

YOUR POLICY AT A GLANCE

AGREEMENT	1
DEFINITIONS	1
WHAT TO DO WHEN AN ACCIDENT OR LOSS HAPPENS	2
VEHICLES WE INSURE	2
PART I – LIABILITY COVERAGES	3
COVERAGE A – BODILY INJURY LIABILITY	3
COVERAGE B – PROPERTY DAMAGE LIABILITY	3
PART II – UNINSURED MOTORIST COVERAGES	5
COVERAGE C – BODILY INJURY CAUSED BY AN UNINSURED MOTORIST	5
COVERAGE D – PROPERTY DAMAGE CAUSED BY AN UNINSURED MOTORIST	5
PART III – PERSONAL INJURY PROTECTION COVERAGE (“PIP”)	10
COVERAGE E – INSURING AGREEMENT FOR PIP BENEFITS	10
PART IV – DAMAGE TO YOUR AUTO	13
COVERAGE F – COLLISION	13
COVERAGE G – COMPREHENSIVE	13
COVERAGE H – TOWING AND EMERGENCY ROAD SERVICE	13
COVERAGE I – AUTO RENTAL AND TRAVEL EXPENSE REIMBURSEMENT	16
COVERAGE J – AUTO LOAN OR LEASE COVERAGE	17
PART V – OTHER COVERAGES	17
COVERAGE K – ADDITIONAL COVERAGE FOR AUTO ACCIDENTAL DEATH	17
POLICY PROVISIONS	18
MUTUAL POLICY CONDITIONS	21

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.

DEFINITIONS

We, Us and Our refer to the insurer shown in the Declarations as providing this insurance.

You and your mean the person named as an **insured** on the "Declarations" and that person's spouse or registered domestic partner if a resident of the same household.

Accident means an unexpected and unintended occurrence resulting from ownership, maintenance or use of a **motor vehicle** or a **trailer**, which causes **bodily injury** or **property damage**.

Auto and private passenger motor vehicle mean a four-wheel passenger or station wagon type **motor vehicle** not used as a public or livery conveyance, and includes any other four-wheel **motor vehicle** of the utility, pickup body, sedan delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobilehome and a farm truck.

Bodily injury means physical injury to the human body including sickness, disease or death arising from the injury.

Family member means members of the named **insured's** family residing in the same household as the **insured**, children not related to the **insured** by blood, marriage or adoption and while residing in the same household as the **insured** and being reared as the **insured's** own.

Income means salary, wages, commissions, professional fees and profits from an individually owned business or farm.

Insured or covered person means any person or organization protected by the coverage involved.

Motor vehicle means a self-propelled land vehicle designed to be operated primarily on public roads. It doesn't include vehicles operated on rails or crawler treads, snowmobiles, all-terrain vehicles, ground-effect vehicles, motorcycles, mopeds, riding lawn mowers, golf carts or farm equipment.

NOTE: In "Part II – Uninsured Motorist Coverages," a special definition of **motor vehicle** applies.

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

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

Trailer means a vehicle designed to be pulled by an **auto**. It doesn't include a **trailer** while it's used for business or commercial purposes or as a residence or passenger **trailer**.

WHAT TO DO WHEN AN ACCIDENT OR LOSS HAPPENS

If **you** are involved in an **accident**, **you** or someone acting for **you** or for a **covered person** must notify **us** as soon as possible. Tell **us** how and when the **accident** or loss happened and the extent of any injuries or damage. Also tell **us** the names and addresses of all injured persons and witnesses. If **we** need other information to investigate the accident, **we'll** ask for it. **We** may require all the information in writing.

File an accident report with the proper state authority and notify the police immediately of all theft losses.

You or a **covered person** must cooperate with **us** in investigating the **accident** or loss, settling claims and defending lawsuits. This includes providing statements. **You** or a **covered person** also must complete all forms and send to **us** promptly all papers dealing with claims or lawsuits. **You** or a **covered person** may be required to show **us your auto** or damaged property.

We may require an injured **covered person** to be examined by a doctor **we** select. The person must cooperate and be examined when and as often as **we** reasonably require. **We'll** pay the expenses for such examinations. The **insured** or **covered person** must give **us** permission to obtain medical reports and records. In the event of a claim involving death, **we** have the right to require an autopsy.

Under "Part I Liability Coverages," **you** or a **covered person** will not, except at **your** or a **covered person's** own cost, voluntarily make payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury**.

If **you** have selected any "**Damage to Your Auto**" coverage, **you** must protect the **auto** from more damage. If **you** don't do this, **we** won't pay for any further damage. **We'll** pay **your** reasonable expenses to protect the **auto**. **We** may require **you** to file with **us** a "Proof of Loss" under oath after the **accident** or loss. If so, **we'll** provide **you** a "Proof of Loss" form.

VEHICLES WE INSURE

We insure each **auto** registered solely in **your** name if it's described on the "Declarations." **We** also insure an **auto you** lease on a long-term basis (at least 12 months) if it's described on the "Declarations," but **we** don't provide coverage for the lessor of that **auto** or for **you** while the lessor is driving or has assumed control of the leased **auto**.

We also insure any **auto you** acquire during the policy period to replace a currently described **auto**. Coverage for a replacement **auto** will be the coverage listed on the "Declarations" for the vehicle it replaces. **You** must report a replacement **auto** to **us** during the policy period or within 30 days of acquiring it, whichever is longer.

We'll also insure any additional **auto you** acquire during the policy period if **we** insure all other **autos you** own. An additional **auto** is insured only if **you** notify **us** within 30 days of acquiring it.

We insure a **trailer you** own while it's used with an **auto we** insure. For "Collision" and "Comprehensive" coverages, the **trailer** must be described on the "Declarations" and a premium shown for those coverages, or **you** must report the **trailer** to **us** within 30 days of acquiring it.

We insure a substitute **auto** or **trailer you** don't own when it temporarily replaces an **auto** or **trailer we** insure. But the **auto** or **trailer you** own must be out of use because it's being serviced or repaired or it has been stolen or destroyed.

We insure a **motor vehicle you** or a **family member** don't own when **you** are operating it with the owner's permission. This doesn't include a **motor vehicle** furnished or available for **your** regular use unless it is currently described on the "Declarations." If the other **motor vehicle** is a type defined as "**auto**" in this policy, then all purchased coverages apply. If it isn't, then "Collision," "Comprehensive," "Auto Rental and Travel Expense Reimbursement" and "Towing" coverages don't apply.

We insure an **auto you're** operating when it's owned by a **family member** other than **your** spouse, unless the **auto** is furnished or available for **your** regular use. But no "Damage to Your Auto" coverage applies.

We insure a **trailer you** don't own when **you** use it with the owner's permission, but only when the **trailer** isn't furnished or available for **your** regular use and is being used with an **auto we** insure.

We insure an **auto** or **trailer you** or a **family member** don't own if **you** or a **family member** are operating the **auto** or using the **trailer** with the owner's permission and if the vehicle isn't furnished or available for regular use by **you** or a **family member**. A **trailer** must be used with an **auto we** insure.

PART I

LIABILITY COVERAGES

COVERAGE A – BODILY INJURY LIABILITY

COVERAGE B – PROPERTY DAMAGE LIABILITY

We'll pay the damages for **bodily injury** and **property damage** to others if **you** or a **family member** are legally responsible because of an **accident** involving a **motor vehicle we** insure.

We'll also pay additional benefits.

Additional Benefits

These benefits are in addition to **our** limit of liability for damages.

- **We'll** pay for the cost to investigate an **accident** involving a **motor vehicle** insured by this policy. **We'll** also defend a **covered person**, hire and pay a lawyer and pay all defense costs if the **covered person** is sued by someone for damages because of an **accident** involving a **motor vehicle** insured by this policy – even if the accusations aren't true. But **we** won't be obligated to pay for the cost of any further investigation or further defense of the **covered person** after **we've** paid **our** entire limit of liability for damages.
- If the person who sues **you** tries to tie up **your** property by an attachment, **we'll** arrange and pay for a bond to release the attachment. But **you'll** have to pay the cost of the additional amount of the bond if the bond required is more than the policy limit of liability available to **you**.
- If a **covered person** loses a lawsuit **we** defend, **we'll** pay the court costs. If **we** decide to appeal, **we'll** pay the cost of appeal bonds. **We'll** also pay interest on the full amount of the judgment, even if it's higher than the policy limit of liability. And **we'll** pay this interest from the day the judgment is entered until **we've** offered the other party the amount of the judgment up to the full limit of liability available under this insurance.

- **We'll** pay up to \$200 a day for loss of wages, but not other **income**, a **covered person** might have for attending hearings or a trial at **our** request because of a lawsuit against that **covered person**.
- **We'll** pay up to \$300 for the cost of any bail bond required of **you** because of an **accident** or traffic-law violation involving a **motor vehicle** insured by this policy.
- **We'll** pay up to \$1,000 of **your** expenses for first aid to others at the scene of an **accident** involving a **motor vehicle we** insure.

Protection for Others

- **We'll** pay the damages for **bodily injury** and **property damage** to others if any other person is legally responsible because of an **accident** while using, with **your** permission, an **auto we** insure under this coverage.
- **We'll** pay the damages for **bodily injury** and **property damage** to others if any other person or organization is legally responsible. But **we'll** only pay if the **bodily injury** and **property damage** to others is caused by acts or omissions arising from an **accident** that involves, and occurs while, **you**, a **family member** or a driver with **your** permission are using an **auto you** own that **we** insure under this coverage.
- **We'll** pay the damages for **bodily injury** and **property damage** to others if any other person or organization is legally responsible. But **we'll** only pay if the **bodily injury** and **property damage** to others is caused by acts or omissions arising from an **accident** that involves, and occurs while, **you** or a **family member** are using an **auto you** don't own that **we** insure. That other person or organization is not protected if the non-owned **auto** is owned by, leased or hired to that person or organization.

Those Not Protected

This coverage doesn't apply to damage or loss of any property **you** or a **covered person** own, rent, have charge of or are transporting. But it does cover **property damage** to a house or private garage **you're** renting when that **property damage** is caused by an **accident** otherwise covered and for which a **covered person** is legally liable.

- **We** don't protect anyone, who intentionally or by direction causes **bodily injury** or **property damage**, against liability arising from such **bodily injury** or **property damage**.
- **We** don't protect anyone whose **accident** is covered by an atomic or nuclear energy liability policy. By law such policies protect all persons involved in the **accident**, no matter who is at fault.
- **We** don't protect the **insured** or any **covered person** against a claim for **bodily injury** to his or her employee if workers' compensation benefits are required or available to that employee.
- **We** don't protect against the liability of an **insured's** employee for **bodily injury** or **property damage** to a fellow employee suffered in the course of the employment.
- **We** don't protect the **insured** or any person against the assessment of punitive damages.

Excluded Uses of Motor Vehicles

- **We** don't protect any person's liability resulting from ownership or operation of a **motor vehicle** while it's being used to transport persons or deliver property for compensation of any kind. This doesn't apply to a shared-expense car pool.
- **We** don't protect any person while employed or otherwise engaged in the business or occupation of selling, repairing, servicing, transporting, storing or parking **motor vehicles**, including road testing and delivery. But this coverage will protect **you**, a **family member**, or a partner, agent or employee of **you** or a **family member** for the ownership, maintenance or use of an **auto you** own and **we** insure.

Limits of Liability

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

The amount shown on the "Declarations" for "each occurrence" under this coverage is the most **we'll** pay in damages for **bodily injury** for any one **accident**. And, the amount **we'll** pay for "each occurrence" is subject to the liability limit shown for "each person" on the "Declarations."

The amount shown on the "Declarations" for "each occurrence" under this coverage is the most **we'll** pay in damages for **property damage** for any one **accident**.

These limits are the most **we'll** pay for any one **accident** regardless of the number of **covered persons**, claims made, or vehicles or premiums shown on the policy, or premiums paid or vehicles involved in an **accident**.

NOTE: A **motor vehicle** and attached **trailer** are considered one **motor vehicle** in determining the liability limit.

PART II UNINSURED MOTORIST COVERAGES

DEFINITIONS

The following definitions apply to Part II Uninsured Motorist Coverages. Except as defined below, the definitions of other terms that are found in the "Definitions" section of this policy apply to Part II Uninsured Motorist Coverages.

Covered Person means **you**, **family members** and any other person while occupying, with **your** permission, an **auto we** insure.

Stolen Vehicle means an insured vehicle that causes **bodily injury** to **you** while being operated without **your** consent. The accident must be reported within 72 hours and **you** must cooperate with the appropriate authorities in prosecution of the theft.

Uninsured Motorist means an owner or driver who is operating an uninsured **motor vehicle**.

COVERAGE C – BODILY INJURY CAUSED BY AN UNINSURED MOTORIST

We'll pay for **bodily injury** damages **you** or a **family member** sustain when those damages are caused by an **uninsured motorist**. However, the damages must result from an **accident** arising out of the ownership, maintenance or use of an uninsured **motor vehicle**. In addition, **we** will only pay for **bodily injury** damages caused by the **uninsured motorist** if **you** or a **family member** are legally entitled to recover from the **uninsured motorist**. The coverage limit is the same as shown on the "Declarations" for **bodily injury** liability unless **you** elect lower limits in writing.

We'll protect anyone **occupying**, with **your** permission, an **auto we** insure.

Coverage **C** does not apply to punitive damages.

COVERAGE D – PROPERTY DAMAGE CAUSED BY AN UNINSURED MOTORIST

If **you've** selected this coverage as shown by the charge on the "Declarations," **we'll** pay the damages, less the required deductible, for **property damage you** or a **family member** sustain when those damages are

caused by an **uninsured motorist**. However, the damages must result from an **accident** arising out of the ownership, maintenance or use of an uninsured **motor vehicle**. In addition, **we** will only pay for **property damage** caused by the **uninsured motorist** if **you** or a **family member** are legally entitled to recover from the **uninsured motorist**.

We'll protect anyone **occupying**, with **your** permission, an **auto we** insure.

Coverage **D** does not apply to punitive damages or for loss of use of the covered **auto**.

I. Definition of Uninsured Motor Vehicle

Some drivers carry no automobile insurance, while others have limits inadequate to pay damages in full if an **accident** occurs. The nature of "Uninsured Motorist Coverages" makes a detailed definition of an uninsured **motor vehicle** necessary.

An uninsured **motor vehicle** *is*:

- one to which no liability insurance policy applies at the time of the **accident**;
- an underinsured **motor vehicle** which a liability policy applies to at the time of the **accident**, but the limit of the liability policy is inadequate to pay the full amount a **covered person** is legally entitled to recover as damages;
- one that has a liability policy that applies at the time of the **accident**, but the insurance is or becomes insolvent or denies coverage to its **insured** for that **accident**;
- a **stolen vehicle**;
- a vehicle that is owned or operated by a self-insurer that is not in compliance with the minimum requirements of the motor vehicle financial responsibility law or that provides recovery to an **insured** in an amount that is less than the limits for **uninsured motorist** coverage of the **insured**;
- a hit-and-run vehicle whose driver or owner can't be identified and that vehicle causes an **accident** resulting in **bodily injury** to or **property damage** sustained by a **covered person**; and
- a phantom vehicle, which is an unidentified vehicle that causes an **accident** although there's no physical contact with the **insured** or with a vehicle the **insured** is **occupying** at the time of the **accident**.

NOTE: If a phantom vehicle in which no physical contact occurs with the vehicle or a hit-and-run vehicle causes the **accident**, facts of the **accident** must be corroborated by competent evidence other than testimony of a person having an **uninsured motorist** claim resulting from the **accident**. The **accident** must be reported to the appropriate law enforcement agency within 72 hours after it occurs and within 30 days to **us**.

An uninsured **motor vehicle** *is not*:

- an insured **motor vehicle**, unless it is a **stolen vehicle**;
- one owned by or regularly furnished for use by **you** or a **family member** while **you** or any **family member** is using it, except that this provision does not apply to **you** or any **family member** for claims under Coverage **C**;
- a **motor vehicle** or **trailer** to which the liability coverage of this policy applies, unless it is stolen, except that this provision does not apply to **you** or any **family member** for claims under Coverage **C**;
- Except for those vehicles owned or operated by a self-insurer not in compliance with the minimum requirements of the financial responsibility laws, a **motor vehicle** owned by, rented to or operated by a self-insurer under any motor vehicle financial responsibility law, motor carrier law or any similar law;
- a land **motor vehicle** or **trailer** if it's operated on rails or crawler treads or if it's for use as a residence or premises;

- a motor truck that has a registration weight of more than 8,000 pounds, when **you** have employees who operate such trucks and such employees are covered by any workers' compensation law, disability benefits law or any similar law;
- a farm-type tractor or self-propelled equipment designed for use principally off public roads except when actually upon public roads; and
- a vehicle that is owned by the United States of America, Canada, a state, a political subdivision of any such government or an agency of any such government. However, this limitation will not apply to the extent the governmental entity is unable to satisfy a claim because of financial inability, insolvency or any applicable tort claim limitations.

Those Not Protected

- **We** don't protect anyone **occupying a motor vehicle we** insure while it's being used to transport persons or deliver property for compensation of any kind. This doesn't apply to a shared-expense car pool.
- **We** don't protect anyone **occupying a motor vehicle you** or a **family member** own which is not insured under the liability coverage of this policy.
- **We** don't protect anyone **occupying a motor vehicle** furnished or available for regular use by **you** or a **family member** and operated by **you** or that **family member** which is not insured under the liability coverage of this policy.
- **We** don't protect anyone operating, **occupying** or using a motorcycle or motor-driven cycle at the time of **accident**.
- **We** don't protect anyone whose claim is based on, derived from or the result of the **bodily injury** or death of a person who is not a **covered person** for **uninsured motorist** insurance benefits under this policy.
- **We** don't protect anyone to the benefit of any workers' compensation carrier, any person or organization qualifying as a self-insurer under any workers' compensation or disability benefits law or the State Accident Insurance Fund Corporation.

Limitations on Uninsured Benefits

We will pay only if:

- The limits of liability under any **bodily injury** liability policies applicable at the time of the **accident** regarding the injured person have been exhausted by payment of judgments or settlements to the injured person or persons or the described limits have been offered in settlement, **we** have refused consent to settlement and **you** protect **our** right of subrogation to the claim against the person or organization responsible; or
- **You** give **us** credit for the unrealized portion of the described liability limits as if the full limits had been received if less than the described limits have been offered in settlement, and **we** have consented to settlement or **we** have refused consent to settlement, but **you** protect **our** rights of subrogation to the claim against the person or organization responsible.

NOTE: When **we** pay damages under these coverages because of **bodily injury** sustained in an **accident** by a **covered person**, any amount payable is reduced by the credit given to **us**.

II. Payment of Damages

Under these coverages, **we** may pay the **covered person**, his or her legal representative or anyone else authorized by law to receive payment. No obligation to pay arises under either Coverage C – Bodily Injury Caused by an Uninsured Motorist or Coverage D – Property Damage Caused by an Uninsured Motorist until the total amount of damages the **insured** or **covered person** is legally entitled to recover from the underinsured motorist for **bodily injury** or **property damage** has been determined as provided in this policy.

If there is no liability policy, 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 a **covered person**.

The coverage amounts payable will not be reduced by the amount of liability proceeds offered, and have not been paid to the injured person. If liability proceeds have been offered and not paid, the amount payable is included in the amount of liability limits offered but not accepted due to the insurer's refusal to consent.

When **we** pay damages under these coverages to or for **you**, the payment will reduce the amount **you** may be entitled to recover from any **covered person** who is insured under the **bodily injury** liability coverage of this policy.

Any damages that are payable under these coverages because of **bodily injury** sustained in an **accident** by a **covered person** are reduced by:

- All sums paid on account of such **bodily injury** by or on behalf of the owner or operator of the uninsured vehicle and by or on behalf of any other person or organization jointly or severally liable, together with such owner or operator, for such bodily injury, including all sums paid under the **bodily injury** liability coverage of the policy; and
- The amount paid and the present value of all amounts payable on account of such **bodily injury** under any workers' compensation law, disability benefits law or any similar law.

When **we** pay damages under these coverages, the **covered person** must repay **us** out of any amounts recovered from anyone liable for his or her **bodily injury** or **property damage**. This includes reimbursement to medical providers and attorney fees but does not include any proceeds of that liability policy received by other **covered persons**. The **covered person** must protect **our** right to recover **our** money. But **we** won't exercise this right to the extent that it would reduce the **covered person's** full recovery of damages.

At **our** request, the **covered person** 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.

No judgment against any person or organization alleged to be legally responsible for bodily injury, except for proceedings instituted against the insurer as provided in the policy, is conclusive on the issues of liability of such person or organization or the amount of damages to which **you** are legally entitled.

III. Required Notice

If a **covered person** makes a claim or institutes legal action for damages for injuries against any person or organization, **you** must give **us** notice of the claim or action. The **covered person** should immediately forward to **us** a copy of the summons and complaint or other process served.

IV. Other Insurance

With respect to **bodily injury** to **you** or a **covered person** while **occupying** a vehicle owned by **you** under this coverage, the insurance under this coverage is primary.

While **occupying** a vehicle not owned by **you** under this coverage, this coverage shall apply only as excess insurance over any primary insurance available to the occupant that is similar to this coverage, and this excess insurance shall then apply only in the amount by which the applicable limit of liability of this excess coverage exceeds the sum of the applicable limits of liability of all primary insurance available to the occupant.

If **you** or a **covered person** is an insured under other primary or excess insurance available to **you** or the **covered person** that is similar to this coverage, then **your** or the **covered person's** damages are deemed not to exceed the higher of the applicable limits of liability of this insurance or the additional primary or excess insurance available to **you** or a **covered person**, and **we** are not liable under this coverage for a greater proportion of **your** or a **covered person's** damages than the applicable limits of liability of this insurance and other primary or excess insurance available to the insured.

With respect to **bodily injury** to **you** or a **covered person** while **occupying** any **motor vehicle** used as a public or livery conveyance, the insurance under this coverage shall apply only as excess insurance over any other insurance available to **you** or a **covered person** that is similar to this coverage, and this insurance shall then apply only in the amount by which that applicable limit of liability of this coverage exceeds the sum of the applicable limits of liability of all other insurance.

Responsibility for allocation of payment will be between **us** and any other responsible insurers.

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

V. Limitation Period

No person will be entitled to **uninsured motorist** benefits under this coverage unless, within three years of either the date of **accident** or the **covered person's** 18th birthday (whichever is later), **we** receive notice in writing from the **covered person** or their representative that the **covered person** intends to make an **uninsured motorist** claim against this policy.

VI. Agreement and Arbitration

A **covered person's** legal right to recover damages against the **uninsured motorist** or the amount of damages is settled by agreement between **us**.

If **we** and the **covered person** don't agree, the disagreement may be settled by arbitration by mutual agreement at the time of the dispute.

Unless otherwise agreed upon, parties to arbitration shall submit the dispute to arbitration by a panel of three arbitrators. The panel shall consist of one arbitrator chosen by each party and one arbitrator chosen by the two arbitrators previously chosen to sit on the panel. Attorney fees or expenses incurred in the production of evidence or witnesses or the making of transcripts of the proceedings will be paid by the party incurring them. Costs to **you** for all other arbitration proceedings will not exceed \$100, with the remainder to be paid by **us**.

At the election of the **covered person**, the arbitration shall be held in the county where the **covered person** resides, the **accident** occurred or any other place mutually agreed upon.

The decision of the arbitrator will be binding on the **covered person** and **us**.

VII. Limits

Limits of Coverage C – Bodily Injury Caused by an Uninsured Motorist

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

The amount shown on the "Declarations" for "each occurrence" under this coverage is the most **we'll** pay in damages for **bodily injury** for any one **accident**. And, the amount **we'll** pay for "each occurrence" is subject to the liability limit shown for "each person" on the "Declarations."

These limits are the most **we'll** pay for any one **accident** regardless of the number of **covered persons**, claims made, or vehicles or premiums shown on the policy, or premiums paid, or vehicles involved in an **accident**.

Limits of Coverage D – Property Damage Caused by an Uninsured Motorist

The amount shown on the "Declarations" for "each occurrence" under this coverage is the most **we'll** pay for **property damage** for any one **accident** for which **you** are legally entitled to recover damages and does not include coverage for loss of use.

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

Subject to this maximum, the limit of **our** liability is the actual cash value of the damaged property or the amount needed to repair or replace it with like kind and quality, whichever is less.

Coverage D Deductible – Property Damage Caused by an Uninsured Motorist

If the **property damage** is caused by a hit-and-run or phantom vehicle, a deductible of \$300 will apply to the claim of each **covered person**. If the **property damage** is caused by any other uninsured **motor vehicle**, a deductible of \$200 will apply to the claim of each **covered person**.

PART III

PERSONAL INJURY PROTECTION COVERAGE (“PIP”)

DEFINITIONS

The following definitions apply to this Personal Injury Protection (“PIP”) coverage part. Except as defined below, the definitions of other terms that are found in the “Definitions” section of this policy apply to this PIP coverage part.

Disability means physical limitations, defined by a qualified medical provider, that prevent an injured **covered person** from performing normal activities. **Disabled** means suffering from a **disability** as defined.

Insured means the **named insured** or any **family member** who sustains **bodily injury** while **occupying** a **private passenger motor vehicle** or as a **pedestrian** struck by a **motor vehicle**; or any other person who sustains **bodily injury** while **occupying** or using **your insured motor vehicle** with **your** permission or, as a **pedestrian**, is struck by **your insured motor vehicle**.

Insured motor vehicle means a **private passenger motor vehicle** that is described in the “Declarations” of this policy and for which a premium is paid.

Motor vehicle means a self-propelled land **motor vehicle** or trailer, other than a farm-type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads; a vehicle operated on rails or crawler treads; or a vehicle located for use as a residence or premises.

Pedestrian means a person while not **occupying** a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a person with a physical disability and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.

COVERAGE E – INSURING AGREEMENT FOR PIP BENEFITS

PIP Benefits

We will pay PIP benefits incurred with respect to **bodily injury** sustained by an **insured** in an **accident** as follows:

Medical and Hospital Expenses

Reasonable and necessary medical and hospital expenses for medical, hospital, dental, surgical, ambulance and prosthetic services. Payment for these expenses will not exceed the Medical Expense Limit specified in the “Declarations” in the aggregate for all such expenses of the injured person. Payment will only be made for such services incurred within one year after the date of the person’s injury.

Income Continuation Expenses

70% of the loss of **income** from work during the period of the injured person’s **disability** until the date that person is able to return to the person’s usual occupation and provided the **disability** continues for at least 14 days. The maximum payment is \$3,000 per month with a maximum payment period in the aggregate of 52 weeks.

Essential Services Expenses

The expenses reasonably incurred by the injured person for essential services that were performed by a person not related to the injured person or residing in the injured person’s household if the **disability** of the injured person

continues for at least 14 days and the injured person was not gainfully employed. This benefit is subject to a maximum payment of \$30 per day and a maximum payment period in the aggregate of 52 weeks.

Funeral Expenses

Reasonable and necessary funeral expenses incurred within one year after the date of the person's injury, but not more than \$5,000.

Child Care Expenses

Payment of \$25 per day for child care if the injured person is a parent of a minor child and is required to be hospitalized for a minimum of 24 hours. Payments begin after the initial 24 hours of hospitalization and continue for as long as the person is unable to return to work, if the person is engaged in a paid occupation, or for so long as the person is unable to perform essential services that the person would have performed without **income** if the person is not usually engaged in a paid occupation, but not to exceed \$750.

Limited Liability

- The limits of liability stated above are the most that are payable to an **insured** as the result of any one **motor vehicle accident**, regardless of the number of **insureds**, policies or bonds applicable, claims made or **motor vehicles** described on this policy.
- Any amount payable under this PIP coverage will be reduced or eliminated by any amounts paid or payable under the laws of Oregon or any other state or the United States, any workers' compensation law or other similar medical or disability benefits law, excluding Medicare.
- Any amount paid under this PIP coverage to the **insured** will reduce any amount that person may be entitled to recover under the uninsured motorist or liability sections of this policy.

Exclusions

PIP coverage will not be provided for any **insured** who:

- Intentionally causes self-inflicted injuries. This exclusion does not apply to the interests of an **insured** who did not cause, did not contribute to, and was not aware of the intentional act before it was committed;
- Is participating in any prearranged or organized racing, speed contest, practice or preparation for any such contest;
- Willfully conceals or misrepresents any material fact in connection with a claim for PIP benefits;
- Sustains **bodily injury** arising out of the use, occupancy or maintenance of any of the following vehicles:
 - a. A **motor vehicle**, including a motorcycle or moped, as defined by Oregon statutes, that is owned, furnished or available for regular use by **you** or a **family member** and that is not described in the "Declarations" of this policy;
 - b. A motorcycle or moped, as defined by Oregon statutes, which is not owned by **you** or a **family member**, but this exclusion applies only when the injury or death results from such person's operating or riding upon the motorcycle or moped; and
 - c. A **motor vehicle** not included in subparagraphs **a.** or **b.** of this paragraph and not a **private passenger motor vehicle**. However, this exclusion applies only when the injury or death results from **you** or a **family member** operating or **occupying** the **motor vehicle**;
- As a **pedestrian**, is injured in an **accident** outside Oregon. This exclusion does not apply to **you** or a **family member**. This exclusion only applies to loss of **income**, **income** continuation and essential services expenses;
- Sustains **bodily injury** while **occupying** a **motor vehicle** we insure while it's being used to transport persons or deliver property for compensation of any kind. This exclusion does not apply to a shared-expense carpool;

- Sustains **bodily injury** while **occupying** a **motor vehicle** or **trailer** while it's used as a residence;
- Sustains **bodily injury** resulting from that person's use of a **motor vehicle we** insure while that person is engaged in the business or occupation of selling, repairing, servicing, transporting, storing or parking **motor vehicles** including road testing and delivery. The PIP coverage will protect **you**, a **family member**, **your** partner or **your** employee while using an **auto you** own and **we** insure. **We** also protect occupants of that **auto** while it is being operated by **you**, a **family member**, **your** partner or **your** employee;
- Sustains **bodily injury** due to war, whether or not declared, or an act or condition incident to such circumstances;
- Sustains **bodily injury** resulting from the radioactive, toxic, explosive or other hazardous properties of a nuclear material; or
- Sustains **bodily injury** resulting or arising from the **insured's** use of a **motor vehicle** in the commission of a felony.

Other Insurance

This PIP coverage is excess for **you** and **family members** injured while **occupying** a **motor vehicle** not insured under this policy for which Oregon PIP benefits are in effect and for **pedestrians** injured by the **insured motor vehicle**, other than **you** and **family members** to whom other collateral benefits are payable, including but not limited to insurance, governmental and gratuitous benefits.

Arbitration

If **we** and the **insured** cannot agree on whether PIP benefits are payable or on the extent of the amount payable, then the dispute will be arbitrated if mutually agreed to at the time of the dispute.

Arbitration shall be conducted under the local court rules in the county where the arbitration is held which is the county of residence of the PIP **insured**.

If the parties cannot agree on an arbitrator, then a judge of the court of record in the county where the arbitration is pending will appoint the arbitrator.

The findings and awards made in the arbitration proceeding are binding on the parties to the arbitration proceeding, are not binding on any other party and may not be used for the purpose of collateral estoppel.

Each party will pay that party's attorney fees or expenses incurred in the production of evidence or witnesses or the making of transcripts of the arbitration proceeding. Other costs to the **insured** of the arbitration shall not exceed \$100, and all other costs of the arbitration will be paid by **us**.

Notice of Claim

If an injured person who has received PIP benefits from **us** makes a claim or initiates legal action for related damages against any person, the injured person shall give notice of the claim or legal action to **us** by personal service or by registered or certified mail. If legal action is commenced, the notice shall include a copy of the summons and complaint or other process served in connection with the legal action.

Reimbursement and Subrogation

We are entitled to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of an injured person against any person legally responsible for the **accident**, to the extent that such benefits furnished by **us**, less **our** share of expenses, costs and attorney fees incurred by the injured person in connection with such recovery.

The injured person shall hold in trust for **our** benefit all recovered amounts which the injured person has, but only to the extent of the benefits **we** furnished.

The injured person shall do whatever is proper to secure, and shall do nothing after loss to prejudice, **our** rights.

Upon **our** written request, through **our** designated representative, the injured person, in their name, shall take all necessary action to recover benefits paid as damages from the responsible person. **We** will not designate a representative that has a conflict of interest with the injured person. In the event of a recovery, **we** shall be reimbursed only to the extent of benefits provided by **us**. **We** shall also be reimbursed the injured person's share of expenses, costs and attorney fees incurred by **us** in connection with the recovery.

In calculating respective shares of expenses, costs and attorney fees under this section, the basis of allocation shall be the respective proportions borne to the total recovery by **a.** such benefits furnished by **us**, and **b.** the total recovery less **a.**

The injured person shall execute and provide any necessary documents to secure **our** rights and obligations and those of the injured person.

Any provisions in a **motor vehicle** liability insurance policy or health insurance policy giving rights to **us** relating to subrogation or the subject matter of this section shall be construed and applied in accordance with the provisions of the Oregon Insurance Code.

PART IV

DAMAGE TO YOUR AUTO

COVERAGE F – COLLISION

If **you've** selected this coverage as shown by the charge on the "Declarations," **we'll** pay for direct and accidental loss or damage to an **auto** or **trailer we** insure, as defined in "Vehicles We Insure," when the **auto** or **trailer** is hit by or hits another object or overturns.

We'll pay for the damage less the deductible shown on the "Declarations." **We** won't subtract the deductible if the collision involves direct contact with another **motor vehicle we** insure.

COVERAGE G – COMPREHENSIVE

If **you've** selected this coverage as shown by the charge on the "Declarations," **we'll** pay for direct and accidental loss or damage to an **auto** or **trailer we** insure, as defined in "Vehicles We Insure," if the direct and accidental loss wasn't caused by collision.

We'll pay for the loss or damage less the deductible shown on the "Declarations."

NOTE: Accidental glass breakage and loss or damage from missiles, falling objects and contact with animals are "Comprehensive" coverage losses. Other examples are loss caused by fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion.

If the **auto** has "Collision" coverage under this policy, **you** may choose to have glass breakage covered under "Collision" instead of "Comprehensive" coverage, but only if the breakage was caused by collision.

COVERAGE H – TOWING AND EMERGENCY ROAD SERVICE

If **you've** selected this coverage as shown by the charge on the "Declarations," **we'll** pay up to the limit shown if an **auto we** insure, as defined in "Vehicles We Insure," is disabled. **We'll** pay for towing made necessary by the disablement. **We'll** also pay road service labor costs, but only if the labor is done at the disablement scene.

Additional Benefits

- **We'll** pay up to \$300 for damage to or loss of wearing apparel and luggage that belongs to **you** or a **family member** 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**.
- **We'll** pay **you** up to \$25 for the cost **you** incur to transport **yourself** from the place where **your auto** becomes disabled from a loss covered by "Collision" or "Comprehensive" coverage under this policy to **your** destination or **your** home.
- **We'll** pay costs **you** incur, up to \$30 a day to a maximum of \$900, 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 **your auto** is recovered, or **we** have paid or offered to pay the theft loss, or **we** have paid a total of \$900 toward **your** transportation costs, whichever occurs first.

Autos Not Covered by Coverages F – Collision, G – Comprehensive and H – Towing and Emergency Road Service

- **We** don't cover any **auto** while it's used to transport persons or deliver property for compensation of any kind. This doesn't apply to a shared-expense car pool.
- **We** don't cover any **auto** while it's used in any prearranged or organized racing activity.
- **We** don't cover any **auto** **you** don't own while it's used in the business of selling, repairing, servicing, transporting, storing or parking **motor vehicles**.
- **We** don't cover any **auto** described on the "Declarations" with any "Damage to Your Auto" coverages if a charge isn't shown on the "Declarations" for that particular coverage for that **auto**.

Losses Not Covered by Coverages F – Collision, G – Comprehensive and H – Towing and Emergency Road Service

- **We** don't cover loss caused intentionally by or at the direction of any **covered person**. This exclusion does not apply to the interests of an **insured** who did not cause, did not contribute to, and was not aware of the intentional act before it was committed.
- **We** don't cover damage accumulated over time and resulting from common road hazards such as pebbles, dust, oil, fresh asphalt, and so on. This is considered wear and tear.
- **We** don't cover loss due to war.
- **We** don't cover loss due to radioactive contamination.
- **We** don't cover damage from wear and tear, freezing or mechanical or electrical breakdown, other than burning of wiring, unless this damage results from a loss otherwise covered by this policy.
- **We** don't cover loss consisting of wet or dry rot, rust or mold.
- **We** don't cover tires unless they're stolen or damaged by fire, malicious mischief or vandalism. But **we** do cover tires damaged in connection with another loss covered under "Collision" or "Comprehensive."
- **We** don't cover loss if the **auto** 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.
- **We** don't cover loss due to conversion, embezzlement, or secretion by any person who possesses the **auto** under a bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance.
- **We** don't cover any camper unit or canopy **you** own that's designed for mounting on an **auto** unless the unit has been reported to **us**, is shown on the "Declarations" and a charge is made for it.*
- **We** don't cover any equipment or accessories contained in a motorhome, camper unit, or **trailer** unless that equipment is built in and forms a permanent part of the vehicle.*

- **We** don't cover loss of market value or diminution of value when repairs or replacement of damaged or stolen parts restores **your auto** to its pre-accident operational safety, function and appearance, even if the **auto** is not restored to its pre-accident condition or value.
- **We** don't cover the cost of repairing or replacing customized parts or finish on **autos** such as parts, finish, equipment, decals, furnishings or paint if the customized part or finish isn't available from the **auto** manufacturer as a standard or optional feature. **We** don't cover any increased cost of **auto** repair or replacement caused by such nonstandard or optional items on the **auto**.^{*} This does not apply to wheelchair lift equipment that is permanently installed in the **motor vehicle**. Coverage for loss to permanently installed wheelchair lift equipment is limited to \$15,000.

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

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.

- **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.^{**}
- **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.^{**}
- **We** don't cover loss of radar detectors or other similar devices.

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

Limit of Liability

Our limit of liability for loss under these coverages is the actual cash value of the stolen or damaged property or the amount needed to repair or replace it with like kind and quality, whichever is less. "Repair or replace" means to restore the **auto** to its pre-accident operational safety, function and appearance, even if the **auto** is not restored to its pre-accident condition or value.

Payment of Loss

We'll pay **you** or the owner of the property for the loss. **We** may pay for the loss in money, or **we** may repair or replace the damaged or stolen property with like kind and quality. 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**.

Total Loss of Motor Vehicle

We'll pay **you** or the owner of the **motor vehicle** if **we** declare the **motor vehicle** a total loss. Payment will be based upon the fair market value of the **motor vehicle** at the time of loss.

If **we** cannot agree with **you** or the third-party owner on the value of the **motor vehicle**, **we** will pay to the owner the amount of its value not in dispute. Acceptance of payment of the undisputed amount neither waives the rights of **you** or the third-party owner under this policy, nor prevents **you** or the third-party owner from pursuing a claim for additional amounts. Payment of the undisputed amount by **us** does not waive any rights **we** have under the policy.

We are not obligated to pay the undisputed amount until **you** or the third-party owner of the **motor vehicle** agrees to execute documents sufficient to transfer ownership of it to **us** and authorizes **us**, at **our** expense, to move the **motor vehicle** to a disclosed location selected by **us** where it will remain available for inspection and evaluation for not less than 14 calendar days. After the expiration of the 14-day period, **we** may proceed with the salvage sale of the **motor vehicle**.

Right to Appraisal

If **we** and the owner of the **motor vehicle** don't agree on the amount of loss within 60 days after "Proof of Loss" has been filed, the loss amount will be determined by an appraisal. However, both parties must agree to appraisal and to be bound by results of that appraisal.

We and the owner of the **motor vehicle** each choose a competent and impartial appraiser. These appraisers choose a competent and impartial umpire. The appraisers separately determine the **motor vehicle's** actual cash value and the amount of loss. If they disagree, they'll submit their differences to the umpire. An award in writing by two of the three appraisers determines the loss amount.

The owner of the **motor vehicle** pays his or her appraiser, and **we** pay **ours**. The umpire cost and all other appraisal expenses are shared equally between the owner and **us**. However, **we** will reimburse **you** for the reasonable appraisal costs if the final appraisal decision is greater than the amount of **our** last offer prior to the incurrence of the appraisal costs.

COVERAGE I – AUTO RENTAL AND TRAVEL EXPENSE REIMBURSEMENT

Auto Rental

If **you've** selected this coverage as shown by the charge on the "Declarations" and the loss is payable under Coverages **D, F** or **G**, **we'll** pay **you** for **your** cost to rent an **auto** from a rental agency or garage. **We'll** pay **you** for the rental expense subject to the "per day" and "per occurrence" limits shown on the "Declarations."

If the **auto** isn't driveable because of the loss, this payment applies to rental expense incurred from the time of the loss.

If the **auto** is driveable, this payment applies to rental expense incurred from the time the **auto** was left at a repair facility for repair of the covered loss.

Rental expense coverage ends when the **auto** has been repaired or when **we** offer to pay for the loss, whichever occurs first.

Travel Expense

When the **auto** isn't driveable as a result of a loss covered by "Auto Rental," and the loss occurred at least 100 miles from **your** home, **we'll** pay **you** for any necessary expenses incurred for commercial transportation for **you** or a **family member** from the place of the **accident** to either **your** originally intended destination or to **your** home. And **we'll** pay **you** or a **family member** for meals and lodging costs incurred because of delays en route resulting directly from the **accident**.

We'll also pay for meals, lodging or commercial transportation costs incurred by **you** or any person **you** choose in order to drive the **auto** from the place of repair to the originally intended destination or to **your** home.

Limits of Liability

Several limits of liability apply to Coverage **I**.

- **We'll** pay up to \$150 for "Travel Expense."

- If the **auto** isn't repaired because **we** declare it a total loss (other than theft of the entire **auto**), **we'll** pay **you** five times the "per day" limit for the **auto** rental shown on the "Declarations" in place of any other payment under the "Auto Rental" section of Coverage I.
- If the damaged vehicle isn't driveable and **you** incur rental expense before **we** declare the damaged vehicle a total loss, **we'll** pay the incurred rental expense up to the "per day" limit shown on the "Declarations" for each day plus five times the "per day" limit for **auto** rental shown on the "Declarations."
- If "Auto Rental" or "Travel Expense" reimbursements are paid under any other coverage in this policy, the amount **we** pay reduces the amount payable under Coverage I.
- The most **we'll** pay for all benefits under Coverage I for any one **accident** won't exceed the "per occurrence" limit shown on the "Declarations."

COVERAGE J – AUTO LOAN OR LEASE COVERAGE

If **you** have a covered total loss to a **motor vehicle** described in the "Declarations" to which auto loan or lease coverage applies, and for which a specific premium has been charged, **we** will make payment as follows:

Auto Loan Coverage

If the described **auto** is subject to a loan agreement, **we** will pay the greater of the unpaid principal outstanding balance of **your** loan on the described **auto**, or the actual cash value of the described **auto**.

Auto Lease Coverage

If the described **auto** is subject to a lease agreement, in addition to the actual cash value of the described **auto**, **we** will pay any other unpaid amount due on **your** lease of the described **auto** less: overdue lease payments at the time of the loss; charges imposed under **your** lease for abnormal wear, high mileage or other penalties; carryover balances from previous leases; additional costs for warranties or insurance; non-refundable deposits including security deposits; and payments made under other sections of this or other insurance policies covering the loss in whole or in part.

All applicable deductibles apply to any loss regardless of the applicability of this coverage.

PART V OTHER COVERAGES

COVERAGE K – ADDITIONAL COVERAGE FOR AUTO ACCIDENTAL DEATH

We will pay the accidental death benefit amount shown on the "Declarations" upon notification of the death of any person for whom a charge for such coverage is shown. The death must result directly from **bodily injury** caused by an **accident** suffered while **occupying** or being struck by a **motor vehicle**. The death must occur within one year from the date of the **accident**.

Deaths Not Covered

This coverage doesn't apply to death resulting from suicide or any attempted suicide, whether the deceased was sane or insane.

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.

This coverage doesn't apply to death resulting from **bodily injury** suffered at work that involves the repair or servicing of **motor vehicles**.

POLICY PROVISIONS

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 have the right to settle any claim or suit.

Bankruptcy or Insolvency

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any of **our** obligations under the policy. Any person that obtains a judgment for covered damages against an **insured**, and that judgment remains unsatisfied after 30 days, may pursue an action against **us**, either at law or in equity, to recover such sums, but not exceeding the policy limit.

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. **You** and anyone **we** protect must sign any papers and do whatever is necessary to enable **us** to exercise this right. **You** and anyone **we** protect must not do anything that would adversely affect this right. **We** won’t exercise **our** right to recover payment to the extent that this would reduce full recovery of damages for **you** or anyone **we** protect.

Your Cooperation

You and any **covered person** agree to cooperate by promptly giving **us** information that relates to **your** policy and claims made on **your** policy, and answering all reasonable requests. **We** may also require **you** or the **covered person** to be examined under oath.

Concealment or Fraud

We don’t provide coverage for an **insured** who, with an intent to knowingly defraud, has made misstatements, misrepresentations, omissions or concealments that are material and **we** rely upon, and are either fraudulent or material to the risk assumed by **us**.

Financial Responsibility Laws and “No-Fault” Laws

If **you** selected “Bodily Injury Liability” and “Property Damage Liability” coverages, then **your** policy will provide to **you** at least the minimum amounts necessary to meet financial responsibility requirements in the State of Oregon for **bodily injury**, death and **property damage**.

Changes in Your Policy

You automatically get the benefit of any improved policy coverage if the change doesn’t require additional premium.

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. Any premium adjustment will be according to **our** rules and rates when the change occurs.

If **we** learn after policy issue that a change in circumstances materially affects **our** risk, **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.

Waiver of Deductibles

When there is a covered loss under both this policy and another policy issued to **you** by PEMCO Mutual Insurance Company or its affiliated company, only one deductible will apply to the entire covered loss. The deductible will be the highest of all applicable deductibles.

Transfer of This 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**, legal representatives acting within their capacity, and anyone having proper temporary custody of **your** insured **auto**.

Cancellation of This Policy

You may cancel this policy by calling or writing to give **us** 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. Any premium refund will be calculated on a *pro rata* basis.

We may cancel this policy for one or more of the following reasons:

- For non-payment of premium;
- For fraud or material misrepresentation affecting the policy or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the policy; or
- **Your** driver's license or that of **your family member** or any other person who regularly uses **your auto** has had driving privileges suspended or revoked pursuant to law during the policy period or, if the policy is a renewal, during its policy period of 180 days immediately preceding its effective date.

If **we** cancel the policy for one of these reasons, **we** will mail or deliver to **you** a notice of cancellation at least 30 days prior to the effective date of the cancellation accompanied by a statement of the reason or reasons for cancellation. However, if the cancellation is for non-payment of premium, **we** will provide **you** notice of cancellation at least 10 days prior to the effective date of cancellation accompanied by a statement of the reason for cancellation. **You** may keep the policy in force by paying the required premium within that 10-day period. If **your** policy is reinstated after cancellation, **we** may charge a fee for the reinstatement.

We can cancel any policy for any reason which has been in effect less than 60 days at the time a notice of cancellation is mailed or delivered to **you**. **We** also have the right to non-renew any policy.

Renewal – Continuous Protection Plan

Your policy will automatically renew. **We** guarantee continuous protection at current rates for the coverages provided *unless* **we** mail to **you** a written non-renewal notice at least 30 days before the policy period ends. But **you** must make **your** insurance payments when due.

This policy will terminate on the effective date of any replacement or succeeding automobile insurance policy with respect to any **auto** designated in both policies.

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 fund transfer.

Other Insurance – Primary and Excess Insurance

The insurance **we** provide for any **auto** described on the "Declarations" or for any replacement or additional **auto we** insure under this policy is *primary*. That is, it pays even if other insurance applies.

Any insurance provided by this policy for any **motor vehicle you** don't own is excess including any non-owned **auto** listed on the "Declarations." That is, it protects **you** after the limit of primary insurance provided by another policy or loss-protection plan is exhausted or if there's no primary insurance or loss protection for that **motor vehicle**.

Sometimes other primary insurance is available for a **motor vehicle** when **our** insurance also is primary. Or, other excess insurance is available for a **motor vehicle** when **our** insurance is excess. In either case, **we'll** pay only **our** fair share of any loss or damage. That share is **our** proportion of the total liability limit that applies to the loss. This definition of "our fair share" applies to all parts of this policy except "Parts **II** and **III**."

If **we** make any payment that **we** would not have been obligated to make under the terms of this policy, **you** must reimburse **us** for that payment.

Legal Action

No legal action may be brought against **us** until the **insured** or **covered person** has complied with all policy provisions.

Choice of Law

Oregon law applies to the interpretation and application of this insurance policy.

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.