



Managing General Agent for:
Lyndon Southern Insurance Company
A Stock Company

Jacksonville, FL

TEXAS PERSONAL AUTO POLICY

Hjt erlko uecni3/: 77/4: 2/7864
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IMPORTANT NOTICE

To obtain information or make a complaint you may contact your managing general agent at:

3/837/; 43/7864

You may call the Company's toll-free number for information or to make a complaint at:

3/: 77/4: 2/7864

You may contact the Texas Department of Insurance to obtain information on Companies, coverages, rights or complaints at:

3/: 22/474/565;

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

03/17/15

AVISO IMPORTANTE

Para obtener información o someter una queja, comunicarse con su agente general:

3/837/; 43/7864

Llamar al número gratuito de la Compañía para información o someter una queja al:

3/: 77/4: 2/7864

Comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene un desacuerdo concerniente a su prima o a un reclamo, primero comunicarse con el agente o la compañía. Si no se resuelve el desacuerdo, puede entonces comunicarse Con el Departamento de TDI.

ANEXE ESTE AVISO A SU POLIZA:

Este aviso es solo para propósitos de información y no se convierte en parte o condición del documento adjunto.

ATTENTION:

**YOUR TEXAS PERSONAL AUTO POLICY
QUICK REFERENCE**

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- Coverage and Amounts of Insurance

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THE POLICY ENDS ON PAGE 13

AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, we agree with you as follows:

DEFINITIONS

A. Throughout this policy, “you” and “your” refer to:

1. The “named insured” shown in the Declarations, and

2. The spouse if a resident of the same household. If the spouse ceases to be a resident of the same household during the policy period, the spouse will be considered “you” or “your” under this Policy during a period of separation in contemplation of divorce and only until the effective date of another policy listing the spouse as a named insured.

B. “We”, “us” and “our” refer to the Company providing this insurance.

C. For purposes of this policy, a private passenger type auto or pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least six months.

Other words and phrases are defined. They are boldfaced when used.

D. Family member means a person who is a resident of your household and related to you by blood, marriage or adoption. This definition includes a ward or foster child who is a resident of your household, and also includes your spouse even when not a resident of your household during a period of separation in contemplation of divorce.

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

F. Trailer means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in F.1. or F.2. above.

G. Your covered auto means:

1. Any vehicle shown in the Declarations;
2. **I.** Any of the following types of vehicles on the date you became the owner:

- a. a private passenger auto; or
- b. a utility type vehicle, with a G.V.W. of 25,000 lbs. or less, of the pickup body, sedan delivery, panel truck, van type and multi-use type, not used for the delivery or transportation of goods, materials or supplies other than samples; unless (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle, or (2) used for farming or ranching.

II. This provision (G.2.) applies only if you:
a. acquire the vehicle during the policy

period; and
b. notify us within 30 days after you become the owner.

If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced.

You must notify us of a replacement vehicle within 30 days only if you wish to add or continue Coverage for Damage to Your Auto.

If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.

3. Any **trailer** you own.

4. Any auto or **trailer** you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:

- a. breakdown;
- b. repair;
- c. servicing;
- d. loss; or
- e. destruction.

H. Business day means a day other than a Saturday, Sunday, or holiday recognized by the state of Texas.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

A. We will pay damages for bodily injury or property damage for which any **covered person** becomes legally responsible because of an auto accident. Property damage includes loss of use of the damaged property. Damages include prejudgment interest awarded against the **covered person**. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted.

B. Covered person as used in this Part means:

1. You or any **family member** for the ownership, maintenance or use of any auto or **trailer**.
2. Any person using **your covered auto**.
3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
4. 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 (B.4.) applies only if the person or organization does not own or hire the auto or **trailer**.

SUPPLEMENTARY PAYMENTS

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

1. Up to \$250 for the cost of bail bonds required because of an accident including related traffic law violations. The accident must result in bodily injury or property damage covered under this policy.

2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.

3. 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. Up to \$50 dollars a day for loss of earnings, but no other income, because of attendance at hearings or trials at our request.

5. Other reasonable expenses incurred at our request.

EXCLUSIONS

A. We do not provide Liability Coverage for any person:
1. Who intentionally causes bodily injury or property damage.

2. For damage to property owned or being transported by that person.

3. **I.** For damage to property:

- a. rented to;
- b. used by; or
- c. in the care of that person.

II. This Exclusion (A.3.I.) does not apply to damage to:

- a. residence or private garage; or
- b. any of the following type vehicles not owned by or furnished or available for the regular use of you or any **family member**:

- (1) private passenger auto;
- (2) **trailers**; or
- (3) pickups or vans.

4. For bodily injury to an employee of that person during the course of employment. This Exclusion (A.4.) does not apply to bodily injury to a domestic employee unless workers’ compensation benefits are required or available for that domestic employee.

5. For that person’s liability arising out of the ownership or operation of a vehicle while it is:

- a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool;

b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or

c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.

6. While employed or otherwise engaged in the business or occupation of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing; or
- e. parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of **your covered auto** by:

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

7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion A.6. This Exclusion (A.7.) does not apply to the maintenance or use of a:

- a. private passenger auto;
- b. pickup or van that is **your covered auto**; or
- c. **trailer** used with a vehicle described in 7.a. or 7.b. above.

8. Using a vehicle without a reasonable belief that that person is entitled to do so. This Exclusion (8.) does not apply to you or any **family member** while using **your covered auto**.

9. **I.** For bodily injury or property damage for which that person:

a. is an insured under a nuclear energy liability policy; or

b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limits of liability.

II. A nuclear energy liability policy is a policy issued by any of the following or their successors:

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

B. We do not provide liability coverage for the ownership, maintenance or use of:

1. Any motorized vehicle having fewer than four wheels.

2. Any vehicle, other than **your covered auto**, which is:

- a. owned by you; or
- b. furnished or available for your regular use.

3. **I.** Any vehicle other than **your covered auto**, which is:

- a. owned by any **family member**; or
- b. furnished or available for the regular use of any **family member**.

II. However, this exclusion (B.3.) does not apply while maintaining or **occupying** any vehicle which is:

- a. owned by any **family member**; or
- b. furnished or available for the regular use of any **family member**.

C. We do not provide Liability Coverage for you or any **family member** for bodily injury to you or any **family member**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701h, entitled "Texas Motor Vehicle Safety-Responsibility Act."

LIMIT OF LIABILITY

A. If separate limits of liability for bodily injury and property damage liability are shown in the Declarations for this coverage the limit of liability for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one auto accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one auto accident. The limit of liability shown in the Declarations for "each accident" for property damage liability is our maximum limit of liability for all damages to all property resulting from any one auto accident. If the limit of liability shown in the Declarations for this coverage is for combined bodily injury and property damage liability, it is our maximum limit of liability for all damages resulting from any one auto accident. This is the most we will pay regardless of the number of:

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

We will apply the limit of liability to provide any separate limits required by law for bodily injury and property damage liability. However, this provision will not change our total limit of liability.

B. Any payment under the Uninsured/Underinsured Motorists Coverage or the Personal Injury Protection Coverage of this policy to or for a **covered person** will reduce any amount that person is entitled to recover under this coverage.

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 accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.

2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

FINANCIAL RESPONSIBILITY REQUIRED

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

OTHER INSURANCE

If there is other applicable liability 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 liability insurance we provide to a **covered person** for the maintenance or use of a vehicle you do not own shall be excess over any other applicable liability insurance.

PART B1 - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of bodily injury:

1. Caused by accident; and

2. Sustained by a **covered person**.

We will pay only those expenses incurred within three years from the date of the accident.

B. Covered person as used in this Part means:

1. You or any **family member**:

- a. while **occupying**; or
- b. when struck by;

a motor vehicle designed for use mainly on public roads or a **trailer** of any type.

2. Any other person while **occupying your covered auto**.

EXCLUSIONS

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

1. Sustained while **occupying** any motorized vehicle having fewer than four wheels.

2. Sustained while **occupying your covered auto** when it is:

- a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
- b. being used to carry property for a fee; this does not apply to your or any **family member** unless the primary usage of the vehicles is to carry property for a fee; or

c. rented or leased to another, this does not apply if you or **any family member** lends **your covered auto** to another for reimbursement or operating expenses only.

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

4. Occurring during the course of employment if workers' compensation benefits are required or available for the bodily injury.

5. Sustained while **occupying** or, when struck by, any vehicle (other than **your covered auto**) which is:

- a. owned by you; or
- b. furnished or available for your regular use.

6. Sustained while **occupying** or, when struck by, any vehicle (other than **your covered auto**) which is:

- a. owned by any **family member**; or
- b. furnished or available for the regular use of **any family member**.

However, this Exclusion (6.) does not apply to you.

7. Sustained while **occupying** a vehicle without a reasonable belief that that person is entitled to do so. This exclusion (7.) does not apply to you or any **family member** while using **your covered auto**.

8. 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:

- a. private passenger auto;
- b. pickup or van that you own; or
- c. **trailer** used with a vehicle described in 8.a.

or 8.b. above.

9. Caused by or as consequence of:

- a. discharge of a nuclear weapon (even if accidental);
- b. war (declared or undeclared);
- c. civil war;
- d. insurrection; or
- e. rebellion or revolution.

10. From or as a consequence of the following whether controlled or uncontrolled or however caused:

- a. nuclear reaction;
- b. radiation; or
- c. radioactive contamination.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

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

B. 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/Underinsured Motorists Coverage provided by this policy.

C. No payment will be made unless the injured person or that person's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

ASSIGNMENT OF BENEFITS

Payment for medical expenses will be paid directly to a physician or other health care provider if we receive a written assignment signed by the **covered person** to whom such benefits are payable.

PART B2 - PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

A. We will pay Personal Injury Protection benefits because of bodily injury:

- 1. Resulting from a motor vehicle accident; and
- 2. Sustained by a **covered person**.

Our payment will only be for losses or expenses incurred within three years from the date of accident.

B. Personal Injury Protection benefits consist of:

- 1. Reasonable expenses incurred for necessary medical and funeral services.
- 2. I. Eighty percent of a **covered person's** loss of income from employment. These benefits only apply if, at the time of the accident, the **covered person**:
 - a. was an income producer; and
 - b. was in an occupational status.

These benefits do not apply to any loss after the **covered person** dies.

- II. Loss of income is the difference between:
 - a. income which would have been earned had the **covered person** not been injured; and
 - b. the amount of income actually received from employment during the disability.

III. If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the accident shall be used.

3. I. Reasonable expenses incurred for obtaining services. These services must replace those a **covered person** would normally have performed:

- a. without pay;
- b. during a period of disability; and
- c. for the care and maintenance of the family or household.

II. These benefits apply only if, at the time of the accident, the **covered person**:

- a. was not an income producer; and
- b. was not in an occupational status.

These benefits do not apply to any loss after the **covered person** dies.

C. **Covered person** as used in this part means:

1. You or any **family member**;
 - a. while **occupying**; or
 - b. when struck by;

a motor vehicle designed for use mainly on public roads or a **trailer** of any type.

2. Any other person while **occupying your covered auto** with your permission.

EXCLUSIONS

We do not provide Personal Injury Protection Coverage for any person for bodily injury sustained:

1. In an accident caused intentionally by that person.
2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While **occupying**, or when struck by, any motor vehicle (other than **your covered auto**) which is owned by you.
5. By a **family member** while **occupying**, or when struck by any motor vehicle (other than **your covered auto**) which is owned by a **family member**.

LIMIT OF LIABILITY

The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

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

OTHER INSURANCE

If there is other Personal Injury Protection 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 a vehicle you do not own shall be excess over any other collectible Personal Injury Protection insurance.

OTHER PROVISIONS

A. Loss payments. Benefits are payable:

1. Not more frequently than every two weeks; and
2. Within 30 days after satisfactory proof of claim is received.

B. Modification. The General Provision part of this policy entitled "Our Right to Recover Payment" does not apply to this coverage.

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ASSIGNMENT OF BENEFITS

C. Payments for medical expenses will be paid directly to a physician or other health care provider if we receive a written assignment signed by the **covered person** to whom such benefits are payable.

PART C - UNINSURED / UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay damages which a **covered person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of bodily injury sustained by a **covered person**, or **property damage**, caused by an accident.

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

Any judgment for damages arising out of a suit brought without our consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.

B. Covered person as used in this Part means:

1. You or any **family member**.
2. Any other person **occupying your covered auto**.
3. Any person for damages that person is entitled to

recover because of bodily injury to which this coverage applies sustained by a person described in B.1. or B.2. above.

C. Property damage as used in this Part means injury to, destruction of or loss of use of:

1. **Your covered auto**, not including a temporary substitute auto.
 2. Any property owned by a person listed in B.1. or B.2. of **covered person** while contained in **your covered auto**.
 3. Any property owned by you or any **family member** while contained in any auto not owned, but being operated, by you or any **family member**.
- D. I. Uninsured motor vehicle** means a land motor vehicle or trailer of any type,
1. To which no liability bond or policy applies at the time of the accident.
 2. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits:
 - a. you or any **family member**;
 - b. a vehicle which you or any **family member** are **occupying**; or
 - c. **your covered auto**.

3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:

- a. denies coverage; or
- b. is or becomes insolvent.

4. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:

- a. is not enough to pay the full amount the covered person is legally entitled to recover as damages; or
- b. has been reduced by payment of claims to an amount which is not enough to pay the full amount the **covered person** is legally entitled to recover as damages.

II. However, **uninsured motor vehicle** does not include any vehicle or equipment:

1. Owned by or furnished or available for the regular use of you or any **family member**.
2. Owned or operated by a self-insurer under **any** applicable motor vehicle law.
3. Owned by any governmental body unless:
 - a. the operator of the vehicle is uninsured;

and

- b. there is no statute imposing liability for damage because of bodily injury or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage.

4. Operated on rails or crawler treads.
5. Designed mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide Uninsured /Underinsured Motorists Coverage for any person:

1. For bodily injury sustained while **occupying**, or when struck by, any motor vehicle or trailer of any type owned by you or any **family member** which is not insured for this coverage under this policy.
2. If that person or the legal representative settles the claim without our written consent.
3. When **your covered auto** is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool;
 - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or

c. rented or leased to another, this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.

4. For the first \$250 of the amount of damage to the property of that person as the result of any one accident.

5. Using a vehicle without a reasonable belief that the person is entitled to do so. This Exclusion (A.5.) does not apply to you or any **family member** while using **your covered auto**.

6. For bodily injury or **property damage** resulting from the intentional acts of that person.

B. This coverage shall not apply directly or indirectly to benefit:

1. Any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
2. Any insurer of property.

LIMIT OF LIABILITY

A. I. If separate limits of liability for bodily injury and property damage liability are shown in the Declarations for this coverage the limit of liability for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one motor vehicle accident. Subject to this limit for "each person" the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one motor vehicle accident. The limit of liability shown in the Declarations for "each accident" for property damage liability is our maximum limit of liability for all damages to all property resulting from any one motor vehicle accident.

If the limit of liability shown in the Declarations for this coverage is for combined bodily injury and property damages liability, it is our maximum limit of liability for all damages resulting from any one motor vehicle accident. This is the most we will pay regardless of the number of:

- a. **Covered persons;**
- b. Claims made;
- c. Policies or bonds applicable;
- d. Vehicles or premiums shown in the Declarations; or
- e. Vehicles involved in the accident.

II. Subject to this maximum, our limit of liability will be the lesser of:

a. The difference between the amount of a **covered person's** damages for bodily injury or **property damage** and the amount paid or payable to that **covered person** for such damages, by or on behalf of persons or organizations who may be legally responsible; and

b. The applicable limit of liability for this coverage.

B. In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.

C. Any payment under this coverage to or for a **covered person** will reduce any amount that person is entitled to recover for the same damages under the Liability Coverage of this 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. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.

A. For any **property damage** to which the Coverage for Damage to Your Auto of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:

1. Neither one by itself is sufficient to cover the loss;
2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
3. You will not recover more than the actual damages.

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. We will pay for direct and accidental loss to **your covered auto**, including its equipment less any applicable deductibles shown in the Declarations. However, we will pay for a loss caused by **collision** only if the Declarations indicate that Collision Coverage is provided.

B. Collision means the upset or **collision** with another object of **your covered auto**. However, loss caused by the following are not considered collision:

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism;

8. Riot or civil commotion;

9. Contact with bird or animal; or

10. Breakage of glass.

If breakage of glass is caused by a **collision** or if loss is caused by contact with a bird or animal, you may elect to have it considered a loss caused by **collision**.

TRANSPORTATION EXPENSES

In addition, we will pay up to \$20 per day, to a maximum of \$600 for transportation expenses incurred by you. This applies only in the event of the total theft of **your covered auto**. We will pay only transportation expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** is returned to use or we pay for its loss.

EXCLUSIONS

We will not pay for:

1. Loss to **your covered auto** while it is:
 - a. being used to carry persons for a fee; this does not apply to share-the-expense car pool; or
 - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement or operating expenses only.
2. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure;or
 - d. road damage to tires.

This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto**.

3. Loss due to or as a consequence of:
 - a. radioactive contamination;
 - b. discharge of a nuclear weapon (even if accidental);
 - c. war (declared or undeclared);
 - d. civil war;
 - e. insurrection; or
 - f. rebellion or revolution.
4. Loss to stereos, radios and other sound reproducing equipment. This Exclusion (4) does not apply if the equipment is permanently installed in **your covered auto**.
5. Loss to tapes, records or other devices for use with equipment designed for the reproduction of sound.

6. Loss to a camper body or **trailer** not shown in the Declarations. This Exclusion (6.) does not apply to a camper body or **trailer** you:

- a. acquire during the policy period; and
- b. notify us within thirty days after you become

the owner.

7. Loss to any vehicle while used as a temporary substitute for a vehicle you own which is out of normal use because of its:

- a. breakdown;
- b. repair;
- c. servicing;
- d. loss; or
- e. destruction.

8. When in or upon any **trailer**, loss to:

- a. TV antennas;
- b. awnings or cabanas; or
- c. equipment designed to create additional living facilities.

9. Loss to any of the following or their accessories:

- a. citizen band radio;
- b. two-way mobile radio;
- c. telephone;
- d. scanning monitor receiver; or
- e. any device or instrument used for detection of

radar or other speed measuring equipment. Exclusion 9.a. through 9.d. does not apply if the equipment is permanently installed in the opening of the dash or console of the auto. This opening must be normally used by the auto manufacturer for the installation of radio.

10. Loss to any custom furnishing or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:

- a. special carpeting and insulation, furniture, bars or television receivers;
- b. facilities for cooking and sleeping;
- c. height-extending roofs; or
- d. custom murals, paintings or other decals or

graphics.

This Exclusion (10.) does not apply if the value of the custom furnishings or equipment has been reported to us prior to a loss and included in the premium for this coverage.

11. Loss due to or as a consequence of a seizure of **your covered auto** by federal or state law enforcement officers as evidence in a case against you by the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

LIMIT OF LIABILITY

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

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1. Actual cash value of the stolen or damaged property;
2. Amount necessary to repair or replace the property with other of like kind and quality; or
3. Amount stated in the Declarations of this policy.

The most we will pay for loss to equipment listed in Exclusion 4. is \$1500. Our payment for loss will be reduced by any applicable deductible shown in the Declarations.

At the mutual agreement of you and us, we will not apply the applicable deductible for a glass loss if the glass is repaired rather than replaced.

PAYMENT OF LOSS

We pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property, at an agreed or appraised value.

NO BENEFIT TO BAILEE

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

OTHER INSURANCE

A. If other insurance also covers 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.

B. For any loss to which Uninsured/Underinsured Motorists Coverage (from this or any other policy) and this coverage both apply, you may choose the coverage from which damages will be paid.

You may recover under both coverages, but only if:

1. Neither one by itself is sufficient to cover the loss;
2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
3. You will not recover more than the actual damages.

APPRAISAL

If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and

2. Bear the expenses of the appraisal and umpire equally.

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

PART E - DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured person and of any witnesses. If we show that your failure to provide notice prejudices our defense, there is no liability coverage under the policy.

B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
2. Promptly send us copies of any notice or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require, to physical exams by physicians we select. We will pay for these exams.

4. Authorize us to obtain:

- a. medical records which are reasonably related to the injury or damage asserted; and
- b. other pertinent records.

5. When required by us;

- a. submit a sworn proof of loss;
- b. submit to examination under oath and not in the presence of another person, except bona fide legal counsel, or a parent or guardian.

C. Within 15 days after we receive your written notice of claim, we must:

1. Acknowledge receipt of the claim. If our acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.

2. Begin any investigation of the claim.

3. Specify the information you must provide in accordance with Paragraph B. above.

We may request more information, if during the investigation of the claim such additional information is necessary.

D. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed.

1. within 15 **business days**; or

2. within 30 days if we have reason to believe the loss resulted from arson.

E. If we do not approve payment of your claim or require

more time for processing your claim, we must:

1. Give the reasons for denying your claim; or
2. Give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.

F. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.

G. Loss payment

1. If we notify you that we will pay your claim, or part of your claim, we must pay within **5 business days** after we notify you.

2. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within **5 business days** after the date you perform the act.

H. Notice of Settlement of Liability Claim

1. We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.

2. We will notify you in writing of any settlement of a claim against you under the liability section of this policy. We will give you notice within 30 days after the date of the settlement.

ADDITIONAL DUTIES FOR UNINSURED/ UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured/ Underinsured Motorists Coverage must also:

1. Promptly notify the police if a hit-and-run driver is involved;
2. Promptly send us copies of the legal papers if a suit is brought;
3. Take reasonable steps after loss, at our expense, to protect damaged property from further loss; and
4. Permit us to inspect and appraise the damaged property before its repair or disposal.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

A person seeking Coverage for Damage to Your Auto must also:

1. Take reasonable steps after loss, to protect **your covered auto** and its equipment from further loss. We will pay reasonable expenses incurred to do so this;
2. Promptly notify the police if **your covered auto** is stolen; and
3. Permit us to inspect and appraise the damaged property before its repair or disposal.

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PART F - GENERAL PROVISIONS

BANKRUPTCY

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

CHANGES

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

B. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change in accordance with our manual rules. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

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

C. If this policy form is revised to provide more coverage without additional premium charge, we will automatically provide the additional coverage as of the date the revision is effective.

D. We will compute the premium at the rates in effect on each anniversary date of the policy's inception date for a policy written for more than a full year.

LEGAL ACTION AGAINST US

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

1. We agree in writing that the **covered person** has an obligation to pay; or
2. The amount of that obligation has been finally determined by judgment after trial.

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

OUR RIGHT TO RECOVER PAYMENT

A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and

2. Nothing after loss to prejudice them.

(A release of the insurer of an underinsured motor vehicle does not prejudice our rights.)

However, our rights in this paragraph do not apply under Part D, against any person using **your covered auto** with a reasonable belief that person is entitled to do so.

B. 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:

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment.

(However, we may not claim the amount recovered from an insurer of any underinsured motor vehicle.)

POLICY PERIOD AND TERRITORY

A. This Policy applies only to accidents and losses which occur:

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

B. The policy territory is:

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

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

TERMINATION

A. Cancellation. This policy may be canceled during the policy periods as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to us; or
 - b. giving us advance written notice of the date cancellation is to take effect.

2. We may cancel by mailing at least 10 days' notice to the named insured shown in the Declarations at the address shown in this policy.

3. After this policy is in effect for 60 days or if this is a renewal or continuation policy, we will cancel only:

- a. if you submit a fraudulent claim; or
- b. for nonpayment of a premium; or
- c. if your driver's license or motor vehicle registration or that of:

(1) any driver who lives with you; or
(2) any driver who customarily uses **your covered auto** has been suspended or revoked. However, we will not cancel if you consent to the attachment of an endorsement eliminating coverage when **your covered auto** is being operated by a driver whose license has been suspended or revoked.

4. We may not cancel this policy based on the fact that you are an elected official.

B. Nonrenewal. If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at each anniversary of its original effective date. We will not refuse to renew because of a **covered person's** age. We may not refuse to renew this policy based solely on the fact that you are an elected official.

C. Automatic Termination. If, at any time, 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. 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.

D. Other Termination Provisions.

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

2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund promptly. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. However, making or offering to make the refund is not a condition of cancellation.

3. The effective date of cancellation stated in the notice shall become the end of the policy period.

4. Any cancellation or restriction of coverage made without your consent will be of no effect, except as

a. provided for in this Termination provision under:

- (1) Cancellation;
 - (2) Non-renewal; or
 - (3) Automatic Termination; or
- b. required by the Texas Department of Insurance.

TRANSFER OF YOUR INTEREST IN THIS POLICY

A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a name insured shown in the Declarations.

2. The legal representative of the deceased person as if named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

B. Coverage will be provided until the end of the policy period.

NOTE: Refer to Medical Payment and/ or Personal Injury Protection Coverage for Assignment of Benefits.

TWO OR MORE AUTO POLICIES

If this policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under one policy.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



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NOTE: *The following endorsements apply when the particular endorsement number is shown on the declarations page.*

ENDORSEMENTS

510A. ADDITIONAL INSURED - LESSOR

Any liability coverage provided by this policy for **your leased auto** also applies to the lessor named in this

endorsement as an additional insured. This insurance is subject to the following additional provisions:

1. We will pay damages for which the lessor becomes legally responsible only if the damages arise out of acts or omissions of:

a. any **family member**; or
b. any other person using **your leased auto** except the lessor or any employee or agent of the lessor.

2. The lessor is not responsible for paying premiums.

3. The designation of the lessor as an additional insured shall not operate to increase our limits of liability. Any Coverage for Damage to your Auto provided by this policy for **your leased auto** is subject to the following additional provisions:

1. Loss of damage under Coverage for Damage to Your Auto shall be paid as interests may appear to you and the lessor shown in this endorsement or as Loss Payee in the Declarations.

2. This insurance covering the interest of the lessor shall become invalid only because of your fraudulent acts or omissions.

3. When we pay the lessor, we shall, to the extent of payment, be subrogated to the lessor's rights of recovery. We reserve the right to cancel the policy as permitted by the policy terms. The cancellation shall terminate this agreement as to the lessor's interest. We will give the same advance notice of cancellation to the lessor as we give to the named insured shown in the Declarations.

Your leased auto in this endorsement means:

1. An auto, shown in the Declarations or in this endorsement, which you lease for a continuous period of at least six months under a written agreement which requires you to provide primary insurance for the lessor; and

2. Any substitute or replacement auto furnished by the lessor named in this endorsement.

515A. EXCLUSION OF NAMED DRIVER AND PARTIAL REJECTION OF COVERAGES

**WARNING
READ THIS ENDORSEMENT CAREFULLY!**

This acknowledgement and rejection is applicable to all renewals issued by us or any affiliated insurer. However, we must provide a notice with each renewal as follows: "This policy contains named driver exclusion".

You agree that none of the insurance coverages afforded by this policy shall apply while The Excluded Driver is operating **your covered auto** or any other motor vehicle.

You further agree that this endorsement will also serve as a rejection of Uninsured/Underinsured Motorists Coverage and Personal Injury Protection Coverage while **your covered auto** or any other motor vehicle is operated by the excluded driver.

523C. RENTAL REIMBURSEMENT COVERAGE

The provisions and exclusions that apply to Coverage for Damage to Your Auto also apply to this endorsement except as changed by this endorsement. No deductible applies to this coverage.

When there is a loss to **your covered auto** described in the Declarations for which a specific premium charge indicates that Rental Reimbursement Coverage is afforded, we will reimburse you for expenses you incur to rent a substitute auto. We will pay up to the limits described in the Schedule. This coverage applies only if:

1. **Your covered auto** is withdrawn from use for more than 24 hours, and
 2. The loss to **your covered auto** is covered under Coverage for Damage to Your Auto of this policy.
- When there is a total theft of the auto, the limit of \$20 per day (maximum of \$600) provided under Coverage For Damage to Your Auto will be supplemented to the extent the limits in the above Schedule exceed that \$20 per day limit. Our payment will be limited to that period of time reasonably required to repair or replace the auto.

524A. TOWING AND LABOR COSTS COVERAGE

We will pay towing and labor costs incurred each time **your covered auto** is disabled, up to the amount shown in the Schedule or in the Declarations as applicable to that vehicle. We will only pay for labor performed at the place of disablement. This coverage applies only to **your covered auto** for which a premium charge is shown in the Declarations for Towing and Labor Costs Coverage.

530A. LOSS PAYABLE CLAUSE

Loss or damage under Coverage for Damage to Your Auto shall be paid as interest may appear to you and the loss payee shown in the Declarations. This insurance covering the interest of the loss payee shall not become invalid because of your fraudulent acts or omissions, unless the loss results from your conversion, secretion or embezzlement of **your covered auto**. However, we reserve the right to cancel the policy as permitted by policy terms. and the cancellation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of

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cancellation to the loss payee as we give to the named insured shown in the Declarations.

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

551A. MEXICO COVERAGE-LIMITED

WARNING READ THIS ENDORSEMENT CAREFULLY!

Auto accidents in Mexico are subject to the laws of Mexico only --NOT the laws of the United States of America. Unlike the United States, the Republic of Mexico considers an auto accident a **CRIMINAL OFFENSE** as well as a civil matter. In some cases, the coverage under this endorsement may NOT be recognized by Mexican authorities, and the Company may not be allowed to implement this coverage at all in Mexico. You should consider purchasing auto coverage from a licensed Mexican Insurance Company before driving into Mexico. This endorsement does not apply to trips into Mexico that exceed 25 miles from the boundary of the United States of America.

The coverages for **your covered auto** provided by this policy are extended to accidents occurring in Mexico within 25 miles of the United States border. The extension only applies for **infrequent trips** into Mexico that do not exceed ten days at any one time.

Infrequent trips means less than five (5) trips in any calendar month

Additional Exclusion

We do not provide any coverage.

1. If **your covered auto** is not principally garaged and used in the United States; and
2. To any **insured** who does not live in the United States.

Special Conditions

1. **Other Insurance.** The insurance we provide by the endorsement will be excess over any other collectible insurance.

2. **Losses Payable Under Coverage for Damage to Your Auto.** We will pay losses under Coverage for Damage to Your Auto in the United States, not in Mexico. If **your covered auto** must be repaired in Mexico in order to be driven, we will not pay more than the actual cash value of such loss at the nearest United States point where the repairs can be made.

CRIMINAL OR INTENTIONAL ACTS – RENTED

PROPERTY AND NON-OWNED AUTO ENDORSEMENT

OACM.CrimeIntentRentProp.010

The parties agree to the following amendments to the policy:

The following Exclusion Provision is added to Part F – General Provisions:

PART F – GENERAL PROVISIONS GENERAL EXCLUSIONS

A. We do not provide any coverage for any person for bodily injury or property damage caused by or sustained:

1. In an incident caused by or at the direction of that person with the intent to injure person or property.
2. While in the commission of a felony.
3. While attempting to elude arrest by a law enforcement official.

B. We will not pay for loss to your **covered auto** or any non-owned auto for damages sustained:

1. Due to or caused by a willful or intentional act by or at the direction of you, a **family member** or anyone with your express or implied permission.
2. While in the commission of a felony.
3. While attempting to elude arrest by a law enforcement official.

Exclusions B.2. and B.3. of this section apply only while **your covered auto** or any non-owned auto is being used by you, a **family member**, or anyone with your express or implied permission.

571A. FINANCIAL RESPONSIBILITY CERTIFICATION (SR-22 Filings)

For the additional premium shown in the Declarations of the policy, we certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act. If this policy is cancelled or terminated, we will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety Responsibility Act prior to the date of such cancellation or termination.

578A. NAMED NON-OWNER COVERAGE

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The definition of **your covered auto** is replaced by the following:

Your covered auto means a motor vehicle designed for use mainly on public roads or a **trailer** of any type on the date you become the owner.

This provision only applies only if you:

1. acquire the vehicle during the policy period,

and

2. ask us to insure it within 30 days after you become the owner. The coverages will only apply for 30 days after you become the owner. Permanent coverage must be afforded under a separate policy. This insurance does not apply if other insurance applies with respect to newly acquired autos or beyond the expiration date of this policy.

B. The definition of **mobile equipment** is added:

This insurance applies to liability for your use of any non-owned land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, and:

1. not subject to motor vehicle registration;
2. maintained for use exclusively on premises owned by or rented to the owner of such vehicle including the ways immediately adjoining;
3. designed for use principally off public roads;

or

4. designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills; concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment which is an auto and not **mobile equipment**. However, this insurance does not apply to liability arising out of the operation of any air compressors, sand blasting or other building surface cleaning machinery, vacuum cleaners (not street cleaners), welding apparatus, power cranes, ditch or trench diggers, loaders, drills, shovels, geophysical exploration equipment, oil well servicing equipment, tree or other spraying equipment and well drilling machinery attached to, mounted on or forming a part of such vehicle, whether such liability occurs in the course of such operation or subsequent thereto.

II. LIABILITY COVERAGE

Part A is amended as follows:

A. The definition of **covered person** is replaced by the following:

Covered person means:

1. You for the maintenance or use of any auto or **trailer** or **mobile equipment**.
2. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Coverage.
3. For any auto or **trailer** or **mobile equipment**,

other than **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of you 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** or **mobile equipment**.

B. The Exclusions Section is amended as follows:

1. Exclusion A.3. is replaced by the following:

For damage to property:

- a. rented to;
- b. used by; or
- c. in the care of,

that person.

This exclusion does not apply to damage to a residence or private garage caused by an auto which is insured under this endorsement.

2. Exclusion A.5. is deleted.

3. Exclusions A.6. and A.7. are replaced by the

following:

Maintaining or using any vehicle in the business or occupation of that person. This exclusion does not apply to an auto operated or occupied by you.

4. Exclusion B.1. is deleted.

5. Exclusion B.2. is replaced by the following:

Any vehicle, other than **your covered auto**, which is owned by you.

6. Exclusion B.3. is replaced by the following:

Any vehicle other than **your covered auto**, which is owned by any **family member**. However, this exclusion does not apply to your maintenance or use of any vehicle which is owned by a **family member**.

C. The Out of State Coverage provision is replaced by the following:

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than where you reside, we will interpret your policy for that accident as follows:

If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Schedule or in the Declarations, your policy will provide the higher specified limit.

2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage. No one will be entitled to duplicate payments for the same elements of loss.

III. MEDICAL PAYMENTS COVERAGE

Part B.1. is amended as follows:

A. The definition of **covered person** is replaced by the following:

Covered person means:

1. You:

- a. while **occupying your covered auto**; or
- b. when struck by

a motor vehicle designed for use mainly on public roads or a **trailer** of any type.

2. Any other person while **occupying your**

covered auto.

B. The Exclusions Section is amended as follows:

1. Exclusion 1. and 2. do not apply.

2. Exclusion 5. is replaced by the following:

Sustained while **occupying** or, when struck by, any vehicle (other than **your covered auto**) which is owned by you.

3. Exclusion 6. does not apply.

4. Exclusion 8. is replaced by the following:

Sustained while **occupying** any vehicle used in the business or occupation of that person. This exclusion does not apply to a vehicle operated or occupied by you.

IV. UNINSURED/ UNDERINSURED MOTORISTS COVERAGE

Part C is amended as follows:

A. The definition of **covered person** is replaced by the following:

Covered person means:

1. You.

2. Any other person **occupying your covered**

auto.

3. Any person for damages that person is entitled to recover because of bodily injury to which the coverage applies sustained by a person described in 1. or 2. above.

B. The definition of **property damage** is replaced by the following:

Property damage means injury to, destruction of or loss of use of:

1. Your covered auto, not including a temporary substitute auto.

2. Any property owned by a person listed in 1. or 2. of **covered person** while contained in **your covered auto**.

3. Any property owned by you while contained in any auto not owned, but being operated, by you.

C. The definition of **uninsured motor vehicle** is replaced by the following:

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

1. To which no liability bond or policy applies at the time of the accident.

2. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits:
 - a. you;
 - b. a vehicle which you are **occupying**; or
 - c. **your covered auto**.
3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. denies coverage; or
 - b. is or becomes insolvent;
4. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies but its limit of liability:
 - a. is not enough to pay the full amount the **covered person** is legally entitled to recover as damages; or
 - b. has been reduced by the payment of claims to an amount which is not enough to pay the full amount the **covered person** is legally entitled to recover as damages.

However, **uninsured motor vehicle** does not include any vehicle equipment:

 1. Owned by or furnished or available for the regular use of you or any **family member**.
 2. Owned or operated by a self- insurer under any applicable motor vehicle law.
 3. Owned by any government body unless:
 - a. the operator of the vehicle is uninsured;
 - b. there is no statute imposing liability for damage because of bodily injury or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage.
 4. Operated on rails or crawler treads.
 5. Designed mainly for use off public roads while not on public roads.
 6. While located for use as a residence or premises.

PHYSICAL DAMAGE ENDORSEMENT

OACM.PhysDam.001

The parties agree to the following amendment to the policy: The Limit of Liability provision contained in Part D - Coverage for Damage to Your Auto of this policy is deleted and replaced by the following:

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO LIMIT OF LIABILITY

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

1. Actual cash value of the stolen or damaged

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property, at the time of the **loss**. An adjustment for depreciation and physical condition will be made in determining the actual cash value in the event of a **total loss**;

2. The amount necessary to restore (through repair and/or replacement) the property to its pre-**loss** condition with other property of like kind and quality;
 3. The amount you paid for the vehicle in the event of a **total loss**; or
 4. The amount stated in the Declarations of the policy.
- All claims submitted under Part D - Coverage for Damage to Your Auto will be subject to any applicable deductible shown in the Declarations and reduced by any salvage value if you retain the salvage.

Custom or additional equipment is not covered under Part D – Coverage for Damage to Your Auto unless you have reported the value to us prior to the **loss** and paid a premium for the **custom or additional equipment** as shown in the Declarations Page.

Diminution in Value is not covered under Part D - Coverage for Damage to Your Auto.

If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the **betterment**. At the mutual agreement of you and us, we will not apply the applicable deductible for a glass **loss** if the glass is repaired rather than replaced.

The following Definitions are added as applied to this endorsement:

DEFINITIONS

1. **Loss** means sudden, direct and accidental damage.
2. **Total loss** means a **loss** which, in our judgment, is not economically repairable, and includes actual **loss** or disappearance of your auto.
3. **Custom or additional equipment** means any equipment which was not installed at the factory.
4. **Diminution in Value** means the reduction in market or resale value that results from a **loss** after the necessary repairs are made to the vehicle.
5. **Betterment** means an improvement that results in greater value than before the **loss** occurred.

AUTHORIZED DRIVER ENDORSEMENT

OACM.AuthDriv.003a

WARNING: A NAMED DRIVER POLICY DOES NOT PROVIDE COVERAGE FOR INDIVIDUALS RESIDING IN THE INSURED'S HOUSEHOLD THAT ARE NOT NAMED ON THE POLICY.

The parties agree to the following amendment to the policy: Part D - Coverage for Damage to Your Auto of this policy is amended by adding the following language as Paragraph C to the Insuring Agreement provision:

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO INSURING AGREEMENT

C. For coverage to exist under Part D – Coverage for Damage to Your Auto, **your covered auto** must be operated by or in the **control** of an **authorized driver** at the time of the loss. As used in this Part, **authorized driver** shall mean:

- a. You; or
- b. Any other person listed in the Declarations or added by endorsement during the policy term prior to loss.

As used in this Part, **control** shall mean the direct and immediate pre-loss care and custody of **your covered auto**.

DELIVERY OF PERSONS AND PROPERTY FOR A FEE ENDORSEMENT

OACM.DelFee.005

The parties agree to the following amendment to this policy:

Exclusion A.5. of Part A - Liability Coverage of this policy is deleted and replaced by the following:

PART A - LIABILITY COVERAGE EXCLUSIONS

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

5. For that person's liability arising out of the ownership or operation of a vehicle while it is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool.
 - b. being used to carry property for a fee or any compensation, including but not limited to delivery of goods, either on a wholesale or retail basis, such as food, publications, money, or flowers.
 - c. rented or leased to another or available in any way for public hire; this does not apply if you or any **family member** lends **your covered auto** to another in exchange for reimbursement of operating expenses only.

Exclusion 1 of Part D - Coverage for Damage to Your Auto of this policy is deleted and replaced by the following:

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO EXCLUSIONS

We will not pay for:

1. Loss to **your covered auto** while it is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool.
 - b. being used to carry property for a fee or any compensation, including but not limited to delivery of goods,

either on a wholesale or retail basis, such as food, publications, money, or flowers.

c. rented or leased to another or available in any way for public hire; this does not apply if you or any **family member** lends **your covered auto** to another in exchange for reimbursement of operating expenses only.

**AUTOMATIC TERMINATION ENDORSEMENT
OACM.AutoTerm.007**

The parties agree to the following amendment to the policy:

Part F - General Provisions is revised by adding the following language to C. Automatic Termination:

**PART F - GENERAL PROVISIONS TERMINATION
C. Automatic Termination**

If someone other than you or a **family member** who is listed in the Declarations becomes the owner of the auto, coverage for that auto will automatically terminate. The termination will correspond with the time that possession or title is conveyed to the new owner.

**MISREPRESENTATION OR FRAUD
ENDORSEMENT**

OACM.MisrepFraud.009

The parties agree to the following amendments to the policy: The following provision is added:

**PART F - GENERAL PROVISIONS
MISREPRESENTATION OR FRAUD**

This policy includes the Declarations Page and the amendments. This policy also includes the application and the endorsements. The statements that you made while you were applying for coverage are representations. To determine your premium and eligibility for coverage under this policy, we relied on the representations that you made when you applied for coverage. If you omitted material facts or made material misrepresentations that are fraudulent, false, misleading or affect the acceptance of the risk by us, we may void this policy. We may void this policy if you engaged in fraudulent conduct while applying for coverage under this policy.

Even following an accident or loss, we may still void this policy for fraud or where there was a material misrepresentation of fact by you while you were applying for any coverage under this policy, or through any notice of change that you gave under this policy. In such a case, we will not be liable for any claims that would otherwise be covered in the absence of the fraud or material misrepresentation.

If we are not allowed to void this policy, any first-party

claims will be reduced by the amount of any other premium owed to us. We reserve the right to recover from you any payments made as a result of your fraud.

Any statements you made or will make in a notification of change to your policy are also considered representations and are subject to the provisions set out above.

**COVERED PERSON ENDORSEMENT
OACM.CP.013c**

**WARNING: A NAMED DRIVER POLICY DOES
NOT PROVIDE COVERAGE FOR INDIVIDUALS
RESIDING IN THE INSURED'S HOUSEHOLD
THAT ARE NOT NAMED ON THE POLICY.**

The parties agree to the following amendment to the policy:

In Part A-Liability Coverage, Insuring Agreement B.

Covered person is deleted and replaced by the following:

**PART A - LIABILITY COVERAGE
INSURING AGREEMENT**

B. Covered person as used in this Part means:

1. You, for the ownership, maintenance or use of any auto or **trailer**.
2. Any **family member** or **resident** of your household who is listed in the Declarations or added by endorsement during the policy term prior to loss for the ownership, maintenance or use of any auto or **trailer**.
3. A person who is not a **family member** or **resident** of your household but is using **your covered auto** with your express or implied permission.

As used in this Part, **resident** shall mean any person living in your household other than you or a **family member**.

In Part A - Liability Coverage, Exclusions, the following is added as Exclusion D:

PART A - LIABILITY COVERAGE EXCLUSIONS

D. None of the liability coverages afforded by this policy shall apply while any person who is not a **covered person** is operating **your covered auto** or any other vehicle.

**EXEMPLARY OR PUNITIVE DAMAGES
ENDORSEMENT**

OACM.Punitive.018

The parties agree to the following amendments to the policy:

The following exclusions are added:

PART A – LIABILITY COVERAGE

EXCLUSIONS

We do not provide Liability Coverage for any **exemplary damages** or **punitive damages**.

**PART C – UNINSURED/UNDERINSURED
MOTORISTS COVERAGE
EXCLUSIONS**

We do not provide Uninsured/Underinsured Motorists Coverage for any **exemplary damages** or **punitive damages**.

The following definition is added as applied to this endorsement:

DEFINITION: **Exemplary damages** means any damages awarded as a penalty or by way of punishment but not for compensatory damages. **Exemplary damages** are neither economic nor noneconomic damages. **Exemplary damages** includes **punitive damages**.

POLICY ENDS ABOVE

WARNING:

**A NAMED DRIVER POLICY DOES NOT
PROVIDE COVERAGE FOR INDIVIDUALS
RESIDING IN THE INSURED'S HOUSEHOLD
THAT ARE NOT NAMED ON THE POLICY.**