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WASHINGTON PERSONAL AUTO POLICY

AGREEMENT

In return for payment of the premium, **we** agree to insure **you** subject to all terms, conditions, and limitations of this policy. The policy consists of the **declarations**, this policy contract, and all endorsements added to this policy.

GENERAL DEFINITIONS

Defined terms in this policy are printed in boldface type and have the same meaning whether in singular, plural, possessive, or any other form. Terms defined in General Definitions apply throughout the policy. Terms defined in a specific Part of the policy only apply to that Part.

1. **Actual Cash Value** means the fair market value of the loss vehicle immediately prior to the loss.
2. **Additional auto** means an **auto you** become the owner of during the policy period, if:
 - a. **you** own it in addition to the **autos** shown on the **declarations**;
 - b. **you** ask **us** to insure it within 30 days after **you** become the owner; and
 - c. **we** insure all other **autos you** own.

Initial coverage for an **additional auto** will match the broadest coverage **we** provide for any **auto** shown on the **declarations**. This coverage begins on the date and time **you** become the owner. If **you** ask **us** to insure an **additional auto** after the 30-day period expires, then any coverage **we** provide will begin from the time **you** request coverage and **we** agree to provide it.

3. **Auto** means a land motor vehicle that meets all of the following criteria:
 - a. a private passenger car or van, pickup, sports utility vehicle, or cargo van;
 - b. designed mainly for use on public roads;
 - c. with at least four wheels; and
 - d. with a gross vehicle weight rating of 10,000 pounds or less according to the manufacturer's specifications (14,000 pounds or less for pickups).

It also means a self-propelled motor home equipped as living quarters.

However, **auto** doesn't include cargo vehicles (other than pickups) with cabs separate from the cargo area, regardless of gross vehicle weight.

4. **Auto business** means the business of selling, leasing, repairing, servicing, detailing, customizing, parking, storing, or transporting vehicles, including road testing and delivery.
5. **Bodily Injury** means physical injury to the human body including sickness, disease or death arising from the injury.
6. **Commercial transportation services provider** means an organization or entity that uses a digital network or software application to connect passengers to drivers for the purpose of providing a **prearranged ride**.
7. **Declarations** means the document showing **your** coverages, limits, vehicles, premiums, endorsements, and other information for this policy.
8. **Disability** means a condition caused by **bodily injury** that prevents the injured person from performing the essential duties of his or her occupation.
9. **Disabled** means suffering from a **disability**.

10. **Family member** means a resident of **your** household related to **you** by blood, marriage or adoption. It includes **your** resident foster children. **Your** unmarried dependent children temporarily away from home are **family members** as long as they intend to continue to reside in **your** household.
11. **Income** means salary, wages, commissions, professional fees, and profits from an individually owned business or farm.
12. **Occupying** means in, on, or getting in or out of.
13. **Personal vehicle sharing program** means making a vehicle **we** insure available for rent, sharing, or hire through the use of a business platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration.
14. **Prearranged ride** means a route of travel between points chosen by the passenger that was arranged through a **commercial transportation services provider's** digital network or software application and begins when the driver accepts a requested ride through the **commercial transportation services provider's** digital network or software application, continues while the passenger is transported in the vehicle, and ends when the passenger departs from the vehicle.
15. **Rated resident** means a person residing in **your** household at the time of the accident or loss who is not a **family member** and who is listed as a "Driver Rated on This Policy" on the **declarations**.
16. **Replacement auto** means an **auto you** become the owner of during the policy period that permanently replaces an **auto** shown on the **declarations** that **you** no longer own. If **you** still own the **auto** being replaced, then the newly-acquired **auto** is an **additional auto**, subject to the coverage limitations described in that definition, until **you** no longer own the **auto** being replaced. Coverage for a **replacement auto** will match the coverage shown on the **declarations** for the vehicle it has replaced and will begin on the date and time **you** become the owner of the newly-acquired **auto**. However, this coverage will only extend for the first 30 days after **you** become the owner. If **you** ask **us** to insure a **replacement auto** after the 30-day period expires, then any coverage **we** provide will begin from the time **you** request coverage and **we** agree to provide it.
17. **Temporary substitute auto** is any **auto** not owned by **you** while used on a temporary basis as a substitute for any **auto** described in the **declarations** which is out of normal use because of its:
 1. Breakdown;
 2. Repair;
 3. Servicing;
 4. Loss; or
 5. Destruction.Coverage for a **temporary substitute auto** shall not exceed sixty (60) days.
18. **Trailer** means a non-motorized vehicle designed to be towed on public roads by an **auto**, except while it's being used for business or commercial purposes or to transport persons.
19. **We, Us** and **Our** refer to the insurer shown on the **declarations** as providing this insurance.
20. **You** and **your** refer to:
 - a. the named insured shown on the **declarations**; and
 - b. that person's spouse or registered domestic partner, if a resident of the same household at the time of the accident or loss.

21. **Your insured auto** means:

- a. an **auto you** own that is shown on the **declarations**;
- b. a **replacement auto**;
- c. an **additional auto**;
- d. a **temporary substitute auto**; or
- e. a **trailer you** own.

An **auto** or **trailer** is deemed to be owned by a person if leased to that person under a written agreement for a continuous period of at least 12 months.

PART I – LIABILITY COVERAGES

INSURING AGREEMENT

COVERAGE A – BODILY INJURY LIABILITY

COVERAGE B – PROPERTY DAMAGE LIABILITY

If **you've** selected these coverages as shown by a charge on the **declarations**, **we'll** pay compensatory damages for **bodily injury** and **property damage** to others for which any **insured** becomes legally responsible because of an automobile accident. **We'll** settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment of judgments or settlements. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

Coverages A and B do not apply to punitive or exemplary damages, including any additional related costs, fees or interest.

ADDITIONAL DEFINITIONS

When used in this Part I – Liability Coverages:

1. **Insured** means:
 - a. **you**, a **family member**, or a **rated resident** for the ownership, maintenance, or use of an **auto** or **trailer**;
 - b. any other person using **your insured auto** with **your** permission; or
 - c. any other person or organization but only with respect to vicarious liability for acts or omissions of a person described in a. or b. above.
2. **Property damage** means physical injury to or destruction of tangible property, including its loss of use.

ADDITIONAL PAYMENTS

In addition to **our** limit of liability, **we'll** pay on behalf of an **insured**:

1. All expenses **we** incur in the investigation, settlement, or defense of any claim or lawsuit.
2. Up to \$300 for a bail bond required because of an accident covered under this Part. **We** have no duty to apply for or furnish this bond.
3. The premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish any bonds.
4. Prejudgment interest or court costs awarded against an **insured** for a covered loss.
5. Interest accruing after a judgment is entered in any suit **we** defend, even if the judgment amount is higher than **our** limit of liability for this coverage. **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.

6. Up to \$200 a day for loss of wages, but not other **income**, because of attendance at hearings or trials at **our** request.
7. Up to \$1,000 of expenses incurred in connection with rendering first aid to others at the scene of an accident covered by this Part.
8. Other reasonable expenses incurred at **our** request.

EXCLUSIONS

We don't provide coverage or a defense under Part I – Liability Coverages to any **insured** for:

1. Liability arising out of the ownership or operation of a motor vehicle while it's being used to transport persons or property, for compensation of any kind, or while the operator is responding to a request for, or returning from, such transport or delivery. This exclusion doesn't apply to a share-the-expense carpool.
2. **Bodily injury** or **property damage** caused by an intentional act of an **insured**, or at the direction of an **insured**, even if the actual injury or damage is different than what was intended or expected.
3. **Property damage** to property owned or being transported by an **insured**.
4. **Property damage** to property rented to, used by, or in the care of an **insured**. This exclusion doesn't apply to **property damage** to a house or private garage **you're** renting when that **property damage** is caused by an accident covered under this Part.
5. **Bodily injury** to an employee of any **insured** during the course of employment. This exclusion doesn't apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
6. **Bodily injury** or **property damage** caused by any **insured** while employed or otherwise engaged in an **auto business**. This exclusion doesn't apply to the ownership, maintenance, or use of **your insured auto** by **you**, a **family member**, a **rated resident**, or any partner, agent or employee of **you**, a **family member**, or a **rated resident**.
7. **Bodily injury** or **property damage** caused by any **insured** while using a vehicle without the owner's express or implied permission.
8. **Bodily injury** arising out of any actual or alleged exposure to any type or form of:
 - a. fungus, including but not limited to any mold, mildew, mycotoxin, spore or scent; or
 - b. bacteria, virus or parasite.
9. An accident resulting from the ownership, maintenance, or use of any vehicle, other than **your insured auto**, which is owned by **you** or furnished or available for **your** regular use.
10. An accident resulting from the ownership, maintenance, or use of any vehicle, other than **your insured auto**, which is owned by any **family member** or **rated resident**, or furnished or available for the regular use of any **family member** or **rated resident**. However, this exclusion doesn't apply to **you** while **you** are maintaining or using such vehicle.
11. An accident occurring while any **insured** is using a vehicle to participate in, prepare for, or practice for any racing, stunting, or speed contest or demonstration.
12. An accident occurring while any **insured** is using a vehicle, other than one shown on the **declarations**, while it's being operated in autonomous or self-driving mode. This exclusion

doesn't apply to the brief operation of active safety systems such as automatic emergency braking or adaptive cruise control.

13. An accident covered by an atomic or nuclear energy liability policy, whether the applicable policy's limit of liability is exhausted or not.
14. Liability assumed under any contract or agreement by **you**, a **family member**, or a **rated resident**.
15. An accident occurring while any person is operating or in control of a motor vehicle **we** insure while logged into a **commercial transportation services provider's** digital network, or while a motor vehicle **we** insure is used to provide a **prearranged ride** to a passenger.
16. An accident occurring while a motor vehicle **we** insure that is owned or leased by **you** is being used in connection with a **personal vehicle sharing program** or other similar program engaged in facilitating the sharing of private passenger motor vehicles.

LIMITS OF LIABILITY

The amount shown on the **declarations** for each person under this coverage is the most **we'll** pay in damages due to **bodily injury** sustained by one person in any one accident.

The amount shown on the **declarations** for each occurrence under this coverage is the most **we'll** pay in damages due to **bodily injury** sustained by two or more persons in any one accident. The amount **we'll** pay for each occurrence is subject to the liability limit shown for each person on the **declarations**.

The limit of liability shown on the **declarations** for **property damage** liability is the most **we'll** pay for all **property damage** resulting from any one accident.

These limits of liability are the most **we'll** pay regardless of the number of **insureds**, claims made, vehicles or premiums shown on the **declarations**, or vehicles involved in the accident.

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

The limits of liability will not be increased for an accident involving an **auto** that has an attached **trailer**.

OUT-OF-STATE COVERAGE

If an **insured** becomes subject to the compulsory liability insurance laws of another state or province, because of an accident in that state or province covered under this Part I – Liability Coverages, **we'll** provide broader liability coverage to comply with those minimum requirements. But, any broader coverage shall be reduced to the extent that other motor vehicle liability insurance applies. No person may, in any event, collect more than once for the same elements of loss. The words "state or province" as used in this provision do not include a "state or province" in any country other than the U.S. and Canada.

OTHER INSURANCE

Any insurance **we** provide is excess over any other applicable liability insurance. Liability coverage provided by this policy is excess over all other applicable liability insurance, even liability insurance that applies on an excess basis.

If any other policy applies on the same basis as this policy, **we'll** only pay **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all available coverage limits applicable to the loss on the same basis as this policy.

If there is any service agreement, service plan, service contract, protection plan, protection package, or similar provision, this insurance is excess over any amounts payable under any such provision, whether or not the provision is characterized as insurance. This insurance is excess over any amounts payable under any such provision even if the provision is written as applying on an excess basis.

PART II – UNDERINSURED MOTORIST COVERAGES

INSURING AGREEMENT

COVERAGE C – UNDERINSURED MOTORIST BODILY INJURY

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay compensatory damages which an **insured** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **bodily injury** sustained by an **insured**, caused by an accident, and resulting from the operation, maintenance, or use of the **underinsured motor vehicle**.

Coverage C does not apply to punitive or exemplary damages, including any additional related costs, fees or interest.

COVERAGE D – UNDERINSURED MOTORIST PROPERTY DAMAGE

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay compensatory damages which **you** are legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **property damage** caused by an accident and resulting from the operation, maintenance, or use of the **underinsured motor vehicle**.

Coverage D includes payment for loss of use, limited to actual, out-of-pocket costs **you** incur for alternative transportation while **your insured auto** isn't drivable or is being repaired. Coverage for loss of use is limited to a maximum of \$50 a day for a maximum of 30 days, and terminates when the **insured auto** has been repaired or replaced, or five days after **we** make an offer to settle a total loss, whichever occurs first.

Coverage D does not apply to punitive or exemplary damages, including any additional related costs, fees or interest.

ADDITIONAL DEFINITIONS

When used in this Part II – Underinsured Motorist Coverages:

1. **Insured** means:
 - a. for Coverage C, **you**, a **family member**, or a **rated resident**;
 - b. for Coverage C, any other person **occupying**, with **your** permission, **your insured auto**; or
 - c. for Coverage D, **you**.
2. **Phantom vehicle** means a self-propelled land vehicle whose owner and operator cannot be identified, which causes an accident resulting in **bodily injury**, death, or **property damage** to an **insured**, and which has no physical contact with the **insured** or the vehicle the **insured** is **occupying** at the time of the accident, if:
 - a. The facts of the accident can be corroborated by competent evidence other than testimony of a person having an underinsured motorist claim resulting from the accident; and
 - b. The **insured**, or someone on the **insured's** behalf, reports the accident to the appropriate law enforcement agency within 72 hours after it occurs.

3. **Property damage** means physical damage to **your insured auto**, other than damage to a **trailer you** own that is not shown on the **declarations**. It doesn't include any other form of damage.
4. **Underinsured motor vehicle** means any self-propelled land vehicle:
 - a. To which no liability insurance policy or bond applies at the time of the accident.
 - b. To which a liability policy or bond applies at the time of the accident, but the limit of the liability policy or bond is inadequate to pay the full amount an **insured** is legally entitled to recover as compensatory damages from the owner or operator of the **underinsured motor vehicle**.
 - c. Which has a liability policy or bond that applies at the time of the accident, but the insurance or bonding company is or becomes insolvent or denies coverage to its insured for that accident.
 - d. Which is a hit-and-run vehicle whose driver or owner can't be identified and which causes an accident resulting in **bodily injury** to or **property damage** sustained by an **insured**.
 - e. Which is a **phantom vehicle**.

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

- a. Owned by or regularly furnished or available for use by **you**, a **family member**, or a **rated resident** while **you** or any **family member** or **rated resident** are using it, except that this provision does not apply to **you** or any **family member** or **rated resident** for claims under Coverage C.
- b. To which the liability coverage of this policy applies, except that this provision does not apply to **you** or any **family member** or **rated resident** for claims under Coverage C.
- c. Operated on rails or crawler treads, or designed mainly for use off public roads.
- d. While located for use as a residence or premises.
- e. Owned by any governmental entity, including its subdivisions or agencies; or operated by an employee or agent of any governmental entity, including its subdivisions or agencies, while in the course of employment. This exclusion will not apply if the governmental entity is unable to satisfy a claim because of financial inability or insolvency.
- f. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.

EXCLUSIONS

We don't provide coverage under Part II – Underinsured Motorist Coverages for **bodily injury or **property damage** sustained:**

1. While **you**, a **family member**, or a **rated resident** are using a vehicle to transport persons or property for compensation of any kind, or while the operator is responding to a request for, or returning from, such transport or delivery. This doesn't apply to a share-the-expense carpool.
2. By anyone **occupying** a vehicle owned by, or furnished or available for regular use by, **you**, a **family member**, or a **rated resident**, and which is not insured under the liability coverage of this policy.
3. By anyone operating or **occupying** a motorcycle or motor-driven cycle at the time of accident.
4. By anyone whose claim is based on, derived from or the result of the **bodily injury** or death of a person who is not an **insured** for Part II – Underinsured Motorist insurance benefits under this policy.
5. By anyone injured while **occupying** a vehicle being used to participate in, prepare for, or practice for any racing, stunting, or speed contest or demonstration.

6. By anyone using a vehicle without the owner's express or implied permission.
7. While a person is operating or in control of a motor vehicle **we** insure that is logged into a **commercial transportation services provider's** digital network, or while a motor vehicle **we** insure is used to provide a **prearranged ride** to a passenger.
8. While a motor vehicle **we** insure that is owned or leased by **you** is being used in connection with a **personal vehicle sharing program** or other similar program engaged in facilitating the sharing of private passenger motor vehicles.

PAYMENT OF DAMAGES

Under Coverages C and D, **we** may pay the **insured**, his or her legal representative, or anyone else authorized by law to receive payment. Under each coverage, no obligation to pay arises until the total amount of damages the **insured** is legally entitled to recover from the underinsured motorist for **bodily injury** or **property damage** has been determined as provided in this policy. There is no obligation to pay any amounts based on offers of settlement that are not accepted.

The amount of any damages will be reduced by the amount paid by or on behalf of anyone responsible for **bodily injury** or **property damage** to an **insured**. The amount of any damages will also be reduced by other available insurance coverage or payments, as allowed by law.

When **we** pay damages under these coverages, the **insured** must repay **us** out of any amounts recovered from anyone liable for his or her **bodily injury** or **property damage**. The **insured** must protect **our** right to recover **our** money. But **we** won't exercise this right to the extent that it would reduce the **insured's** full recovery of damages.

At **our** request, the **insured** must cooperate with **us**, and representatives of **our** choice, to recover the payments **we've** made under these coverages. **Our** expenses to recover payments also must be paid to **us** out of any money recovered.

LIMITS OF COVERAGE C

The amount shown on the **declarations** for each person under this coverage is the most **we'll** pay in damages due to **bodily injury** sustained by one person in any one accident.

The amount shown on the **declarations** for each occurrence under this coverage is the most **we'll** pay in damages due to **bodily injury** sustained by two or more persons in any one accident. The amount **we'll** pay for each occurrence is subject to the liability limit shown for each person on the **declarations**.

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

No one will be entitled to receive duplicate payments for the same elements of damage or loss under this coverage and any other Part of this policy.

These limits are the most **we'll** pay regardless of the number of **insureds**, claims made, vehicles or premiums shown on the **declarations**, or vehicles involved in the accident.

We aren't bound by any default judgment against any person or organization other than **us**.

LIMITS OF COVERAGE D

The amount shown on the **declarations** for each occurrence under this coverage is the most **we'll** pay for all **property damage** resulting from any one accident.

This limit is the most **we'll** pay for any one accident regardless of the number of **insureds**, claims made, vehicles or premiums shown on the **declarations**, or vehicles involved in the accident.

Subject to this maximum, **our** limit of liability is the lesser of:

- a. the **actual cash value** of the damaged **auto** at the time of the loss; or
- b. the amount needed to repair or replace the **property damage** with property of like kind and quality.

Like kind and quality includes, at **our** option, repair and replacement parts and equipment that are new, reconditioned, remanufactured or used, whether made by the original equipment manufacturer or another manufacturer. **We** won't pay the cost of replacing or upgrading undamaged parts or equipment. This includes undamaged items in a set when less than all items are damaged.

We aren't bound by any default judgment against any person or organization other than **us**.

COVERAGE D DEDUCTIBLE

If the **property damage** is caused by a hit-and-run or **phantom vehicle**, a deductible of \$300 will apply to **your** claim. If the **property damage** is caused by any other **underinsured motor vehicle**, a deductible of \$100 will apply to **your** claim.

OUT-OF-STATE COVERAGE

We do not increase policy limits or the scope of benefits under this Part II – Underinsured Motorist Coverages to comply with minimum requirements of any other state or province in which an **insured** has an accident.

OTHER INSURANCE

If this policy and any other policy providing underinsured motorist coverage apply to the same loss, the maximum amount recoverable by an **insured** under all policies will not exceed the highest limit of liability that applies under any one policy providing coverage either on a primary or excess basis.

Any underinsured motorist insurance **we** provide will be excess over any other underinsured motorist coverage, except for **bodily injury to you, a family member, or a rated resident, while occupying your insured auto**.

If more than one policy provides underinsured motorist coverage on the same primary or excess basis as this policy, **we'll** pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all available coverage limits applicable to the loss on the same primary or excess basis as this policy.

The phrase "any other policy providing underinsured motorist coverage" includes other PEMCO policies, whether or not purchased by **you**, and policies issued by any other insurer.

Coverage D benefits will be excess over any other collectible insurance.

LIMITATION PERIOD

No person will be entitled to underinsured motorist benefits under this Part unless, within three years of either the date on which the cause of action accrues or the **insured's** 18th birthday (whichever is later), **we** receive notice in writing from the **insured** or their representative that the **insured** intends to make an underinsured motorist claim against this policy.

ARBITRATION

An **insured's** legal right to recover damages against the underinsured motorist and the amount of damages is settled by agreement between **us**.

If **we** and the **insured** don't agree, the disagreement may be settled by arbitration on written request by either party. **We** and the **insured** must mutually agree to arbitrate the disagreement. If **we** or the **insured** do not agree to arbitrate, the disagreement will be resolved by a trial in a court of general jurisdiction.

If **we** and the **insured** agree to arbitrate, a single arbitrator will be selected by mutual agreement between the parties. If **we** and the **insured** cannot agree on a single arbitrator within 30 days of the date of the request for arbitration, either party may ask a judge of the county which has venue over the matter to appoint the single arbitrator. **We'll** pay the fees of the arbitrator. All other arbitration expenses, including attorney fees and fees paid to medical or other expert witnesses, will be paid by the party incurring them.

Unless both parties agree otherwise, arbitration will take place in the county where the **insured** lives. The decision of the arbitrator will be binding on the **insured** and **us**.

PART III – PERSONAL INJURY PROTECTION

INSURING AGREEMENT

COVERAGE E – MEDICAL PAYMENTS

If **you've** selected Personal Injury Protection coverage as shown by a charge on the **declarations**, **we'll** pay necessary and reasonable medical expenses for **bodily injury** sustained by an **insured** and caused by an automobile accident. **We'll** pay only those medical expenses incurred for services rendered within 3 years from the date of the accident. If an **insured** dies as a result of the accident, **we'll** pay a maximum of \$3,000 for funeral expenses.

Medical expenses are those necessary and reasonable for medical, dental, hospital, professional nursing, X-ray and ambulance services, pharmaceuticals, prescription eyeglasses, and prosthetic devices.

COVERAGE F – LOSS OF INCOME BENEFIT AND EXTRA EXPENSE BENEFITS

Loss of Income Benefit

If an **insured** under Coverage E – Medical Payments is **disabled** as a direct result of **bodily injury** caused by an accident covered by this policy, **we'll** pay for **income** lost by the **insured** because of that accident. The lost **income** period is that period beginning on the 14th day after the accident and ending 52 weeks later or when the injured person no longer is **disabled** or dies, whichever occurs first.

The benefit amount payable under this policy for loss of **income** by any one person for any one accident won't exceed 85 percent of the lost **income** or the per week limit of liability for Loss of Income shown on the **declarations** for each person for each week of the **disability**, whichever is less.

This limit is the most **we'll** pay regardless of the number of **autos** and **insureds** under this policy or separate charges for Personal Injury Protection coverage shown on the **declarations**.

Extra Expense Benefits

If an **insured** under Coverage E – Medical Payments is **disabled** as a direct result of **bodily injury** caused by an accident covered under this policy, **we'll** pay up to \$40 a day, other than to members of **your** household, for expenses reasonably incurred for essential services usually performed without pay by the injured person.

Extra Expense Benefits will end one year from the date of the accident, or when the injured person no longer is **disabled** or dies, whichever occurs first.

The \$40 per day maximum benefit under this coverage is subject to limits of \$200 per week and \$5,000 per accident. If the limit of liability for Personal Injury Protection coverage shown on the

declarations for each person is \$35,000, the \$200 per week and \$5,000 per accident limits shall not apply.

These limits are the most **we'll** pay regardless of the number of **autos** and **insureds** under this policy or separate charges of Personal Injury Protection coverage shown on the **declarations**.

Method of Payment

Loss of Income Benefit payments are made every two weeks as they accumulate.

Income Records

If **we** require any records relating to a claim for the Loss of Income Benefit, the injured **insured** must give **us** permission to obtain those records.

ADDITIONAL DEFINITIONS

When used in this Part III – Personal Injury Protection:

1. **Insured** means:
 - a. **you**, a **family member**, or a **rated resident**:
 - i. while **occupying** an **auto**; or
 - ii. as a pedestrian when struck by a motor vehicle with at least four wheels and designed for use on public roads.
 - b. Any other person:
 - i. while **occupying** with **your** permission **your insured auto**; or
 - ii. as a pedestrian when struck by **your insured auto** while it's being operated by a person covered for Part I – Liability Coverages at the time of the accident.

EXCLUSIONS

We don't provide coverage under Part III – Personal Injury Protection to or on behalf of any **insured**:

1. Who is injured while **occupying** a vehicle while it's being used by **you**, a **family member**, or a **rated resident** to transport persons or property for compensation of any kind, or while the operator is responding to a request for, or returning from, such transport or delivery. This doesn't apply to a share-the-expense carpool.
2. Who is injured while **occupying** any vehicle located for use as a residence or premises.
3. Who is injured while **occupying**, or when struck by, any vehicle (other than **your insured auto**) which is owned by **you** or which is furnished or available for **your** regular use.
4. Who is injured while **occupying**, or when struck by, any vehicle (other than **your insured auto**) which is owned by any **family member** or **rated resident** or which is furnished or available for the regular use of any **family member** or **rated resident**.
5. Who is injured while **occupying** a vehicle without the owner's express or implied permission.
6. Who is injured while employed or otherwise engaged in an **auto business**. But this coverage will protect **you**, a **family member**, a **rated resident**, **your** partner or **your** employee while using **your insured auto**. **We'll** also protect other occupants of that **auto** while it is being operated by **you**, a **family member**, a **rated resident**, **your** partner or **your** employee.
7. Who intentionally causes injury to himself or herself.
8. Who is injured while participating in a racing or speed contest or in practice or preparation for such a contest.

9. Whose **bodily injury** is due to war, whether or not declared, or an act or condition incident to such circumstances.
10. Whose **bodily injury** results from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
11. Whose **bodily injury** results or arises from the **insured's** use of a vehicle in the commission of a felony.
12. While operating or in control of a motor vehicle **we** insure that is logged into a **commercial transportation services provider's** digital network, or while a motor vehicle **we** insure is used to provide a **prearranged ride** to a passenger.
13. While a motor vehicle **we** insure that is owned or leased by **you** is being used in connection with a **personal vehicle sharing program** or other similar program engaged in facilitating the sharing of private passenger motor vehicles.
14. Whose **bodily injury** results from any actual or alleged exposure to any type or form of:
 - a. fungus, including but not limited to any mold, mildew, mycotoxin, spore or scent; or
 - b. bacteria, virus or parasite.

LIMIT OF LIABILITY

The limit of liability for Personal Injury Protection coverage shown on the **declarations** for each person is the most **we'll** pay in Medical Payments benefits, not including funeral expenses. The limit of liability for Loss of Income coverage shown on the **declarations** for each person is the most **we'll** pay for that coverage. The limit applies for each person for any one accident, regardless of the number of **insureds**, claims made, vehicles or premiums shown on the **declarations**, or vehicles involved in the accident.

OUR PAYMENT OPTIONS

We may, at **our** option, make payment to one or more of the following:

1. The **insured**;
2. Any person or organization that provides the medical services;
3. A parent or guardian (if **insured** is a minor or incompetent); or
4. A person authorized by law to receive such payment.

REPAYMENT AGREEMENT

When **we** pay Medical Payments, Loss of Income, or Extra Expense Benefits, the person to or for whom payments are made or that person's representative must repay **us** from any amounts collected from the Bodily Injury Liability or Underinsured Motorist Bodily Injury coverage of this or any other policy. **We** won't exercise **our** right to recover payment to the extent it would reduce full recovery of damages for the **insured**.

COLLECTION EXPENSE

If the **insured** becomes obligated to pay attorney fees to collect damages from another person and those damages include amounts **we've** paid under Coverages E and F, and **we've** been repaid for those benefits out of such recovery, then **we'll** pay **our** fair share of reasonable fees necessary for the collection. But **we** won't pay any attorney fees for amounts recovered or recoverable by **us** from another insurance company through intercompany arbitration agreements.

OUT-OF-STATE COVERAGE

We do not increase policy limits or the scope of benefits under this Part III – Personal Injury Protection to comply with minimum requirements of any other state or province in which an **insured** has an accident.

OTHER INSURANCE

If other automobile medical payments coverage applies, **we'll** pay only **our** share of medical expenses. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of automobile medical payments coverage that applies on the same primary or excess basis as this policy.

We don't cover, under Coverage F – Loss of Income Benefits, that amount payable or required to be provided under workers' compensation or other similar **disability** benefits law. If the **insured** has the right to receive any other insurance or benefit for lost **income** (other than sick leave or vacation pay), **we** won't pay under this coverage until those other sources have paid. The combined weekly payment an **insured** may receive under personal injury protection coverage, workers' compensation, **disability** insurance, or other **income** continuation benefits will not exceed 85 percent of the **insured's** weekly **income** from work.

However, any insurance **we** provide for an **insured occupying** or struck by a vehicle other than **your insured auto** will be excess over any other collectible Personal Injury Protection or similar benefits.

ARBITRATION

If **we** and the **insured** don't agree on the amount of payment under Personal Injury Protection coverage, the disagreement may be settled by arbitration on written request by either party. **We** and the **insured** must mutually agree to arbitrate the disagreement. If **we** or the **insured** don't agree to arbitrate, the disagreement will be resolved by a trial in a court of general jurisdiction.

If **we** and the **insured** agree to arbitrate, a single arbitrator will be selected by mutual agreement between the parties. If **we** and the **insured** cannot agree on a single arbitrator within thirty (30) days of the date of the request for arbitration, either party may ask a judge of the county which has venue over the matter to appoint the single arbitrator. **We'll** pay the fees of the arbitrator. All other arbitration expenses, including attorney fees and fees paid to medical or other expert witnesses, will be paid by the party incurring them.

Unless both parties agree otherwise, arbitration will take place in the county where the **insured** lives. The decision of the arbitrator will be binding on the **insured** and **us**.

PART IV – DAMAGE TO YOUR AUTO

INSURING AGREEMENT

COVERAGE H – COLLISION

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay for direct and accidental loss caused by **collision** to:

- a. **your insured auto**.
- b. **a non-owned auto**.
- c. **a trailer you** don't own while attached to **your insured auto** or a **non-owned auto**.

Coverage for a **trailer** not shown on the **declarations** is limited to a maximum of \$1,000, after applying deductible to entire loss.

We'll also pay the reasonable cost to replace any child safety seat damaged in an accident to which this coverage applies.

COVERAGE I – COMPREHENSIVE

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay for direct and accidental loss not caused by **collision** to:

- a. **your insured auto.**
- b. **a non-owned auto.**
- c. **a trailer you don't own while attached to your insured auto or a non-owned auto.**

Coverage for a **trailer** not shown on the **declarations** is limited to a maximum of \$1,000, after applying deductible to entire loss.

Examples of Comprehensive losses are losses caused by fire, theft or larceny, explosion, missiles, falling objects, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, forcible impact with an animal, or breakage of glass. If breakage of glass is caused by a **collision**, **you** may elect to have it considered a loss caused by **collision**.

COVERAGE J – TOWING AND EMERGENCY ROAD SERVICE

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay up to the limit shown on the **declarations** for any combination of the following costs incurred due to a disablement of **your insured auto** or a rented **non-owned auto**:

1. Towing from the scene due to mechanical or electrical breakdown or failure, flat tire, lock-out, or becoming stuck in snow, mud, sand, or water.
2. Jump-start or charging of a battery at the scene.
3. Delivery of gas, oil, or other vehicle fluids or lubricants to the scene. (**We** won't pay for the cost of the fluids or lubricants, however.)
4. Labor to change a tire or battery at the scene. (**We** won't pay for the cost of repairing or replacing the failed item, however.)
5. Locksmith services at the scene to retrieve keys locked inside the vehicle.
6. Other labor provided at the scene to get the disabled **auto** operational again.

COVERAGE K – AUTO RENTAL AND TRAVEL EXPENSE REIMBURSEMENT

Auto Rental

If **you've** selected this coverage as shown by a charge on the **declarations** and the loss is payable under Coverage H – Collision or Coverage I – Comprehensive, **we'll** pay **you** for **your** incurred cost to rent an **auto** from an **auto** rental business, or to use a vehicle-for-hire regulated by state or local government, while the insured **auto** isn't drivable or is being repaired. **We'll** pay **you** for this expense subject to the per day and per occurrence limits shown on the **declarations**.

If the insured **auto** isn't drivable because of the loss, this payment applies to rental expense or vehicle-for-hire expense incurred from the time of the loss.

If the insured **auto** is drivable, this payment applies to rental expense or vehicle-for-hire expense incurred while the **auto** is being repaired.

This coverage ends at the earliest of the following:

1. when the insured **auto** has been repaired;
2. when the insured **auto** has been replaced;
3. five days after **we** make an offer to settle the loss if **we** deem the insured **auto** is a total loss;
or

4. when **you** reach the per occurrence limit under this Coverage K.

If Coverage K applies, no other coverage under this policy for alternative transportation or other loss of use costs will apply.

Travel Expense

When the **auto** isn't drivable because of a loss covered by Auto Rental, and the loss occurs at least 100 miles from **your** home, **we'll** reimburse **you** for reasonable expenses incurred for commercial transportation taking **you**, a **family member**, or a **rated resident** from the place of the loss to the originally-intended destination or **your** home. **We'll** also pay **you** for meals and lodging costs incurred because of delays en route resulting directly from the loss.

This coverage is limited to a maximum of \$150 and does not increase or decrease the benefits payable under Auto Rental.

ADDITIONAL DEFINITIONS

When used in this Part IV – Damage to Your Auto:

1. **Appraiser** means a person selected by **us** or **you** to place a value on or estimate the amount of loss under an appraisal clause in an insurance contract.
2. **Collision** means the upset or overturning of a vehicle or its impact with another vehicle or object.
3. **Competent** means the person has subject matter expertise, relevant training, and experience to make decisions and valuations relating to the amount of loss.
4. **Custom parts or equipment** means equipment, devices, accessories, enhancements and changes, other than those offered by the manufacturer specifically for that **auto** model or installed by the **auto** dealership as part of the original sale of a new **auto**, which are permanently installed or attached, and alter the appearance or performance of the **auto**. It doesn't include undercoating, scotch guarding, chip coating and similar add-on damage-prevention treatments.
5. **Diminished value** means any actual or perceived loss in market or resale value resulting in any way from a direct and accidental loss or from repairs necessitated by that loss.
6. **Disinterested** means the person does not have a direct financial interest in the outcome of the appraisal process.
7. **Insured** means:
 - a. **you**, a **family member**, or a **rated resident**; or
 - b. any other person using **your insured auto** with **your** permission.
8. **Non-owned auto** means an **auto** not owned by **you**, a **family member**, or a **rated resident**, and not furnished or available for the regular use of **you**, a **family member**, or a **rated resident**, while in the custody and control of, or being operated by, **you**, a **family member**, or a **rated resident**, with the permission of the owner of the **auto** or of the person in lawful possession of the **auto**. This includes an **auto you**, a **family member**, or a **rated resident** rent for up to 30 consecutive days. A **temporary substitute auto** is not a **non-owned auto**.
9. **Umpire** means a person selected by the **appraisers** representing **us** and **you**, or, if the **appraisers** cannot agree, by the commissioner, who is charged with resolving issues that the **appraisers** are unable to agree upon during the course of an appraisal.

DEDUCTIBLE

The deductible shown on the **declarations** will apply to each loss covered under this Part IV – Damage to Your Auto. However:

1. If a covered Collision loss or Comprehensive loss damages more than one of **your insured autos**, or a **non-owned auto**, only the highest deductible will apply to the loss.
2. If a covered Collision loss involves direct contact with an **auto you** don't own that is insured under a different PEMCO Auto Policy, **we** won't apply **your** Collision deductible to the loss.
3. If a loss is covered under both this policy and another policy issued to **you** by **us**, only one deductible will apply to the entire covered loss. The deductible will be the highest of all applicable deductibles.
4. **We** will not apply the applicable deductible for loss or damage consisting solely of windshield chip repair. The loss to **your insured auto** must be covered under the Part IV, Coverage I – Comprehensive coverage of this policy.

ADDITIONAL BENEFITS

1. **We'll** pay up to \$300 for damage to or loss of wearing apparel and luggage that belongs to **you**, a **family member**, or a **rated resident** if the damage or loss results from a covered Collision loss or a Comprehensive loss caused by fire, flood, or theft of the entire **auto**.
2. **We'll** pay costs **you** incur up to \$25 to transport **yourself** from the place where the **auto** becomes disabled from a loss covered by Collision or Comprehensive coverage under this policy to **your** destination or **your** home.
3. **We'll** pay costs **you** incur, up to \$50 a day to a maximum limit of \$1,500, for **your** transportation if an **auto we** insure for Comprehensive coverage is stolen. Payments will begin with those costs incurred 48 hours after the theft has been reported to **us** and the police. The benefit ends when the **auto** is recovered, or **we** have paid or offered to pay the theft loss, whichever occurs first.
4. **We'll** pay costs **you** incur up to \$500 for replacing or re-coding undamaged electronic lock and key components in **your insured auto**, following a covered theft of the **auto** under Comprehensive coverage or following a theft or accidental loss of electronic keys to **your insured auto**. The Comprehensive deductible will be applied first to the entire loss.

EXCLUSIONS

We don't provide coverage under Part IV – Damage to Your Auto for any of the following vehicles or types of loss:

1. **We** don't cover any vehicle while it's being used to transport persons or property for compensation of any kind, or while the operator is responding to a request for, or returning from, such transport or delivery. This doesn't apply to a share-the-expense carpool.
2. **We** don't cover any vehicle while it's used to participate in, prepare for, or practice for any racing, stunting, or speed contest or demonstration.
3. **We** don't cover any vehicle, other than an **auto** shown on the **declarations**, while it's being operated in autonomous or self-driving mode. This exclusion doesn't apply to the brief operation of active safety systems such as automatic emergency braking or adaptive cruise control.
4. **We** don't cover any **non-owned auto** while it's being maintained or used by a person employed or otherwise engaged in an **auto business**.
5. **We** don't cover loss caused intentionally by or at the direction of any **insured**.

6. **We** don't cover damage accumulated over time or resulting from common road hazards such as pebbles, dust, oil, fresh asphalt, and so on.
7. **We** don't cover loss due to war or warlike action, including cyberattacks.
8. **We** don't cover loss caused by or consisting of radioactive or pathogenic contamination.
9. **We** don't cover loss arising from wear and tear, freezing, or mechanical or electrical breakdown, or computer hardware or software breakdown, other than burning of wiring, unless this damage arises out of a loss otherwise covered by this policy.
10. **We** don't cover loss caused by or consisting of wet or dry rot, rust, corrosion, mold, deterioration, delamination, long-term exposure to water, or other progressive damage.
11. **We** don't cover loss caused by household pets owned by any **insured**.
12. **We** don't cover tires unless they're stolen or damaged by fire, malicious mischief, or vandalism. This exclusion doesn't apply to tires damaged in connection with another loss covered under Collision or Comprehensive coverage.
13. **We** don't cover loss if the vehicle is or at any time becomes subject to any bailment lease, conditional sale, purchase agreement, mortgage, or other encumbrance not specifically declared or described in this policy.
14. **We** don't cover loss due to conversion, embezzlement, repossession, or secretion by any person who possesses the vehicle under a bailment lease, conditional sale, purchase agreement, mortgage, or other encumbrance.
15. **We** don't cover any loss due to destruction, seizure, or confiscation by government or civil authorities.
16. **We** don't cover damage due to prior loss or damage, manufacturer's defects, or faulty materials.
17. **We** don't cover more than \$500 of the cost of repairing or replacing any camper unit, canopy, or tonneau cover **you** own that's designed for mounting on an **auto** (after application of deductible to entire loss) unless the item has been reported to **us**, is shown on the **declarations**, and a charge is made for it.*
18. **We** don't cover any equipment or accessories contained in a motor home, recreational vehicle, camper unit, or **trailer** unless that equipment is built in and forms a permanent part of the vehicle.*
19. **We** don't cover more than \$500 of the cost of repairing or replacing **custom parts or equipment** (after application of deductible to entire loss).* **We** don't cover any increased cost of repair or replacement caused by such **custom parts or equipment**. This doesn't apply to equipment that is permanently installed in the vehicle to make a vehicle handicap accessible. Coverage for loss to permanently installed equipment to make a vehicle handicap accessible is limited to \$15,000.
20. **We** don't cover a motor vehicle **we** insure while it is logged into a **commercial transportation services provider's** digital network, or a motor vehicle **we** insure while it is used to provide a **prearranged ride** to a passenger.
21. **We** don't cover a motor vehicle **we** insure that is owned or leased by **you** while being used in connection with a **personal vehicle sharing program** or other similar program engaged in facilitating the sharing of private passenger motor vehicles.

***NOTE: You** may purchase coverage for these items for an additional charge. Contact **us** for details.

LIMIT OF LIABILITY

Our limit of liability for loss under Coverage H or I is the lesser of:

- a. the **actual cash value** of the stolen or damaged **auto** or **trailer** at the time of the loss; or
- b. the reasonable amount needed to repair or replace the damaged property with property of like kind and quality. The reasonable amount will be based on the cost of repair agreed to by **us** for the prevailing competitive price. The prevailing competitive price means the labor rates, parts prices, and material prices agreed to by a substantial number of repair facilities in the area where the vehicle is to be repaired.

However, the most **we'll** pay for a **trailer** not shown on the **declarations** is \$1,000.

Like kind and quality includes, at **our** option, repair and replacement parts and equipment that are new, reconditioned, remanufactured or used, whether made by the original equipment manufacturer or another manufacturer.

We won't pay for **diminished value**.

We won't pay the cost of replacing or upgrading undamaged parts or equipment. This includes undamaged items in a set when less than all items are damaged, unless required by the manufacturer of the vehicle.

PAYMENT OF LOSS

We'll pay **you** or the owner of the property for the loss. **We** may, at **our** option, pay for the loss in money or repair or replace the damaged or stolen property. At **our** expense, **we** may return any stolen property to **you** or to **your** address shown on the **declarations**. If **we** return stolen property, **we'll** pay for any damage to the property resulting from the theft.

We may purchase all or part of the property at an agreed or appraised fair value. **You** may not abandon property to **us**.

SPECIAL PROVISIONS ON LOSS BY THEFT

We cover loss of any device to record or reproduce sound or images, or any two-way radio, or any accessories of such devices when the device, radio, or accessories are permanently installed in the insured **auto** regardless of their location in the vehicle. **We'll** also cover a removable slide-out unit or removable faceplates for stereos. **We'll** pay only the **actual cash value** at the time of loss.

1. **We** don't cover loss of tapes, cassettes, cartridges, compact discs, computer discs, or other accessories that are not permanently installed, that are used with equipment designed for the reproduction of sound, images or information.**
2. **We** don't cover loss of any telephone, scanning monitor, television, personal computer, or any device that transmits or receives visual or data signals, including accessories, antennas, or other equipment used with such devices, unless they are permanently installed by the **auto** manufacturer or the **auto** manufacturer's authorized dealer at the time of the original purchase.**
3. **We** don't cover loss of radar detectors or similar devices.

****NOTE: You** may purchase theft coverage for these items for an additional charge. Call **us** for details.

OTHER INSURANCE

Any insurance provided by Part IV – Damage to Your Auto for any **auto you** don't own or **trailer** not shown on the **declarations** is excess over any other collectible insurance.

If there is any service agreement, service plan, service contract, protection plan, protection package, or similar provision, this insurance is excess over any amounts payable under any such provision, whether or not the provision is characterized as insurance. This insurance is excess over any amounts payable under any such provision even if the provision is written as applying on an excess basis.

RIGHT TO APPRAISAL

If **we** and **you** are unable to agree as to the amount of loss, either party may make a written demand for appraisal, and within 10 days each party shall select a **competent** and **disinterested appraiser** and notify the other party of its selection.

The **appraisers** shall then each appraise the **actual cash value** and the amount of loss, make separate findings regarding the amount of loss for each element of loss, and exchange their completed appraisals. If the **appraisers** are unable to agree on the losses, the selected **appraisers** shall appoint a **competent** and **disinterested umpire** and submit their differences to the **umpire**. If the **appraisers** do not appoint a **competent** and **disinterested umpire** within 15 days, either **appraiser** may notify the commissioner, and the commissioner shall identify a registered **competent** and **disinterested umpire** that will be used according to the process that the commissioner specifies by rule.

The **appraisers** must make their appraisals within 30 calendar days of selection. If an **appraiser** needs more than 30 days, the **appraiser** shall provide a reasonable basis to the other **appraiser** before 25 days has passed. The **appraiser** must document the reason or reasons for the extension in their file.

The amount of loss must be determined either by agreement of the **appraisers** or by agreement of one **appraiser** and the **umpire**. An agreement of any two is binding.

Each party is responsible for their appraisal expenses, and each party is equally responsible for the cost of the **umpire**.

ADDITIONAL COVERAGES

RENTED CAR COVERAGE

If **you've** selected Collision or Comprehensive coverage, as shown by a charge on the **declarations**, then, for a **non-owned auto** rented by **you**, a **family member**, or a **rated resident** for up to 30 consecutive days, **we'll** pay up to a limit of \$750 for loss of use and other indirect expenses and fees **you** are liable to pay to a rental car company resulting from a covered Collision or Comprehensive loss. Loss of use payments will be further limited to a maximum of \$25 per day, for the period of time reasonably and actually required to repair or replace the rented vehicle. No additional deductible applies to this coverage.

PET COVERAGE

If **you've** selected Collision coverage as shown by a charge on the **declarations**, and if a **covered pet** is injured or killed as a result of a covered Collision loss, **we'll** pay:

- a. up to \$1,000 for reasonable and necessary veterinary expenses for prescribed treatment of injuries to a **covered pet**; and
- b. \$1,000, less all amounts paid under (a), if a **covered pet** dies as a result of the Collision loss. The death must occur within one year from the date of the loss.

The **covered pet** must be in an **auto** or **trailer we** insure for Collision at the time of the loss. \$1,000 is the most **we'll** pay for any one accident regardless of the number of **covered pets** injured or killed, **insureds**, claims made, vehicles or premiums shown on the **declarations**, premiums paid, or vehicles involved in the loss. No deductible applies to this coverage once the Collision deductible has been satisfied.

Covered pet means any dog or cat owned by **you**, a **family member**, or a **rated resident**.

PART V – AUTO ACCIDENTAL DEATH COVERAGE

If **you've** selected this coverage as shown by a charge on the **declarations**, **we'll** pay the accidental death benefit amount shown on the **declarations** on notification of the death of **you** or any person listed as a household driver on the **declarations** on the date of the accident. The death must result directly from **bodily injury** caused by an accident suffered while **occupying** or being struck by a self-propelled land vehicle designed mainly for use on public roads. The death must occur within one year from the date of the accident.

Deaths Not Covered

1. This coverage doesn't apply to death resulting from suicide or any attempt at suicide, whether the deceased was sane or insane.
2. This coverage doesn't apply to death resulting from **bodily injury** suffered at work that involves the operation, loading, or unloading of a commercial motor vehicle or any vehicle available for hire by the public.
3. This coverage doesn't apply to death resulting from **bodily injury** suffered at work that involves the repair or servicing of motor vehicles.

Payment of Death Benefit

If the deceased is survived by a spouse, **we'll** pay the spouse. Otherwise, **we'll** pay the deceased's estate. The beneficiary or someone acting on behalf of that estate must give **us** written notice of death and furnish accident, medical, or other records **we** may require. **We** have the right to require an autopsy.

GENERAL PROVISIONS

DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage or a defense under this policy if a failure by any **insured** to comply with any of the following duties is prejudicial to **us**.

You and any other person seeking coverage under this policy must promptly:

1. Notify **us** of how, when, and where the accident or loss happened.
2. Provide **us** the names and addresses of any known witnesses and injured persons.
3. Promptly file a report with the appropriate law enforcement agency if **your insured auto** is in an accident, stolen, or vandalized.
4. Provide written or recorded statements when requested by **us**.
5. Complete an examination under oath, as often as **we** reasonably require, while not in the presence of any other **insured**, and sign the same. **We** may make a recording, including video and audio, of an examination under oath.
6. Submit a proof of loss, under oath if requested, when required by **us**.
7. Cooperate with **us** in the investigation, settlement, or defense of any claim or suit.

8. Promptly send **us** copies of any notices or legal papers received in connection with the accident or loss.
9. Provide **us** with any other information or documentation, or authorization to obtain information, **we** request that relates to the policy or to any claim made under the policy.

Any person seeking Part II – Underinsured Motorist Coverages must also:

10. Promptly notify the police if a hit-and-run driver is involved.
11. Promptly send **us** copies of the legal papers if a suit is brought against the underinsured motorist or **us**.
12. Promptly advise **us** of any insurance policies that may provide liability or underinsured motorist coverage for the claimed damages.

Any person seeking Part III – Personal Injury Protection coverage must also:

13. Submit, as often as **we** reasonably require, to physical examinations by physicians **we** select. **We'll** pay for these exams.
14. Authorize **us** to obtain medical reports and other pertinent records.

Any person seeking Part IV – Damage to Your Auto coverage must also:

15. Take reasonable steps after loss to protect the vehicle and its equipment from further loss. **We'll** pay reasonable expenses incurred to do this.
16. Permit **us** to inspect and appraise the damaged property before its repair or disposal.
17. Promptly authorize **us** to move the damaged **auto** or **your trailer** to a storage facility of **our** choice at **our** expense.
18. Promptly provide **us** with a key to **your** damaged **auto** upon **our** request.

POLICY PERIOD AND TERRITORY

This policy is issued for the period shown on the **declarations** and applies only to accidents, occurrences, and losses during that period within the United States of America, its commonwealths, territories, or possessions, or in Canada, or between their ports.

OUR RIGHT TO SETTLE

We may settle any claim or suit if **we** believe it's proper.

OUR RIGHT TO RECOVER PAYMENT

After **we've** made any payment under this policy, **we** have the right to recover the payment from anyone else who may be held responsible. All **insureds** must sign any papers and do whatever is necessary to enable **us** to exercise this right. No **insured** shall do anything that would adversely affect this right. **We** won't exercise **our** right to recover payment to the extent it would reduce full recovery of damages for the **insured**.

CHANGES IN YOUR POLICY

If **we** make a change which broadens coverage under a new edition of **our** policy without additional premium charge, the change will automatically apply to **your** insurance as of the date **we** implement the change. This does not apply to changes implemented with a general program revision that includes both broader and narrower coverage, whether that general program revision is implemented through introduction of a subsequent edition of this policy or through an amendatory endorsement.

The only other way this policy can be changed is by **our** policy endorsement or amendment.

CHANGES IN COST OF INSURANCE

If **you** acquire a **replacement auto** or **additional auto** during the policy period, **we'll** adjust the premium as of the date **you** acquire it, unless otherwise specified in the definitions of **replacement auto** and **additional auto**. Any premium adjustment will be according to **our** rules and rates when the change occurs. If **you** wish to delete an **auto** or **trailer** from this policy for any other reason, or if **you** wish to make any other changes to **your** policy, **we'll** adjust the premium for the rest of the policy period according to applicable rules and rates. This new rate will begin as of the date **you** request the change, unless **we** agree to an earlier date.

You must notify **us** promptly whenever any of the following changes occur:

1. New or additional residents in **your** household.
2. New or **additional autos you** own.
3. New or additional drivers regularly using any of **your insured autos**.
4. Change in garaging location for any of **your insured autos**.
5. A sustained increase in weekly miles driven for any of **your insured autos**.

If **we** learn after policy issue or renewal that a change in circumstances materially affects **our** risk, including those listed above, **we'll** adjust the premium for the rest of the policy period according to **our** rules and rates.

Additional charges or a refund of less than \$2 resulting from policy changes will be waived.

CONCEALMENT OR FRAUD

We don't provide any coverage under this policy when any **insured** has intentionally concealed or misrepresented any material fact or circumstance, made false statements with intent to deceive, or engaged in fraudulent conduct relating to this insurance.

CANCELLATION OF POLICY

You may cancel this policy by calling, returning this policy to **us**, or writing by mail, fax, or e-mail to give **us** or **your** agent notice on or before the date **you** want the cancellation to take effect. If **you** request cancellation, **we'll** charge only for the time **we** protected **you**. **We'll** retain any refund less than \$2.

We may cancel this policy for any reason within the first 60 days the policy is in effect. The written notice that **we** send **you** will include the actual reason for cancellation.

After the policy is in effect for 60 days, **we'll** cancel only for nonpayment of premium or if **your** driver's license or that of a **family member** or **rated resident** or any other person who regularly uses **your insured auto** has been suspended or revoked during the policy period.

If **we** cancel within the first 30 days, or any time for nonpayment of premium, **we** must mail notice to **you** at the address shown on the **declarations** at least ten days before cancellation is to take effect. If the cancellation reason is nonpayment of premium, **you** may keep the policy in force by paying the required amount within that ten-day period.

In all other cases, **we** must mail notice to **you** at the address shown on the **declarations** at least 20 days before the cancellation date. A payment made or received after the cancellation date does not reinstate the policy, unless **we** advise **you** in writing that the policy has been reinstated. If **your** policy is reinstated after cancellation, **we** may charge a fee for the reinstatement.

This policy isn't in force and provides no coverage from the date and time of cancellation to the date and time of reinstatement.

RENEWAL OF POLICY

You don't need to ask **us** to renew this policy at the end of **your** policy period. **We'll** renew **your** policy at the rates then in force for the coverages provided unless **we** mail to **you** at the address shown on the **declarations** a written nonrenewal notice at least 20 days before the policy period ends. The notice will include the actual reason for nonrenewal.

TRANSFER OF POLICY

You can't transfer this policy to any person or organization without **our** written consent. But if **you** die, the policy will continue in force for the rest of the policy period for **family members** and **rated residents**, legal representatives acting within their capacity, and anyone having proper temporary custody of **your insured auto**.

AUTOMATIC TERMINATION OF POLICY

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

If **your insured auto** is sold or ownership is transferred to someone other than **you**, all coverage under this policy will terminate as to that **auto** or **trailer** on the effective date of the sale or transfer. The effective date of the sale or transfer is the date **you** part with daily control of the **auto** or **trailer**, regardless of when or whether the title is transferred.

RESCISSION OF POLICY

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

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

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

PREMIUM PAYMENTS

If **you** pay less than the full amount due for **your** insurance, **you** may be charged a fee. **We** may also charge a fee if **your** payment is late, or if **your** bank doesn't process **your** check or electronic funds transfer.

SETTLEMENT OF CLAIMS

We may use independent sources of information selected by **us** to determine any amounts to be paid under this Policy. These sources may include software or databases.

LEGAL ACTION

No legal action may be brought against **us** until the **insured** has complied with all policy provisions. Legal action regarding automobile physical damage coverages must be brought against **us** within one year immediately following the date of the accident or loss.

MUTUAL POLICY CONDITIONS

While this policy is in force, you are a member of PEMCO Mutual Insurance Company. PEMCO's annual meeting of members is held at its headquarters in Seattle, Washington, on January 3 of each year at 4 p.m. If January 3 falls on a Saturday or Sunday, the meeting will take place on the next business day. The purpose of the meeting is to receive reports as to the Company's affairs and to elect directors to its board. All meetings of members shall be exclusive to members.

Members participate in earnings of PEMCO in a manner and to an extent as determined by its board of directors.

This policy is non-assessable, meaning that, beyond payment of the premium for this insurance, you have no responsibility for the Company's debts or obligations.

This is not a complete and valid contract without an accompanying policy Declarations page.

ENDORSEMENTS ARE AN IMPORTANT PART OF YOUR POLICY. PLEASE KEEP THEM TOGETHER.