any loss with **you** or the owner or lienholder of the property. **We** may make payment for a partial loss covered under this Part VI directly to the repair facility with **your** consent.

## NO BENEFIT TO BAILEE

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

## APPRAISAL

If **we** cannot agree with **you** on the amount of a loss, then **we** or **you** may demand an appraisal of the loss. Within 30 days of any demand for an appraisal, each party shall appoint a competent appraiser and shall notify the other party of that appraiser's identity. The appraisers will determine the amount of loss. If they fail to agree, the disagreement will be submitted to a qualified umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of loss. The amount of loss agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. All other expenses of the appraisal, including payment of the umpire if one is selected, will be shared equally between **us** and **you**. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

## PART VII - FULL TIMER'S PACKAGE

### **INSURING AGREEMENT - FULL TIMER'S PACKAGE**

If **you** pay the premium for this package, **we** will provide Full Timer's Personal Liability Coverage, Full Timer's Medical Payments Coverage, Full Timer's Loss Assessment Coverage, and Full Timer's Shed Contents Coverage.

### **INSURING AGREEMENT - FULL TIMER'S PERSONAL LIABILITY COVERAGE**

If **you** pay the premium for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an accident or **occurrence**.

Damages include prejudgment interest awarded against an **insured person**.

**We** will settle or defend, as **we** consider appropriate, any claim or suit asking for damages covered by this Part VII. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not insured or covered under this policy.

Unless paid pursuant to another coverage provided in this policy, **we** will pay, in addition to **our** limits of liability:

1. all expenses that **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid or tendered that portion of the judgment which does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. premiums on appeal bonds or attachment bonds required in any lawsuit **we** defend. **We** have no duty to purchase bonds in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident or **occurrence**. **We** have no duty to apply for or furnish this bond;
5. up to the lowest of:
  - a. the replacement cost at the time of the loss;
  - b. the full cost of repair; or
  - c. \$1,000 for any one loss;for **property damage** to property of others caused by an **insured person** that occurs on an **insured location** if no other coverage under this policy applies; and
6. reasonable expenses, including loss of earnings up to \$200 a day, incurred at **our** request.

### **INSURING AGREEMENT - FULL TIMER'S MEDICAL PAYMENTS COVERAGE**

If **you** pay the premium for this coverage, **we** will pay the reasonable expenses incurred for necessary **medical services** received within three years from the date of an

accident or **occurrence** by any person, other than **you** or a **relative**, who sustains **bodily injury**:

1. while on an **insured location** with **your** permission; or
2. while off the **insured location** if the **bodily injury**:
  - a. arises out of a condition on the **insured location**;
  - b. is caused by the activities of **you** or a **relative**; or
  - c. is caused by any animal owned by or in the care of **you** or a **relative**.

**We**, or someone on **our** behalf, will determine:

1. whether the expenses for **medical services** are reasonable; and
2. whether the **medical services** are necessary.

Any payment made under Full Timer's Medical Payments Coverage is not an admission of liability.

## **UNREASONABLE OR UNNECESSARY MEDICAL EXPENSES**

If an **insured person** incurs expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** may refuse to pay for those expenses and contest them.

If the medical service provider sues the **insured person** because **we** refuse to pay expenses for **medical services** that **we** deem to be unreasonable or unnecessary, **we** will pay any resulting defense costs, and any resulting judgment against the **insured person**, subject to the limit of liability for Full Timer's Medical Payments Coverage. **We** will choose the counsel. **We** will also pay reasonable expenses, including loss of earnings up to \$200 per day, incurred at **our** request.

The **insured person** may not sue **us** for expenses for **medical services** **we** deem to be unreasonable or unnecessary unless the **insured person** paid the entire disputed amount to the medical service provider or the medical service provider has initiated collection activity against the **insured person** for the unreasonable or unnecessary expenses.

## **INSURING AGREEMENT - FULL TIMER'S LOSS ASSESSMENT COVERAGE**

If **you** pay the premium for this coverage, **we** will pay up to \$5,000 for **your** share of any loss assessment charged during the policy period against **you** by a corporation or association of property owners, when the assessment is made as a result of:

1. direct loss to property owned by all members collectively, from a cause of loss not excluded under Part IV - Damage To A Vehicle; or
2. liability for an act of a director, officer, or trustee while acting as a director, officer, or trustee, provided:
  - a. the director, officer, or trustee is elected by the members of a corporation or association of property owners; and
  - b. the director, officer, or trustee serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.

This coverage applies only to loss assessments charged against **you** as owner or tenant of the **insured location**.

**We** do not cover loss assessments charged against **you**, or a corporation or association of property owners, by any governmental body.

## **INSURING AGREEMENT - FULL TIMER'S SHED CONTENTS COVERAGE**

If **you** pay the premium for this coverage, **we** will pay up to \$5,000 for a **covered loss** to **personal effects** while inside a **shed**, regardless of the location of the **covered vehicle**. However, no coverage will be provided under Full Timer's Shed Contents Coverage for:

1. **personal effects** covered under Scheduled Personal Effects Coverage; or
2. any loss excluded under Part VI - Personal Effects Coverage.

## **ADDITIONAL DEFINITIONS**

When used in this Part VII:

1. "**Aircraft**" means any contrivance or device used for flight, parachuting, gliding, or soaring. However, "**aircraft**" does not include a model or hobby device that is not capable of carrying or transporting people or cargo.
2. "**Covered loss**" means a loss caused by one or more of the perils listed under the Covered Loss provision of Part VI - Personal Effects Coverage.
3. "**Dead storage**" means placing an item or object that is entirely inoperable, or incapable of functioning in its intended manner, in a location where it is beyond everyday use or handling.
4. "**Insured location**" means:
  - a. the place where a **covered vehicle** is parked off public roads and being used as **your** primary residence;
  - b. the portion of vacant land owned by or rented to **you**, other than farm land, upon which a **covered vehicle** is regularly parked; or
  - c. any part of the premises that is not:
    - (i) owned by **you**; nor
    - (ii) rented to **you** for business purposes; but only if and while **you** are residing in a **covered vehicle** on such premises.
5. "**Insured person**" means:
  - a. **you** or a **relative**;
  - b. any person or organization legally responsible for animals or watercraft owned by **you** or a **relative** if that person or organization is using these animals or watercraft with the permission of **you** or a **relative**; and
  - c. with respect to any **vehicle** to which this policy applies, any other person using the **vehicle** on an **insured location** with **your** permission.
6. "**Medical services**" means medical, surgical, funeral, dental, x-ray, ambulance, hospital, and professional nursing services, and includes the cost of eyeglasses, hearing aids, pharmaceuticals, and orthopedic and prosthetic devices.

7. **“Motor vehicle”** means:
- a **covered vehicle**, except while it is parked off public roads and being used as **your** residence;
  - any other motorized land vehicle designed for travel on public roads and subject to motor vehicle registration;
  - a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
  - a motorized golf cart, snowmobile, motorcycle, dirt bike, other motorized bicycle, motorized tricycle, amphibious device, all-terrain vehicle, or any other land vehicle or other similar type equipment owned by an **insured person** and designed or used for recreational or utility purposes off public roads; and
  - any vehicle while being towed by or carried on a vehicle defined as a **motor vehicle** above.
- “Motor vehicle”** does not include:
- a motorized land vehicle which is not designed for use on public roads nor subject to motor vehicle registration, if:
    - in **dead storage** on an **insured location**;
    - used to service an **insured location**; or
    - designed for assisting the physically impaired;
  - a motorized land vehicle designed for recreational use off public roads and not subject to motor vehicle registration, if:
    - not owned by an **insured person**; or
    - owned by an **insured person** and on an **insured location**; or
  - a boat trailer, car tow dolly, or utility trailer owned by **you** or a **relative**, while not being towed by or carried on a **motor vehicle**.
8. **“Occurrence”** means an unexpected and unintended event, including continuous or repeated exposure to substantially the same general harmful conditions, that results in **bodily injury** or **property damage** during the policy period. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to substantially the same general harmful conditions is deemed to be one **occurrence**.
9. **“Personal effects”** means any personal property owned by **you** or a **relative** other than:
- watercraft, golf carts, or other self-propelled vehicles, except electric wheelchairs or other self-propelled vehicles that are:
    - designed for assisting the physically impaired;
    - designed to operate off of the public roads; and
    - not subject to motor vehicle registration;
  - deeds, documents, records, bills, money (other than coin collections), negotiable instruments, notes, securities, or other evidence of debt;
  - any property used in a business;
  - any property held for rental to others by **you** or a **relative**;
  - any property located within the **insured person’s** permanent or primary residence other than a **covered vehicle**; and
  - animals (including birds and fish).



10. **"Personal watercraft"** means a water jet-pump-driven boat which is less than:
  - a. 13 feet in length; and
  - b. \$27,000 in value, including the boat's accessories, permanently attached equipment, and trailers.
11. **"Property damage"** means physical damage to, or destruction or loss of use of, tangible property.
12. **"Shed"** means a non-commercial building specifically designed for storage which:
  - a. is owned, rented, or leased by **you**;
  - b. contains **personal effects**; and
  - c. is restricted to **you** or **your** designated representative by a locked door.**"Shed"** does not include a building used in a commercial storage business.

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

Coverage under this Part VII will not apply to:

1. any **bodily injury** or **property damage** arising out of the ownership, maintenance, use, control, entrustment, supervision, loading, or unloading of:
  - a. an **aircraft**;
  - b. a **motor vehicle** by any **insured person**, including a **motor vehicle** rented or loaned to any **insured person**; or
  - c. a watercraft or hovercraft owned by or rented to any **insured person** which:
    - (i) is powered by a motor of more than 50 horsepower;
    - (ii) is a sailing vessel 26 feet or more in overall length; or
    - (iii) is a **personal watercraft**.This exclusion does not apply while the watercraft or hovercraft is in **dead storage**;
2. any **bodily injury** or **property damage** arising out of rendering or failing to render professional services;
3. any **bodily injury** or **property damage** arising out of, or occurring at, any premises:
  - a. owned by an **insured person**;
  - b. rented to an **insured person** for a term that exceeds 180 days; or
  - c. rented to others by an **insured person**;that is not an **insured location**;
4. **bodily injury** or **property damage** for which insurance:
  - a. is afforded under a nuclear energy liability insurance contract; or
  - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
5. **bodily injury** or **property damage** arising out of or within the course of employment or business pursuits of an **insured person**;
6. **bodily injury** to an employee of an **insured person** arising out of or within the course of employment. This exclusion does not apply to domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;

7. any employee with respect to injury, sickness, disease, or death of a fellow employee injured in the course of his or her employment in an accident or **occurrence** arising out of or in the course of the business of their common employer;
8. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of an **insured person**;
9. **bodily injury** or **property damage** caused by an intentional act of an **insured person**, or at the direction of an **insured person**, even if the actual injury or damage is different than that which was intended or expected. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force by an **insured person** to protect persons or property;
10. any liability assumed under any contract or agreement by **you** or a **relative**;
11. **bodily injury** or **property damage** while the **covered vehicle** is rented or leased to others;
12. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
13. **bodily injury** or **property damage** that arises out of the transmission of a communicable disease, bacterium, parasite, virus, or other organism, caused wholly or in part by the actions of an **insured person**;
14. **bodily injury** due to any of the following diseases transmitted wholly or in part by the actions of an **insured person**:
  - a. Acquired Immune Deficiency Syndrome (AIDS);
  - b. AIDS Related Complex (ARC);
  - c. Human Immunodeficiency Virus (HIV); or
  - d. any resulting or related symptoms, effects, conditions, diseases, or illnesses;
15. **bodily injury** or **property damage** that arises out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants;
16. **bodily injury** or **property damage** arising out of any loss, cost, or expense relating to pollutant testing, monitoring, cleanup, removal, containment, treatment, detoxification, neutralization or remediation, or in any way responding to or assessing the effects of pollutants, as the result of:
  - a. any governmental directive or request; or
  - b. any claim or lawsuit by or on behalf of a governmental authority;
17. **bodily injury** or **property damage** arising out of sexual molestation, sexual harassment, corporal punishment, or physical or mental abuse;
18. **bodily injury** or **property damage** caused by or reasonably expected to result from a criminal act or omission of an **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with or convicted of a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations;
19. **bodily injury** or **property damage** arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of a Controlled Substance(s), as defined by the Federal Food and Drug Law, 21 U.S.C.A. Sections 811 and 812. Controlled Substances include, but are not limited to, cocaine, LSD, marijuana, and all narcotic drugs. This exclusion does not apply to the use of prescription drugs by a person following the orders of a licensed physician;

20. **bodily injury** or **property damage** if the initial injurious act was committed prior to the effective date of this policy;
21. **bodily injury** or **property damage** arising out of the use of a **covered vehicle** for transportation or travel on public roads;
22. **bodily injury** to an **insured person**;
23. punitive or exemplary damages;
24. any fines or penalties; or
25. **bodily injury** or **property damage** arising out of the actual, alleged, or threatened migration, release, existence, or presence of, or actual, alleged, or threatened exposure to, any of the following:
  - a. mold, mildew, or fungus, including any type or form of:
    - (i) decomposing or disintegrating organic material or microorganism;
    - (ii) organic surface growth on moist, damp, or decaying matter;
    - (iii) yeast or spore-bearing plant-like organism; or
    - (iv) spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes;
  - b. wet or dry rot;
  - c. rust; or
  - d. dampness of atmosphere, extremes of temperature, or deterioration.

This exclusion does not apply to sudden and immediate damage caused by the failure or breakage of a hot water heater, fresh water or wastewater plumbing system, dishwasher, refrigerator, washing machine, or similar appliance. In addition, this exclusion does not apply to **property damage** if such loss is caused by any other loss covered under this Part VII.

None of these exclusions shall apply to loss under Full Timer's Shed Contents Coverage.

## LIMITS OF LIABILITY

With respect to Full Timer's Personal Liability Coverage, the following provisions apply:

1. The limit of liability shown on the **declarations page** is the most **we** will pay for any one accident or **occurrence** regardless of the number of:
  - a. claims made;
  - b. **covered vehicles**;
  - c. **insured persons**;
  - d. lawsuits brought;
  - e. vehicles involved in the accident or **occurrence**; or
  - f. premiums paid.
2. If the **declarations page** shows that "combined single limit" or "CSL" applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one accident or **occurrence**.
3. If **your declarations page** shows a split limit:
  - a. the amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person resulting from any one accident or **occurrence**;

- b. subject to the “each person” limit, the amount shown for “each accident” is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one accident or **occurrence**; and
  - c. the amount shown for “property damage” is the most **we** will pay for the total of all **property damage** for which an **insured person** becomes liable as a result of any one accident or **occurrence**.
4. The “each person” limit of liability applies to the total of all claims made for **bodily injury** to a person and all claims of others derived from such **bodily injury**, including, but not limited to, emotional injury or mental anguish resulting from the **bodily injury** of another or from witnessing the **bodily injury** to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

With respect to Full Timer’s Medical Payments Coverage, the following provisions apply:

1. Subject to **our** aggregate limit of \$50,000 for all persons injured in any one accident or **occurrence**, **we** will pay up to \$5,000 to each person injured in any one accident or **occurrence**. This is the most **we** will pay regardless of the number of:
  - a. claims made;
  - b. **covered vehicles**;
  - c. **insured persons**;
  - d. lawsuits brought;
  - e. vehicles involved in the accident or **occurrence**; or
  - f. premiums paid.
2. Any amount payable shall be reduced by any amount paid under Part II(A) - Medical Payments Coverage or Part II(B) - Personal Injury Protection Coverage.

With respect to Full Timer’s Loss Assessment Coverage, **we** will pay no more than an aggregate of \$5,000, regardless of the number of assessments made, for:

1. any one accident or **occurrence**, including continuous or repeated exposure to substantially the same general harmful conditions;
2. any one loss; or
3. a covered act of a director, officer, or trustee. An act involving more than one director, officer, or trustee is considered to be a single act.

With respect to Full Timer’s Shed Contents Coverage, the Limits of Liability under Part VI - Personal Effects Coverage, except paragraph 2.d., shall apply, not to exceed \$5,000.

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

No coverage is provided under this Part VII for **bodily injury** or **property damage** covered under Part I - Liability to Others, Part II(A) - Medical Payments Coverage or Part II(B) - Personal Injury Protection Coverage.

## OTHER INSURANCE

Any coverage **we** provide under this Part VII is excess over any other applicable or collectible insurance or bond. If there is any other excess insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits.

## PART VIII - VACATION LIABILITY COVERAGE

### INSURING AGREEMENT

If **you** pay the premium for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an accident or **occurrence** that occurs while a **covered vehicle** is located at a **temporary residence**, and is being used as a **temporary residence**.

Damages include prejudgment interest awarded against an **insured person**.

**We** will settle or defend, as **we** consider appropriate, any claim or suit asking for damages covered by this Part VIII. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not insured or covered under this policy.

Unless paid pursuant to another coverage provided in this policy, **we** will pay, in addition to **our** limits of liability:

1. all expenses **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid or tendered that portion of the judgment which does not exceed **our** limit of liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**;
3. premiums on appeal bonds or attachment bonds required in any lawsuit **we** defend. **We** have no duty to purchase bonds in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds;
4. up to \$250 for a bail bond required because of an accident or **occurrence** arising out of the ownership, maintenance, or use of a **covered vehicle** while it is located at a **temporary residence**, and is being used as a **temporary residence**. **We** have no duty to apply for or furnish this bond;
5. up to the lowest of:
  - a. the replacement cost at the time of the loss;
  - b. the full cost of repair; or
  - c. \$1,000 for any one loss;for **property damage** to property of others caused by an **insured person** that occurs while a **covered vehicle** is being used as, and at, a **temporary residence** if no other coverage under this policy applies; and
6. reasonable expenses, including loss of earnings up to \$200 a day, incurred at **our** request.

## ADDITIONAL DEFINITIONS

When used in this Part VIII:

1. **“Aircraft”** means any contrivance or device used for flight, parachuting, gliding, or soaring. However, **“aircraft”** does not include a model or hobby device that is not capable of carrying or transporting people or cargo.
2. **“Dead storage”** means placing an item or object that is entirely inoperable, or incapable of functioning in its intended manner, in a location where it is beyond everyday use or handling.
3. **“Insured person”** means:
  - a. **you** or a **relative**;
  - b. any person or organization legally responsible for animals or watercraft owned by **you** or a **relative** if that person or organization is using these animals or watercraft with the permission of **you** or a **relative**; and
  - c. with respect to any **vehicle** to which this policy applies, any other person using the **vehicle** at a **temporary residence** with **your** permission.
4. **“Motor vehicle”** means:
  - a. a **covered vehicle**, except while it is parked off public roads and being used as **your temporary residence**;
  - b. any other motorized land vehicle designed for travel on public roads and subject to motor vehicle registration;
  - c. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
  - d. a motorized golf cart, snowmobile, motorcycle, dirt bike, other motorized bicycle, motorized tricycle, amphibious device, all-terrain vehicle, or any other land vehicle or other similar type equipment owned by an **insured person** and designed or used for recreational or utility purposes off public roads; and
  - e. any vehicle while being towed by or carried on a vehicle defined as a **motor vehicle** above.

**“Motor vehicle”** does not include:

  - a. a motorized land vehicle which is not designed for use on public roads nor subject to motor vehicle registration, if:
    - (i) in **dead storage** at a **temporary residence**;
    - (ii) used to service a **temporary residence**; or
    - (iii) designed for assisting the physically impaired;
  - b. a motorized land vehicle designed for recreational use off public roads and not subject to motor vehicle registration, if:
    - (i) not owned by an **insured person**; or
    - (ii) owned by an **insured person** and at a **temporary residence**; or
  - c. a boat trailer, car tow dolly, or utility trailer owned by **you** or a **relative**, while not being towed by or carried on a **motor vehicle**.
5. **“Occurrence”** means an unexpected and unintended event, including continuous or repeated exposure to substantially the same general harmful conditions, that results in **bodily injury** or **property damage** during the policy period. All **bodily injury** and **property damage** resulting from continuous or repeated exposure to

substantially the same general harmful conditions is deemed to be one **occurrence**.

6. **"Personal watercraft"** means a water jet-pump-driven boat which is less than:
  - a. 13 feet in length; and
  - b. \$27,000 in value, including the boat's accessories, permanently attached equipment, and trailers.
7. **"Property damage"** means physical damage to, or destruction or loss of use of tangible property.
8. **"Temporary residence"** means a residence or premises that is away from, and not used as, **your** permanent or primary residence. A **"temporary residence"** includes a parcel of real property that is:
  - a. owned by **you** or reserved for **your** exclusive use; and
  - b. occupied by the **covered vehicle**.

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

Coverage under this Part VIII will not apply to:

1. any **bodily injury** or **property damage** arising out of the ownership, maintenance, use, control, entrustment, supervision, loading, or unloading of:
  - a. an **aircraft**;
  - b. a **motor vehicle** by any **insured person**, including a **motor vehicle** rented or loaned to any **insured person**; or
  - c. a watercraft or hovercraft owned by or rented to any **insured person** which:
    - (i) is powered by a motor of more than 50 horsepower;
    - (ii) is a sailing vessel 26 feet or more in overall length; or
    - (iii) is a **personal watercraft**.This exclusion does not apply while the watercraft or hovercraft is in **dead storage**;
2. any **bodily injury** or **property damage** arising out of rendering or failing to render professional services;
3. any **bodily injury** or **property damage** arising out of, or occurring at, any premises:
  - a. owned by an **insured person**;
  - b. rented to an **insured person** for a term that exceeds 180 days; or
  - c. rented to others by an **insured person**;that is not a **temporary residence**;
4. **bodily injury** or **property damage** for which insurance:
  - a. is afforded under a nuclear energy liability insurance contract; or
  - b. would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
5. **bodily injury** or **property damage** arising out of or within the course of employment or business pursuits of an **insured person**;
6. **bodily injury** to an employee of an **insured person** arising out of or within the course of employment. This exclusion does not apply to domestic employees if

- benefits are neither paid nor required to be provided under workers' compensation, disability benefits, or similar laws;
7. any employee with respect to injury, sickness, disease, or death of a fellow employee injured in the course of his or her employment in an accident or **occurrence** arising out of or in the course of the business of their common employer;
  8. **property damage** to any property owned by, rented to, being transported by, used by, or in the charge of an **insured person**;
  9. **bodily injury** or **property damage** caused by an intentional act of an **insured person**, or at the direction of an **insured person**, even if the actual injury or damage is different than that which was intended or expected. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force by an **insured person** to protect persons or property;
  10. any liability assumed under any contract or agreement by **you** or a **relative**;
  11. **bodily injury** or **property damage** while the **covered vehicle** is rented or leased to others;
  12. any obligation for which the United States Government is liable under the Federal Tort Claims Act;
  13. **bodily injury** or **property damage** that arises out of the transmission of a communicable disease, bacterium, parasite, virus, or other organism, caused wholly or in part by the actions of an **insured person**;
  14. **bodily injury** due to any of the following diseases transmitted wholly or in part by the actions of an **insured person**:
    - a. Acquired Immune Deficiency Syndrome (AIDS);
    - b. AIDS Related Complex (ARC);
    - c. Human Immunodeficiency Virus (HIV); or
    - d. any resulting or related symptoms, effects, conditions, diseases, or illnesses;
  15. **bodily injury** or **property damage** that arises out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants;
  16. **bodily injury** or **property damage** arising out of any loss, cost, or expense relating to pollutant testing, monitoring, cleanup, removal, containment, treatment, detoxification, neutralization or remediation, or in any way responding to or assessing the effects of pollutants, as the result of:
    - a. any governmental directive or request; or
    - b. any claim or lawsuit by or on behalf of a governmental authority;
  17. **bodily injury** or **property damage** arising out of sexual molestation, sexual harassment, corporal punishment, or physical or mental abuse;
  18. **bodily injury** or **property damage** caused by or reasonably expected to result from a criminal act or omission of an **insured person**. This exclusion applies regardless of whether that **insured person** is actually charged with or convicted of a crime. For purposes of this exclusion, criminal acts or omissions do not include traffic violations;
  19. **bodily injury** or **property damage** arising out of the use, sale, manufacture, delivery, transfer, or possession by any person of a Controlled Substance(s), as defined by the Federal Food and Drug Law, 21 U.S.C.A. Sections 811 and 812. Controlled Substances include, but are not limited to, cocaine, LSD, marijuana,



- and all narcotic drugs. This exclusion does not apply to the use of prescription drugs by a person following the orders of a licensed physician;
20. **bodily injury** or **property damage** if the initial injurious act was committed prior to the effective date of this policy;
  21. **bodily injury** or **property damage** arising out of the use of a **covered vehicle** for transportation or travel on public roads;
  22. **bodily injury** to an **insured person**;
  23. punitive or exemplary damages;
  24. any fines or penalties; or
  25. **bodily injury** or **property damage** arising out of the actual, alleged, or threatened migration, release, existence, or presence of, or actual, alleged, or threatened exposure to, any of the following:
    - a. mold, mildew, or fungus, including any type or form of:
      - (i) decomposing or disintegrating organic material or microorganism;
      - (ii) organic surface growth on moist, damp, or decaying matter;
      - (iii) yeast or spore-bearing plant-like organism; or
      - (iv) spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbe;
    - b. wet or dry rot;
    - c. rust; or
    - d. dampness of atmosphere, extremes of temperature, or deterioration.

This exclusion does not apply to sudden and immediate damage caused by the failure or breakage of a hot water heater, fresh water or wastewater plumbing system, dishwasher, refrigerator, washing machine, or similar appliance. In addition, this exclusion does not apply to **property damage** if such loss is caused by any other loss covered under this Part VIII.

## LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** is the most **we** will pay for any one accident or **occurrence** regardless of the number of:

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

The amount shown on the **declarations page** is the most **we** will pay under this Part VIII for the total of all damages resulting from any one accident or **occurrence**.

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

No coverage is provided under this Part VIII for **bodily injury** or **property damage** covered under any other coverage provided under the terms of this policy.

## **OTHER INSURANCE**

Any insurance **we** provide under this Part VIII is excess over any other applicable or collectible insurance or bond. If there is any other excess insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits.

### **PART IX - DUTIES IN CASE OF AN ACCIDENT OR LOSS**

For coverage to apply under this policy, **you** or the person seeking coverage must promptly report each accident or loss even if **you** or the person seeking coverage is not at fault. **You** or the person seeking coverage must provide **us** with all accident or loss information including time, place, and how the accident or loss happened. **You** or the person seeking coverage must also obtain and provide **us** the names and addresses of all persons involved in the accident or loss, the names and addresses of any witnesses, and the license plate numbers of the vehicles involved.

If **you** or the person seeking coverage cannot identify the owner or operator of a vehicle involved in the accident, or if theft or vandalism has occurred, **you** or the person seeking coverage must notify the police within 24 hours or as soon as practicable. However, if the person is seeking coverage under Part III - Underinsured Motorist Coverage for an accident involving a "phantom vehicle" as defined in Part III, then notice must be given to the police or civil authority within 72 hours of the accident.

A person seeking coverage must:

1. cooperate with **us** in any matter concerning a claim or lawsuit;
2. provide any written proof of loss **we** may reasonably require;
3. allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, which **we** may conduct outside the presence of **you** or any other person seeking coverage and answer all reasonable questions **we** may ask as often as **we** may reasonably require;
4. promptly call to notify **us** about any claim or lawsuit and send **us** any and all legal papers relating to the claim or suit;
5. attend hearings and trials as **we** require;
6. take reasonable steps after a loss to protect the **covered vehicle**, or any other vehicle for which coverage is sought, from further loss. **We** will pay reasonable expenses incurred in providing this protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy;
7. prepare an inventory of all damaged or stolen personal property, setting forth, in detail, the quantity, description, age, replacement cost, actual cash value, and amount of the damage or loss. All bills, receipts, and related documents that support the values described in the inventory must be included if reasonably available;
8. allow **us** to have the damaged **covered vehicle**, or any other damaged vehicle for which coverage is sought, inspected and appraised before its repair or disposal;

9. submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require; and
10. authorize **us** to obtain medical and other records.

## PART X - GENERAL PROVISIONS

### **POLICY PERIOD AND TERRITORY**

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

If the Mexico Coverage provision extends Collision Coverage or Comprehensive Coverage for a loss, the territory shall extend to Mexico and transportation between its ports, but only to the extent described under Part IV - Damage To A Vehicle.

### **CHANGES**

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

The premium for this policy is based on information **we** received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and to notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **you** agree that **we** may adjust **your** premium accordingly. Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to, **you** or a **relative** obtaining a driver's license or operator's permit, or changes in:

1. the number, type, or use classification of **covered vehicles**;
2. operators using **covered vehicles**;
3. an operator's marital status;
4. the place of principal garaging of any **covered vehicle**;
5. coverage, deductibles, or limits of liability; or
6. rating territory or discount eligibility.

The coverage provided in **your** policy may be changed only by the issuance of a new policy or an endorsement by **us**. However, if during the policy period **we** broaden any coverage afforded under the current edition of **your** policy without additional premium charge, that change will automatically apply to **your** policy as of the date the coverage change is implemented in **your** state.

If **you** ask **us** to delete a vehicle from this policy, no coverage will apply to that vehicle as of the date and time **you** ask **us** to delete it.

## DUTY TO REPORT CHANGES

**You** must promptly notify **us** when:

1. **your** mailing or residence address changes;
2. the principal garaging address for a **covered vehicle** changes;
3. there is a change with respect to the residents in **your** household or the persons who regularly operate a **covered vehicle**;
4. an operator's marital status changes; or
5. **you** or a **relative** obtain a driver's license or operator's permit.

## SETTLEMENT OF CLAIMS

**We** may use estimating, appraisal, or injury evaluation systems to assist **us** in adjusting claims under this policy and to assist **us** in determining the amount of damages, expenses, or loss payable under this policy. Such systems may be developed by **us** or a third party and may include computer software, databases, and specialized technology.

## TERMS OF POLICY CONFORMED TO STATUTES

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

## TRANSFER OF INTEREST

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

## FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. Notwithstanding anything to the contrary in this policy or on **your declarations page**, **we** may void this policy at any time, including after the occurrence of an accident or loss, if **you**:

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

with the intent to deceive at the time of application. This means that **we** will not be liable for any claims or damages that would otherwise be covered.

**We** may deny coverage for an accident or loss if **you** or a person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

## **PAYMENT OF PREMIUM AND FEES**

Notwithstanding anything to the contrary in this policy or on **your declarations page**, if **your** initial premium payment is by check, draft, electronic funds transfer, or similar form of remittance, coverage under this policy is conditioned on payment to **us** by the financial institution. If the financial institution upon presentment does not honor the check, draft, electronic funds transfer, or similar form of remittance, this policy may, at **our** option, be deemed void from its inception. This means **we** will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, electronic funds transfer, or similar form of remittance had been honored by the financial institution. Any action by **us** to present the remittance for payment more than once shall not affect **our** right to void this policy.

In addition to premium, fees may be charged on **your** policy. **We** may charge fees for installment payments, late payments, and other transactions. Payments made on **your** policy will be applied first to fees, then to premium due.

## **CANCELLATION**

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

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

**We** will give at least 10 days notice of cancellation if the policy is cancelled for nonpayment of premium.

**We** will give at least 45 days notice of cancellation in all other cases.

**We** may cancel this policy for any reason if the notice is mailed within the first 60 days of the initial policy period.

After this policy is in effect for more than 60 days, or if this is a renewal or continuation policy, **we** may cancel only for one or more of the following reasons:

1. nonpayment of premium;
2. loss of driving privileges during the policy period, or, if this is a renewal policy, during the policy period or the 180 days immediately preceding the effective date of renewal, through suspension or revocation of the operator's license of the named insured shown on the **declarations page** or of any other operator who customarily operates a **covered vehicle**; or
3. any other reason permitted by law.

Proof of mailing will be sufficient proof of notice. If this policy is cancelled, coverage will not be provided as of the effective date and time shown in the notice of cancellation. For purposes of cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverages for all persons and all vehicles.

## **CANCELLATION REFUND**

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

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

## **NONRENEWAL**

If neither **we** nor one of **our** affiliates offers to renew or continue this policy, **we** will mail notice of nonrenewal, that specifies the reason for nonrenewal, to the named insured shown on the **declarations page** at the last known address appearing in **our** records. Proof of mailing will be sufficient proof of notice. Notice will be mailed at least 45 days before the end of the policy period.

## **AUTOMATIC TERMINATION**

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

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

If a **covered vehicle** is sold or transferred to someone other than **you** or a **relative**, any insurance provided by this policy will terminate as to that **covered vehicle** on the effective date of the sale or transfer.

## **LEGAL ACTION AGAINST US**

**We** may not be sued unless there is full compliance with all the terms of this policy.

**We** may not be sued for payment under Part I - Liability To Others, Part VII - Full Timer's Package, or Part VIII - Vacation Liability Coverage until the obligation of an insured person under Part I, Part VII, or Part VIII to pay is finally determined either by judgment after trial against that person or by written agreement of the insured person, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an insured person.

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

## **OUR RIGHTS TO RECOVER PAYMENT**

**We** are entitled to the rights of recovery that the insured person to whom payment was made has against another, to the extent of **our** payment. That insured person may be required to sign documents related to the recovery and must do whatever else **we** require to help **us** exercise those recovery rights, and do nothing after an accident or loss to prejudice those rights.

When an insured person has been paid by **us** and also recovers from another, the amount recovered will be held by the insured person in trust for **us** and reimbursed to **us** to the extent of **our** payment. **We** will be entitled to recovery only after the insured person has been fully compensated for damages arising out of the accident. If an insured person incurs attorney fees in connection with a lawsuit or arbitration to enforce benefits under Part III - Underinsured Motorist Coverage, any offset against benefits paid under Part II(B) - Personal Injury Protection Coverage will be subject to a pro-rata reduction for such attorney fees. If **we** are not reimbursed, **we** may pursue recovery of that amount directly against that insured person.

If an insured person recovers from another without **our** written consent, the insured person's right to payment under Part II(B) - Personal Injury Protection Coverage and Part IV - Damage To A Vehicle will no longer exist to the extent that **our** right of recovery against the responsible party has been adversely affected.

If **we** elect to exercise **our** rights of recovery against another, **we** will also attempt to recover any deductible incurred by an insured person under this policy unless **we** are specifically instructed by that person not to pursue the deductible. **We** have no obligation to pursue recovery against another for any loss not covered by this policy.

**We** reserve the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. **We** also reserve the right to incur reasonable expenses and attorney fees in pursuit of the recovery.

If the total recovery is less than the total of **our** payment and the deductible, **we** will reduce reimbursement of the deductible based on the proportion that the actual recovery bears to the total of **our** payment and the deductible. A proportionate share of collection expenses and attorney fees incurred in connection with these recovery efforts will also reduce reimbursement of the deductible if **we** hire an outside attorney to collect such recovery.

These provisions will be applied in accordance with state law.

## **OUR RIGHTS TO INSPECT**

**We**, and any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports, or recommendations on **our** behalf, have the right to:

1. make inspections and surveys after providing **you** with reasonable notice;
2. provide **you** reports related to any conditions that **we** identify with respect to a **covered vehicle** or any property; and
3. recommend changes with respect to any identified conditions.

This does not mean that **we** or any entity acting on **our** behalf:

1. make safety inspections;
2. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
3. warrant or represent that conditions are safe or healthful; or
4. warrant or represent that conditions comply with laws, regulations, codes, or standards.

## **JOINT AND INDIVIDUAL INTERESTS**

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured will be binding on all persons provided coverage under this policy.

## **BANKRUPTCY**

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









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