

**Insurance Company of
the South**

GEORGIA
Personal Auto Policy

WARNING

Any person who knowingly provides false, incomplete or misleading information to an insurance company commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Material misrepresentation may prevent recovery of benefits under this Policy.

Misrepresentations could include failure to disclose operators of the vehicle or accurate driving records of the drivers on the application.

Administrative Office

P.O. Box 190675
Nashville, Tennessee 37219
p. 615-921-5642
f. 615-921-5599

YOUR PERSONAL AUTO POLICY
QUICK REFERENCE

Important

This insurance policy is a legal contract between **you** and **us**.

Read your policy carefully. This index of policy provisions provides a brief outline of some of the important features of **your** policy, but it is not the insurance contract. In the event of a dispute, the actual policy provisions will control. The policy sets forth in detail the rights and obligations of **you** and **us**.

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AGREEMENT

In return for **your** payment of the premium and subject to all the terms of this policy, **we** agree to insure **you** for the coverages and the limits of liability shown on this policy's **Declarations Page**, and all endorsements to this policy.

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.

Accident means a sudden, unexpected, and unintended event causing **bodily injury** or **property damage**. The **accident** must arise out of the **ownership**, maintenance, or use of an **auto**. All **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **accident**.

Additional Auto means an **auto** that **you** become the owner of, and that **you** acquire or purchase during the policy period, and under this policy **we** insure all the **autos you** own or lease for a term of at least six months. To qualify as an **additional auto** under this policy, any newly acquired **auto** must be an acceptable risk to **us** under **our** underwriting guidelines.

Actual Cash Value means the cost to replace an item or property, less **depreciation** and/or **betterment**.

Auto means a licensed and registered motorized four-wheel land vehicle. It is private passenger type intended for use on public roads. **Auto** includes a pickup, a van or sports utility vehicle with a load capacity of 1,500 lbs. or less. It is not used in any business other than farming or ranching. **Auto** does not include motorcycles, midget cars, golf carts, tractors, or farm machinery. It does not operate on rails or crawler treads. It is not used as a residence or premises.

Betterment means a deduction for making an item better or adding value thereto.

Bodily injury means injury to the body. It includes sickness or disease that results in impairment of physical condition. This could include death that is caused solely by an **auto accident** covered under this policy. The auto accident must occur while the policy is in force.

Declarations Page means the document **you** receive from **us** listing:

- a) the types of coverage **you** have selected;
- b) the limit for each coverage;
- c) the cost for each coverage;
- d) the deductibles;
- e) the specified **autos** covered by this policy;
- f) the types of coverage for each **auto**; and
- g) other information applicable to this policy.

Depreciation means the loss of value caused by physical, technological, social and/or location deterioration.

Derivative claims include claims for care, loss of services and loss of consortium.

Family member means any person related to **you** by blood, marriage or adoption. It includes a ward, step child, foster child, who lives in **your** household. **Family member** includes a minor under **your** guardianship who lives in **your** household. Any **family member** must be listed on the **application** or endorsed on the policy prior to a **loss** or **accident**.

Non-owned auto means any private passenger **auto** or **trailer** not **owned** by **you** or any **family member**. It cannot be furnished or available for the regular use of **you** or any **family member** while in the custody of or being operated by **you** or any **family member**. However, **non-owned auto** does not include any vehicle used as a temporary substitute for a vehicle **you own** which is out of normal use because of its breakdown, repair, servicing, **loss** or destruction.

Occupying means in, upon, entering into or exiting from.

Owned or **Ownership** means to:

- a) hold actual legal title to the vehicle;
- b) have legal possession of the vehicle that is subject to a conditional sale agreement or mortgage; or
- c) have legal possession of the vehicle that is leased to that person. Any **auto** leased under a written agreement for a continuous period of at least six (6) months shall be deemed to be **owned**.

Pollutant means any solid, liquid, gaseous, or thermal irritant or contaminant. This includes smoke, vapor, soot, fumes, acids, alkaloids, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

Property damage means physical damage to tangible property, including destruction or loss of its use. Must be caused solely by an **auto accident** covered under this policy and occur while the policy is in force.

Regular Operator means any person not listed on the **Declarations Page** who has or had care, custody or control of the **covered auto** for more than twenty-four (24) hours. The twenty-four (24) hours may be consecutive or cumulative.

Replacement Auto means an **auto** that **you** become the owner of and that **you** acquire or purchase during the policy period to take the place of an **auto** described on the **Declarations Page** because of:

- a). termination of **your ownership** interest in an **auto** described on the **Declarations Page**; or
- b). mechanical breakdown, theft, deterioration, or total loss of an **auto** described on the **Declarations Page**, rendering it permanently inoperable.

To qualify as a **replacement auto** under this policy, any newly acquired **auto** must be an acceptable risk to **us** under **our** underwriting guidelines.

Resident means any person living in **your** household, other than **you** or a **family member**. Any **resident** must be listed on the **application** or endorsed on the policy prior to a **loss** or **accident**.

Trailer means a vehicle that is not self-propelled and is designed to be pulled by a:

- a) private passenger **auto**; or

- b) pickup, panel truck or van-type truck.

It also means a farm wagon, farm implement while towed by a vehicle listed in a. or b. above.

We, us and **our** refer to the Company providing this insurance.

You and **your** refer to:

- a) a person shown as a named insured on the **Declarations Page**; and
- b) the spouse of a named insured, if living in the same household.

Your covered auto means:

- a) the **auto** described as listed on the **Declarations Page**.
- b) A **replacement auto**. **You** must notify **us** within 14 days of **your** acquisition of the **replacement auto** for it to be considered **your covered auto**. The **replacement auto** will have the broadest coverage **we** now provide for the **auto** being replaced. **You** must notify **us** within the 14-day period following the acquisition of the **replacement auto**. If the **auto** being replaced does not have coverage under Part D, **we** will add this coverage for the **replacement auto** effective after **you** ask **us** to do so. All insurance for the **auto** being replaced ends when **you** take delivery of the **replacement auto**.
- c) an **additional auto**. **You** must notify **us** within 7 days of **your** acquisition of the **additional auto** for it to be considered **your covered auto**. These provisions apply only if on the date **you** acquire the **additional auto**, **we** insure all vehicles **you** own and **you** ask **us** to insure the **additional auto** within 7 days of the date **you** acquire it. The **additional auto** will have the broadest coverage **we** now provide on **your** policy only if **you** notify **us** within the 4-day period following the acquisition of the **additional auto**. If no **auto** listed on the **Declarations Page** has coverage under Part D – Coverage for Damage to Your Auto, **we** will add this coverage for the **additional auto** effective after **you** ask **us** to do so.
- d) any **trailer you own** while it is attached to the **your covered auto**. For coverage to be provided under Part D – Coverage for Damage to Your Auto of this policy, the **trailer** must be listed on the **Declarations Page** and a premium must be paid.
- e) For purposes of this policy, any **auto** leased by **you** under a written agreement for a continuous period of at least six (6) months shall be deemed to be **owned** by **you**.

PART A: LIABILITY COVERAGE

INSURING AGREEMENT

Subject to the exclusions hereinafter stated, **we** will pay damages, for which any **covered person** becomes legally responsible because of **bodily injury** or **property damage** arising out of the **ownership, maintenance or use of a covered auto or trailer**. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. **Our** duty to settle or defend ends when the limit of liability has been exhausted by the payment of a judgment or settlement. **We** have no duty to defend any suit, settle any claim or pay any judgment that is not covered by this policy.

It is further understood and agreed that **we** are not obligated to pay, and shall not pay, attorney's fees for any legal or investigative work unless such attorneys are selected by **us**. It is further understood and agreed that **we** are not obligated to pay, and shall not pay any sum which the **covered person** may be legally obligated to pay as a result of a lawsuit unless **we** received actual notice of said suit before any judgment had been entered in said suit. Except when **we** are defending **you** under a Reservation of Rights, in which event **you** may obtain counsel of **your** choice, in no event shall **we** be responsible for other than reasonable fees for an attorney experienced in that area of law.

1. **Covered Person** as used in this Part means:
 - a) **You** or any **family member** for the **ownership**, maintenance, or use of any **covered auto** or **trailer**. Any **family member** must be listed on the **Declarations Page** or added by endorsement during the policy term and prior to the date of the loss.
 - b) Any person, other than a **family member, resident or regular operator**, using **your covered auto** with **your** express permission and within the scope of that permission. Such person must hold a valid driver's license at the time of the loss.
 - c) For **your covered auto**, any person or organization with respect to legal responsibility for acts or omissions of a person where coverage is afforded under this Part.
 - d) For any **auto** or **trailer**, other than **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of **you** or any **family member** for whom coverage is afforded under this Part. This provision applies only if the person or organization does not own or hire the **auto** or **trailer**. This provision applies only if the **covered person** is using the vehicle with a reasonable belief that he or she is entitled to do so.

SUPPLEMENTARY PAYMENTS

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

1. Up to \$100 for the cost of bail bonds required because of an **accident**. The **auto accident** must result in **bodily injury** or **property damage** covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit **we** choose to appeal. **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.
3. For damages covered under this policy, interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
4. Reasonable **loss** of wages, up to fifty dollars (\$50) per day, but not other income, because of attendance at hearings, proceedings, or trials at **our** request.
5. Other reasonable expenses incurred at **our** request other than loss of earnings.

EXCLUSIONS

Read the following exclusions carefully. If an exclusion applies, coverage will not be afforded under this part I. We do not provide coverage for:

1. **Bodily injury** or **property damage** caused intentionally by or at the direction of a **covered person**. However, if no other source exists for the recovery of damages within the amounts of the state minimum financial responsibility limits, this exclusion shall not apply to the extent that the

state financial responsibility law prohibits.

2. **Property damage** to property **owned by**, or being transported by, a **covered person**.
3. **Property damage** to any property **owned by**, rented to, or being transported by, used by; or in the care or custody of a **covered person**.
4. Any person for **Bodily injury** to an employee of that person during the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
5. Any person's liability arising out of the **ownership** or operation of a vehicle while it is being used to carry persons or property for a fee. This exclusion does not apply to a share-the-expense car pool.
6. Any person while employed or otherwise engaged in the business of selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways including road testing and delivery. This exclusion does not apply to the **ownership**, maintenance, or use of **your covered auto** by **you**, any **family member** or partner, agent, or employee of **you** or any **family member**.
7. Any person maintaining or using any vehicle while that person is employed or otherwise engaged in any **business** or occupation not described in Exclusion 6 regardless of the amount or type of use made of such vehicle.
8. Any person for **bodily injury** or **property damage** for which that person is an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limits of liability. For the purpose of this exclusion a nuclear energy liability policy means a policy issued by a company specializing in this coverage.
9. **The ownership**, maintenance or use of a motorcycle or any other self-propelled vehicle, not licensed for use on public roads, or with a load capacity in excess of 1,500 pounds.
10. **The ownership**, maintenance or use of any vehicle, other than **your covered auto** which is **owned** by **you** or furnished or available for the regular use of **you**, any **family member** or **resident**.
11. **The ownership**, maintenance or use of any vehicle other than **your covered auto** which is **owned** by **you** or furnished or available for the regular use of any **family member**.
12. Any person's liability arising out of the **ownership** or operation of a vehicle while it is being used in any organized or pre-arranged racing event, speed contest or exhibition.
13. **Bodily injury** or **property damage** that results from the maintenance or use of **your covered auto** without **your** permission or not within the scope of such permission.
14. **Bodily Injury** or **property damage** that result from a **covered person's** maintenance or use of any auto without the **owner's** express permission.
15. Any person's liability arising out of the **ownership** or operation of a vehicle while it is being rented or leased to or for others.
16. Any person's liability arising out of any contract bailment or agreement, or to any obligation under the Federal Torts Claims Act.
17. Any person's liability arising out of the **ownership** or operation of a vehicle while it is being used as a residence or premises.
18. **Bodily injury** to **you** or any **family member** or **resident**.
19. **Bodily injury** sustained while **occupying** any motorcycle or vehicle having more or less than four wheels.
20. Any **bodily Injury** or **property damage** caused by a **covered person** or **your covered auto** while

in the commission of a crime, other than a traffic violation.

21. **Bodily injury** or **property damage** caused by **your covered auto** when it is driven by a person who **you** know:
 - a. is under the minimum age to obtain a license to operate an **auto** in the state in which the **auto** is licensed; or
 - b. is under fifteen (15) years of age;
 - c. has had their driving privileges rescinded either by license suspension or revocation; or
 - d. does not have a valid drivers' license.
22. **Bodily injury** or **property damage** resulting from the use of any **auto** by a person or persons specifically excluded by endorsement.
23. **Bodily injury** or **property damage** resulting from the use of an **auto** for snow removal.
24. **Bodily injury** or **property damage** arising out of actual, alleged or threatened discharge, dispersal, release, or escape of any **pollutant** unless such discharge, dispersal, release, or escape is sudden and accidental and arises directly from **collision** or upset of **your covered auto**.

LIMIT OF LIABILITY

Regardless of the number of **covered persons**, claims made, **autos** or premiums shown in the

Declarations Page, **autos** involved in the **accident** or suits brought, **we** will pay the limits of liability shown in the **Declarations Page** to the following:

1. The limit for each person is the maximum **we** will pay for damages sustained by any one person in any one **accident**. This includes all **derivative claims**.
2. Subject to the **bodily injury** limit for "each person", the limit for "each **accident**" is the maximum **we** will pay for **bodily injury** sustained by two or more persons in any one **accident** and includes all **derivative claims**.
3. The **property damage** liability limit for "each occurrence" is the maximum **we** will pay for all **property damage** in one **accident**.

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under Part B – Medical Payments Coverage and Part C – Uninsured Motorist Coverage.

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

OUT OF STATE COVERAGE

If an **auto accident** to which this policy applies occurs in any state or province other than the one in which

your covered auto is principally garaged, **we** will interpret **your** policy for that **auto accident** as follows:

1. A financial responsibility or similar law requiring limits of liability for **bodily injury** or **property damage** higher than the limit shown on the **Declarations Page**, **your** policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a non-**resident** to maintain insurance whenever

the non-**resident** uses an **auto** in that state or province, **your** policy will provide the greater of:

- a. the required minimum amounts and types of coverage; or
- b. the limits of liability under this policy.

We will not provide any coverage under the no-fault law or any other similar law of any other state. However, if the **auto accident** involves a vehicle covered under this policy which is either registered in such other state or province or has been operated in such other state or province for thirty (30) days or more, then the coverage under this policy shall not be modified in any way.

FINANCIAL RESPONSIBILITY REQUIRED

When **we** certify this policy as proof of financial responsibility, it will comply with the law to the extent of the coverage required by the law. In the state where **we** certified this policy, it will be subject to the limits stated on the **Declarations Page**. **You** must reimburse **us** for any payment **we** make which **we** would not have made under the terms of this policy except for the agreement contained in this paragraph.

OTHER INSURANCE

If there is other applicable insurance, **we** will pay only **our** share. **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 **auto you** do not **own** shall be excess over any other collectible insurance on such **auto** and any other collectible insurance shall be primary.

PART B: MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the exclusions hereinafter, **we** will pay reasonable expenses incurred for reasonable and necessary **medical expenses** because of **bodily injury** caused by an **accident** and sustained by a **covered person**.

We will pay only those **medical expenses** incurred within three (3) years from the date of the **accident**.

1. **Covered Person** as used in Part means
 - a. **You** or any **family member** while **occupying**, or as a pedestrian when struck by, a motor vehicle designed for use mainly on public roads, or a **trailer** of any type.
 - b. Any other person while **occupying your covered auto** which **you** or a **family member** is using, or which that person or another person is using, if the use is with **your** permission.
2. **Medical expenses** means expenses incurred for reasonable and necessary services rendered to or on behalf of a **covered person** within three years from the date of the **accident** for:
 - a. Medical, surgical, x-ray, and dental services when performed by a licensed medical professional;
 - b. Pharmaceuticals;
 - c. Prosthetic devices;
 - d. Eye glasses;
 - e. Necessary ambulance, hospital, and professional nursing services when prescribed by a

- licensed medical professional; and
- f. Funeral services.

Reasonable **medical expenses** do not include expenses:

- a. for treatment, services, products or procedures that are:
 - i. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - ii. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of **bodily injury**; or
- b. Incurred for:
 - i. The use of thermography or other related procedures of similar nature; or
 - ii. The use of acupuncture or other related procedures of similar nature; or
 - iii. The purchase or rental of equipment not primarily designed to serve a medical purpose; or
 - iv. The use of chiropractic care or other related procedures of a similar nature.

EXCLUSIONS

Read the following carefully. If an exclusion applies, coverage will not be afforded under this Part B.

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

1. Sustained while **occupying** any vehicle having more or less than four wheels.
2. Sustained while **occupying your covered auto** when it is being used to carry persons or property for a fee. The exclusion does not apply to a share-the-expense carpool.
3. Incurred while the **covered auto** is being leased or rented to others.
4. Sustained while **occupying** any vehicle located for use as a residence or premises.
5. Occurring during the course of employment if workers' compensation benefits are required or available for the **bodily injury**.
6. Sustained while **occupying** or when struck by any vehicle (other than **your covered auto**) which is **owned** by **you** or furnished or available for **your** regular use, regardless of the amount or type of use made of such vehicle.
7. Sustained while **occupying** or when struck by any vehicle (other than **your covered auto**) which is **owned** by or furnished or available for the regular use of any **family member** or listed driver. However this exclusion does not apply to **you**.
8. Sustained by any person while **occupying** the **covered auto** without **your** permission or not within the scope of such permission.
9. Sustained by a **covered person** while **occupying** any **auto** without the permission of the **owner**, or not within the scope of such permission.
10. Sustained while **occupying** a vehicle when it is being used in the **business** or occupation of a **covered person**. This exclusion does not apply to **bodily injury** sustained while **occupying**:
 - a. Private passenger **auto**
 - b. Pick-up or van-type truck that **you own**; or
 - c. **Trailer** used with a vehicle described in a or b above.
11. Caused by discharge or a nuclear weapon (even if accidental), war (declared or undeclared), civil war, insurrection, rebellion or revolution, or any consequence of any of these.
12. From any nuclear reaction, radiation or radioactive contamination, all whether controlled

- or uncontrolled or however caused, or any consequence of any of these.
13. That amount of any **medical expenses** which are paid or payable to or on behalf of the injured person under the provision of any:
 - a. Automobile or premises insurance affording benefits for medical expenses;
 - b. Individual blanket or group **accident** insurance, disability or hospitalization insurance;
 - c. Medical or surgical reimbursement plans; or
 - d. Workers' compensation or disability law or any similar law.
 14. Arising out of the operation of any **auto** insured under this policy which is designed for racing while being tested, repaired or serviced, or while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock" racing.
 15. Sustained by **you**, a **family member** or a **resident** while **your covered auto** is being operated by any **family member** or **resident** not listed by **you** on the application or otherwise disclosed to **us** and listed on the **Declarations Page** prior to the date of the **accident**.
 16. Sustained by any person as a result of the use of any vehicle by a person or persons specifically excluded by endorsement.
 17. To a **covered person** that is caused intentionally by, or at the direction of, that **covered person**. However, if no other source exists for the recovery of damages within the amounts of the state minimum financial responsibility limits, this exclusion shall not apply to the extent that the state financial responsibility law prohibits.
 18. Caused by dumping discharge or escape of any irritants, **pollutants** or contaminants, other than the fluids necessary for the operation of **your covered auto**.
 19. Sustained from any source other than an **accident**.
 20. Caused directly or indirectly by any accidental or intentional discharge, dispersal, or release of radioactive, nuclear, pathogenic, or poisonous biological material; or any intentional discharge, dispersal, or release of chemical or hazardous material for any purpose other than its safe and useful purpose.
 21. Sustained in the commission of a crime, other than a traffic **accident**.
 22. Incurred when **occupying** an **auto** driven by a person who **you** know is:
 - a. Under the minimum age to obtain license to operate an **auto** in the state in which the **auto** is licensed; or
 - b. Is under fifteen (15) years of age;
 - c. Has had their driving privileges rescinded by either license suspension or revocation; or
 - d. Does not possess a valid driver's license.

LIMIT OF LIABILITY

The limit of liability shown on the **Declarations Page** for this coverage is **our** maximum limit of liability for any one person injured in any one **accident**. It also is the most **we** will pay regardless of the number of **covered persons**, claims made, **autos** or premium shown on the **Declarations Page**, or number of vehicles involved in the **accident**. Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expenses under any **auto** Liability or Uninsured Motorist Coverage provided by this policy.

No payment will be made unless the injured person or that person's legal representative agreed, in

writing, that any payment shall be applied toward any settlement or judgment that person receives under any **Auto** Liability or Uninsured/Underinsured Motorist Coverage provided by this policy.

OTHER INSURANCE

If there is other applicable **auto** medical payments insurance, **we** will pay only **our** share. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to any vehicle **you** do not **own** shall be excess over any other collectible **auto** insurance providing payments for **medical expenses**, and any other insurance on the motor vehicle involved in the **accident** shall be considered primary.

No one will be entitled to recover duplicate payments under this or any other motor vehicle insurance policy.

DUTIES AFTER A LOSS

As soon as possible, the **covered person** making claim under this coverage shall give **us** written proof of the claim. Proof should include full details of the injuries and treatment and any other reasonable information **we** may need to determine the amount payable. The **covered person** shall submit to reasonable questioning concerning any claim made under this policy.

The **covered person** shall also give **us** an authorization which would allow **us** to obtain medical reports and copies of the medical or other relevant records.

PAYMENT OF BENEFITS

We may pay the **covered person**, the person providing medical services or the person responsible for payment of the **medical expenses**.

TRUST AGREEMENT

When **we** pay **medical expenses**, the **covered person** or legal representative must agree in writing to repay **us** out of any damages recovered from anyone responsible for causing the **bodily injury**. The **covered person** must also agree in writing to hold in trust and preserve for **us** any rights of recovery against anyone.

OUR RIGHT TO RECOVER FROM OTHERS

After **we** have made payments under this Part, **we** have the right to recover the payment from anyone who is held responsible. The **covered person** must sign any papers and do whatever else is necessary to transfer this right to **us**.

PART C: UNINSURED MOTORIST COVERAGE

INSURING AGREEMENT

Subject to the exclusions hereinafter stated, **we** will pay **bodily injury** or **property damage**, which a covered person is legally entitled to recover from the **owner** or operator of an **uninsured motor** vehicle because of **bodily injury** or **property damage** sustained by a **covered person** and caused by an

accident.

The **owner's** liability for these damages must arise out of the **ownership**, maintenance or use of an **uninsured motor** vehicle.

Any judgment for damages arising out of a suit brought without notice and service of a summons upon **us** as required by law is in no way binding on **us**. Further, all provisions of Part E, Duties after an **Accident** or Loss shall be fully applicable hereto. This shall not be interpreted as excluding any other provisions of this policy that might also be applicable to this coverage.

1. **Covered Person** as used in this part means:

- a. **You** or any **family member** as defined in Definitions page of the policy;
- b. any other person **occupying your covered auto** as defined in the Definitions section of the policy.

2. **Uninsured motor vehicle** means a land motor vehicle licensed and designed for use primarily on public roads and highways or a **trailer** licensed and designed for use primarily on public roads and highways while attached to a land motor vehicle.

- a. To which no **bodily injury** and **property damage** liability bond or insurance policy applies at the time of the **accident**.
- b. Which is a hit-and-run vehicle whose owner or operator cannot be identified and which makes actual physical contact between such hit-and-run vehicle and;
 - I. **You** or any **family member**;
 - II. A vehicle which **you** or any **family member** are **occupying**; or
 - III. **Your Covered Auto**.

You or someone on **your** behalf must report the **accident** within 24 hours to the police and must within 10 days advise **us** that **you** have a cause or causes of action for damages caused by a person or persons whose identity is unascertainable.

- c. To which a **bodily injury** and **property damage** liability bond, policy or other similar protection applies at the time of the **accident** but bonding or insuring company denies coverage; or is declared insolvent within one year after the **accident** or is less than the:
 - I. Full amount of compensatory damages the insured is legally entitled to recover from the owner or operator of the **uninsured motor vehicle**. THIS APPLIES ONLY IF YOU PAID THE PREMIUM FOR UNINSURED MOTORIST COVERAGE WITH THE "ADDED ON AT-FAULT LIABILITY LIMITS OPTION"; or
 - II. Sum of the limits of liability of Uninsured Motorist coverage covering that insured under this policy and any other policy covering that person. THIS APPLIES ONLY IF YOU PAID THE PREMIUM FOR UNINSURED MOTORIST COVERAGE WITH THE "REDUCED AT-FAULT LIABILITY LIMITS OPTION".

Uninsured Motor Vehicle does not include any vehicle:

- a. **Owned** by or furnished or available for the regular use of **you** or any **family member**;
- b. **Owned** or operated by a self-insurer under any applicable motor vehicle law;
- c. **Owned** by any governmental unit or agency;
- d. With more or less than four wheels;
- e. Operated on rails or crawler treads;

- f. Designed mainly for use off public roads; or
- g. While located for use as a residence or premises.

EXCLUSIONS

Read the following exclusions carefully. If an exclusion applies, coverage will not be afforded under this Part C. We do not provide **Uninsured Motorists** Coverage for **bodily injury** and/or **property damage**.

1. Sustained by any person if that person or their legal representative settles the **bodily injury** or **property damage** claim without **our** consent.
2. Incurred while **occupying your covered auto** when it is being used to carry persons or property for a fee. This exclusion does not apply to a share-the-expenses carpool.
3. Sustained by any person while **occupying** or when struck by any **auto owned by you**, any **family member** or any **resident** which is not insured for this coverage under this policy.
4. For any person using **your covered auto**, without **your** permission or not within the scope of **your** permission.
5. Sustained by any person or **auto** resulting from any organized or pre-arranged racing event, speed contest or exhibition.
6. Resulting from the use of **your covered auto** by any person(s) specifically excluded by endorsement.
7. So as to directly or indirectly benefit any insurer or self-insurer under any workers' or workmens' compensation, disability benefits or similar law.
8. When this **bodily injury** or **property damage** was sustained in the commission of a crime, other than a traffic violation.
9. Punitive or exemplary damages. If a court with proper jurisdiction finds an exclusion invalid, that exclusion is revised to apply only to the portion of damages that exceeds minimum financial responsibility limits.

NOTICE

We must be notified of the intent of the **covered person** to file claim under the **Uninsured Motorist** Coverage as soon as possible.

LIMIT OF LIABILITY

Our limit of liability for claims under Part C is as follows:

1. The most **we** will pay for all damages resulting from **bodily injury to** one person caused by any one **accident** is the **uninsured motorist** limit provided on the **Declarations Page** for "each person". This includes all **derivative claims**.
2. Subject to this limit for "each person" the most **we** will pay for all damages resulting from **bodily injury** caused by any one **accident** is the limit shown in the **Declarations Page** for "each **accident**". This includes **derivative claims**.
3. The maximum **property damage we** will pay is the **actual cash value** of **your covered auto** or, the cost of repairs to **your covered auto**, or the amount listed on the **Declarations Page** as the Limit of

Liability afforded under the **Uninsured Motorist Property Damage** coverage, whichever is less.

- a. **We** will subtract from **property damage** the first two hundred (\$200) dollars.
4. Any amounts otherwise payable for **damages** under this coverage shall be reduced or offset by:
 - a. All sums paid because of the **bodily injury** or **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under the Liability coverage of this policy; and
 - b. No one shall be entitled to receive duplicate payments for the same element of loss.

Any payment under this coverage to or for a **covered person** will reduce any amount that person is entitled to recover under Part A-Liability Coverage of this Policy.

PROOF OF CLAIM

You or **your family member** or someone on **your** behalf must have reported the **accident** to the police within 24 hours or as soon as possible.

As soon as possible, the **covered person** making a claim under this coverage shall give **us** written proof of claim. Proof should include full details of their injuries and treatment and any other reasonable information **we** may need to determine the amount payable. The **covered person** shall submit to reasonable questioning concerning any claim made under this policy.

The **covered person** shall also give **us** an authorization which would allow **us** to obtain medical reports and copies of the medical and other relevant records.

OTHER INSURANCE

If there is other applicable uninsured motorist coverage as set forth in O.C. G.A. 33-7-11, as amended, the following order shall be used to determine which insurer is responsible for providing payment:

1. A policy insuring the injured person as a named insured; then
2. A policy insuring the injured person's spouse or any relative, then
3. Policies insuring the owner or operator of the **auto** occupied in the **accident**.

If **we** are responsible for providing payment under this Part to a **covered person** and there is more than one (1) applicable policy of the same priority, **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 available coverage limits on the same level of priority. **We** will not pay for any damages that would duplicate any payment made for damages under other insurance.

TRUST AGREEMENT/SUBROGATION

If **we** pay **you** for a loss under this coverage:

1. **We** are entitled to recover from **you** an amount equal to such payment if there is a legal settlement made on **your** behalf against any person or organization legally responsible for the **bodily injury** and/or **property damage**.
2. **You** must hold in trust for **us** all rights which **you** have to recover money from any person or organization legally responsible for **bodily injury** and/or **property damage**.
3. **You** must do everything proper to secure **our** rights and do nothing to prejudice these rights.
4. If **we** ask **you** in writing, **you** shall take the necessary or appropriate action, through a representative

designated by **us**, to recover payment as damages from the responsible person or organization. If there is a recovery then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fee incurred in connection with this recovery.

5. **You** must execute and deliver to **us** any legal instruments or papers necessary to secure the rights and obligations of **you** and **us** as established here.

ARBITRATION

If **we** and a **covered person** disagree on:

1. the legal liability of the operator or owner of an **uninsured motor** vehicle; or
 2. the amount the **damages** sustained by the **covered person**;
- then either party may propose arbitration. Both the **covered person** and **we** must agree to arbitration and the agreement must be prior to the expiration of the **bodily injury** statute of limitations in the state in which the **accident** occurred.

In the event of arbitration, each party will select an arbitrator. The two arbitrators will select a third. In the event an arbitrator cannot be agreed upon within thirty (30) days, a judge of a court having jurisdiction will appoint the arbitrator. Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The cost and fees of the third arbitrator will be shared equally.

The arbitration will take place in the county where the **covered person** lived at the time of the **accident**. Local court rules of procedure and evidence shall apply. The written decision by the arbitrator shall be binding on **us** and the **covered person** as to:

1. Whether the insured is legally entitled to recover damages; and
2. The amount of the damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Georgia.

We and a **covered person** may agree to an alternative form of arbitration.

PART D: COVERAGE FOR DAMAGE TO YOUR VEHICLE

INSURING AGREEMENT

In return for payment of premium for this coverage and subject to exclusions hereinafter stated, **we** will pay for direct and accidental **loss** to **your covered auto** or any **non-owned auto**, less any applicable deductible shown in the **Declarations Page**, if the **Declarations Page** indicates that coverage is afforded.

1. **Covered Person** means
 - a. **You**, a **family member**, or **resident**;
 - b. Any other person listed on the application or added by endorsement during the policy term prior to a **loss**;
 - c. Any other person, other than a **regular operator**, who has **your** express permission to use the **covered auto** and who holds a valid driver's license at the time of the **loss**.
2. **Collision** means the upset, or **collision** with another object of **your covered auto** subject to the exceptions and exclusions stated below.
3. **Comprehensive** means **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism or civil commotion, contact with bird or animal or breakage of glass. If breakage of glass is caused by a **collision**, **you**

may elect to have it considered a **loss** caused by **collision** if there is a **loss** to a **non-owned auto**, **we** will provide **collision** coverage applicable to **your covered auto** shown in the **Declarations**.

4. **Loss** means direct and accidental physical **damage** to the **automobile** or its parts.

TOWING AND STORAGE CHARGES

In addition, after an **auto accident**, **we** will pay reasonable towing and storage charges **you** or any **family member** is legally responsible for in transporting and storing **your covered auto** up to a maximum of two hundred dollars (\$200). This coverage applies only if the **Declarations Page** indicates that **Collision** or **Other than collision (Comprehensive)** is provided for that **auto**.

ADDITIONAL TRANSPORTATION EXPENSES

We will pay up to fifteen dollars (\$15) per day, to a maximum of four hundred and fifty dollars (\$450), for transportation expenses incurred by **you** because of the total theft of **your covered auto**. This applies only if the **Declarations Page** indicates that **Other than collision (Comprehensive)** is provided for **your covered auto**. **We** will pay for transportation expenses incurred during the period beginning forty-eight (48) hours after the theft has been reported to **us** and to the police and ending when **your covered auto** is found (limited by the \$450 maximum) or **we** offer to pay for its **loss**. This Transportation Expense will not apply if **you** have purchased Rental Reimbursement Coverage.

EXCLUSIONS

We will not pay for loss or damage:

1. To **your covered auto** which occurs while it is being used to carry persons or property for a fee. This exclusion does not apply to a share-the-expense car pool.
2. Due and confined to wear and tear, freezing, mechanical or electrical breakdown, or failure or road **damage** to tires. This exclusion does not apply if the damage results from the total theft of **your covered auto**.
3. Due to radioactive contamination.
4. Due to discharge of any nuclear weapon (even if accidental), war (declared or undeclared), civil war, insurrection, rebellion, or revolution, or any consequences of any of these.
5. To any device or instrument designed for the recording, reproduction, receiving, or transmittal of sound, radio waves or television signals unless such device or instrument is factory installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment.
6. To tapes, records or other devices for use with equipment designed for the reproduction of sound.
7. To a camper body, pickup cover, cap, or shell whether attached or detached.
8. To any motorcycle or a vehicle with more or less than four wheels.
9. To a **non-owned auto** if it is used by **your** or any **family member** without a reasonable belief that they were entitled to do so.
10. To TV antennas, awnings, cabanas, or equipment designed to create additional living facilities.
11. To **your covered auto** which occurs while rented or leased by **you** to others.
12. To property the **covered person** rents, uses or has charge of including loss of its use.
13. To any **auto** or **trailer** resulting from **your** business activity, including delivery or pickup of goods or services arising out of any business.
14. Arising out of or due to the use of an **auto** for transportation of any:
 - a. Explosive substance;

- b. Flammable liquid; or
- c. Similarly hazardous materials.

This does not apply to such transportation that is incidental to **your** ordinary household activities.

15. To **your covered auto** which occurs while operated in any organized or pre-arranged racing event, speed content or exhibition.
16. To **your covered auto**, due to confiscation or destruction by government or civil authorities.
17. If **your covered auto** is a van-type vehicle, to furnishings, custom carpeting, or any other equipment contained in or forming part of **your covered auto**, used for sleeping, cooking, refrigeration, and/or housekeeping; to custom installed bubble windows, height extending roofs, custom paint such as custom murals, graphics, or other custom-applied designs or to any other modifications to the original body of the van;
18. To custom wheels, tachometers, pressure and temperature gauges, unless factory installed.
19. To modified or custom engines and carburetion systems, light bars, racing slicks and /or oversized tires, roll bars and lift kits, winches, utility boxes and tool boxes.
20. To any instrument or device designed as a two-way mobile radio, citizens band radio or cellular telephone.
21. To **auto** covers or front-end protectors.
22. To wearing apparel, personal effects, tools, or anything that is not attached to the vehicle at the time of **loss**.
23. To any non-dealer or no-factory installed equipment which mechanically structurally changes **your** car and results in an increase in performance or a change of appearance.
24. To equipment designed or used for the detection or location of radar.
25. With respect to a vehicle, **ownership** of which is acquired by the **covered person** during the policy period, unless the **covered person** has notified **us** in writing within the required amount of days as stated in Definition section for **replacement auto** or **additional auto**, they wish to add such vehicle to the policy.
26. To the **covered auto** while it is in the care, custody or control of a **covered person** other than **you** for the purpose of selling the **covered auto**.
27. Due to the theft under this coverage if evidence exists that forcible entry was not required to gain access to the **auto** or that evidence exists that keys were left in the **auto** while it was unattended, or that no evidence exists that ignition wires, steering column or starting mechanism were altered or defeated to operate the **auto** without keys.
28. To **your covered auto** while being operated or used in the commission of a crime, other than a traffic violation.
29. **Your covered auto** while being driven or operated with **your** permission by a person who:
 - a. does not possess a valid driver's license;
 - b. is under the minimum age to obtain legal authority to drive.
 - c. is under fifteen (15) years of age; or
 - d. has had their driving privileges rescinded by either a license suspension or a revocation.
30. Caused by any **covered person** who intentionally causes or expects to cause **loss** or **damage**. However, if no other source exists for the recovery of damages within the amounts of the state minimum financial responsibility limits, this exclusion shall not apply to the extent that the state financial responsibility law prohibits.

31. To **your covered auto** while it is being operated by a person or persons specifically excluded by endorsement.
32. To **your covered auto** while it is being operated by any **family member, regular operator** or **resident** who was not listed on the application or added by endorsement prior to the date of the **loss**.
33. Loss from discoloration or damage to paint as a result of smoke, chemical substance, bird or animal droppings.

LIMIT OF LIABILITY

Our limit of liability for **loss** will be the lesser of the:

1. The **actual cash value** of the stolen or damaged property at the time of loss reduced by the applicable deductible, or
2. The amount necessary to repair or replace the property with deduction for **depreciation** and/or **betterment**. At the company's sole discretion, the company may pay any loss or repair or replace **your covered auto** or its damaged parts, with parts furnished either by original equipment manufacturers or non-original equipment manufacturers, or
3. The limit stated in the Declarations.

Custom / special equipment is not covered, unless the value of the equipment has been reported to **us** prior to the **loss** and a premium has been paid for the additional coverage as shown on the **Declarations Page**, with the following limits:

1. Non-standard radio speakers, amplifiers and other sound producing equipment are limited to \$1000 maximum.
2. Custom wheels and custom tires are limited to a \$2000 maximum.
3. The most **we** will pay for any loss to a **trailer** is \$500.

Additionally, **our** limit of liability for payment to **you** shall not:

1. Exceed four (4) days of storage charges incurred prior to the date **you** report a **loss** or **accident** to **us**.
2. Exceed the towing or wrecker charges to the nearest authorized repair facility.

PROOF OF LOSS

You must file a written proof of **loss** within sixty (60) days from the date of **we** request or there will be no coverage for the **loss** claimed under this Part D.

PAYMENT OF LOSS

We may pay for the **loss** in money or replace the damaged or stolen property. **We** may, at **our** expense, return any stolen property to **you** or to the address shown in this policy.

If **we** return stolen property, **we** will pay for any damage resulting from the theft. **We** may take all or part of the property at an agreed or appraised value, but there shall be no abandonment to the Company.

NO BENEFIT TO BAILEE

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

OTHER INSURANCE

If other similar insurance also covers the **loss**, **we** will pay only **our** share, unless the **loss** is to a **non-owned auto** or a temporary substitute **auto**. If the loss is to a **non-owned auto** or a temporary substitute **auto**, then **we** will not pay until any other valid and collectable insurance has paid for such **loss**. Any valid and collectible insurance on a vehicle other than the **covered auto** will be primary and any insurance afforded by this policy will be excess only.

APPRAISAL

If **you** and **we** fail to agree on the amount payable, then the dispute shall be decided by appraisal as described herein. Each party will appoint a competent and disinterested appraiser. A consensus of **Actual Cash Value/Damages** in writing by the two appraisers will be binding and will determine the amount payable subject to the terms of the policy. If a consensus cannot be reached, the two appraisers will appoint a third appraiser to reach an agreement. Each party will pay the expense of their chosen appraiser. Expenses for the cost of the third appraiser will be shared equally. **We** do not waive any of **our** rights by agreeing to an appraisal.

GENERAL AVERAGE AND SALVAGE CHARGES

We shall pay salvage charges for which **you** become legally liable and which are reasonable and necessary.

PART E: ACCIDENTAL DEATH & DISMEMBERMENT

All provisions of this policy, including all amendments thereto, apply to the coverage provided.

Who Is Insured

For purposes of this endorsement, insured means any driver listed on the **Declarations Page** of this policy, for whom a premium was paid for Accidental Death and Dismemberment Coverage.

Insuring Agreement

We will pay the benefit shown on the **Declarations Page**, if an insured dies as a direct result of **bodily injury**, caused in an **auto accident**. The **bodily injury** must be sustained while the **covered person** is in, on, getting into or out of, or when struck as a pedestrian by, an **auto**, **trailer** or semi-trailer.

DEATH, DISMEMBERMENT OR LOSS OF SIGHT- if within ninety (90) days from the date of loss, such injuries shall result in death of the covered person, dismemberment or loss of sight, the company will pay:

1. of Life - The Principal Sum
2. Loss of both hands, feet or eyes - The Principal Sum
3. Loss of one hand and one foot - The Principal Sum
4. Loss of either Hand or Foot - One Half Principal Sum

5. Loss of Sight of one Eye - One Half Principal Sum
6. Loss of Thumb or Finger - One Half Principal Sum

Loss shall mean with regard to hand or foot, complete severance through or above the wrist or ankle joint, with regard to the sight of eyes, entire and irrecoverable loss of sight; with regard to thumb and index finger, complete severance.

Subject to the terms of the endorsement the hazards insured against are all those to which the **covered person** may be exposed:

1. While the **covered person** is riding solely as a passenger in or on, boarding or alighting from any public conveyance, including air, licensed to carry passengers for hire; or
2. When the **covered person** sustains **bodily injury** caused by unavoidable exposure to the elements following the forced landing, stranding, sinking or wrecking of such means of transportation described above in which the covered person has been riding solely as a passenger; or,
3. While the **covered person** is driving or riding in or on; boarding or alighting from, a four-wheel private passenger auto of the strictly pleasure car type.

Seat Belt Coverage

The Principal Sum benefits for Accidental Death under this policy will be increased by an additional 20% of the **covered person's** benefits amount if death results while the **covered person** is a passenger or driver of a four wheel private passenger vehicle strictly of the pleasure car type, and the **covered person's** seat belt is properly fastened about their person.

Exclusions

This coverage does not apply to any loss, fatal or non-fatal incurred for or resulting from any of the following:

1. Due to suicide, or any attempt thereat by the **covered person**, or self-destruction or any attempt thereat by the **covered person**;
2. Infections except pyogenic infections caused wholly by a covered injury;
3. Due to any act of war, or accident occurring while the **covered person** is in the military, naval or air service of any country;
4. Accident occurring while the **covered person** is operating, or learning to operate, or performing duties as a member of a crew of any aircraft;
5. Sickness or disease of any kind including surgical or medical treatment;
6. The **covered person** being intoxicated or under the influence of any narcotic unless administered on the advice of a physician and without warning against operating any motorized vehicle while under the influence of the narcotic; or
7. While driving or occupying a vehicle engaged in any race or speed test.

Notice of Claim

Notice of claim must be given to the company within 30 days after the occurrence of any loss covered by

this policy, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the claimant to the Company at its authorized agent's office in Nashville, Tennessee, or to any authorized agent of the Company, with information sufficient to identify the covered person shall be deemed notice to the Company.

Time Payment of Claims

Indemnity for **loss** of life will be payable in accordance with the beneficiary designation and the provisions respecting such payment which may be prescribed therein and effective at the time of payment. If no such designation or provision is then effective, such indemnity shall be payable to the estate of the **covered person**. Any accrued indemnities unpaid at the **covered person's** death may, at the option of the Company, be paid either to such beneficiary or to such estate. All other indemnities will be payable to the **covered person**.

Physical Examination and Autopsy

The Company, at its own expense, shall have the right and opportunity to examine the **covered person** or any individual whose injury is the basis of claim when and as often as it may reasonably require while a claim is pending hereunder and to make an autopsy in case of death where it is not forbidden by law.

Legal Action

No action at law or in equity shall be brought to recover on this policy prior to the expiration of 60 days after written proof of **loss** has been furnished in accordance with the requirements of this policy. No such action shall be brought after the expiration of 3 years after the time written proof of **loss** is required to be furnished.

Conformity with State Statutes

Any provision of the policy, which on its effective date, is in conflict with the statutes of the state in which this policy was issued, is hereby amended to conform to the minimum of such statutes.

Worker's Compensation

This policy is not in lieu of and does not affect any requirements for coverage by Worker's Compensation Insurance.

PART F: DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES

We must be notified of an **accident** or **loss** within thirty (30) days of how, when and where the **accident** or **loss** happened. Notice should also include the names and addresses of any injured persons and of any witnesses. Failure to give notice as required herein may render this policy voidable.

A person seeking coverage must:

1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit.
2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or **loss**.

3. Submit at **our** expense as often as **we** reasonably require to physical examinations by physicians **we** select.
4. Authorize **us** to obtain medical reports and other pertinent records.
5. Submit proof of **loss** when required by **us**.
6. Submit to separate recorded statements under oath outside of the presence of any other claimant or insured as often and reasonably as **we** require.
7. Assist in mitigating **damages** and cost after a **loss**.
8. Give **us** consent to move **your** damaged property to a storage free facility at **our** cost. If **you** do not give consent, **we** will only pay the storage costs which will have resulted if **we** had moved the damaged property. If it is decided that the damaged property should be returned to the **owner**, **we** will do so at **our** cost.
9. A person seeking **Uninsured Motorist** Coverage must also:
 - a. Notify the police within twenty-four (24) hours of an **accident** if a hit-and-run driver is involved.
 - b. Promptly send **us** copies of the legal papers if a suit is brought.
10. A person seeking Coverage For Damage To **Your Covered Auto** must also:
 - a. Notify the police within twenty-four (24) hours if **your covered auto** or any of its equipment is stolen or vandalized.
 - b. Take reasonable steps after **loss**, at **our** expense, to protect **your covered auto** and its equipment from further **loss**.
11. Permit **us** to inspect and appraise the damaged property before its repair or disposal. Complying with the above set forth requirements is a prerequisite to coverage under this policy and a failure to comply with one or more of such requirements shall void coverage under this policy and relieve the Company of all duties to make payment, defend, settle, or otherwise deal with or honor any claim made against a **covered person** or the Company.
12. Notify the police and/or fire department within 24 hours upon learning that **your covered auto** has been involved in a fire.

PART G: GENERAL PROVISIONS POLICY PERIOD AND TERRITORY

This policy applies only to **accidents** and **losses** which occur:

1. During the policy period as shown in the **Declarations Page**; and
2. Within the policy

territory. The policy territory

is:

1. The United States of America, its territories or possessions; or
2. Canada.

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

BANKRUPTCY

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

CHANGES

This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**.

Notice to **your** Agent, or knowledge possessed by **your** Agent, or other person shall not change or affect a waiver on any portion of this policy nor stop **us** from exerting any of **our** rights under this policy. This policy can only be changed by an endorsement **we** issue which is signed by **our** authorized representative.

If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of the change. If **we** revise this policy form to provide more coverage without additional premium charge, **your** policy will automatically provide the additional coverage as of the day the revision is effective in **your** state.

LEGAL ACTION AGAINST US

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

1. By a person not insured under this policy unless **we** agree in writing that the **covered person** has an obligation to pay; or
2. The legal representative of the deceased person as if a named Insured shown in the **Declarations Page**. This applies only with respect to the representative's legal responsibility for the maintenance or use of **your covered auto**.

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

TERMS OF POLICY CONFORM TO STATUTES

If any provision of this policy fails to conform to the legal requirements of the State of Georgia, the provisions shall be deemed amended to conform to such legal requirements. All other provisions shall be given full force and effect. The laws of the State of Georgia shall govern any disputes as to the coverages provided or the provisions of this policy.

OUR RIGHT TO RECOVER PAYMENT

If **we** make a payment under this policy, except under Part B – Medical Payments Coverage, and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall do whatever is necessary to enable **us** to exercise **our** rights and shall do nothing after **loss** to prejudice them.

If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall hold in trust for **us** the proceeds of the recovery and shall reimburse **us** to the extent of **our** payment.

TERMINATION

CANCELLATION

This policy may be cancelled during the policy period as follows:

1. The named insured shown on the **Declarations Page** may cancel by returning this policy to **us** or an authorized agent or advising **us** in advance written notice of the date cancellation is to take effect.
2. **We** may cancel by mailing to **you** at the address shown in this policy:
 - a. at least ten (10) days' notice if cancellation is for nonpayment of premium; or
 - b. at least ten (10) days' notice if cancellation is mailed during the first fifty-nine (59) days the policy is in effect, and is not a renewal or continuation policy; and
 - c. at least thirty (30) days' notice in all other cases.

After this policy is in effect for more than 59 days, or if this is a renewal or continuation policy, **we** will cancel only:

1. For nonpayment of premium; or
2. If **your** driver's license or that of:
 - a. Any driver who lives with **you**, or
 - b. Any driver who customarily uses **your covered auto** has been suspended or revoked.
3. If the policy was obtained through material misrepresentation or fraud.
4. Any **covered person** violated any terms or conditions of the policy.
5. Any **covered person** made a false or fraudulent claim or knowingly aided or abetted another in presentation of such claim.
6. **You** have requested coverage of an additional driver not listed on the original application who is an unacceptable risk to us.
7. The named insured failed to disclose any **auto accidents** or moving violations occurring during the preceding thirty-six (36) months.
8. The named insured failed to disclose in the application, or in response to an inquiry by **us**, information necessary for the acceptance or proper rating of the risk.
9. If **you**, a **resident, family member** or any other **regular operator** who lives with **you** or who customarily operates the **covered auto** is or becomes subject to epilepsy or heart attacks and cannot produce a certificate from a physician testifying to such person's unqualified ability to operate a motor vehicle.
10. If **you**, a **resident, family member** or any other **regular operator** who lives with **you** or who customarily operates the **covered auto** is or has been convicted of or forfeits bail during the thirty-six (36) months immediately preceding the effective date of the policy and during the policy period for:
 - a. Theft of a motor vehicle; or
 - b. Making false statements in an application for a driver license.
11. The **covered auto** is:
 - a. Altered so as to increase the risk substantially;
 - b. Used as an authorized emergency vehicle; or
 - c. Subject to an inspection law and has not been inspected or, if inspected, has failed to quality.

NONRENEWAL

If **we** decide not to renew or continue this policy, **we** will mail notice to **you** at the address shown in this policy. Notice will be mailed 30 days before the end of the policy period.

AUTOMATIC TERMINATION

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

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

INSUFFICIENT FUNDS

A check given in payment of any premium required for this policy which has not been honored by the payer's bank upon presentation for payment shall render this policy cancelled and any claims will be denied.

OTHER TERMINATION PROVISIONS

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

If this policy is cancelled, **you** may be entitled to a premium refund. The premium refund, if any, will be computed in accordance with the customary cancellation procedure. If **you** cancel, the refund will be computed on a short-rate basis. If **we** cancel, the refund will be computed on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this policy may not be assigned without **our** written consent. However, upon the death of the named insured shown in the **Declarations Page**, coverage will be provided until the end of the policy for:

1. The surviving spouse, if a **resident** in the same household at the time of death, as if a named insured shown in the **Declarations Page**; and.
2. The legal representative of the deceased person as if a named insured shown in the **Declarations Page**. This applies only with respect to the representative's legal responsibility for the maintenance or use of **your covered auto**.

Coverage will only be provided until the end of the policy period or cancellation, whichever is less.

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 shall be binding on all persons provided coverage under this policy.

MISREPRESENTATION AND FRAUD

The statements made by **you** in the application are deemed to be warranties. Any false or misleading information provided by **you** which materially affects the acceptance or rating will result in your policy being cancelled or non-renewed. Misleading information includes, direct misrepresentation, omission, concealment of facts or incorrect statements. This paragraph shall also apply to misstatement of use and

omission of fact. **We** do not provide coverage for any person who has made fraudulent statements or engaged in fraudulent conduct in connection with any **accident** or **loss**. If **we** deny a claim submitted under this policy and **you** or **your** assignee or representative contest **our** decision, **you** must reimburse **us** for all of **our** attorney fees, costs and expenses when **we** prevail in such legal action.

TWO OR MORE AUTOS INSURED

With respect to any **accident** to which this and any other **auto** policy issued to **you** by **us** applies, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. No one will be entitled to receive duplicate payments for the same element of **loss**. **You** cannot stack any coverages or policies provided by us regardless of the number of covered vehicles or policies issued.

DECLARATIONS

By accepting this policy, **you** agree that the **Declarations Page** is a part of the policy, that the statements in the **Declarations Page** are based on information **you** have given **us**, that this policy is issued upon the truth of such information and that this policy contains all agreements existing between **you** and **us** or any of **our** agents relating to this insurance.

PUNITIVE DAMAGE EXCLUSION

If selected by the named insured in the application for insurance, and in consideration of a reduced premium, it is understood and agreed that the coverage afforded by this policy under Part A shall not apply to claims made for, or to that part of any judgment awarding, punitive or exemplary damages. This punitive damage exclusion applies even though the person or entity against whom the claim is made is otherwise entitled to coverage under this policy.

NAMED DRIVER EXCLUSION ENDORSEMENT

Notwithstanding any other provisions of the agreement and in consideration of the premium charged for this policy, it is hereby understood and agreed that any and all coverage afforded under this policy is null, void and of no effect, with respect to any claim arising from an **auto accident** which occurs while **your covered auto**, as defined in this policy, or any other **auto** to which the terms and provisions of this policy are extended, is being driven, operated, or under the control of, either with or without the permission of the **covered person**, by those persons specifically listed as excluded drivers.

If this endorsement is listed on the **Declarations Page**, no **Uninsured Motorist** Coverage will be provided under this policy, while **your covered auto** or any other **auto** to which the terms of this policy are extended, is being driven or operated by the excluded driver(s).

All other terms and provisions of this policy remain unchanged.

LOSS PAYABLE CLAUSE

This entire clause is void unless the name of the lienholder is inserted in the space provided on the **Declarations Page** or in any endorsement adding a lienholder. **Loss** or **damage** under this policy shall be paid to **you** and the loss payee. However, **we** will not pay for **loss** caused by:

1. Conversion, embezzlement, secretion by **you** or anyone acting on **your** behalf or at **your** direction.

2. Fraudulent acts or omissions by **your** or anyone acting on **your** behalf or at **your** direction.
3. Any physical **damage**, exclusions specified in policy form or applicable endorsements.

In case **you** do not pay **your** premium due under this policy the lienholder on demand shall pay the premium. The lienholder shall notify **us** of any change of **ownership** or increase of hazard upon discovery. Unless otherwise authorized, the lienholder on demand shall pay the premium for any increased hazards for the terms of the policy, otherwise the policy shall be deemed null and void.

Further, **we** reserve the right to cancel the policy as provided by the terms. If **we** cancel the policy, **we** shall notify the lienholder at least ten (10) days before the cancellation shall become effective as to the interest of the lienholder. Proof of mailing by **us** shall be proof of notice to lienholder.

If **you** fail to give proof of **loss** as required by the policy terms, the lienholder must do so. The lienholder shall be subject to the provisions of the policy relating to appraisal, time of payment, and bringing suit.

Whenever **we** shall pay the lienholder any sum for **loss** or **damages** under the policy and no liability exists to **you**, **we** shall be subrogated to all rights of the party to whom payments are made. Subrogation shall not impair the rights of the lienholder to recover the full amount of its claim.