California
Personal Automobile Policy

This policy is a legal contract between you and us. These policy provisions along with the Declarations page, applications, and endorsements, if any, issued to form a part thereof, complete this policy. IMPORTANT: Please read your California Personal Auto Policy and any endorsements carefully as they contain language which may restrict or exclude coverage. The policy specifically addresses who may use your insured auto and under what conditions coverage will be afforded.

WARNING: Unless you have auto insurance written by a Mexican insurance company, you may spend many hours or days in jail if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your auto.

NOTICE: For your protection, California law requires the following to appear on this form.

“Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.”

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THIS IS A RESTRICTED POLICY

The reduced coverage disclosures are incorporated in this policy and made part of this policy.

REDUCED LIMITS OF LIABILITY

THE MAXIMUM AMOUNT PAYABLE FOR “BODILY INJURY” AND “PROPERTY DAMAGE” UNDER PART A – LIABILITY COVERAGE OF THIS POLICY SHALL BE [$15,000/$30,000/$5,000] FOR DRIVERS NOT LISTED IN THE DECLARATIONS AND UNDER SPECIFIED SITUATIONS SET FORTH IN THE POLICY AND ENDORSEMENTS. THESE LOWER LIMITS APPLY EVEN IF THE LIMITS OF LIABILITY SHOWN IN “YOUR” DECLARATIONS ARE HIGHER.
AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the application for this insurance. The terms of this policy impose obligations on you. The responsibilities, acts and/or omissions, in connection with this insurance, shall be binding on you. We agree with you, in return for your premium payment, to insure you subject to all the terms of this policy. We will insure you for the coverages and the limits of liability for which premium is shown in the Declarations of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

The following words and phrases in bold letters have special meaning when used throughout this policy and, unless specifically modified, in any endorsement.

1. “Accident” means a sudden, unexpected and unintended occurrence from the standpoint of the insured which causes bodily injury or property damage. An accident can only be caused by the operation, maintenance or use of an auto as it was designed to be used. All bodily injury or property damage caused by or arising from the same or a similar occurrence will be deemed to be caused by one accident regardless of the amount of time between occurrences.

2. “Actual cash value” means the fair market value of the stolen or damaged property at the time of loss.

3. “Auto” means a self-propelled land motor vehicle of the private passenger type with four wheels that is designed for use on public roads and subject to motor vehicle registration. An auto also includes a pick-up, sedan, delivery, panel truck or utility type with a capacity of one ton or less and not used in a business, other than farming or ranching, by you, a resident or a family member.

4. “Auto business” means a business of selling, repairing, servicing, storing or parking autos for use mainly on public highways. This includes road testing and delivery.

5. “Bodily injury” means bodily harm, sickness or disease, including death that results therefrom. Bodily injury does not include harm, sickness, disease or death arising out of a medically defined sexually transmitted disease contracted by any person nor the exposure of such a disease by any person to any other person.

6. “Business” means a part-time or full-time trade, profession, job, course of employment or occupation.

7. “Child passenger restraint system” means a system described in California Vehicle Code Section 27360. The child passenger restraint system must meet the applicable federal motor vehicle safety standards.

8. “Crime” means any felony or act which is the subject of felony charges committed while, or that arises out of, maintaining, operating or using any vehicle. Crime also includes, but is not limited to, the following acts that are, may be held to be, or arise out of, a felony: any illegal trade or transportation; negligent entrustment; driving while intoxicated or under the influence of any substance; and any act calculated to elude law enforcement.

9. “Depreciation” means decline of value due to wear and tear or obsolescence.

10. “Derivative claims” include, but are not limited to, damages for care, emotional injury, mental anguish, loss of society, loss of companionship, loss of services, loss of consortium and wrongful death resulting from bodily injury to another.

11. “Family member” means a person living in your household that is related to you or your spouse by blood, marriage, registered domestic partnership under California Family Code 297 and 298, or adoption, including a ward or foster child. Family member includes your spouse if he/she lives in your household. A spouse includes a registered domestic partner. Family member does not include a roommate, housemate, or unmarried cohabiter.

12. “Insured auto” means:
   a. Any auto owned by you and specifically described in the Declarations.
   b. A replacement auto owned by you that:
      i. is a private passenger auto with a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds;
      ii. is eligible for coverage pursuant to our underwriting criteria; and
      iii. permanently replaces an auto expressly described in the Declarations.

A replacement auto will have the same coverage as the auto it replaces if you:
   i. acquire the auto during the policy period;
   ii. insure all of the autos you own with us; and
   iii. ask us to provide coverage for that auto.

COVERAGE FOR THE REPLACEMENT AUTO WILL BE IN EFFECT NO EARLIER THAN THE TIME AND DAY ON WHICH YOU ASK US TO ADD COVERAGE. ALL INSURANCE FOR THE AUTO BEING REPLACED TERMINATES ON THE DATE YOU TAKE DELIVERY OF THE REPLACEMENT AUTO.

c. An additional auto owned by you that is:
   i. a private passenger auto with a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 pounds; and
i. eligible for coverage pursuant to our underwriting criteria.

An additional auto will have the broadest coverage we now provide for any auto shown in the Declarations, if you:

i. acquire the auto during the policy period;
ii. insure all of the autos you own with us; and
iii. ask us to provide coverage for that auto.

COVERAGE FOR AN ADDITIONAL AUTO WILL BE IN EFFECT NO EARLIER THAN THE TIME AND DAY ON WHICH YOU ASK US TO ADD COVERAGE.

d. Any utility trailer you own:

i. while attached to an insured auto;
ii. not used in a business; and
iii. that is not insured under any other auto insurance policy.

e. Any auto or utility trailer not owned by, or furnished or available for the regular use of, you, a family member or a resident when used by you or a family member on a temporary basis as a substitute for any insured auto described on the Declarations which is out of normal use because of its:

i. breakdown;
ii. repair;
iii. servicing;
iv. loss; or
v. destruction.

Such temporary substitute must be eligible for coverage pursuant to our underwriting guidelines. Under the Limit of Liability in PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO, if the temporary substitute suffers a loss while in your custody, and we choose to pay the actual cash value of that auto, the most we will pay is $50,000.

13. “Loss” means sudden, direct and accidental destruction or damage. Loss does not include, and we will not pay for, diminution in value.

14. “Minimum limits” mean the minimum amount of liability insurance for bodily injury and/or property damage that is required by law in a state which must be provided by a bond or policy of automobile insurance that covers private passenger autos.

The minimum limits of liability insurance required by California law are:

a. [$15,000] each person in any one accident, [$30,000] for two or more persons in any one accident for bodily injury; and
b. [$5,000] for property damage in any one accident.

15. “Occy”, “occupying” and “occupied” mean a person’s location inside an auto.

16. “Own or Owned” means, with respect to a motor vehicle, to have actual legal title and the right to legal possession and control. This includes, but is not limited to, having the right to such possession and control subject to a gift, a conditional sales agreement, mortgage or lease.

For purposes of this policy, an auto shall be deemed owned by a person if leased:

a. Under a written agreement to that person; and
b. For a continuous period of at least six (6) months.

17. “Permissive driver” means a person who is not listed on the Declarations and who uses an insured auto with, and within the scope of, your express or implied permission.

18. “Property damage” means physical damage to, or destruction of, tangible property, including loss of its use.

19. “Racing” means preparation for, and/or participating in, a speed contest, demolition, stunting contest, hill climb, performance contest, exhibition or activity, or the event itself whether or not in an organized setting.

20. “Registered domestic partner” means two consenting individuals who are 18 years or older and are in a committed relationship with a same sex partner who meet the requirements of the California Family Code section 297 and have filed a valid Declaration of Domestic Partnership with the California Secretary of State pursuant to California Family Code section 298.

21. “Resident” means a person, other than a family member, living in your household.

22. “State” means the District of Columbia, any state, territory or possession of the United States and any province of Canada.

23. “Utility trailer” means a non-powered vehicle designed to be towed on public roads by an auto, if not used as a home, office, store, display trailer, passenger trailer, or for business purposes.

24. “We”, “us” and “our” mean the Underwriting Company shown in the Declarations as providing this insurance.

25. “You” and “your” mean the policyholder named in the Declarations.
PART A – LIABILITY COVERAGE

INSURING AGREEMENT

WE DO NOT PROVIDE LIABILITY COVERAGE FOR AN AUTO THAT IS NOT AN INSURED AUTO UNDER THIS POLICY. THERE IS NO COVERAGE UNDER THIS POLICY IF AN INSURED IS DRIVING ANY OTHER VEHICLE.

Subject to the limit of liability shown in the Declarations, if you pay the premium for Liability Coverage, we will pay damages for bodily injury or property damage for which any insured is legally responsible because of an accident. Damages include prejudgment interest awarded against the insured subject to our limit of liability for this coverage. Damages do not include punitive or exemplary damages or attorney fees incurred with respect to any claim for punitive or exemplary damages.

We will defend any suit or settle any claim for these damages as we think appropriate. If we defend, we will choose the counsel of our choice which may include an in-house counsel. In addition to our limit of liability, we will pay all defense costs we incur. We have no duty to defend any suit, settle any claim or pay any judgment for bodily injury or property damage not covered under this policy. Our duty to settle or defend ends when our limit of liability for this coverage has been paid.

We will pay for the replacement of a child passenger restraint system that was damaged or was in use by a child during an accident for which coverage under PART A – LIABILITY COVERAGE of this policy is applicable. No one is entitled to duplicate payments for the same elements of damage in the event the replacement of a child passenger restraint system is covered under more than one provision of this policy.

ADDITIONAL DEFINITIONS

As used in PART A, “insured” means:

1. You for the ownership, maintenance or use of an insured auto.
2. A family member, if listed as a driver on the Declarations while using an insured auto.
3. Any other person listed as a driver on the Declarations while using an insured auto with your permission.
4. A permissive driver.

THE COVERAGE AVAILABLE TO THE PERMISSIVE DRIVER IS LIMITED TO THE MINIMUM LIMITS OF FINANCIAL RESPONSIBILITY REQUIRED BY CALIFORNIA LAW WHICH IS [$15,000/$30,000/$5000].

The following are not considered an insured under PART A of this policy:

1. The United States of America or any of its agencies.

2. Any person for bodily injury or property damage arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.

ADDITIONAL PAYMENTS

In addition to our limit of liability, we will pay on behalf of an insured:

1. All costs we incur in the settlement of any claim or defense of any suit.
2. For damages covered under this policy, interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
3. Premiums on appeal bonds and attachment bonds required in any suit we defend. But we will not pay the premium for attachment bonds for an amount in excess of our limit of liability. We have no obligation to apply for or to furnish such bonds.
4. Up to $100 for a bail bond required due to a traffic law violation resulting from an accident. The accident must result in bodily injury or property damage covered by this PART A. We have no obligation to apply for or furnish such a bond.
5. Reasonable loss of wages, up to $75.00 a day, because of attendance at hearings, proceedings, or trials at our request. This does not include other types of income.
6. Any other reasonable expenses incurred at our written request.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, YOU WILL NOT HAVE COVERAGE FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER PART A.

A. Liability to others and/or our duty to defend does not apply to:

1. Bodily injury or property damage arising out of the ownership, maintenance or use of a vehicle while it is being used to carry, transport or deliver persons or property for which there is a fee, charge or compensation of any form to any person for such use. This exclusion (A.1.) does not apply to shared-expense car pools.

2. Bodily injury or property damage caused intentionally by or at the direction of any insured. This applies even if the bodily injury or property damage is different than what was intended or expected.

3. Punitive or exemplary damages or attorney fees incurred with respect to any claim for punitive or exemplary damages.
4. **Bodily injury** or **property damage** for which an insured:
   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.

For the purpose of this exclusion, a nuclear energy liability policy means a policy issued by any of the following or their successors:
   a. Nuclear Energy Liability Insurance Association;
   b. Mutual Atomic Energy Liability Underwriters;

This exclusion (A.4.) applies even if the limits of that insurance are exhausted.

5. Liability imposed upon, or assumed by, any **insured** or the insurer of that **insured** under any workers' compensation law.

6. **Bodily injury** or **property damage** caused or sustained by any person while employed or otherwise engaged in the **auto business** and arising out of the **auto business** operations.

7. **Bodily injury** or **property damage** caused or sustained by any person arising out of the maintenance, operation or use of any vehicle while that person is employed or engaged in any **business**.

8. Property damage to:
   a. property **owned** or transported by an **insured**; or
   b. property rented to, used by or in the care, custody or control of an **insured**. This exclusion (A.8.b.) does not apply to a residence or private garage not **owned** by an **insured**.

9. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any motorized vehicle:
   a. with less than four (4) wheels; or
   b. designed mainly for use off public roads while not on public roads.

10. **Bodily injury** or **property damage** occurring while an **insured auto** is rented or leased to others.

11. **Bodily injury** to an employee or fellow employee of an **insured** during the course and scope of employment. This exclusion (A.11.) does not apply to **bodily injury** to a domestic employee unless workers’ compensation benefits are required or available for that domestic employee.

12. **Bodily injury** or **property damage** arising out of liability assumed by an **insured** under any contract or agreement.

13. **Bodily injury** or **property damage** resulting from the use of a vehicle by a person or persons specifically excluded from coverage under PART A – LIABILITY COVERAGE by an endorsement or under any other provision of this policy.

14. **Bodily injury** or **property damage** arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant unless such discharge, dispersal, release, or escape is sudden and accidental and arises directly from collision or upset of an **insured auto**.

15. **Bodily injury** to you, a **family member**, a **resident** or any person who is an **insured** under the terms of this policy.

16. **Bodily injury** or **property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.

17. **Bodily injury** or **property damage** arising out of the loading or unloading of any vehicle unless the loading or unloading is by you or a **family member**.

18. Charges, fees and administrative expenses for services performed by law enforcement and municipal personnel when responding to an accident or loss.

19. **Bodily injury** or **property damage** resulting from the use of a vehicle without the owner’s permission. This exclusion does not apply to a **family member**, listed on the Declarations, while using an **insured auto** owned by you.

20. **Bodily injury** or **property damage** caused by or as a consequence of:
   a. war, whether declared or undeclared;
   b. civil war;
   c. insurrection;
   d. rebellion or revolution;
   e. radioactive contamination; or
   f. nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

21. **Bodily injury** or **property damage** caused by the use of firearms or any other weaponry in connection with the ownership, maintenance or use of any vehicle.

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

   1. Any **auto**, other than an **insured auto**, which is:
      a. **owned** by you; or
      b. furnished or available for your regular use.

   2. Any **auto**, other than an **insured auto**, which is:
a. owned by any family member or resident; or
b. furnished or available for the regular use of any family member or resident.

C. NOTICE: THE FOLLOWING ARE EXCLUDED UNLESS PROHIBITED BY LAW. IF THE EXCLUSIONS ARE PROHIBITED BY LAW, THEN ONLY THE MINIMUM LIMITS OF [$15,000/$30,000/$5,000] REQUIRED BY THE FINANCIAL RESPONSIBILITY LAW OF CALIFORNIA WILL APPLY:

1. Bodily injury or property damage resulting from the ownership, maintenance or use of an insured auto while racing or while in any racing event.
2. Bodily injury or property damage resulting from the ownership, maintenance or use of an insured auto in the commission of, or attempt to commit, a crime.

D. NOTICE: TO THE EXTENT THAT THE LIMITS OF LIABILITY FOR PART A - LIABILITY COVERAGE EXCEED THE LIMITS OF LIABILITY REQUIRED BY THE FINANCIAL RESPONSIBILITY LAW IN CALIFORNIA, “WE” DO NOT PROVIDE LIABILITY COVERAGE FOR ANY “INSURED”:

1. Attempting to elude or evade law enforcement.
2. While operating a vehicle while that insured is under the influence of:
   a. alcohol; or
   b. a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. sections 811 and 812. Controlled substances include, but are not limited to, cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
3. While operating a vehicle without a valid driver’s license or permit.
4. For an auto driven by a person:
   a. under the minimum age to obtain a license to operate a private passenger auto in the state in which the auto is registered; or
   b. under fifteen (15) years of age.

LIMITS OF LIABILITY

A. If Liability Coverage is payable on behalf of you or any person listed in the Declarations as a driver, the following applies:

The limit of liability shown in the Declarations for “each person” for Bodily Injury Liability Coverage is the most we will pay for all damages due to bodily injury sustained by any one person in any one accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

Subject to this limit for “each person”, the limit of liability shown in the Declarations for “each accident” is the most we will pay for all damages due to bodily injury sustained by two or more persons in any one accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is the most we will pay for all damages to all property resulting from any one accident.

B. If Liability Coverage is payable on behalf of a permissive driver, the following applies:

The part of the limit of liability shown in the Declarations for “each person” for Bodily Injury Liability Coverage that does not exceed the minimum limits required in California is the most we will pay for all damages due to bodily injury sustained by any one person in any one accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

Subject to this limit for “each person”, the part of the limit of liability shown in the Declarations for “each accident” that does not exceed the minimum limits required in California is the most we will pay for all damages due to bodily injury sustained by two or more persons in any one accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

The part of the limit of liability shown in the Declarations for each accident for Property Damage Liability that does not exceed the minimum limits required in California is the most we will pay for all damages to all property resulting from any one accident.

C. All bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one accident.

D. We will pay no more than the maximum limit of liability regardless of the number of:

1. Autos or premiums shown on the Declarations;
2. Insureds;
3. Claims made or lawsuits brought;
4. Claimants;
5. Policies applicable;
6. Vehicles involved in the accident; or
7. Premiums paid.
An auto and attached utility trailer are considered one auto. Therefore, the limit of liability will not be increased for an accident involving an auto with an attached utility trailer.

E. Any amount paid or payable under Medical Payments Coverage or Uninsured Motorist Coverage of this policy shall be deducted from the amounts payable under this PART A.

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

CONFORMITY WITH FINANCIAL RESPONSIBILITY LAWS

When we certify this policy as proof of financial responsibility, it will comply with the law to the extent of the coverage required. Any coverage provided under this provision, which is broader than the coverage otherwise provided under this PART A, will be excess over any other valid and collectible insurance. You agree to reimburse us for any payment made by us which we would not have been obligated to make under the terms of this policy.

OUT OF STATE INSURANCE

If an accident to which this policy applies occurs in any state other than California, we will interpret your policy as follows:

If the state has:

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

2. a compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses an auto in that state and we are authorized to do business in that state, your policy will provide at least the required minimum amounts and types of coverage.

OTHER INSURANCE

If there is other applicable auto liability insurance on a loss covered under this PART A, we will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for an auto you do not own shall be excess over any other collectible insurance, self-insurance or bond.

PART B- MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the limit of liability shown in the Declarations, if you pay the premium for Medical Payments Coverage, we will pay reasonable expenses incurred for medical expenses because of bodily injury:

1. caused by an accident; and

2. sustained by an insured.

We will pay only those medical expenses incurred within one year from the date of the accident.

We, or someone on our behalf, will determine:

1. whether the medical expenses are reasonable; and

2. whether the medical expenses are necessary.

ADDITIONAL DEFINITIONS

As used in PART B:

A. “Insured” means:

1. You or any family member:
   a. while occupying an insured auto; or
   b. as a pedestrian when struck by an auto or utility trailer.

2. Any other person when occupying an insured auto while the insured auto is being used by you or being used with your permission by a driver named in the Declarations.

B. “Reasonable expenses” mean usual and customary charges or costs that are related to the provision of service(s) or procedure(s) within a geographic area that providers located in that geographic area normally charge for the same or similar service(s) or procedure(s).

C. “Medical expenses” mean reasonable, necessary and curative medical, surgical, dental, x-ray, ambulance, hospital, and funeral services, including the cost of pharmaceuticals, orthopedic and prosthetic devices, that a prudent physician would provide for the purpose of preventing, diagnosing or treating an illness, injury, disease or symptom in a manner that is:

1. In accordance with the generally accepted standards of medical practice;

2. Clinically appropriate in terms of type, frequency, extent, site and duration; and

3. Not primarily for the convenience of the patient, physician or other health care provider.

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 as appropriate for the treatment of bodily injury; or
2. Incurred for:
   a. the use of thermography or other related procedures of similar nature;
   b. the use of acupuncture or other related procedures of similar nature; or
   c. the purchase or rental of equipment not primarily designed to serve a medical purpose.

EXCLUSIONS

PLEASE READ THE EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, YOU WILL NOT HAVE COVERAGE FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER PART B.

This coverage does not apply to bodily injury to any insured:

1. Sustained when occupying an insured auto while it is being used to carry, transport or deliver persons or property for which there is a fee, charge or compensation of any form to any person for such use. This exclusion (1.) does not apply to shared-expense car pools.

2. Sustained while occupying any vehicle while it is located for use as a residence or premises and not as a vehicle.

3. Sustained while occupying or when struck by any vehicle that is:
   a. owned by you, a family member or a resident; or
   b. furnished or available for regular use by you, a family member or a resident;

   that is not insured for Medical Payments under this policy.

4. Sustained during the course of employment if benefits are payable or must be provided under a workers’ compensation law or similar law.

5. Sustained by any person while employed or otherwise engaged in the auto business and arising out of the auto business operations.

6. Sustained by any person arising out of the maintenance, operation or use of any vehicle while that person is employed or engaged in any business not described in Exclusion 5.

7. Caused by, or as a consequence of:
   a. war, whether declared or undeclared;
   b. civil war;
   c. insurrection;
   d. rebellion or revolution;
   e. radioactive contamination; or
   f. nuclear reaction or radiation, whether controlled or uncontrolled or however caused.

8. Who is covered under any private or governmental benefit, service, or reimbursement plan, or any prepaid health plan.

9. Sustained while occupying any vehicle used or operated in any racing event.

10. Sustained while an insured auto is rented or leased to others.

11. Sustained while in the commission of a crime or attempting to commit a crime.

12. Caused intentionally or deliberately by or at the direction of any insured person.

13. Arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration, release, existence, or presence of or actual, alleged, or threatened exposure to mold, mildew, fungus or other microbes, including any type or form of: (i) decomposing or disintegrating organic material or microorganism; (ii) organic surface growth on moist, damp, or decaying matter; (iii) yeast or spore-bearing plant-like organism; or (iv) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.

14. Arising out of the ownership, maintenance, or use of any motorized vehicle:
   a. with less than four (4) wheels; or
   b. that is designed mainly for use off public roads while not on public roads.

15. Resulting from the use of a vehicle by a person or persons specifically excluded from coverage under PART A – LIABILITY COVERAGE by endorsement or under any other provision of this policy.

16. Caused by a vehicle driven by a person:
   a. under the minimum age to obtain a license to operate a private passenger auto in the state in which the auto is registered; or
   b. under fifteen (15) years of age.

17. While operating a vehicle while that insured is under the influence of:
   a. alcohol; or
   b. a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. sections 811 and 812. Controlled substances include, but are not limited to, cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

18. While operating a vehicle without a valid driver’s license or permit.
19. For which the United States Government is held responsible under the Federal Tort Claims Act.

20. When caused by the use of firearms or any other weaponry in connection with the ownership, maintenance or use of any vehicle.

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 regardless of the number of:
   1. Claims made or lawsuits brought;
   2. Autos or premiums shown in the Declarations;
   3. Vehicles involved in the accident;
   4. Insureds;
   5. Premiums paid; or
   6. Policies applicable.
B. Any amount paid or payable for medical expenses under PART A – LIABILITY COVERAGE or PART C(I) - UNINSURED MOTORIST COVERAGE of this policy shall be deducted from the amounts payable under this PART B.
C. When we make payment to you for any amount due under this PART B, we may deduct from the payment any premium or fees that are due and unpaid under this policy.
D. No one will be entitled to receive duplicate payments for the same elements of damage.

OTHER INSURANCE
If there is other applicable auto medical payments insurance, we will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all applicable limits. This coverage will be excess over any coverage afforded to a permissive user of an insured auto. Any coverage under PART B shall be excess over any Personal Injury Protection, No-Fault or Workers’ Compensation benefits required by law.

PART C(I) - UNINSURED MOTORIST BODILY INJURY COVERAGE

INSURING AGREEMENT
If you pay the premium for Uninsured Motorist Bodily Injury Coverage, we will pay damages which an insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury:
1. Sustained by an insured;
2. Caused by an accident; and
3. Arising out of the ownership, maintenance, or use of an uninsured motor vehicle.

Damages do not include prejudgment interest, punitive or exemplary damages or attorney fees incurred with respect to any claim for punitive or exemplary damages.

Any judgment or settlement for damages against an owner or operator of an uninsured motor vehicle that arises out of a lawsuit brought without our written consent is not binding on us.

We will pay damages an insured is entitled to recover from the owner or operator of an underinsured motor vehicle only after the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements and proof of payment is submitted to us.

The decision as to whether an insured is legally entitled to recover damages or as to the amount of damages, shall be made by agreement between the insured and us. If no agreement is reached, the decision will be made by arbitration.

ADDITIONAL DEFINITIONS
As used in this PART C(I):
1. “Insured” means:
   a. You or any family member;
   b. Any other person occupying an insured auto while the insured auto is being operated by you or by someone with your permission and within the scope of that permission.
   c. any person occupying an auto not owned by you or a household resident or by an excluded driver or furnished for the regular use of you or a household resident or by an excluded driver while operated by you or a resident spouse.
   d. Any person who is legally entitled to recover damages covered under Uninsured Motorist Bodily Injury Coverage because of bodily injury sustained by a person in a, b. or c. above.

2. Minimum limits mean the minimum amounts of coverage for bodily injury that is required by law in a state which must be provided by a policy of automobile insurance that covers private passenger autos. The minimum limits for Uninsured Motorist insurance required by California are [$15,000] per person and [$30,000] per accident for bodily injury.

3. “Occupy” means in, upon, entering into or getting out of an auto.

4. “Underinsured motor vehicle” means a motor vehicle which is insured for bodily injury by a liability bond or policy at the time of the accident, but its limits of liability are less than the Uninsured Motorist Bodily Injury liability limits shown in the Declarations for the insured auto involved in the accident.
5. “Uninsured motor vehicle” means a motor vehicle which is:
   a. not insured by a bodily injury liability bond or policy at the time of the accident.
   b. insured by a bodily injury liability bond or policy at the time of the accident, but the insuring company:
      i. denies coverage;
      ii. refuses to admit coverage except conditionally or with reservation; or
      iii. is insolvent or becomes insolvent within one year of the accident.
   c. a hit-and-run vehicle whose operator or owner is unknown and which strikes:
      i. you or a family member;
      ii. a vehicle which you or a family member are occupying; or
      iii. an insured auto.
   The insured or someone on his or her behalf must:
      i. report the accident within 24 hours to the police;
      ii. file with us, within 30 days after the accident, a statement under oath that the insured has a cause of action arising out of the accident for damages against a person(s) whose identity is unknown; and
      iii. give us full details of his or her injuries and treatment.
   d. used without the owner’s permission if there is no bodily injury liability bond or policy applicable at the time of the accident.
   e. an uninsured motor vehicle.
   An uninsured motor vehicle does not include a vehicle or equipment:
   a. owned or operated by you or a family member or furnished or available for the regular use of you or a family member. This does not apply if a vehicle owned by you or a family member strikes an insured while being operated, or caused to be operated, by a person without the injured insured’s consent in connection with criminal activity that has been documented in a police report and to which the injured insured is not a party.
   b. specifically described in the Declarations;
   c. owned by or operated by a self-insurer as contemplated by any financial responsibility law;
   d. owned by the United States, Canada, a state, political subdivision or agency of any of those governments;
   e. operated on rails or crawler treads;
   f. while used as a residence or premises and not as a vehicle;
   g. that is a farm type tractor; or
   h. designed or modified for use primarily off public roads, while not on public roads.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, YOU WILL NOT HAVE COVERAGE FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER THIS PART C(I).

A. This coverage does not apply to bodily injury:
   1. sustained by an insured arising out of the ownership or operation of a vehicle while it is being used to carry, transport or deliver persons or property for which there is a fee, charge or compensation of any form to any person for such use. This exclusion (A.1.) does not apply to shared-expense car pools.
   2. sustained by an insured while operating or occupying any vehicle:
      a. owned by you, a family member or a resident; or
      b. furnished to or available for the regular use of you, a family member or a resident; that is not insured for this coverage under this policy.
   3. sustained by an insured while occupying a vehicle rented or leased to that insured for public or livery purposes.
   4. arising out of the ownership, maintenance or use of a vehicle while it is being used for racing.
   5. sustained while occupying or using any vehicle that has less than four (4) wheels.
   6. caused or sustained by any person while employed or otherwise engaged in the auto business and arising out of auto business operations.
   7. Sustained while maintaining or using any vehicle while that insured is employed or otherwise engaged in any business not described in Exclusion 6. above.
   8. to an insured that results from the ownership, maintenance or use of an insured auto in the commission of a crime and the insured is a willing participant in such crime.
   9. caused intentionally by or at the direction of any insured. This applies even if the bodily injury is different than what was intended or expected.
   10. sustained by an insured while occupying a motor vehicle, other than an insured auto, if the owner thereof has Uninsured Motorist Coverage which applies to that motor vehicle and that is similar to coverage provided in this policy.
11. sustained as the result of an accident occurring outside the policy territory.

12. sustained while using or occupying any vehicle without the express or implied permission of the owner.

13. when caused by the use of firearms or any other weaponry in connection with the ownership, maintenance or use of any vehicle.

14. sustained by any family member while occupying, or when struck by, any vehicle you own which is insured for this coverage on a primary basis under any other policy.

15. caused by a vehicle operated by any person who is specifically excluded from coverage under PART A – LIABILITY COVERAGE by an endorsement or under any other provision of this policy.

16. To someone who is not an insured under this policy.

B. We do not provide Uninsured Motorist Bodily Injury Coverage for:

1. the benefit of any insurer or self-insurer under any workers’ compensation or disability benefits law or any similar law;

2. the benefit of the United States, any state or political subdivision of the United States, or any of the military services or agencies of the United States; or

3. punitive or exemplary damages or attorney fees incurred with respect to any claim for punitive or exemplary damages.

LIMITS OF LIABILITY

A. The Limits of Liability shown in the Declarations apply, subject to the following:

1. The bodily injury liability limit for "each person" is the maximum we will pay for all damages due to bodily injury sustained by one person in each accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

2. Subject to this limit for "each person", the bodily injury liability limits for "each accident" are the maximum limits of liability we will pay as damages due to bodily injury sustained by two or more persons in any one accident. This includes all derivative claims arising out of and due to said bodily injury. For the purpose of such limit of liability, all damages, including derivative claims, shall constitute a single claim.

B. The limit of liability shown in the Declarations for Uninsured Motorist Bodily Injury Coverage is the maximum we will pay as the result of any one accident regardless of the number of:

1. autos or premiums shown in the Declarations;

2. insureds;

3. claims made or lawsuits brought;

4. policies applicable;

5. vehicles involved in the accident; or

6. premiums paid.

C. Any amounts otherwise payable for bodily injury under this coverage will be reduced by all sums:

1. paid or payable from or on behalf of persons or organizations who may be legally responsible. This includes, but is not limited to, all sums paid or payable under PART A - LIABILITY COVERAGE;

2. paid or payable under any motor vehicle medical payments insurance available to the insured including, but not limited to, all sums paid or payable under PART B – MEDICAL PAYMENTS COVERAGE; and

3. paid or payable under any of the following or similar law:
   a. workers’ compensation law;
   b. disability benefits law; or
   c. personal injury protection or no-fault coverage.

D. Any payment made under this coverage shall reduce the amount that person is entitled to receive for the same element of damage under PART A – LIABILITY COVERAGE and PART B – MEDICAL PAYMENTS COVERAGE of this policy.

E. No one will be entitled to receive duplicate payments for the same elements of damage. In no event shall the limit of liability for two or more vehicles or two or more policies be added together, combined or stacked to determine the limit of insurance coverage available to an insured.

OTHER INSURANCE

If there is other applicable Uninsured Motorist Bodily Injury Coverage available, we will pay only our share of the damages. Our share is the proportion our limits of liability bear to the total of all available limits. If this policy and any other policy providing similar insurance apply to the same accident, the maximum limits of liability under all the policies shall be the highest applicable limits of liability under any one policy. However, any insurance we provide shall be excess over any other Uninsured Motorist Bodily Injury insurance except for bodily injury to you and a family member while occupying your insured auto.

ARBITRATION

A. If an insured and we do not agree:

1. that the insured is legally entitled to recover damages from the owner or operator of an uninsured motor vehicle; or
2. as to the amount of payment under this PART C(I);
then the matter will be settled by arbitration. Disputes concerning coverage under Uninsured Motorist Bodily Injury Coverage may not be arbitrated.

B. Either party may request arbitration. The requesting party must notify the other party in writing. Such notice must be sent by certified mail, return receipt requested.

C. If the accident involves an uninsured motor vehicle as defined in provisions a. through d. of the definition of uninsured motor vehicle, any demand for arbitration must be made within two years of the date of the accident. If the accident involves an underinsured motor vehicle, any demand for arbitration must be made after all applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements and prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred.

D. A single neutral arbitrator shall settle the matter or matters upon which the parties do not agree, and such decision may be entered in a court having jurisdiction. The cost of the arbitrator shall be borne equally by the parties and each party shall pay its own expenses.

E. If an insured has a workers' compensation claim arising out of the same accident, the arbitrator shall not proceed with the arbitration until the physical condition of the insured is stationary and ratable. If an insured claims a permanent disability, such claim shall be adjudicated by award or settled by compromise and release before the arbitration may proceed.

F. The arbitration will take place in the county where the insured lives unless both parties agree otherwise. Local court rules of procedure and evidence will apply.

G. The decision of the arbitrator will be binding as to:
1. Whether the insured is legally entitled to recover damages; and
2. The amount of damages.

The arbitrator shall have no authority to award an amount in excess of the limits of liability shown in the Declarations for this coverage.

LEGAL ACTION AGAINST US

The LEGAL ACTION AGAINST US provision in PART F – GENERAL PROVISIONS is deleted and replaced with the following for PART C(I) only:

No legal action may be brought against us until:

1. there has been full compliance with all the terms of your policy; and
2. one of the following actions occurs within two years from the date of the accident:
   a. suit is filed for bodily injury against the owner or operator of the uninsured motor vehicle, as defined in provisions a. through d. of the definition of uninsured motor vehicle, in a court of competent jurisdiction. We must be given written notice of such suit within a reasonable time after the insured knew or should have known that the other vehicle or owner/operator was uninsured. Failure of the insured to provide such notice will not be a basis of denial of coverage unless such failure prejudices our rights;
   b. agreement is reached with us as to the amount due under the policy; or
   c. we are notified in writing, by certified mail, return receipt requested, that formal arbitration is demanded.

If one of the above events does not occur within two years after the date of the accident, we will not be liable for any uninsured motorist bodily injury benefits or claims based upon injuries sustained in the accident.

PART C(II) – UNINSURED MOTORIST PROPERTY DAMAGE

INSURING AGREEMENT

A. If you pay the premium for Uninsured Motorist Property Damage Coverage, we will pay damages which you are legally entitled to recover from the owner or operator of an uninsured motor vehicle:

1. because of property damage to an insured auto; and
2. caused by an accident.

Uninsured Motorist Property Damage Coverage does not apply to any auto that is not listed on the Declarations.

B. Damages do not include prejudgment interest, punitive or exemplary damages or attorney fees incurred with respect to any claim for punitive or exemplary damages.

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

D. In order for payment to be made under this coverage:
1. there must be actual, direct physical contact between the insured auto and the uninsured motor vehicle;

2. the owner or operator of the uninsured motor vehicle must be identified or the uninsured motor vehicle must be identified by its license number; and

3. you, or someone on your behalf, must notify us or our agent within 10 business days from the date of the accident.

E. The decision as to whether you are legally entitled to recover damages or as to the amount of damages, shall be made by agreement between you and us. If no agreement is reached, the decision will be made by arbitration.

F. Any judgment or settlement for damages against an owner or operator of an uninsured motor vehicle that arises out of a lawsuit brought without our written consent is not binding on us.

G. We will pay for the replacement of a child passenger restraint system that was damaged or was in use by a child during an accident for which Uninsured Motorist Property Damage Coverage under this policy is applicable. No one is entitled to duplicate payments for the same elements of damage in the event the replacement of a child passenger restraint system is covered under more than one provision of this policy.

ADDITIONAL DEFINITIONS

As used in this PART C(II):

1. “Collision” means the upset of an insured auto or its impact with another vehicle or object.

2. “Property damage” means loss to an insured auto resulting from a collision. However, property damage does not include:
   a. personal property contained in an insured auto other than a child passenger restraint system;
   b. loss of use of an insured auto; or
   c. diminution in value.

3. “Uninsured motor vehicle” means a motor vehicle which is:
   a. not insured by a property damage liability bond or policy at the time of the accident;
   b. insured by a property damage liability bond or policy at the time of the accident but the bonding or insuring company:
      i. denies coverage;
      ii. refuses to admit coverage except conditionally or with reservation; or
      iii. is or becomes insolvent within one year of the date of the accident.

   c. used without the owner’s permission if there is no property damage liability bond or policy applicable at the time of the accident with respect to the owner or operator of the vehicle.

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

   a. that has at least the minimum property damage liability limits required pursuant to California Vehicle Code Section 16056 even if the property damage liability limits are not sufficient to compensate for all property damage caused by the owner or operator of the uninsured motor vehicle;
   b. owned or operated by you or a family member;
   c. furnished or available for the regular use of you or a family member;
   d. specifically described in the Declarations;
   e. owned by or operated by a self-insurer as contemplated by any financial responsibility law;
   f. owned by the United States, Canada, a state, political subdivision or agency of any of those governments;
   g. operated on rails or crawler treads;
   h. while located for use as a residence or premises and not as a vehicle;
   i. that is a farm-type tractor; or
   j. designed or modified for use primarily off public roads, except while actually upon public roads.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY.

IF AN EXCLUSION APPLIES, YOU WILL NOT HAVE COVERAGE FOR AN ACCIDENT OR LOSS THAT OTHERWISE WOULD BE COVERED UNDER PART C(II).

A. Uninsured Motorist Property Damage does not apply to property damage:

1. arising out of the ownership or operation of an insured auto while it is being used to carry, transport or deliver persons or property for a fee, charge or compensation. This exclusion (A.1.) does not apply to a share-the-expense car pool.

2. when the insured auto is being used without your express or implied permission or beyond the scope of your express or implied permission.

3. to an insured auto while being used in the commission of a crime by you, a listed driver or a permissive driver and such person is a willing participant in such activity.

4. when caused by the use of firearms or any other weaponry in connection with the ownership, maintenance or use of an insured auto.
5. if there is no actual, direct physical contact between the uninsured motor vehicle and the insured auto.

6. unless the owner or operator of the uninsured motor vehicle, or the license plate number of the uninsured motor vehicle, can be identified.

7. to a utility trailer not listed in the Declarations.

8. arising out of the ownership, maintenance, or use of an insured auto while it is being operated or used in a racing event.

9. when an insured auto is operated by any person who is specifically excluded from coverage under PART A – LIABILITY COVERAGE by an endorsement or under any other provision of this policy.

10. caused intentionally by or at the direction of you or a family member even if the property damage is different than what was intended or expected.

11. to an insured auto for which Collision Coverage applies.

12. to any vehicle:
   a. owned by you or a family member; or
   b. furnished or available for the regular use of you or a family member;

      if such vehicle is not insured for Uninsured Motorist Property Damage under this policy.

13. while an insured auto is being used in the course and scope of any business including an auto business.

B. Uninsured Motorist Property Damage Coverage does not apply to:

1. a claim for loss of use of an insured auto.

2. loss or damage to personal property contained within an insured auto except for a child passenger restraint system.

3. the benefit of any insurer of property.

LIMIT OF LIABILITY

A. The limit of liability under this coverage for property damage to an insured auto arising out of one accident is the lesser of:

1. the actual cash value of the insured auto at the time of the accident;

2. the limit of liability for Uninsured Motorist Property Damage shown in the Declarations;

3. the amount necessary to repair the insured auto to its pre-loss condition. If we choose to repair the insured auto, you must begin repairs on it within ninety (90) days from the date of loss. We will not be responsible for any loss or portion thereof which is caused by your delay in commencing such repairs; or

4. the amount necessary to replace the insured auto less deduction for any applicable depreciation.

B. This is the most we will pay under Uninsured Motorist Property Damage Coverage as the result of any one accident regardless of the number of:

1. insured autos;

2. premiums shown in the Declarations;

3. vehicles involved in the accident;

4. claims made or lawsuits brought;

5. premiums paid; or

6. policies applicable.

C. Our payment for loss will be reduced by:

1. any applicable deductible shown in the Declarations;

2. any prior damage to the insured auto;

3. any amount paid or payable by or on behalf of persons or organizations who may be legally responsible; and

4. if applicable, the salvage value if you retain the salvage.

D. An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of the accident.

E. In no event shall you be entitled to receive duplicate payment for the same element of damages. Coverage under this endorsement may not be stacked with other Uninsured Motorist Property Damage Coverage.

F. No payment shall be made under Uninsured Motorist Property Damage Coverage if damages are paid or payable under PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO.

G. Payment for property damage under this endorsement is subject to the following:

1. if repair or replacement of damaged property increases the overall value of the insured auto, we may deduct this amount from the repair cost; and

2. no more than one deductible shall be applied to any one accident.

OTHER INSURANCE

If there is other applicable Uninsured Motorist Property Damage Coverage available, we will pay only our share of the damages. Our share is the proportion our limits of liability bear to the total of all available limits. If this policy and any other policy providing similar insurance apply to the same accident, the maximum limits of liability under all the policies shall be the highest applicable limits of liability under any one policy.
ARBITRATION

A. If we and you do not agree:

1. whether you are legally entitled to recover damages from the owner or operator of an uninsured motor vehicle; or
2. as to the amount of payment under this PART C(II);
then the matter will be settled by arbitration. Disputes concerning coverage under Uninsured Motorist Property Damage may not be arbitrated.

B. Either party may request arbitration. The requesting party must notify the other party in writing within one year from the date of the accident. Such notice must be sent by certified mail, return receipt requested.

C. The arbitration shall be conducted by a single neutral arbitrator. Each party will:

1. pay the expenses it incurs; and
2. bear the expenses of the arbitrator equally.

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

E. Any decision of the arbitrator will be binding as to:

1. whether you are legally entitled to recover damages; and
2. the amount of damages.

The arbitrator will have no authority to award an amount in excess of the limit of liability shown in the Declarations for this coverage.

LEGAL ACTION AGAINST US

The LEGAL ACTION AGAINST US provision in PART F – GENERAL PROVISIONS is deleted and replaced with the following for PART C(II) only:

No legal action may be brought against us until:

1. there has been full compliance with all the terms of your policy; and
2. one of the following actions occurs within one year from the date of the accident:

   a. suit is filed for property damage against the owner or operator of the uninsured motor vehicle in a court of competent jurisdiction. We must be given written notice of such suit within a reasonable time after you knew or should have known that the other motor vehicle or owner/operator was uninsured. Your failure to provide such notice will not be a basis of denial of coverage unless such failure prejudices our rights;

   b. agreement is reached with us as to the amount due under the policy; or

   c. we are notified in writing, by certified mail, return receipt requested, that formal arbitration is demanded.

If one of the above events does not occur within one year after the date of the accident, we will not be liable for any uninsured motorist benefits or claims based upon a loss as the result of an accident.

PART D: COVERAGE FOR DAMAGE TO AN INSURED AUTO

IMPORTANT NOTICE:

1. IF “YOU” PAY THE PREMIUM FOR PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO, THEN “WE” WILL PROVIDE COVERAGE FOR AN “INSURED AUTO” ONLY WHEN OPERATED BY “YOU” OR SOMEONE WITH “YOUR” PERMISSION.

2. EXCEPT AS REQUIRED BY LAW, “WE” WILL NOT PAY FOR THE STORAGE OF AN “INSURED AUTO” IN THE EVENT YOU HAVE A “LOSS” THAT IS COVERED UNDER THIS PART D. “OUR” PAYMENT TO THE BODY REPAIR SHOP OR TOW YARD WILL BE REDUCED BY THE AMOUNT OF THE STORAGE COST. IT IS IMPERATIVE THAT “YOU” WORK WITH “US” TO QUICKLY RESOLVE ANY ISSUES WITH AN “INSURED AUTO” SO THAT STORAGE COSTS ARE MINIMIZED.

INSURING AGREEMENT – COLLISION COVERAGE

If you pay the premium for Collision Coverage, we will pay for sudden, direct and accidental loss to an insured auto, including an attached utility trailer, resulting from a collision. We will pay for the replacement of a child passenger restraint system that was damaged or was in use by a child during an accident for which coverage under PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO of this policy is applicable. No one is entitled to duplicate payments for the same elements of damage in the event the replacement of a child passenger restraint system is covered under more than one provision of this policy.

INSURING AGREEMENT – OTHER THAN COLLISION COVERAGE

If you pay the premium for Other Than Collision Coverage, we will pay for sudden, direct and accidental loss to an insured auto, including an attached utility trailer, resulting from a loss caused by Other Than Collision.

INSURING AGREEMENT: COLLISION DEDUCTIBLE WAIVER

A. If you pay the premium for Collision Deductible Waiver and the premium for Collision Coverage for an insured auto that is not covered under Uninsured Motorist Property Damage Coverage, we will pay the collision deductible for that insured auto if involved in an accident with an uninsured motor vehicle.
B. In order for payment to be made under this coverage:

1. There must be actual, direct physical contact between the insured auto and the uninsured motor vehicle;
2. The owner's or operator's liability for damage to the insured auto must arise out of the ownership, maintenance or use of an uninsured motor vehicle;
3. You must be legally entitled to recover damages from the owner or operator of the uninsured motor vehicle;
4. The owner or operator of the uninsured motor vehicle must be identified or the uninsured motor vehicle must be identified by its license number; and
5. You, or someone on your behalf, must notify us or our agent within 10 business days from the date of the accident.

C. Subject to the above, if you are legally entitled to recover only a percentage of the loss, we will pay that percentage of your deductible. However, if the amount of the loss is less than your deductible, we will pay the percentage of the loss you are legally entitled to recover.

D. In no event will we pay more than the amount of the loss.

E. “Uninsured motor vehicle” means a motor vehicle which is:

1. not insured by a property damage liability bond or policy at the time of the accident;
2. insured by a property damage liability bond or policy at the time of the accident but the bonding or insuring company:
   a. denies coverage;
   b. refuses to admit coverage except conditionally or with reservation; or
   c. is or becomes insolvent within one year of the date of the accident.
3. used without the owner's permission if there is no property damage liability bond or policy applicable at the time of the accident with respect to the owner or operator of the vehicle.

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

1. that has at least the minimum property damage liability limits required pursuant to California Vehicle Code Section 16056 even if the property damage liability limits are not sufficient to compensate for all property damage caused by the owner or operator of the uninsured motor vehicle;
2. owned or operated by you or a family member;
3. furnished or available for the regular use of you or a family member;
4. specifically described in the Declarations;
5. owned by or operated by a self-insurer as contemplated by any financial responsibility law;
6. owned by the United States, Canada, a state, political subdivision or agency of any of those governments;
7. operated on rails or crawler treads;
8. while located for use as a residence or premises and not as a vehicle;
9. that is a farm-type tractor; or
10. designed or modified for use primarily off public roads, except while actually upon public roads.

F. “Property damage” means loss to an insured auto resulting from a collision. However, property damage does not include:

1. personal property contained in an insured auto other than a child passenger restraint system;
2. loss of use of an insured auto; or
3. diminution in value.

ADDITIONAL DEFINITIONS

As used in this PART D:

A. “Collision” means upset of an insured auto or its impact with another vehicle or object.

B. “Other than Collision” means loss caused by the following:

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 results from a collision, you may elect to have it treated as a loss caused by collision.

C. “Deductible” means that amount which is shown in the Declarations for Collision Coverage and/or Other Than Collision Coverage which will be deducted from our payment to you for any loss to an insured auto.
EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY.
IF AN EXCLUSION APPLIES, YOU WILL NOT HAVE
COVERAGE FOR AN ACCIDENT OR LOSS THAT
OTHERWISE WOULD BE COVERED UNDER PART D.

We will not pay for loss:

1. to an insured auto while used to carry, transport or
deliver persons or property for which there is a fee,
charge or compensation of any form to any person
for such use including, but not limited to, delivery of
magazines, newspapers, food, pizza, or any other
product. This exclusion (1.) does not apply to
shared-expense car pools.

2. caused by war (declared or undeclared), civil war,
isurrection, rebellion, revolution, nuclear reaction,
radiation or radioactive contamination, or any
consequence of these.

3. to any of the following items or their accessories:
   a. camper shells and custom enclosures for pickup
      trucks;
   b. chrome, alloy or magnesium wheels;
   c. citizens band or two-way radios;
   d. custom bodywork;
   e. custom chroming;
   f. custom interiors;
   g. custom paint, windows, murals, paintings or
      other decals or graphics;
   h. custom wide-tread tires or racing slicks;
   i. scanning monitor receivers;
   j. telephones;
   k. television sets;
   l. bedliners, tool boxes, utility boxes, and fifth
      wheel conversions;
   m. side exhausts, headers, tachometers, pressure
      and temperature gauges;
   n. winches, roll bars and light bars;
   o. body or suspension alterations or any equipment
      not installed by the original manufacturer which
      mechanically or structurally changes an insured
      auto and results in an increase in performance
      or change in appearance and includes
      equipment which does not conform to California
      Motor Vehicle Code.

4. to any device for the transmitting, recording,
   receiving or reproduction of data, sound or picture
   that is operated by power from the electrical system,
   unless the system is factory installed.

5. to portable equipment, devices, accessories, or any
   other personal effects that are not permanently
   installed by the original manufacturer. This includes,
   but is not limited to:
   a. tapes, compact discs, DVD’s or similar recording
      or recorded media;
   b. any container designed to store or carry tapes,
      compact discs, DVD’s or other similar recording
      or recorded media;
   c. other accessories used with electronic
      equipment designed to receive or transmit
      audio, visual or data signals;
   d. equipment designed or used for the detection of
      radar or laser; or
   e. GPS tracking systems, cell phones, computers,
      DVD players.

6. to any item, not listed in Exclusions 3., 4. and 5. that
   are not permanently attached to or installed in an
   insured auto.

7. resulting from prior loss or damage, manufacturer’s
   defects, gradual accumulation of snow or ice on an
   insured auto or road damage to tires. But coverage
   does apply if the damage is the result of other loss
   covered by this policy.

8. due to wear and tear, freezing, mechanical or
   electrical breakdown or failure. But coverage does
   apply if the loss results from the total theft of an
   insured auto.

9. to tires. But coverage does apply if the loss results
   from fire, theft, malicious mischief or vandalism, or if
   the loss to tires occurs with other loss to an
   insured auto.

10. to an insured auto while being maintained or used
    by any person while employed or otherwise engaged
    in the auto business.

11. to an insured auto while maintained or used by any
    person employed or otherwise engaged in any
    business not described in Exclusion 10.

12. to an insured auto caused intentionally by or at the
    direction of you or any person listed on the
    Declarations using an insured auto with your
    express or implied permission.

13. to a utility trailer which is not shown in the
    Declarations.

14. to an insured auto while being used or operated in
    any racing event.

15. to an insured auto while it:
    a. is being rented or leased to others;
    b. has been sold to another; or
    c. is under a conditional sales or consignment
       agreement by you to another.

16. to an insured auto caused by forfeiture ordered by
    the courts or destruction or confiscation by any
    governmental or civil authority.
17. to an insured auto arising out of or during its use for the transportation of any explosive substance, flammable liquid or similar hazardous materials. This exclusion does not apply to transportation of your ordinary household or farm activities.

18. to an insured auto which is subject to any bailment not specifically declared and described in this policy.

19. to an insured auto while being used by you or any listed driver in the commission of a crime and such person is a willing participant in such activity.

20. resulting from:
   a. lack of lubricant or coolant;
   b. leakage or seepage of water;
   c. wet or dry rot;
   d. rust or corrosion;
   e. dampness of atmosphere;
   f. extremes of temperature;
   g. deterioration;
   h. disintegrations; or
   i. delaminating;

   unless caused by any other loss covered under this PART D.

21. to an insured auto caused directly or indirectly by mold, mildew, fungus or other microbes, including any type or form of: a) decomposing or disintegrating organic material; b) organic surface growth on moist, damp, or decaying matter; c) yeast or spore bearing plant-like organism; or d) spores, scents, toxins, mycotoxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus or other microbes. However, this exclusion does not apply to loss caused by mold, mildew or fungus if such loss is caused by any other loss covered in this PART D.

22. due to theft, larceny or conversion of an insured auto or its equipment:
   a. prior to its delivery to an insured;
   b. by you, a family member, a resident or any person listed as a driver in the Declarations; or
   c. where there is no visible sign of forced entry into the insured auto.

23. due to illegal sale or repossession of an insured auto by the rightful owner.

24. to an insured auto while it is being used or operated by a driver who:
   a. has a revoked driver’s license;
   b. is under the minimum age to obtain a driver’s license;
   c. does not have a valid driver’s license; or
   d. has a suspended driver’s license.

25. due to one or more vehicle theft(s) when a police report has not been made within 48 hours of the knowledge of theft(s).

26. while an insured auto is being operated by someone who is intoxicated or under the influence of alcohol or an illegal substance.

27. to an insured auto caused by or resulting from your acquiring an auto from the seller without legal title available to you.

28. to paint or discoloration(s) of paint as a result of smoke, smog, chemicals, tree sap, animal or bird droppings, unless such damage is a direct result of vandalism.

29. to wearing apparel, tools or personal effects.

LIMIT OF LIABILITY

A. Our limit of liability for loss will be the lesser of:
   1. the actual cash value of the stolen or damaged property at the time of loss. However, if a temporary substitute suffers a loss while in your custody, and we choose to pay the actual cash value of that auto, the most we will pay is $50,000;
   2. the amount necessary to repair the insured auto to its pre-loss condition. If we choose to repair the insured auto, you must begin repairs on it within ninety (90) days from the date of loss. We will not be responsible for any loss or portion thereof which is caused by your delay in commencing such repairs; or
   3. the amount necessary to replace the property with other property of like kind and quality less deduction for any applicable depreciation.

B. Our payment for loss will be reduced by:
   1. any applicable deductible;
   2. any unrepaired prior damage to the insured auto; and/or
   3. the salvage value of an insured auto if you elect to retain the insured auto after a total loss.

C. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of betterment.

D. This policy does not provide for original equipment manufactured (“OEM”) parts in the repair of an insured auto under PART D. Instead, this policy allows us to use used parts, first use after-market parts, or generic parts unless such parts are not available or we elect, in our sole discretion, to use OEM parts. We warrant that the parts used to repair an insured auto will be of like kind, quality, safety, fit and performance as OEM replacement parts. We will pay the cost of modifying non-OEM parts if such modification is necessary to complete the repair.
E. **Our** liability for the cost of repairing an **insured auto** is limited to the amount needed to perform physical repairs to the stolen or damaged property. **PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO** does not cover, and **we** will not pay for, **diminution in value**.

F. If **loss** to an **insured auto** is the result of more than one **accident**, a separate deductible shall apply to each **accident**.

G. If sound reproducing equipment and component parts are covered under this **PART D**, then they shall be subject to a maximum limit of Five Hundred Dollars ($500) in the aggregate when permanently installed by a factory or dealer as original equipment in the dash or console opening of an **insured auto**.

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

**PAYMENT OF LOSS**

**We** may, at **our** option, pay the **loss** in money or repair or replace damaged or stolen property with other property of like kind and quality. **We** may, at **our** expense, at any time before the loss is paid or the property is replaced, return any stolen property either to **you** or to the address shown in the Declarations. If **we** return stolen property, **we** will pay for any direct physical damage to an **insured auto** or its equipment resulting from the theft, subject to the provisions of the **LIMIT OF LIABILITY** section. **We** may wait up to thirty (30) days from the date the theft is reported in writing to the police and to **us** to either make payment or replace the property.

**We** may keep all or part of the property at the agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

Under no circumstances will a payment be made under this policy until evidence of satisfactory repairs is presented to **us**. At that time, **we** will have the right, at **our** option, to inspect the repairs prior to **our** making any payment for the **loss**.

When **we** make a payment of any amount due under this **PART D** to **you**, the lienholder and/or loss payee or to anyone on **your** behalf, **we** may deduct from the payment any premium or fees that are due and unpaid under the policy.

**No Cash Out Allowed** - Unless **your** car is determined to be a total **loss** by us, if **you** have a covered **loss** under this part, **we** will only pay for repairs made to your **insured auto**, and **we** will not issue **you** a check in lieu of such actual repairs.

**NO BENEFIT TO BAILEE**

This coverage shall not directly or indirectly benefit any carrier or other bailee for hire liable for loss to an **insured auto**.

**OTHER INSURANCE**

If there is other applicable similar insurance for a **loss** covered by this **PART D**, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total limit of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. Any insurance **we** provide with respect to an **auto** you do not own shall be excess over any other collectible source of recovery.

**APPRAISAL**

If **you** and **we** do not agree on the amount of **loss**, either may demand appraisal of the **loss**. In this event, each party will select a competent and disinterested appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of the **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 expenses; and
2. share all other 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 – FILING A CLAIM**

**GENERAL DUTIES**

A. In the event of an **accident** or **loss**, notice must be promptly given to **us**. The notice must give the time, place, and circumstances of the **accident** or **loss**, including the names and addresses of injured persons and witnesses. Failure to give notice as required herein may affect coverage provided under this policy. Failure to comply with any of the duties under this **PART E** may result in denial of coverage and relieve **us** of all duties to investigate, settle, defend, pay any judgment or otherwise honor any claims made against an **insured**.

B. A person or organization claiming any coverage under this policy must also:

1. Cooperate with **us** and assist **us** in the investigation, settlement or defense of any claim or lawsuit or in any other matter concerning a claim or lawsuit.
2. Promptly send **us** copies of any notices or legal papers received relating to any claim or lawsuit.
3. Submit to physical examinations at **our** expense by doctors we select as often as we may reasonably require.
4. Authorize us to obtain medical and other pertinent records.
5. Provide a sworn written statement as proof of loss as we require.
6. Submit to examinations under oath:
   a. by any person named by us;
   b. as often as may reasonably be required;
   c. at any reasonable time and place that we so designate; and
   d. outside the presence of any person other than your attorney.

If more than one person is claiming coverage, we may conduct separate examinations for each person.

7. Allow us to inspect an insured auto, parts or property damage when bodily injury or property damage is being claimed. Inspection includes the removal of any Event Data Recording (EDR) device contained in a motor vehicle and/or to extract data from the EDR device, when applicable, to investigate a claim.

8. Provide us with records and documents we request and permit us to make copies.

9. Not voluntarily assume any obligation to pay, make any payment or incur any expense, other than to provide first aid to others, for bodily injury or property damage arising out of an accident.

ADDITIONAL DUTIES FOR UNINSURED MOTORIST COVERAGE:

A. A person seeking Uninsured Motorist Bodily Injury Coverage must also in addition to the GENERAL DUTIES stated above:

1. Notify the police as soon as possible of any accident.

2. Notify the police within 24 hours of an accident if a hit-and-run or unknown driver is involved and file with us, within thirty (30) days after the accident, a statement under oath that the insured has a cause of action arising out of the accident for damages against a person or persons whose identity is unknown and set forth facts in support, thereof.

3. Promptly serve a copy of any legal action and all pleadings on us as required by law.

B. If you make a claim under Uninsured Motorist Property Damage Coverage, in addition to the GENERAL DUTIES stated above, you or someone on your behalf must:

1. notify the police as soon as possible of any accident.

2. report the accident within 10 business days to us or to the producer.

3. notify the police within 24 hours after the discovery of the loss if an insured auto is stolen or vandalized.

4. take reasonable steps after loss to protect the auto and its equipment from further loss. We will pay reasonable expenses incurred in providing that protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy.

5. allow us to inspect and appraise the damaged insured auto or its damaged parts before its repair or disposal, and provide us with all pertinent records and sales invoices.

6. include in the notice of accident or loss, a statement listing your interest and interests of all others in the insured auto, any encumbrances on the insured auto (such as a lien or mortgage) and a description (including amounts) of all other insurance covering the insured auto.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO AN INSURED AUTO

A person seeking coverage under PART D – COVERAGE FOR DAMAGE TO AN INSURED AUTO must also in addition to the GENERAL DUTIES stated above:

1. Take reasonable steps after loss to protect the auto and its equipment from further loss. We will pay reasonable expenses incurred in providing that protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy.

2. Notify the police within 24 hours after the discovery of the loss if an insured auto is stolen or vandalized.

3. Allow us to inspect and appraise the damaged insured auto or its damaged parts before its repair or disposal.

4. Include in the notice of accident or loss a statement listing your interest and interests of all others in the insured auto, any encumbrances on the insured auto (such as a lien or mortgage) and a description (including amounts) of all other insurance covering the insured auto.

5. Allow us to examine the insured auto, and provide us with all pertinent records and sales invoices.

Failure to comply with any of the above duties under this Part E may result in denial of coverage and relieve us of all duties to investigate, settle, defend, pay a judgment or otherwise honor any claims made against an insured.
PART F – GENERAL PROVISIONS

BANKRUPTCY

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of an insured.

CHANGES

This policy, your insurance application, any endorsements and the Declarations include all the agreements between you and us relating to this insurance. No change or waiver may be effected in this policy except by endorsement issued by us.

The premium for each insured auto is based on information we have received from you or other sources about the exposures you would have during the policy period. If there is a change to the information used to develop the policy premium, we may adjust your premium. 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 insured autos;
2. operators;
3. the place of principal garaging of insured autos;
4. coverages, deductibles or limits;
5. eligibility for discounts or surcharges or other premium credits or debits; or
6. other factors permitted by law.

You agree:

1. To provide complete and correct information, as well as all information material to the calculation of your premium;
2. To cooperate with us and assist us in the determination of your correct and complete exposure information;
3. To advise us of all changes in your information; and
4. That if return premium is due to you, it will be based on the corrected premium amount.

Our right to re-compute premium does not waive or otherwise affect our right to rescind this policy based on material misrepresentation or fraud as allowed by law or the terms of the policy. If we elect to re-compute premiums, doing so does not reduce or waive our right to terminate this policy for fraud or misrepresentation.

When we broaden coverage during the policy without charge and you have such coverage, the policy will automatically provide the broadened coverage when effective in your state. This does not apply to changes made with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is made through introduction of a subsequent edition of your policy or an amendatory endorsement.

LEGAL ACTION AGAINST US

We may not be sued unless there is full compliance with all of the terms of this policy. In addition, we may not be sued under PART A - LIABILITY COVERAGE unless:

1. we agree in writing that the insured has an obligation to pay; or
2. the amount of that obligation has been finally determined by judgment after trial.

No one shall have any right to make us a party to a suit to determine the liability of an insured.

OUR RIGHT TO RECOVER PAYMENT

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

1. do whatever is necessary to help us exercise our rights;
2. do nothing after an accident or loss to prejudice our rights;
3. sign and deliver to us any legal papers relating to that recovery;
4. take the necessary or appropriate action, through a representative designated by us, to recover payment as damages from the responsible person or organization. If there is a recovery, then we shall be reimbursed out of the recovery for expenses, costs and attorney’s fees incurred in connection with this recovery; and
5. execute and deliver to us any legal instruments or papers necessary to secure the rights and obligations of the insured and us as established here.

When a person has been paid damages by us under this policy and also recovers from another, the amount recovered shall be held by that person in trust for us.

POLICY PERIOD AND TERRITORY

This policy applies only to accidents and losses occurring during the policy period shown in the Declarations while the insured auto is within the United States, its territories or possessions, Canada or between their ports.

TERMINATION, CANCELLATION, NONRENEWAL, AUTOMATIC TERMINATION, DISHONORED/INSUFFICIENT PAYMENT, OTHER TERMINATION PROVISIONS

A. CANCELLATION

1. You may cancel this policy by returning it to us or by giving us advance written notice of the date the cancellation is to be effective.
2. **We** may cancel by mailing notice of cancellation to **you** at the address shown in the Declarations or by delivering the notice:
   a. not less than 10 days prior to the effective date of cancellation:
      i. for nonpayment of premium; or
      ii. if the policy has been in effect less than 60 days and is not a continuation or renewal policy; or
   b. not less than 20 days prior to the effective date of cancellation for any other circumstance.

3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, **we** may cancel only for:
   a. nonpayment of premium,
   b. fraud or material misrepresentation affecting the policy;
   c. a substantial increase in the hazard insured against as defined in Section 2632.19 of the Regulations of the California Insurance Commissioner, as amended;
   d. fraud by the named insured in pursuing a claim under this policy provided **we** do not rescind the policy; or
   e. if **your** driver’s license or motor vehicle registration or that of:
      i. any driver who lives with **you**; or
      ii. any driver who customarily uses an insured auto;
   has been suspended or revoked. This must have occurred:
      i. during the policy period; or
      ii. 180 days prior to the most recent renewal or effective date of the policy and **we** had no notice of such suspension or revocation.

However, with respect to a suspended driver’s license, such cancellation will not become effective if the suspension is removed prior to the time that the cancellation of the policy is to become effective.

B. NON-RENEWAL AND PREMIUM INCREASE

If **we** decide not to renew or continue this policy, **we** will mail to **you** at the address shown in the Declarations or deliver to **you** notice of non-renewal not less than 30 days before the end of the policy period. Some of the reasons for which **we** may non-renew or increase **your** premium include, but are not limited to, the following:

1. accident involvement by an insured and whether the insured is at fault in the accident;
2. a change in, or addition of, an **insured auto**;
3. a change in, or addition of, an insured under the policy;
4. a change in the location of where an **insured auto** is garaged;
5. a change in the use of the **insured auto**;
6. convictions for violating any provisions of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle;
7. the payment by an insurer due to a claim filed by an insured or a third party; or
8. the number of miles driven when a mileage verification program applies. When a mileage verification program applies to **your** policy, **we** will base premiums on actual miles driven. **We** will use odometer readings of the **insured auto(s)** to verify the actual miles driven. Miles driven may be verified by odometer readings:
   a. made by **us**, **our** agent or a third party vendor employed by **us**;
   b. made by an auto repair dealer during a routine vehicle service which **you** provide to **us** or a vendor employed by **us**;
   c. obtained from licensed smog check stations, the Department of Motor Vehicles, or another government agency that maintains such records;
   d. reported by **you** to **us** or **your** producer; or
   e. obtained from a technological device attached to **your** vehicle. However, **we** will only use odometer readings from technological devices to determine actual miles driven.

Some non-renewals and premium increases may result from reasons that are not specified above as long as those reasons are both lawful and not unfairly discriminatory.

C. AUTOMATIC TERMINATION

This insurance will automatically terminate:

1. if **you** obtain insurance from another company for an **insured auto**. Any similar insurance we provide for that **insured auto** will terminate as of the date and time **you** obtain the other insurance;
2. if an auto listed in the Declarations is sold, transferred, or given as a gift to another person as soon as possession is taken of that auto. This termination of coverage occurs whether or not the transaction is complete or title has been effectively transferred; or
3. at the end of the policy period, if **we** or an affiliate offer to renew or continue this policy and **you** or **your** representative do not accept. Failure to pay **your** renewal premium when due will mean that **you** have not accepted our offer.
D. DISHONORED/INSUFFICIENT PAYMENT

Coverage offered by this policy is conditioned upon our receipt of payment for the premium. If your initial premium payment for any new policy or any subsequent renewal is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment. If the check, draft, or remittance is not honored upon presentment, a new policy may, at our option, be deemed void from its inception and a renewal policy may terminate on the renewal date, if allowed by law. This means that we will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment. We do not waive any of our rights if we elect to resubmit a check for payment.

If you tender a check to us for full or partial payment of your premium, other than your initial payment, and the check is returned to us because of insufficient funds, a closed account or a stop payment, a service charge will be added to your account balance.

E. OTHER TERMINATION PROVISIONS

1. If the law in effect at the time this policy is issued, renewed or continued:
   a. requires a longer notice period;
   b. requires a special form of, or procedure for, giving notice; or
   c. modifies any of the stated termination reasons;

   we will comply with those requirements.

2. If not prohibited by state law, we may deliver any notice in person instead of mailing it.

3. Proof of mailing of any notice shall be sufficient proof of notice.

4. If this policy is canceled or terminated, you may be entitled to a premium refund. Any refund due will be computed on a daily pro rata basis. However, we shall retain a cancellation fee if cancellation is for non-payment of premium or if you cancel this policy. Our making or offering to make a refund is not a condition of cancellation. We reserve the right to apply any refundable unearned premium to any outstanding premium balance due at the time the refund is generated.

5. If you owe us any premium on your expired or expiring policy, these funds must be paid before your policy will be renewed by us. Any payment sent by you will be used to pay any balance owed on the expired or expiring policy, and any remainder of such payment will be applied to the renewal premium.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this policy may not be assigned without our written consent. If the policyholder named in the Declarations or the spouse of the policyholder that is a resident in the same household dies, the policy will cover:

1. the surviving spouse;
2. the legal representative of the deceased person while acting within the scope of duties of a legal representative; or
3. any person having proper custody of an insured auto until a legal representative is appointed.

Coverage will terminate at the earlier of the end of the policy period or cancellation date and is subject to the terms and limitations of the policy and any rights we may have by law.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance on the information provided on your insurance application. We reserve the right, at our sole discretion, to void or rescind this policy if you or a family member concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct at the time of application. This includes, but is not limited to, failing to disclose all persons 14 years of age or older that live in your household at the time of application.

We will not provide coverage under this policy if you, any family member or anyone else seeking coverage under this policy concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct in connection with the presentation or settlement of a claim. This includes, but is not limited to, misrepresentation(s) concerning an insured auto or your interest in an insured auto.

We may, at our sole discretion, void or rescind this policy for fraud or misrepresentation even after the occurrence of an accident or loss. This means that we will not be liable for any claims or damages which would otherwise be covered.

If we make a payment under this policy for a loss or accident to you or to a person seeking coverage under this policy which we later discover was obtained through fraud, concealment or misrepresentation by you or the person seeking coverage under this policy, we reserve the right, at our sole discretion, to recover such payment(s) made or incurred.

UNPAID PREMIUM AND FEES

When we make payment to you or the loss payee, as interests may appear, or to anyone on your behalf for any first party claim made by you under this policy, we may deduct from the payment any premium or fees that are due and unpaid under the policy.
TWO OR MORE AUTO POLICIES

With respect to any accident to which this and any other policy issued to you by us or by a company affiliated with us applies to a single accident or loss covering:

1. you;
2. a family member; or
3. an auto listed on your Declarations;

the total limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy issued by us or our affiliate. In no event shall our liability for a covered loss or accident exceed the Limit of Liability applicable to an auto covered by our policy. The total limit if two of our policies apply to an accident will be the highest limit under either policy.

TERMS OF POLICY CONFORMED TO STATUTES

If any provision of this policy conflicts with the statutes of the state in which this policy is issued, the provision will be deemed amended to conform to such statutes. All other provisions shall be given full force and effect.

ALARM

If your application states that there is an alarm system installed on or in an insured auto, you agree that the alarm system will be kept in good working condition at all times and that it will not be removed from that insured auto. If this agreement is breached, insurance hereunder as regards to THEFT of that insured auto shall be void and you may become personally liable to us for damages in accordance with OUR RIGHT TO RECOVER PAYMENT provision of this policy.

CONSUMER ASSISTANCE

If you are unable to satisfactorily resolve a problem after contacting your producer or our customer service representatives at 1-909-944-1400, you may wish to notify the Department of Insurance, Consumer Services Division, 300 South Spring Street, Los Angeles, CA 90013 or call 1-800-927-4357 or email at www.insurance.ca.gov.
In Witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by our authorized representative.

Barry S. Karfunkel  
President

Jeffrey Weissmann  
Secretary