



UNITED SECURITY
HEALTH AND CASUALTY INSURANCE COMPANY
SIMUL, NOS VIAM INVENIENT

Road Warrior Auto Program

ARKANSAS Personal Auto Policy

NOTICE: This policy has been issued in reliance on the statements in the application which is attached hereto and I part hereof. **Read It Carefully** and notify the Company immediately (through your producer) of any misinformation or changes that may occur.

FRAUD, MISREPRESENTATION, CONCEALMENT NOTICE:

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information or conceals material information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

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AGREEMENT

You policy consists of the policy contract, **your** insurance application, the **Declarations**, and all endorsements to this policy. **You** should read this policy very carefully and call **us** with any questions that **you** have about the terms contained in this policy.

We issued **you** this policy in return for the payment of **your** premium, and in reliance upon the statements of fact **you** made in **your** application for this insurance which statements of fact **you** represent are true. This policy contains terms that allow **us** to void the policy and/or sue **you** to recover any money that **we** have to pay out based upon any misrepresentations or omissions that **you** may have made when applying for coverage with **us**.

We agree with **you**, if **you** pay **your** premium payments when they are due, for the coverages shown in the **Declarations** and subject to all the terms and conditions of the policy, as follows:

GENERAL DEFINITIONS

Certain words and phrases are defined by using boldface type. The defined terms have the same meaning whether in the singular, plural, or any other form. They are defined as follows:

1. **Accident** means a sudden, unexpected and unintended event that arises out of the ownership, maintenance or use of an **auto** as an **auto**, and that causes **bodily injury** or **property damage** during the policy period.
2. **Actual Cash Value** – means the fair market value of any tangible property immediately before its loss taking into consideration items such as (but not limited to) the age, mileage, options, pre-loss condition, cosmetic detriments, tire tread depth, un-repaired damage or maintenance items, along with the value of similar property in the marketplace.
3. **Additional auto** means an **auto you** acquire that is in addition to any **auto** shown in the **Declarations**, if:
 - a. the **auto** is acquired during the policy period shown in the **Declarations**; and
 - b. no other insurance policy provides coverage for the **auto**; and
 - c. **you** ask **us** to insure the **auto** within 30 days after **you** become the **owner** of the **auto**; and
 - d. **we** insure all **autos owned by you**; and
 - e. **You** pay any additional premium due.

An **additional auto** will have the broadest coverage **we** provide for any **auto** shown in the **Declarations**.

4. **Auto** means a four wheeled private passenger, station wagon, sports utility or jeep type vehicle; or a truck, pick-up truck, window van or panel van with a load capacity of fifteen hundred pounds or less not used for **business** or commercial purposes, principally designed and licensed for use on paved public streets and highways. **Auto** does not include:
 - a. Any vehicle used as a dwelling or other premises; or
 - b. Any vehicle having more than four (4) wheels or a load capacity of more than fifteen hundred pounds or;
 - c. Any vehicle having less than four (4) wheels or operating on tracks; or
 - d. All-terrain vehicles, dune buggies, go-carts, forklifts, front-loaders, golf carts, riding garden tractors, farm tractors, or any other farming equipment.
5. **Automobile Related Business** – means a business or job where the purpose is to rent, sell, lease, park, repair, service, store, or transport vehicles or trailers of any type
6. **Bodily injury** means bodily harm, to a human being's body and death including the sickness, disease or death that results from such injury resulting from a covered loss.
7. **Business** means any full or part-time profession, occupation, trade, business or commercial enterprise, including but not limited to:
 - a. Calling on accounts, customers or prospective customers in connection with any occupation or business; or
 - b. Hauling or carrying people, equipment, goods, or supplies used in connection with any occupation or business; or
 - c. Picking up or delivering any goods, materials, products or packages in connection with any occupation or business; or
 - d. Driving to more than one location per day in connection with any occupation or business.
 - e. Using the vehicle in conjunction with any transportation network company as a livery or taxi.
8. **Compulsory Insurance Law** – means a law requiring a minimal level of financial responsibility or insurance coverage in order to **own**, operate, or allow others to operate an **auto** in the jurisdiction in which coverage under this policy is sought. This definition includes motor vehicle financial responsibility laws, compulsory insurance laws and all other laws with similar purposes.
9. **Declarations** means the Personal Auto Policy Declarations that lists the **named insured**, the **autos** to be covered by this policy, the specific coverages that apply to specific **autos** under this policy, the limits of liability, the policy period, and other information pertinent to **your** policy of insurance **you** purchased from **us**.
10. **Delivery Related Business** means the ownership, maintenance or operation of any vehicle while it is being used to carry **persons**, property, or product for compensation or a fee, including but not limited to:
 - a. The pickup or delivery or return from a pick-up of delivery of **persons**, products, documents, newspapers, or food;
 - b. The pickup or delivery or return from a pick-up of delivery of **persons**, whether or not passengers are present in the vehicle, in conjunction with any Taxi service or company;
 - c. The pickup or delivery or return from a pick-up of delivery of **persons**, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or, as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network applications or companies or as they sometimes refer to themselves, rideshare applications or companies, include but are not limited to Uber, Lyft and SideCar.

This definition does not include shared-expense car pools.

11. **Equipment** means accessories and items available from the manufacturer of your particular make, model and model year of **your covered auto** and installed by the manufacturer.
12. **Family member** means a **person** who lives in the same household as the first **person** listed as a **named insured** in the **Declarations** and is (i) related by blood, marriage or adoption to the first **person** shown in the **Declarations** as **named insured**, or (ii) is related by blood, marriage or adoption to the **resident** spouse of the first **person** shown in the **Declarations** as **named insured**. **Family member** includes a ward or foster child of the first **person** shown in the **Declarations** as **named insured**.
13. **Named insured** means only the **person** or **persons** listed in the **Declarations** as the named insured. - but does not include any other **person** (including but not limited to **persons** listed in the **Declarations** or in the application for coverage) that may be described as a

driver, operator, **resident**, or spouse.

14. **Non-owned auto** means any private passenger **auto**, pickup, van or **trailer** not **owned** by or furnished or available for the regular use of **you** or any **family member, relative, or resident** while in the custody of, or being operated by, **you, any family member, relative, or resident**.
Non-owned auto includes a rental vehicle only if the following conditions are met:
 - a. The rental vehicle is not **owned** by or furnished or available for the regular use of **you, any family member, relative, or resident**;
 - b. The rental vehicle is operated within the United States, its territories or possessions, and Canada;
 - c. The rental vehicle is operated only for pleasure and not for **business** use;
 - d. The rental vehicle is a private passenger **auto**, meets all qualifications of an **auto** and is not a motor home, camper, travel trailer, U-Haul, or customized van;
 - e. The rental vehicle is **owned** by a licensed agency engaged in the **business** of renting or leasing vehicles; and
 - f. The rental vehicle is rented by the insured under a rental agreement with a term no longer than thirty consecutive days.
15. **Occupying** means in, getting in, or exiting but only as long as there is physical contact with the **auto**.
16. **Own/Owned** means, with respect to a private passenger type **auto**, the **person**:
 - a. holds legal title; or
 - b. has legal possession of an auto that is subject to the fulfillment of a sales agreement evidenced by some form of writing; or
 - c. has legal possession under a written lease or loan agreement for a continuous period of at least six months.
17. **Person** – means a human being.
18. **Property damage** means physical injury or destruction of tangible property.
19. **Relative** -means a **person** who is a **resident** of **your** household and is related by blood, marriage, or adoption to any **named insured**. **Relative** includes a ward or foster child of any **named insured**.
20. **Replacement auto** means an **auto** that permanently replaces an **auto** shown in the **Declarations**. A **replacement auto** will have the same coverages as the **auto** it replaces provided that no other insurance provides coverage for the **replacement auto** and it is acquired during the policy period shown in the **Declarations**. If **you** wish to continue coverage under **Part D – Damage to Your Auto** for the **replacement auto**, **you** must ask **us** to provide the coverage within 30 days after **you** become the **owner** of the **replacement auto**. If the **auto** it replaces does not have coverage under **Part D – Damage to Your Auto**, **you** must ask **us** to add the coverage and **you** must pay the additional premium due prior to the effective date those coverages are added.
The thirty (30) day notice period shall not have the effect of extending the policy term beyond its expiration or cancellation date. **You** will have no coverage of any type during the thirty (30) day period after **you** acquire a **replacement auto** if **you** do not satisfy all the conditions listed above.
Continuation of coverage beyond the 30-day period is subject to **our** agreement to do so. **Our** decision will be based in part on **our** underwriting rules in effect at the time **you** request that **we** continue coverage.
21. **Resident** means a **person** who lives with **you**, whether or not that **person** is a member of **your** household, and includes (but is not limited to) **you**, and any **person** who is a **family member or relative**.
22. **Temporary substitute auto** means any **non-owned auto** while temporarily used as a substitute for **your covered auto** when withdrawn from normal use because of breakdown, repair, servicing, loss or destruction. Provided:
 - a. The vehicle is not **owned** by or furnished or available for the regular use of **you, any family member, relative, or resident**; and
 - b. The vehicle is operated within the United States, its territories or possessions, and Canada; and
 - c. The vehicle is not operated for **business** use; and
 - d. The vehicle is an **auto** and not a motor home, camper, travel trailer, U-Haul, or customized van.**Temporary substitute auto** does not include any **auto** provided to **you, a family member, relative or resident** for demonstration purposes.
23. **Trailer** means a non-motorized vehicle designed to be pulled by a:
 - a. private passenger **auto**; or
 - b. pickup, van or panel truck.It also means a farm wagon or farm implement while being towed by a vehicle listed in a. or b. above. It does not include travel trailers, camper trailers or other **trailers** used for **business** purposes including a **trailer** used as a home, office, a store or display, or to transport passengers.
24. **War** means **war**, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.
25. **We, us** and **our** refer to the insurance company providing this insurance, as shown in the **Declarations**.
26. **You** and **your** refer to:
 - a. the **named insured** shown in the **Declarations**; and
 - b. the spouse of the **named insured** shown in the **Declarations**, if a **resident** of the same household.
27. **Your covered auto** means:
 - a. any **auto you own** shown in the **Declarations** for the coverages applicable to that **auto**; or
 - b. any **additional auto**; or
 - c. any **replacement auto**.

PART A - LIABILITY COVERAGE

THIS COVERAGE APPLIES ONLY:

if there is a premium shown for it on **the Declarations Page**, to the specific vehicle(s) for which a premium is shown on **the Declarations Page**, if **you pay us** the premium when due for this coverage, and then only to the limits of liability shown in the **Declarations**.

INSURING AGREEMENT

We will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident**.

We will investigate, settle or defend, at **our** expense and as **we** consider appropriate, any claim or suit asking for these damages. Attorneys selected by **us** will provide a defense to such suit after it is tendered to **us**.

IMPORTANT NOTICE: **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by any means, including (but not limited to) settlement, payment or deposited with a court having jurisdiction.

We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy. **We** may recover from an **insured person** any amounts **we** have paid to defend the **insured person** in a lawsuit if it is determined that **we** had no duty to defend the **insured person**.

SUPPLEMENTARY PAYMENTS

In addition to **our** limit of liability, **we** will pay on behalf of an **insured person**, reasonable expenses incurred at **our** request.

ADDITIONAL DEFINITIONS

When used in this Part A:

Insured person means:

- I. with respect to **your covered auto**:
 - a. **you**;
 - b. a **family member**;
 - c. any other **person** using **your covered auto** to whom the **named insured** has given expressed permission, provided the **use** is within the scope of such permission. Any coverage that **we** provide to a **person** using **your covered auto** with **your** consent shall be excess to any other insurance coverage available to the **person** using **your covered auto** with **your** consent. Any **person** using **your covered auto** without **your** consent or outside the scope of that consent shall only be afforded coverage under this policy if mandated by a **Compulsory Insurance Law** of the state in which any **accident** occurs and then only to the extent mandated by law with such coverage being excess to any other insurance coverage available to the **person** using **your covered auto**.
2. with respect to a **non-owned auto**:
 - a. **you** provided **you** have received the expressed consent of its owner and such use is within the scope of that consent;
 - b. a **family member** who does not **own** an **auto** provided they have received the expressed consent of its owner and such use is within the scope of that consent;

EXCLUSIONS THAT APPLY TO PART A-LIABILITY COVERAGE

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

If an applicable **Compulsory Insurance Law** renders any exclusion under this policy to be unenforceable, **we** will provide only those types of coverage required by such law and only in the minimum amounts required. However, if any other insurance policy covers **our insured's** liability and provides the minimum limits required by the **Compulsory Insurance Law** the exclusion provisions of this policy shall be deemed to be fully enforceable. If a **Compulsory Insurance Law** requires **us** to make payment to third parties that would otherwise be excluded below, **we** expressly reserve the right to seek recovery for such payment from any **person** or **persons** responsible for the **accident** involved with the payment.

We do not provide Liability Coverage and **we** have no duty to settle or defend any claim or lawsuit:

1. For **bodily injury** or **property damage** caused intentionally by, or at the direction of, and substantially certain to follow from the act of an **insured person**, even if the actual injury or damage is different than that which was intended or expected.
2. For damage to property owned by, used by, rented to, being transported by, or in the care, custody or control of an **insured person**. This exclusion does not apply to damage to a rented residence or rented private garage.
3. For **bodily injury** or **property damage** arising out of the ownership, maintenance or operation of any vehicle while it is being used in a **delivery related business**.
4. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle by a **person** in an **automobile related business**.
5. For **bodily injury** or **property damage** arising out of any **person's** use of a vehicle without the owner's expressed permission or outside the scope of that consent.
6. For **bodily injury** or **property damage** for which an **insured 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:
 - i. Expiration;
 - ii. Termination for any reason; or
 - iii. Termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by, but not limited to, any of the following or their successors:

- a. American Nuclear Insurers; or
 - b. Nuclear Energy Liability Insurance Association; or
 - c. Mutual Atomic Energy Liability Underwriters; or
 - d. Nuclear Insurance Association of Canada.
7. For punitive, exemplary, multiple damages, damages for aggravating circumstances, fines, penalties, restitution, or any other type of damages that may be imposed to punish wrongdoers, and deter others from similar conduct;
 8. For liability assumed by an **insured person** under any contract or agreement.
 9. Arising out of the ownership, maintenance or use of any **auto**, other than **your covered auto** which is:
 - a. **Owned by you**; or
 - b. Furnished or available for **your** regular use; or
 - c. **Owned by any family member, relative** or any **resident**; or
 - d. Furnished or available for the regular use of any **family member, relative** or any **resident**; or
 - e. **Owned by, registered to, leased or rented to an employer of you** or any **family member, relative** or **resident**; or
 - f. Rented while it is used in connection with an insured driver's employment or **business**; or
 - g. Has been operated or rented by or in the possession of **you, a family member, relative** or **resident** during any part of each of the last twenty-one (21) or more consecutive days.
 10. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or in preparation for such an event, contest, or activity. This exclusion applies regardless of whether the event, contest, or activity is pre-arranged or not.
 11. For any obligation for which the United States Government is liable under the Federal Tort Claims Act.
 12. Arising out of the ownership, maintenance or use of **your covered auto** while it is rented to or leased to another.
 13. Arising out of the ownership, maintenance or use of any vehicle while it is being used in connection with any type of personal vehicle sharing program.
 14. Arising out of the ownership, maintenance or use of any vehicle that is principally designed for use off public roads.
 15. For charges, fees and administrative expenses for services performed by law enforcement and municipal personnel when responding to a motor vehicle **accident** or loss.
 16. For **bodily injury** to, or damage to property owned by, the **named insured**, any **family member** of the **named insured**, any **relative** or **resident** where the **person** against whom suit is brought is also a **resident** of that same household except to the extent mandated by the financial responsibility laws of the state in which this policy is issued.
 17. Arising out of the use of any **auto**, or any other type of motor vehicle, rented or leased by the **insured** where other valid and collectible insurance has been purchased by or furnished to the **insured** in connection with such rental or lease.
 18. For **bodily injury** or **property damage** due to **war**.
 19. For **bodily injury** or **property damage** arising out of the operation of farm machinery.
 20. For **bodily injury** or **property damage** resulting from pushing or pulling of a vehicle (other than a **trailer**) by an insured **auto**, or the pushing or pulling of an insured **auto** by another vehicle (other than a licensed tow truck).
 21. For damages other than compensatory damages for death, **bodily injury** and **property damage** to make an injured party whole within the limitations of this policy, including any additional damages, costs, expenses, pecuniary losses, attorney's fees, penalties, fines, treble damages, or punitive damages which may be recoverable or awarded at law or in equity as a result of the **named insured's** criminal conviction.
 22. For damages other than compensatory damages for death, **bodily injury**, and **property damage** to make an injured party whole within the limitations of this policy, any additional damages, costs, expenses, attorney's fees, fines, penalties, treble damages, punitive damages, or smart money which may be recoverable or awarded at law or in equity as a consequence of reckless driving, operating a motor vehicle with a blood or breath alcohol content deemed to be legally intoxicating, or under the influence of an illegal substance, causing or contributing to operating a motor vehicle while intoxicated, or similarly influenced, or reckless endangerment.
 23. For **bodily injury** or **property damage** arising out of the use of a rental or leased **auto** by an operator not authorized under the terms of the rental or lease agreement.
 24. For **bodily injury** to any employee or fellow employee of an **insured person** during the course of or arising out of his or her employment or any other **business** activity. This exclusion (25.) does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 25. For any loss arising directly or indirectly out of instances, occurrences or allegation of criminal activity by **you** or a **relative** or any **insured person**.
 26. For any **bodily injury** or **property damage** caused after an **insured person** fails to stop the **auto** he/she is driving after being directed to stop by a law enforcement officer. This includes any situation in which an **insured person** is fleeing from a law enforcement officer.
 27. For the **business** related use of an auto, unless **we** have so agreed and charged an additional premium.

LIMIT OF LIABILITY

The **bodily injury** liability limit for "each person" as shown in the **Declarations** is the maximum **we** will pay for **bodily injury** sustained by any one **person** in any one **accident**, including all derivative claims which include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship. **Bodily injury** to any one **person** includes all injury and damages to others resulting from this **bodily injury**.

Subject to the **bodily injury** liability limit for "each person", the **bodily injury** liability limit for "each accident" as stated in the **Declarations** is the maximum **we** will pay for **bodily injury** sustained by two or more **persons** in any one **accident**.

The **property damage** liability limit for each **accident** as stated in the **Declarations** is the maximum **we** will pay for all **property damage** arising out of any one **accident**.

The limit of liability shown in the **Declarations** is the most **we** will pay regardless of the number of vehicles involved in the **accident, insured persons**, claims made, lawsuits brought, premiums paid, or the number of vehicles or premiums shown in the **Declarations**.

No one is entitled to duplicate payments for the same element of damages. Any amount payable under Part A-Liability Coverage to a **person** for **bodily injury** shall be reduced by all sums paid to that **person**, or for their benefit, under any other coverage that may be provided under this policy including, but not limited to, Medical Payments Coverage, Uninsured/Underinsured Motorist Coverage, or Personal Injury Protection Benefits.

OUT OF STATE COVERAGE

If an **insured driver** under this coverage is in another state and, as a non-resident, becomes subject to that state's motor **compulsory insurance law**:

1. The policy will be interpreted to give the coverage required by the law for a non-resident; and
2. The coverage so given replaces any coverage in this policy to the extent required by the law for an **insured driver's** maintenance or use of an **insured auto**; and,
3. Any coverage so extended shall be reduced to the extent other coverage applies to the **accident**. In no event shall a **person** collect more than once for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required. If, due to certification as future proof of financial responsibility, **we** are required to pay a claim that would otherwise have not been covered under this Part, **you** agree to reimburse **us** to the extent of that payment.

OTHER INSURANCE

If there is other liability coverage available under one or more policies or provisions of coverage:

1. Any insurance **we** provide with respect to any **insured person** other than **you**, or a **family member** who does not **own** an **auto** shall be excess over any collectible insurance otherwise available to the **insured person**;
2. Any insurance **we** provide with respect to an **auto you** do not **own** shall be excess over any collectible insurance providing coverage to such **auto**.

If the coverage under this policy is provided:

1. On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis;
2. On an excess basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis;

Nothing in this section shall be read to allow the stacking of any coverage included anywhere within this policy.

RIGHT OF DIRECT ACTION

If execution of a judgment against an **insured person** is returned unsatisfied, any person entitled to payment of damages covered by this Part I may, within the time limit specified by Arkansas Code Section 16-56-103 et al., as amended, maintain an action against **us** for the amount of the judgment that does not exceed **our** limits of liability under this Part I.

PART B - MEDICAL PAYMENTS COVERAGE

THIS COVERAGE APPLIES ONLY:

Any coverages under Part B will be by endorsement to this policy if there is a premium shown for it on **the Declarations** Page, to the specific vehicle(s) for which a premium is shown on **the Declarations** Page, if **you** pay **us** the premium when due for this coverage, and then only to the limits of liability shown in the **Declarations**.

INSURING AGREEMENT

We will pay the reasonable expenses incurred for necessary medical, and funeral services because of **bodily injury** caused by an **accident** and sustained by an **insured person**. **We** will pay only those reasonable expenses incurred:

1. For:
 - a. Services performed; or,
 - b. Medical supplies, medication or drugs prescribed by a medical provider licensed by the state to provide the specific medical services; or,
 - c. For funeral services.

Reasonable medical expenses do not include expenses:

1. For treatment, services, products or procedures that are:
 - a. Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. Not commonly and customarily recognized throughout the medical profession and within the United States of America as appropriate for the treatment of the **bodily injury**; or
2. Incurred for:
 - a. The use of acupuncture or other related procedures of a similar nature; or
 - b. The purchase or rental of equipment not primarily designed to serve a medical purpose.

We have the right to make or obtain a utilization review of the medical expenses and services to determine if they are reasonable and necessary for the **bodily injury** sustained.

We will pay only those expenses incurred within one (1) year from the date of the **accident**. The **bodily injury** must be discovered and treated within one (1) year of the date of the **accident** that do not to exceed the statute of limitations for said coverage.

ADDITIONAL DEFINITIONS

When used in this Part B **Insured person** means:

1. **You** and any **family member** who does not own an **auto**:
 - a. while **occupying** any **auto**; or
 - b. when struck as a pedestrian by an **auto**.
2. Any other **person** while **occupying your covered auto**.

EXCLUSIONS THAT APPLY TO PART B – MEDICAL PAYMENTS COVERAGE

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

1. Sustained while **occupying** any motorized vehicle having fewer than four (4) wheels.
2. Sustained while **occupying** a vehicle when it is being used for any **business** related use.
3. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle by a **person** in a **delivery related business**.
4. Sustained while **occupying** any vehicle while being used as a residence or premises.
5. Arising out of the ownership, maintenance or use of any vehicle while it is being used in connection with any type of personal vehicle sharing program.
6. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle by a **person** in an **automobile related business**.
7. Occurring during the course and scope of employment if workers' compensation or disability benefits are required or available for the **bodily injury**.
8. 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; or
 - c. **owned** by any **family member, relative, or resident**; or
 - d. furnished or available for the regular use of any **family member, relative, or resident** **your** maintenance or use of such vehicle. This exclusion does not apply to
9. Sustained while **occupying** a vehicle without the owner's expressed permission.
10. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental); or
 - b. **war**.
11. From, or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction; or
 - b. radiation; or
 - c. radioactive contamination.
12. While **occupying** any vehicle that is being used in any racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity. This exclusion applies regardless of whether the event, contest, or activity is pre-arranged or not.
13. Caused intentionally by, or at the direction of, any **insured person**, even if the actual injury or damage is different than that which was intended or expected.
14. For which the United States Government is liable under the Federal Tort Claims Act.
15. Arising out of the ownership, maintenance or use of **your covered auto** while it is rented to or leased to another.
16. Arising out of the ownership, maintenance or use of any vehicle that is principally designed for use off public roads.
17. Sustained through being struck by any motor vehicle or **trailer** designed mainly for use off public roads while off public roads;
18. For which an **insured 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 limit of liability.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.
19. While a **covered auto** is in the control of an excluded operator.

LIMIT OF LIABILITY

1. The limit of liability shown in the **Declarations** for this coverage is the most **we** will pay for each **insured person** injured in any one **accident**. This is the most **we** will pay regardless of the number of:
 - a. **Insured persons**;
 - b. Claims made;
 - c. Lawsuits brought;
 - d. Vehicles or premiums shown in the **Declarations**;
 - e. Premiums paid; or
 - f. Vehicles involved in the **accident**.

2. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage that may be provided under this policy, including, but not limited to, Liability Coverage, Uninsured Motorists Coverage, Underinsured Motorists Coverage or Personal Injury Protection Benefits.
3. No payment shall be made unless the injured **person** or that **person's** legal representative agrees that any payment shall be applied toward any settlement or judgment that **person** receives under any other coverage that may be provided under this policy, including, but not limited to, Liability Coverage, Uninsured Motorists Coverage, Underinsured Motorists Coverage, Personal Injury Protection Benefits.

OTHER INSURANCE

Any insurance **we** provide shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses. 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. 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.

Nothing in this section shall be read to allow stacking of any coverage available under this policy.

PART C – UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE

THESE COVERAGES APPLY ONLY:

If there is a premium shown for Uninsured motorist coverage and/or Underinsured motorist coverage on **the Declarations** Page; and to the specific vehicle(s) for which a premium is shown on **the Declarations** Page; and if **you** pay **us** the premium when due for this coverage.

INSURING AGREEMENT – UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE

We will pay for compensatory damages for **bodily injury** which an **insured person** is legally entitled to recover from the owner or operator of an **Uninsured motor vehicle** or **Underinsured motor vehicle**, caused by an **accident**, and arising out of the ownership, maintenance or use of an **Uninsured motor vehicle** or **Underinsured motor vehicle**.

Any judgment or settlement for damages arising out of a suit brought without **our** written consent is not binding on **us**.

ADDITIONAL DEFINITIONS

1. When used in Uninsured Motorist Coverage and Underinsured Motorist Coverage, **Insured person** means:
 - a. **You**,
 - b. any **family member** who does not own an **auto**; or
 - c. any **family member** who owns an **auto**, but only while **occupying your covered auto**; or
 - d. Any other **person** while **occupying your covered auto**, provided the actual use thereof is with **your** express permission; and
 - e. Any **person** for damages that **person** is entitled to recover because of **bodily injury to you, a family member** or another person while occupying your covered auto.

No **person** shall be considered an **insured person** if that **person** uses a motor vehicle without permission of the owner.

2. **Uninsured motor vehicle** means a land motor vehicle:
 - a. To which no liability bond or policy applies at the time of the **accident**, by or through any **person** or organization, including, but not limited to, any **owner**, operator, or occupant.
 - b. To which a liability bond or policy does apply at the time of the **accident**, but the amount of such bond or policy is less than the minimum limit for liability specified by the financial responsibility laws
 - c. Which is a hit-and-run vehicle whose operator or **owner** is unknown or cannot be identified and causes an **accident** resulting in **bodily injury** provided:
 - 1) That the **insured person**, or someone on his or her behalf, reports the **accident** to the police or civil authority within twenty-four (48) hours after the **accident**.
 - 2) **We** may require supporting evidence other than the testimony of a **person** making a claim under this or any similar coverage to support the validity of such claim.
 - 3) There must be actual physical contact with the hit-and-run vehicle.
 - d. To which a liability bond or policy applies at the time of the **accident** but the bonding or insuring company is or becomes insolvent within one year after an **accident**.

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

- a. **Owned** by or furnished or available for the regular use of **you** or any **family member**, any **relative** or any **resident**.
 - b. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent.
 - c. Is **owned** or operated by any governmental unit or agency.
 - d. Operated on rails or crawler treads.
 - e. Designed mainly for use off public roads while not on public roads.
 - f. While located for use as a residence or premises.
 - g. That is an **underinsured motor vehicle**; or
 - h. For which coverage under Part A applies.
3. **Underinsured motor vehicle** means a land motor vehicle with respect to the ownership, maintenance or use of which the sum of the limits of liability under all **bodily injury** liability bonds or policies applicable at the time of the **accident** are equal to or greater than the financial responsibility requirements of Arkansas but are less than the limits of liability shown in **the Declarations** Page for Underinsured

Motorist Coverage.

However, **Underinsured motor vehicle** does not include any vehicle or equipment:

- a. Insured by a liability bond or policy at the time of the **accident** with **bodily injury** limits less than the minimum limits for **bodily injury** liability required by the financial responsibility law of Arkansas.
- b. **Owned** by or furnished or available for the regular use of **you** or any **family member**, any **relative** or any **resident**.
- c. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent.
- d. Is **owned** or operated by any governmental unit or agency.
- e. Operated on rails or crawler treads.
- f. Designed mainly for use off public roads while not on public roads.
- g. While located for use as a residence or premises.
- h. That is an **uninsured motor vehicle**; or
- i. For which coverage under Part A applies.

EXCLUSIONS THAT APPLY TO PART C – UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE

Coverage under this part does not apply:

1. if the **insured person** or their legal representative settles or prosecutes to a judgment a claim for **bodily injury** without **our** consent.
2. to **bodily injury** sustained by any **person** or **insured** while **occupying** or when struck by any motor vehicle **owned** by **you**, any **family member**, **relative** or **resident** which is not insured for this coverage under this policy
3. to **bodily injury** or **property damage** arising out of the ownership, maintenance or operation of any vehicle while it is being used in a **delivery related business**.
4. While **occupying** a motor vehicle with less than four wheels.
5. arising out of the ownership, maintenance or use of any vehicle including **your covered auto**, when used for any **business** purpose. However, this exclusion does not apply to **business** use that has been disclosed to and accepted by **us**.
6. While any vehicle is being used in or to prepare for any racing, speed, stunt, performance or demolition activity. This exclusion applies whether or not such activity is prearranged or organized.
7. While **your covered auto** is being operated by a **family member**, **relative** or **resident** who was not reported to **us**. The **family member**, **relative** or **resident** must be reported on the original application for insurance or otherwise disclosed to **us** and listed on the **Declarations** Page before the **auto accident**.
8. to **bodily injury** when an **insured person** is using a vehicle without the expressed permission of the owner, or outside of that permission.
9. Caused by, or as an effect of, **war**. This exclusion also applies to damages caused by nuclear reaction, radiation or radioactive contamination.
10. While using or **occupying** any **auto** in connection with any type of personal vehicle sharing program.
11. Arising out of the use of a vehicle while the vehicle is being used in the commission of a non-vehicular felony or while attempting to elude arrest by a law enforcement official.
12. directly or indirectly to benefit any **insured person** or self-insurer under any of the following or similar law:
 - a. workers' compensation law;
 - b. disability benefits law;
 - c. the State Accident Insurance Fund; or
 - d. An insurer of property.
13. directly to the benefit of the United States or any State or political subdivision thereof.
14. For punitive, exemplary, multiple damages, damages for aggravating circumstances, fines, penalties, restitution, or any other type of damages that may be imposed to punish wrongdoers, and deter others from similar conduct;
15. while a **covered auto** is in the control of an excluded operator.
16. caused intentionally by, or at the direction of, any **insured person**, even if the actual injury or damage is different than that which was intended or expected.

LIMITS OF LIABILITY – UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE

Subject to these provisions, the limits shown on **the Declarations** Page for this coverage are the most **we** will pay in damages for any one **auto accident**.

1. The **Uninsured Motorist Bodily Injury** or **Underinsured Motorist Bodily Injury** limits for each **person** as shown in the **Declarations** is the maximum **we** will pay for **bodily injury** sustained by any one **person** in any one **accident**, including all derivative claims which include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship. **Bodily Injury** to any one **person** includes all injury and damages to others resulting from this **Bodily Injury**.
2. Subject to the **Uninsured Motorist Bodily Injury** or **Underinsured Motorist Bodily Injury** limits for each **person**, the **Bodily Injury** limit for each **accident** as stated in the **Declarations** is the maximum **we** will pay for **Bodily Injury** sustained by two or more **persons** in any one **accident**.

The limit of **Uninsured Motorist Bodily Injury** or **Underinsured Motorist Bodily Injury** Liability shown in the **Declarations** is the most **we** will pay regardless of the number of:

1. **Insured persons**;
2. Claims made or lawsuits filed;
3. vehicles or premiums described in the **Declarations**;
4. Vehicles involved in the **accident**;
5. **persons** making a claim;

6. policies issued by **us**; or
7. Premiums paid.

No stacking of Uninsured motorist coverage or Underinsured motorist coverage will be allowed by this policy. In no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available as Uninsured motorist coverage, Uninsured motorist coverage benefits, Underinsured motorist coverage, or Underinsured motorist coverage benefits.

Any amount payable under the terms of this coverage shall be reduced by:

1. All sums paid on account of the **Bodily Injury** by or on behalf of the owner or operator of the **Uninsured motor vehicle** or **Underinsured motor vehicle** and by or on behalf of any other person or organization jointly or severally liable together with the owner or operator for the **Bodily Injury**, including all sums paid under Part A or Part B of this policy; and
2. The amount paid and the present value of all amounts payable on account of the **Bodily Injury** under any worker's compensation law, disability benefits law, or any similar law.

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

OTHER INSURANCE

If there is other applicable coverage on a **loss** covered by this Part, **we** will pay only **our** share of the damages. **Our** share is that percentage of the damages that **our** limits for this coverage bear to the total of all applicable limits.

When an **insured person** is a pedestrian or **occupying** an auto not listed on **the Declarations Page**, this coverage is excess over any other applicable insurance.

This coverage shall apply only in the amount by which the limits of liability for this coverage exceed the applicable limits for such other insurance

ARBITRATION

Any arbitration is both voluntary and non-binding. However, in an attempt to reduce litigation, the following Arbitration procedures would be utilized.

Arbitration may occur if **we** and an **insured person** claiming coverage under this Part do not agree to either of the following.

1. The legal liability of the operator or owner of an **Uninsured motor vehicle** or **Underinsured motor vehicle**.
2. The amount of damages.

The matter may be arbitrated upon written agreement between both parties. In this event, each party will select an arbitrator unless the parties agree in writing on the use of a single arbitrator. If two arbitrators are used, they will select a third. If the two arbitrators cannot agree on the third within thirty (30) days, then on joint request by the insured and **us**, the third arbitrator will be appointed by a judge or court having jurisdiction.

Disputes over coverage under this Part may not be arbitrated.

Each party will do all of the following.

1. Pay the expenses they incur.
2. Bear the expenses of the single arbitrator equally.
3. If a third arbitrator is used, bear the expenses equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** lived, as listed on the policy, immediately prior to the **accident**.

Local rules of procedure and evidence will apply. A decision agreed to by two of the arbitrators, or the single arbitrator, shall be binding as to the following.

1. The legal liability of the operator or owner of an **Uninsured motor vehicle** or **Underinsured motor vehicle**
2. The amount of damages. The arbitrators shall have no authority to award an amount in excess of the limits of liability or which includes punitive or exemplary damages.

The decision of the arbitrators is binding only for the amount of the award that does not exceed **our** limits of liability or include punitive or exemplary damages.

ADDITIONAL DUTIES UNDER THIS PART ONLY

A **person** seeking Uninsured/Underinsured Motorist Coverage must also:

1. Notify the police within 48 hours if a hit and run driver is involved.
2. Provide **us**, within 30 days of the date of filing, with a copy of the complaint, if a lawsuit is brought by the **insured person** against the owner or operator of the **Uninsured motor vehicle** or **Underinsured motor vehicle**, or against the **owner** or operator of any other vehicle in the **accident**.
3. Within a reasonable time, make available at **our** expense all pleadings and depositions, if an **insured person** brings a lawsuit against the owner or operator of the **Uninsured motor vehicle** or **Underinsured motor vehicle**, or against the **owner** or operator of any other vehicle in the **accident**.
4. Provide **us** with proof that the limits of liability under any liability bond or policies applicable to an **Uninsured motor vehicle** or **Underinsured motor vehicle** have been exhausted by payment of judgments or settlements.

PART D - DAMAGE TO YOUR AUTO

THIS COVERAGE APPLIES ONLY:

if there is a premium shown for it on **the Declarations Page**, to the specific vehicle(s) for which a premium is shown on **the Declarations Page**,

if **you** pay **us** the premium when due for this coverage, and then only to the limits of liability shown in the **Declarations**.

INSURING AGREEMENT

1. **We** will pay for **loss** to **your covered auto**, including its equipment, minus any applicable deductible shown in the **Declaration** caused by **Collision** or **Other Than Collision**.
2. **Loss** as it is defined in this section means sudden, direct and accidental loss of or damage to **your covered auto** and its equipment. **Loss** does not mean any difference in the market value of **your covered auto** immediately before the loss and the market value of **your covered auto** after repairs from the loss are completed, or any diminution of value. **We** will pay for **loss** to an **insured auto** caused by:
 - a. **Other than collision** only if the **Declarations** indicate that **Other Than Collision** Coverage is provided for that **auto**;
 - b. **Collision** only if the **Declarations** indicate that **Collision Coverage** is provided for that **auto**;

If there is a **loss** to a **temporary substitute auto**, **we** will provide the broadest coverage applicable to any **your covered auto** shown in the **Declarations**

ADDITIONAL DEFINITIONS

When used in this Part D:

1. **Collision** means the upset of **your covered auto** or its impact with another vehicle or object.
2. **Other Than Collision loss** caused by the following:
 - a. Missiles or falling objects;
 - b. Fire;
 - c. Theft or larceny;
 - d. Explosion or earthquake;
 - e. Windstorm;
 - f. Hail, water or flood;
 - g. Malicious mischief or vandalism;
 - h. Riot or civil commotion;
 - i. Contact with birds or animals; or
 - j. Breakage of Glass not caused by **Collision**.
3. **Your covered auto** also includes a **temporary substitute auto** in the custody of or being operated by **you** or any **family member**.
4. **Diminution in value** means the actual or perceived loss in market or resale value which results from a direct and accidental loss.
5. **Value rating** is the value as determined for **your covered auto** for **loss** covered under Part D; the **value rating** of **your covered auto** appears within the current Declaration page.

SUPPLEMENTAL PAYMENTS

Transportation Expenses

In addition, if **you** have purchased **Other Than Collision** coverage, in the event of a total theft of **your covered auto**, **we** will pay twenty dollars (\$20) per day, to a maximum of six hundred dollars (\$600) for:

Transportation expenses incurred by **you**. **We** will reimburse **you** only reasonable transportation expenses actually and necessarily incurred by **you**.

- i. Loss of use expenses that **you** become legally liable for in the event of the total theft of a **non-owned auto**.

We will pay only the transportation expenses incurred during the period:

1. Beginning 48 hours after the theft is reported to **us**; and
2. Ending when **your covered auto** has been repaired or replaced, whichever occurs first. If **your covered auto** is determined by **us** to be a total loss, coverage for transportation expense will end 48 hours after **we** make an offer to pay the **actual cash value** of **your covered auto**.

We will not pay **you** the cost of renting an auto from an individual. The **auto** must be rented from a business whose day-to-day operations involve vehicle rental. **We** will not pay for insurance, collision damage waivers, fuel, global positioning system (GPS) or any other charges, except for the actual cost of the rental of the vehicle including applicable taxes.

EXCLUSIONS THAT APPLY TO PART D – DAMAGE TO YOUR AUTO

Coverage under this Part D does not apply for **loss**:

1. to **your covered auto** or **non-owned auto** which occurs while it is being used in a **delivery related business**. This exclusion does not apply to a share-the-expense car pool.
2. to **your covered auto** or **non-owned auto** while it is being rented to others or hired for a fee.
3. to **your covered auto** or **non-owned auto** arising out to the ownership, maintenance or use of the vehicle while it is being used in connection with any type of personal vehicle sharing program.
4. to any vehicle that is due and confined to:
 - a. Wear and tear;
 - b. Deterioration including but not limited to rust, rot or mold;
 - c. Latent or inherent defects;
 - d. Freezing;
 - e. Mechanical or electrical breakdown or failure;
 - f. Road damage to tires;
 - g. Lack of maintenance, including but not limited to lack or loss of lubricants, oil, transmission fluid, or coolant; or
 - h. Leakage or seepage of water, whether or not wind driven, unless entering the vehicle through an opening caused by a covered

- peril.
- 5. to any vehicle due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. **War**.
- 6. to:
 - a. Any electronic equipment designed for the reproduction of sound, including but not limited to:
 - 1) Radios and stereos;
 - 2) Tape decks; or
 - 3) Compact disc players or DVD players;
 - b. Any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:
 - 1) Citizens band radios;
 - 2) Telephones;
 - 3) Two-way mobile radios;
 - 4) Scanning monitor receivers;
 - 5) Televisions;
 - 6) Television monitor receivers;
 - 7) Any video recording device including video cassette recorders;
 - 8) Any audio recording device including audio cassette recorders;
 - 9) Personal computers of any type or size including hand held computing devices;
 - c. Tapes, records, discs or other media used with equipment described in a. or b.; or
 - d. Any other accessories used with equipment described in a. or b.

This exclusion (6.) does not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment if such equipment and accessories are permanently installed in the opening originally designed for such equipment by the manufacturer of **your covered auto** or any **non-owned auto**; or
- b. Any other electronic equipment that is:
 - 1) Necessary for the normal operation of the **auto** or the monitoring of the **auto's** operating system; or
 - 2) An integral part of the same unit housing any sound reproducing equipment described in **a.** and permanently installed in the opening of the dash or console of **your covered auto** or any **non-owned auto** normally used by the manufacturer for the installation of a radio.
- 7. to equipment designed or used for the detection or location of radar
- 8. to global positioning systems (GPS)
- 9. to any **non-owned auto** when used by **you**, any **family member** or **relative** without the owner's expressed permission to do so.
- 10. to TV antennas, awnings, cabanas, or equipment designed to create additional living facilities.
- 11. to any **non-owned auto** being maintained or used by any **person** in an **automobile related business**.
- 12. to any part of the **auto**, or its equipment, that is not permanently attached to the vehicle in the area designated by the manufacturer at the time of **loss**.
- 13. to loss to any item that does not qualify as equipment.
- 14. to any specially built body, food vending equipment, catering equipment, or refrigeration equipment, nor to travel trailers
- 15. to any **auto** driven by a **person** who has had their driving privileges rescinded or revoked, as permitted by law.
- 16. to **loss** resulting from the pushing or pulling of a vehicle (other than a **trailer**) by **your covered auto**, or the pushing or pulling of **your covered auto** by another vehicle (other than a licensed tow truck).
- 17. due to the cost of delay in repair, nor will **we** pay more than the cost of repair and/or replacement of automobiles of standard makes and similar type, and **we** will not pay for any extraneous items or any finish or special customizing of such vehicle other than as originally and normally manufactured.
- 18. to any vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity. This exclusion applies regardless of whether the event, contest, or activity is pre-arranged or not.
- 19. to any vehicle arising out of or during its commercial use for the transportation of any explosive substance, flammable liquid, or similar hazardous material, except transportation incidental to **your** ordinary household or farm activities.
- 20. due to taking or confiscation by governmental or civil authority, for any purpose, including temporary taking or temporary confiscation.
- 21. due to illegal sale, or repossession of a motor vehicle by the rightful **owner**.
- 22. due to theft, embezzlement or other unlawful conversion of **your covered auto** or **non-owned auto** after custody of said **auto** has been entrusted to another party for the purpose of subleasing, leasing or selling said automobile, whether under a consignment or not. This exclusion will apply whether the theft, embezzlement or unlawful conversion of the **auto** was committed by the **person** to whom the vehicle was entrusted or by any other **person**.
- 23. due to the destruction of any vehicle, in whole or in part, intentionally caused by, or at the direction of **you**, any **family member**, **relative**, or **resident**.
- 24. to any **auto** due to **diminution of value**.
- 25. to any **non-owned auto** which is not defined as a **your covered auto** or **temporary substitute auto** within this section.
- 26. arising out of the ownership, maintenance or use of **your covered auto** while it is rented to or leased to another.
- 27. arising out of the ownership, maintenance or use of any vehicle that is principally designed for use off public roads.
- 28. while **your covered auto** is in the control of an excluded operator.
- 29. resulting from the use of a rental or leased **auto** by an operator not authorized under the terms of the rental or lease agreement.

LIMIT OF LIABILITY

Our limit of liability for **loss to your covered auto** is the lowest of:

1. The **actual cash value** of the stolen or damaged property at the time of the **loss**, but not to exceed the **value rating**; reduced by the applicable deductible, and any applicable betterment, depreciation and/or unrelated **loss** damage; or
2. The amount necessary to replace the stolen or damaged property, but not to exceed the **value rating**; reduced by the applicable deductible, and any applicable betterment, depreciation and/or unrelated **loss** damage; or
3. The amount necessary to repair the damaged property to its pre-loss condition, but not to exceed the **value rating**; reduced by the applicable deductible and any applicable betterment, depreciation and/or unrelated **loss** damage. The amount necessary to repair the property does not include **Diminution in value**.

Payments for **loss** under this coverage are subject to the following:

1. **We** reserve the right to make payment for repairs or replacement of property with other property of like kind and quality, supplied by a source other than the manufacturer of **your** vehicle such as aftermarket, used, recycled, rebuilt, restored, or exchanged parts.
2. If the repair or replacement results in the betterment of the property or part, meaning that the value of the repaired or replaced property or part has been increased above its pre-loss market value as a result of the repair or replacement, **you** may be responsible, subject to applicable laws and regulation, for the amount of the betterment or depreciation.
3. Deductions for betterment or depreciation will be taken only for parts or specific repair process normally subject to repair or replacement during the useful life of the vehicle. Deductions will be limited to an amount equal to the proportion that the expired life of the part or specific repair process to be repaired or replaced bears to the normal life of that part or repair process.
4. In the event of a total **loss**, an adjustment for depreciation and physical condition will be made in determining the **actual cash value** of the vehicle.
5. **Our** payment will be reduced by the value of the salvage when **you** or the **owner** of the **auto** retains the salvage.
6. No **person** may receive a duplicate recovery under this policy for the same elements of damages.
7. **Actual cash value** is determined by the market value, age, and condition of the vehicle at the time of the **loss**.
8. **Our** payment will be reduced by any fees incurred after **we** request **you** to promptly relocate **your covered auto** and **you** fail to do so, or if **you** fail to promptly notify **us** of the **loss** and location of **your covered auto** and allow **us** to secure **your covered auto**.

TOTAL LOSS

In the event that **we** determine **your** vehicle to be a total **loss**, **you** must allow **us** to move **your** vehicle to a storage location of **our** choice. Should **you** fail to promptly do so, **we** have the right to deduct any fees related to **your** failure to comply from the final payment. **We** reserve the right to retain **your** vehicle and/or its salvage property after **we** determine that **your** vehicle is a total **loss**.

NOTICE – PAYMENT FOR AFTERMARKET CRASH PARTS

Physical damage coverage under this policy includes payment for aftermarket crash parts. If **you** repair the vehicle using more expensive original equipment manufacturer (OEM) parts, **you** may pay the difference. Any warranties applicable to these replacement parts are provided by the manufacturer or distributor of these parts rather than the manufacturer of **your** vehicle.

LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid as interest may appear to **you** and the loss payee shown in the **Declarations**.

We reserve the right to cancel the policy as permitted by the policy terms. Cancellation shall terminate the policy and this agreement as to the loss payee's interest. **We** will give the same advance notice of cancellation to the loss payee as **we** give to the **named insured** shown in the **Declarations**; provided, however, failure to give such notice to the loss payee shall not affect the validity of the notice provided to **you**. If coverage for damage to **your covered auto** is provided because of **our** failure to give notice to the loss payee, then such coverage shall be limited to the loss payee's interest and shall not include any interest **you** may have in **your covered auto**.

When **we** pay the loss payee, **we** shall, to the extent of that payment, be subrogated to the loss payee's rights to recovery against any party, including, but not limited to, **you** or any other insured person.

If **you** surrender possession of the covered **auto** to the loss payee or the loss payee repossesses the covered **auto**, **we** will not pay the loss payee for loss occurring after the date the loss payee or its agent takes possession of the **auto**, or any **loss** occurring during the repossession. The interest of a loss payee shall be no greater than **your** interest under this policy, less any applicable deductible(s), betterment, depreciation, or unrelated **loss** damage.

When **we** pay a loss payee, **we** will not pay the loss payee more than the repair costs of **your covered auto**, **actual cash value** of **your covered auto** or the existing loan balance as of the date of **loss**, whichever is less, reduced by any applicable deductible and salvage value if **we** do not retain the salvage. Any insurance covering the interest of a loss payee shall not be protected and shall become invalid for any damage, destruction or other **loss** resulting from **your** illegal or fraudulent acts and/or omissions. This insurance covering the interest of a loss payee shall become invalid because of **your** illegal or fraudulent acts or omissions. Additionally, **we** will not pay for any **loss** caused by conversion, embezzlement, or concealment by **you** or anyone acting on **your** direction or behalf. **We** will not pay for any destruction or damage and/or **loss** to an **auto** caused by any intentional act done by, at the direction of, or on behalf of any insured person. Any and all defenses which **we** are able to assert against the **insured** shall be effective as to the loss payee and shall operate to invalidate the loss payee's interest under this policy.

OTHER INSURANCE

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. However, any insurance **we** provide with respect to a **non- owned auto** shall be excess over any other collectible insurance, self-insurance, and any other source of recovery applicable to the **loss**.

APPRAISAL CLAUSE

Any appraisal is both voluntary and non-binding. However, in an attempt to reduce litigation, the following Appraisal Clause would be utilized prior to litigation on behalf of **you**.

If **we** and **you** do not agree on the amount of **loss** related damage less any applicable betterment, depreciation, and/or pre-existing damage, then **we** and **you** agree to an appraisal as a precondition to any litigation. Each party will select a competent appraiser and notify the other party in writing of the appraiser's identity within 30 days of the request for appraisal.

The two appraisers will select an umpire. The appraisers will state separately the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A written 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 – RENTAL REIMBURSEMENT COVERAGE

THIS COVERAGE APPLIES ONLY:

if there is a premium shown for it on **the Declarations Page**, to the specific vehicle(s) for which a premium is shown on **the Declarations Page**, if **you** pay **us** the premium when due for this coverage, and then only to the limits of liability shown in the **Declarations**.

When there is a loss to one of **your covered autos** described in the **Declarations**, **we** will reimburse **you** for the expenses **you** incur to rent a substitute **auto** from a licensed auto rental agency, subject to the limits set forth in the **Declarations** and other limitations contained in this policy.

This coverage applies only if:

1. The claim for the damage to **your covered auto** is a covered claim under **Coverage D – Damage to Your Auto** and is not subject to any exclusion under this policy; and
2. **your covered auto** is not drivable or does not comply with state safety requirements for more than 24 hours.

The following limitations and exclusions apply to this coverage:

1. This coverage does not apply when there is coverage under **Transportation Expenses, Part D**.
2. Reimbursement for **your** rental of a substitute **auto** shall be limited to the number of days reasonably required to repair or replace **your covered auto**.
3. The applicable limits are shown in the **Declarations**.

Rental charges will be reimbursed beginning:

1. 48 hours after the loss is reported to **us**; or
2. if **your covered auto** can be driven, when **you** deliver or **your** representative delivers **your covered auto** to an auto repair shop for authorized repairs due to the covered loss.

Reimbursement for Rental charges will end when:

1. **your covered auto** has been repaired or replaced, regardless of whether or not **you** have retrieved the **auto**; or
2. the maximum coverage as shown on the **Declarations** page is reached, whichever occurs first.
3. If **your covered auto** is determined by **us** to be a total loss, coverage for rental charges will end 48 hours after **we** make an offer to pay the **actual cash value** of **your covered auto**.

You must provide **us** written proof of **your** rental charges. Duplicate recovery for identical elements of damages is not permitted under this policy.

PART F – TOWING AND LABOR COVERAGE

THIS COVERAGE APPLIES ONLY:

if there is a premium shown for it on **the Declarations Page**, to the specific vehicle(s) for which a premium is shown on **the Declarations Page**, if **you** pay **us** the premium when due for this coverage, and then only to the limits of liability shown in the **Declarations**.

You may claim up to the maximum amount under this coverage (limit as shown in the **Declarations**) up to twice during a semi-annual policy and up to four times during an annual policy.

This coverage applies only to **your covered auto** for which a premium charge and amount of coverage are shown in the **Declarations** for Towing and Labor Coverage.

We will only pay for labor performed at the place of disablement.

PART G - DUTIES AFTER AN ACCIDENT OR LOSS

We may have no duty to provide coverage under this policy unless any **person** seeking coverage under this policy fully complies with the following duties:

1. Even if any **person** seeking coverage under this policy is not at fault for an **accident**, **you** or the **person** seeking coverage must call **us** as soon as reasonably possible after an **accident** to report the **accident**; and must provide **us** with how, when and where the **accident** or loss happened and the names and addresses of any witnesses to the **accident** and any **persons** known to have suffered **bodily injury** or **property damage** as a result of the **accident**.
2. A **person** seeking any coverage must:

- a. Cooperate with **us** in the investigation, settlement or defense of any claim or suit. Such cooperation includes but is not limited to:
 - 1) Communicating with any attorney appointed to defend that **person**;
 - 2) Attending, and getting witnesses to attend, depositions, hearings and trials;
 - 3) Securing and giving evidence;
 - 4) Completing documents required in litigation; and
 - b. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or loss.
 - c. Submit, as often as **we** reasonably require:
 - 1) To physical exams by physicians **we** select. **We** will pay for these exams.
 - 2) To examinations under oath at a place of **our** choosing, and require the **person** to correct and sign under oath the transcript of the examination(s) under oath.
 - 3) To a request for production of documents at the time of the examination under oath and any other time, and allow the copying of any documents **we** or **our** designated representative requests. This includes, but is not limited to, all documents concerning **your** income (payroll records, profit and loss statements, etc.), finances, credit, and any other documents **we** indicate are reasonable and necessary to investigate and process **your** claim. Such documents must be provided to **us** or **our** designated representative in a timely manner, and if requested, prior to an examination under oath.
 - d. Authorize **us** to obtain:
 - 1) Medical reports;
 - 2) Any documents **we** indicate are necessary to investigate and process **your** claim; and
 - 3) Event data recorders and/or sensing and diagnostic modules or any other recording device for the purpose of retrieving data following an **accident** or loss.
 - e. Submit a proof of loss when required by **us**.
 - f. Provide any statements to **us** when **we** request them, whether in writing, oral, or recorded form, or in **person**, at **our** option.
3. A **person** seeking coverage under **Part D - Damage to Your Auto** must also:
- a. Take reasonable steps after loss, at **your** expense, to protect **your covered auto** or a **non-owned auto** and its equipment from further loss.
 - b. Report the loss, in the event of a hit-and-run, theft, or vandalism and the discovery thereof, within 24 hours of such to the police, peace, or judicial officers, or Commission of Motor Vehicles.
 - c. Permit **us** to inspect and appraise the damaged property as often as **we** reasonably require before its repair or disposal.
 - d. Send **us**, within 30 days of the loss, **your** signed sworn statement in proof of loss in the form provided to **you**; or, if no form is provided to **you**, a form of **your** own creation showing the date and time of loss, the cause of loss, the **actual cash value** and amount of loss to **your covered auto**.

PART H - GENERAL PROVISIONS

TERMS CONFORMED TO STATUTES

This policy shall be deemed amended to conform to the statutes of the state listed in **your** application if any provision fails to conform to such statutes. However, invalidation of any section of this policy does not invalidate any other sections. Any dispute as to coverages or the provisions of this policy shall be determined and governed by the law of the state for which the policy is written.

CHANGES

This policy, any endorsements to this policy, the **Declarations**, and **your** application contain all the agreements between **you** and **us**. Their terms may not be changed or waived except by endorsement issued by **us**.

The premium for this policy is based on the information **you** provided to **us** or other sources **we** use. **You** agree to cooperate with **us** in determining if this information is accurate and complete. **You** agree to notify **us** of any changes during the policy period. If this information is incomplete, incorrect, or changes during the policy period, **you** agree that **we** may adjust **your** premium, or take other legally permissible action.

Changes that may result in a premium change include, but are not limited to, **you** or a **family member** or **resident** obtaining a driver's license or operator's permit, or changes in:

1. **your** address;
2. **your** garaging address;
3. **Persons** using **your covered auto(s)**;
4. **Resident** changes;
5. the number, type, or use classifications of **your covered autos**; and
6. coverages, deductibles, or limits of liability.

If a change requires a premium adjustment, **we** will make the premium adjustment in accordance with **our** manual rules and such adjustment shall be calculated as of the effective date of the change.

You must notify **us** within 30 days of the time when a **person** becomes a **resident** of **your** household who was not previously listed on the policy.

If **we** make a change that broadens coverage under this edition of **your** policy without additional premium charge, such change will automatically apply to **your** policy as of the date **we** implement the change in **your** state. This paragraph does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of **your** policy; or
2. An Amendatory Endorsement

MISREPRESENTATION, OR FRAUD AND OMISSIONS

This policy was issued in reliance on the information provided on **your** insurance application, including, but not limited to information regarding license and driving history of **you, family members, relatives, residents** all **persons** of driving age residing in **your** household, any additional operators, the description of the vehicles to be insured, the location of the principal place of garaging, and **your** place of residence.

1. **We** do not provide coverage for any **person** who has made fraudulent statements or engaged in fraudulent conduct, concealed or misrepresented any material fact or circumstance in connection with any **accident** or loss for which coverage is sought under this policy.
2. **We** do not provide coverage for any **person** if **you** (or anyone on **your** behalf) made fraudulent statements or misrepresented or concealed anything material in the presentation of **your** application for insurance.
3. If **you** or any **person** seeking coverage under this policy make any fraudulent statements or engage in fraudulent conduct in connection with any **accident** or loss for which coverage is sought under this policy and **your** state restricts **our** right to rescind all or any portion of this policy, then **you** shall repay **us** for any payments or costs **we** incur associated with such payments that **we** would not have had to make if **our** right to rescind was not limited. Costs include (but are not limited to) attorney fees, settlement payments, investigation fees and reports, postage, copying charges, deposition fees, mileage, and fees for experts.

We may elect to rescind **your** policy if permitted by law and not with respect to any injury to a third party, if at any time we become aware of a misrepresentation that would have made the risk ineligible or resulted in a higher premium charge. In the event **we** are required to make any payment, **our** obligation shall be limited to those coverages or benefits the law restricts **us** from rescinding. **Our** obligations will not include any other coverage or benefit that the applicable law does not restrict **us** from rescinding.

OUR RIGHT TO RECOVER PAYMENT

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. **We** shall be entitled to the payment, reimbursement, and subrogation as provided in this section. That **person** shall: secure and not prejudice **our** rights; hold in trust such rights for us; and do whatever is necessary to enable **us** to exercise **our** rights.

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 within 30 days of receipt of the proceeds of any recovery.

If payment is made to an **insured person** under Part B – Medical Payment Coverage, **we** are entitled to reimbursement to the extent of **our** payment, reduced by **our** share of the expenses, costs, and attorney fees incurred by the **insured person** in connection with any recovery from a liable person.

If an insured person under this policy makes recovery from a responsible party, without **our** written consent, the insured person's right to payment under any affected coverage will no longer exist.

Our right to reimbursement out of the proceeds of any recovery from another may not be exercised until the **person** or organization to whom **we** have made payment under this policy has been fully compensated for their damages.

POLICY PERIOD AND TERRITORY

This policy applies only to **accidents** and losses that occur during the policy period as shown in the **Declarations** and within the policy territory. The policy territory is the United States of America, its territories or possessions; and Canada.

TERMINATION

A. Dishonored Checks, Payments Or Transactions

If **your** payment to start **your** initial or renewal policy and institution on which it is drawn does not honor it when **we** present it for payment, then **we** will exercise **our** right to declare **your** policy void from its inception. **We** reserve the right to also elect the remedy of canceling **your** policy for non-payment of premium. **We** may cancel as an alternative to or in conjunction with **our** exercise of **our** right to void coverage.

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

1. This policy may be canceled by **you** or by a premium finance company by surrendering the original thereof to **us** or **our** authorized agents; or by mailing **us** written notice stating when thereafter the cancellation shall be effective.
2. **We** may cancel this policy for any reason if the notice is mailed within 60 days of the initial policy period.
3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, **we** may cancel for one or more of the following reasons:
 - a. **We** will give **you** 10 days notice for nonpayment of premium.
 - b. **We** will give **you** 20 days notice for the following reasons:
 - (1) The named insured or any driver of the insured vehicle shall be convicted of:
 - (A) Driving while intoxicated;
 - (B) Homicide or assault arising out of the use of a motor vehicle; or
 - (C) Three (3) separate convictions of speeding or reckless driving, or any combination of the two (2) during the policy period, including three (3) months prior to the effective date of the policy;
 - (2) The driver's license or motor vehicle registration of the named insured or of any other operator who either resides in the same household or customarily operates an automobile insured under this policy has been under suspension or revocation during the policy period or, if the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date;
 - (3) Fraud or misrepresentation of a material fact, the knowledge of which would have caused the insurer to decline to issue a policy; or
 - (4) Nonpayment of membership dues when they are a requirement in the bylaws, agreements, or other legal instruments

of a company before issuance and maintenance of a policy under this subchapter.

c. **We** will give **you** 20 days notice if **we** choose to exclude an operator for the following reasons:

- 1) If **you**, a **family member, relative, resident** or any operator who either resides in the same household or customarily operates an automobile insured under the policy has that **person's** driver's license suspended or revoked. This must have occurred: During the policy period; or If the policy is a renewal, during its policy period or the one hundred eighty (180) days immediately preceding its effective date.
- 2) If **you**, a **family member, relative, resident** or any operator who either resides in the same household or customarily operates an automobile insured under the policy has engaged in a competitive speed contest while operating an automobile insured under the policy ; or
- 3) If **you**, a **family member, relative, resident** or any operator who either resides in the same household or customarily operates an automobile insured under the policy, during the thirty-six months immediately preceding the notice of cancellation or nonrenewal, has been convicted of or forfeited bail for any of the following:
 - a. Criminal negligence resulting in death, homicide, or assault and arising out of the operation of a motor vehicle;
 - b. Operating a motor vehicle while intoxicated or while under the influence of a drug;
 - c. A reason as described in Arkansas Code Section 23-89-303
- 4) Any other reason permitted by law.

C. NONRENEWAL

If **we** decide not to renew or continue this policy, **we** will mail notice to **you** at the address shown in **our** records. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is one(1) year or longer, **we** will have the right not to renew or continue this policy at each anniversary of its original effective date.

D. 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. If **you** fail to pay the required renewal or continuation premium when due, this 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.

All coverage associated with any vehicle listed in this policy will automatically terminate upon the sale or transfer of vehicle ownership.

E. ACCEPTANCE OF LATE PREMIUM PAYMENTS.

We may accept late premium payments, but reserve the right to reject such payments. **Your** late payment, even if **we** elect to accept it, may result in a gap in coverage or the issuance of a replacement policy, or both. All coverage elections, rejections, driver exclusions and other policy terms, including the representations **you** made in the procurement of **your** policy shall apply to the reinstated, rewritten, renewal or replacement policy. Acceptance of a late payment, even if **we** do not enforce **our** right to impose a gap in coverage, shall not affect **our** rights to reject future payments or strictly enforce **your** obligation to make payments on or before their due date. No single waiver or series of waivers of **our** right to reject late payments or enforce a gap in coverage shall preclude any further or future exercise thereof.

TRANSFER OF YOUR INTEREST IN THIS POLICY

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

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

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

FINANCIAL RESPONSIBILITY DISCLAIMER

Either at **your** request or by requirement of state law, **we** may assist **you** in satisfying **your** obligations to provide proof of financial responsibility to a state by making certain electronic or paper filings with that state's appropriate regulatory authority. The notification process to a state regulatory authority of the issuance or termination of **your** insurance is subject to electronic and human error. The consequences that can result from this error and the ensuing result that the state's records do not reflect that **you** have satisfied **your** financial responsibility requirements can be severe and can include, but are not limited to: (i) the suspension of **your** license, (ii) the imposition of fines and penalties, and (iii) incarceration in a jail or other holding facility.

Depending on the nature of the filing we make, we have charged no fee or a nominal fee. Due to the no fee or nominal fee we charge to assist you in satisfying your financial responsibility requirements and the resulting serious consequences for failing to provide that assistance, we cannot assume any liability for such failure in excess of the fee charged, even if such failure is through our fault or the fault of any agent, employee or producer.

WE ARE HERE TO SERVE YOU...

As **our** policy holder, **your** satisfaction is very important to **us**. If **you** have a question about a policy, if **you** need assistance with a problem, or if **you** have a claim, **you** should first contact **your** insurance producer or **us** at 800-875-4422. Should **you** have a valid claim, **we** fully expect to provide a fair settlement in a timely fashion.