



A Stock Company

**NAMED DRIVER PERSONAL
AUTOMOBILE INSURANCE
POLICY**

PLEASE READ YOUR POLICY
CAREFULLY

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

IF YOU HAVE ANY QUESTIONS,
PLEASE CONTACT YOUR
LOCAL AGENT.

NOTIFY THE COMPANY'S CLAIM OFFICE
IN OAKBROOK TERRACE,
ILLINOIS BY TELEPHONE OF EVERY
ACCIDENT, HOWEVER SLIGHT, AS SOON
AS PRACTICAL
UPON ITS OCCURRENCE AT
630-645-7755 OR 1-888-663-5443.

Form # TXPOL032014

**YOUR TEXAS PERSONAL AUTO POLICY
QUICK REFERENCE**

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WE AGREE TO MAKE AVAILABLE TO YOU AN INSTALLMENT PAYMENT PLAN AS DESCRIBED IN THE TEXAS AUTOMOBILE RULES AND RATING MANUAL.

1 IMPORTANT NOTICE

To obtain information or make a complaint:

2 You may call American Access Casualty Company's toll-free telephone number for information or to make a complaint at:

1-888-663-5443

3 You may also write to American Access Casualty Company:

**American Access Casualty Company
1 S 450 Summit Avenue Suite 230
Oakbrook Terrace IL 60181**

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

1-800-252-3439

5 You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

6 PREMIUM OR CLAIM DISPUTES:

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

7 ATTACH THIS NOTICE TO YOUR POLICY:

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

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratis de American Access Casualty Company para información o para someter una queja al:

1-888-663-5443

Usted también puede escribir a American Access Casualty Company:

**American Access Casualty Company
1 S 450 Summit Avenue Suite 230
Oakbrook Terrace IL 60181**

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

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el American Access Casualty Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

AGREEMENT

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

DEFINITIONS

- A. Throughout this policy, **“you”** and **“your”** refer to:
1. The named insured shown in the **“Declarations”**, and
 2. The spouse of the named insured if a resident of the same household and specifically listed on the **“declarations page”**.
- B. **“We”** **“us”** and **“our”** refer to the company providing this Insurance.
- C. For purposes of this policy, a private passenger type auto or pickup or van shall be deemed to be owned by a person if leased:
1. Under a written agreement to that person;
And
 2. For a continuous period of at least six months
- Other words and phrases are defined. They are boldfaced when used.
- D. **“Family Member”** and **“Resident Relative”** means a person who is a resident of **“your”** household and related to **“you”** by blood, marriage or adoption. This definition includes a ward or foster child who is a resident of **“your”** household, and also includes **“your”** spouse even when not a resident of **“your”** household during a period of separation in contemplation of divorce.
- E. **“Occupying”** means in, upon, getting in, on, out or off.
- F. **“Trailer”** means a vehicle designed to be pulled by a:
1. Private passenger auto; or
 2. Pickup or van.
- It also means a farm wagon or farm implement while towed by a vehicle listed in F.1. or F.2. above.
- G. **“Your covered auto”** means:
1. Any vehicle shown in the **“Declarations”** unless you have asked **“us”** to delete that vehicle from **“your”** policy;
 2. Any of the following types of vehicles on the date **“you”** became the owner:
 - a. A private passenger auto; or
 - b. A pickup, utility vehicle, or van with a GVW of 25,000 lbs. or less not used for the delivery or transportation of goods, materials or supplies other than samples; unless, (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle or (2) used for farming or ranching.
- This provision (G2) applies only if **“you”**:
- a. Acquire the vehicle during the policy period; and
 - b. Notify **“us”** within 20 days after **“you”** become the owner. If the vehicle **“you”** acquire replaces one shown in the **“Declarations”**, it will have the same coverage as the vehicle it replaced. **“You”** must notify **“us”** of a replacement vehicle within 20 days only if **“you”** wish to: (1) add coverage for damage to the vehicle; or (2) continue existing coverage for damage to the vehicle after the 20 day period expires. If the vehicle **“you”** acquire is in addition to any

shown in the Declaration, it will have broadest coverage provided for any covered vehicle on the policy only for a period of 20 days after **"you"** become the owner. **"We"** will not provide coverage after this twenty (20) day period, unless within this twenty (20) day period **"you"** ask **"us"** to insure the vehicle.

- c. Any **"trailer"** **"you"** own.
- d. Any auto or **"trailer"** **"you"** do not own while used as a **"temporary substitute automobile"** for any other vehicle described in this definition which is out of normal use because of its
 - i. Breakdown;
 - ii. Repair;
 - iii. Servicing;
 - iv. Loss; or
 - v. Destruction.
- H. **"Business day"** means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.
- I. **"Aftermarket crash part"** means a replacement for any of the non-mechanical sheet metal or plastic parts that generally constitute the exterior of a motor vehicle including inner and outer panels
- J. **"Non-original equipment manufacturer"**, referred in the policy as **"non-OEM"**, **"aftermarket crash part"** means an **"aftermarket crash part"** not made for or by the manufacturer of the motor vehicle
- K. **"Like kind and quality part"** includes but is not limited to a replacement part for any vehicle obtained from another vehicle
- L. **"Original equipment manufacturer"**, referred in the policy as **"OEM"** means parts that are manufactured originally by the auto maker
- M. **"Declarations page"** means the document identified by **"us"** as the **"Declarations page"** listing the policy period, types of coverage **"you"** have selected, the limit and cost for each coverage, and the specified **"vehicles"** covered by this policy.
- N. **"Regular Use"** means use any individual that operates **"Your Covered Auto"** three (3) or more times within an applicable policy period.
- O. **"Temporary Substitute Automobile"** means an automobile not owned by **"you"**, a **"Family Member"** or **"Resident Relative"**, while temporarily used as a substitute for **"your covered auto"** when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction and is not a **"non-owned automobile"**.
- P. **"Non-Owned Automobile"** means a private passenger car, or utility automobile not owned by, or furnished for the **"regular use"** of **"you"**, a **"family member"** or **"resident relative"**, other than a **"temporary substitute automobile"**, while said automobile is in **"your"** possession or custody.
- Q. **"Business use"** means **"your"** use of **"your covered auto"** during and in the course and scope of **"your"** employment, and at the direction of **"your"** employer.

PART A – LIABILITY COVERAGE INSURING AGREEMENT

Subject to the terms, conditions and exclusions of this policy, and Limits of Liability:

- A. **"We"** will pay damages other than punitive or exemplary damages for bodily injury or property damage for which any **"covered person"** becomes legally responsible arising out of the ownership, maintenance or use of a **"vehicle"** when involved in an auto accident. Property damage includes loss of use of the damaged property. Damages include prejudgment interest awarded against the **"covered person"**. **"We"** will settle or defend, as **"we"** consider appropriate, any claim or suit seeking recovery of these damages, in addition to **"our"** limit of liability, **"we"** will pay all defense costs **"we"** incur. **"Our"** duty to settle or defend ends when **"our"** limit of liability for this coverage has been exhausted.
- B. You agree that none of the insurance coverage afforded by Part A—Liability shall apply to **"you"** or anyone else, including claims of negligent entrustment, while an "excluded driver", **"family member"** or resident of **"your"** household who is not listed in the **"Declarations"** or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle.
- C. **"Covered person"** as used in this Part means:
1. **"You"**, for the ownership, maintenance or use of any **"covered auto"** or **"trailer"**.
 2. Any **"Family Member"** or resident of **"your"** household who is listed in the **"Declarations"** or added by endorsement during the policy term prior to loss, for the ownership, maintenance or use of any **"covered auto"** or **"trailer"**.
 3. A person who is not a **"Family Member"** or resident of **"your"** household but is using **"your covered auto"** with **"your"** express or implied permission, but to whom **"your covered auto"** is not available for that person's **"regular use"**.

As used in this part, resident shall mean any person living in **"your"** household other than **"you"** or a **"Family Member"**.

SUPPLEMENTARY PAYMENTS

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

- A. Up to \$250 for the cost of bail bonds required because of an accident including related traffic law violations. The accident must result in bodily injury or property damage covered under this policy.
- B. Premiums on appeal bonds and bonds release attachments in any suit **"we"** defend.

- C. Interest accruing after a judgment is entered in any suit “we” defend. “Our” duty to pay interest ends when “we” offer to pay that part of the judgment, which does not exceed “our” limit of liability for this coverage.
- D. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearing or trials at “our” request.
- E. Other reasonable expenses incurred at “our” request.

EXCLUSIONS

- A. “We” do not provide Liability Coverage for any person:
 - 1. Who intentionally causes or at the direction of the insured person intentionally causes bodily injury or property damage.
 - 2. For damage to property owned or being transported by that person.
 - 3. For damage to property
 - a. Rented to;
 - b. Used by; or
 - c. In the care, custody or control of; “you” or a person residing in “your” household.

This exclusion (A.3) does not apply to damage to:

 - a. A residence or private garage; or
 - b. Any of the following type vehicles not owned by or furnished or available for the “regular use” of “you” or any “Family Member”:
 - i. private passenger autos;
 - ii. “trailers”; or
 - iii. pickups or vans.

However, the exclusion 3 does apply to a loss due to or as a consequence of a seizure of an auto listed in 3 by federal or state law enforcement officers as evidence in a case against “you” under the Texas Controlled Substances Act or the Federal Controlled Substances Act if “you” are convicted in such a case.
 - 4. For bodily injury to an employee of an insured person during the course of employment. This exclusion (A4) does not apply to bodily injury to a domestic employee unless workers’ compensation benefits are required or available for that domestic employee.
 - 5. For that person’s liability arising out of the ownership or operation of a vehicle while it is:
 - a. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
 - b. Being used to carry or deliver property for a fee;
 - c. Being used in the course of any business or employment, unless “you” have paid a specific premium for “business use” coverage; or
 - d. Rented or leased to another person that is not listed on the “Declarations Page.”
 - 6. While employed or otherwise engaged in the business or occupation of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing; or
 - e. Parking;

7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion A.6.
 8. For that person's liability arising out of the ownership or operation of **"your covered auto"** while **"your covered auto"** is being operated by a:
 - a. **"Family member"**;
 - b. Resident of **"your"** household; or
 - c. Non-resident to whom **"your covered auto"** is furnished for that person's **"regular use"**; unless the operator of **"your covered auto"** is listed in the **"Declarations"**.
 9. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion (8) does not apply to **"you"** or any **"Family Member"** while using **"your"** **"covered auto"**.
 10. For bodily injury or property damage for which that person:
 - a. Is an insured under a nuclear energy liability policy; or
 - b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
 11. A nuclear energy liability policy is a policy issued by any of the following or their successors:
 - a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
- B. **"We"** do not provide Liability Coverage for the ownership, maintenance or use of:
1. Any motorized vehicle having fewer than four wheels;
 2. Any vehicle, other than **"your covered auto"**, which is:
 - a. owned by **"you"**; or
 - b. furnished or available for **"your"** **"regular use"**.
 3. Any vehicle, other than **"your covered auto"**, which is:
 - a. owned by any **"Family Member"**; or
 - b. furnished or available for the **"regular use"** of any **"Family Member"**.
 4. Any automobile while in the control of an excluded operator and or any other operator not disclosed on the policy **"Declaration page"** as a **"Family Member"** or **"Resident Relative"** of **"your"** policy. For any **"Family Member"** or resident of **"your"** household to be covered under Part A – Liability, they must be disclosed on the application and listed on **"your"** policy. If **"your"** auto is being driven by a **"Family Member"**, resident, or a non-resident to whom the vehicle is furnished for their **"regular use"** and was not disclosed on the application, then coverage may be denied under Part A - Liability. Permissive users, other than household members, are covered under Part A – Liability. Failure to disclose all members of **"your"** household, or provide full and accurate information in the application will result in denial of coverage, including but not limited to claims for negligent entrustment, respondent superior, principal agent relationship and or any other derivative cause of action. This applies to Part A – Liability.

5. Any automobile rented or leased to and operated by any other operator unauthorized, excluded, and not listed as a **"Family Member"** or **"Resident Relative"** not disclosed on the policy **"declarations page"** of **"your"** policy under the terms of any rental or lease agreement.
- C. **"We"** do not provide Liability Coverage for **"you"** or any **"Family Member"** for bodily injury to **"you"** or any **"Family Member"** except to the extent of the minimum limits of Liability Coverage required by Motor Vehicle Safety Responsibility Act, Texas Transportation Code Section 601.072, titled "Minimum Coverage Amounts; Exclusions". Located in Subchapter D.
- D. **"We"** do not provide Liability Coverage for any person for bodily injury or property damage assumed by or imposed on a **"covered person"** under any agreement, contract or bailment.
- E. **"We"** do not provide Liability Coverage for bodily injury or property damage resulting from an insured person's operation or use of a vehicle that is not listed on the **"declarations page"** that is available for the insured person's **"regular use"**.
- F. **"We"** do not provide Liability Coverage for bodily injury or property damage arising out of the ownership, maintenance or use of a vehicle or **"trailer"** while it is:
 1. being used to flee or elude law enforcement;
 2. being used in any illicit trade or transportation;
 3. used in the commission of any felony including theft of **"your covered vehicle"**;
 4. Seized by federal or state law enforcement officers as evidence in a case against an insured person under the Texas Controlled Substances Act or the Federal Controlled Substances Act.
- G. **"We"** do not provide Liability Coverage for bodily injury or property damage caused by war (declared or undeclared), civil war, insurrection, rebellion and or revolution, or for which the United States Government is liable under the Federal Tort Claims Act.

LIMIT OF LIABILITY

- A. If separate limits of liability for bodily injury and property damage liability are shown in the **"Declarations page"** for this coverage the limit of liability for each person for bodily injury liability is **"our"** maximum limit of liability for all damages sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the **"Declarations"** for each accident for bodily injury liability is **"our"** maximum limit for all damages for bodily injury resulting from any one auto accident. The limit of liability shown in the **"Declarations"** for each accident for property damage liability is **"our"** maximum limit of liability for all damages to all property resulting from any one auto accident. This is the most **"we"** will pay regardless of:
 1. **"Covered persons"**;
 2. Claims made;
 3. Vehicles or premiums shown in the **"Declarations"**; or
 4. Vehicles involved in the auto accident.

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

Regardless of the amount shown in the **"Declarations"** for this coverage, **"our"** liability for damages caused to or by an unlisted person using **"your covered auto"** will be limited to the minimum limits of Liability Coverage required by the "Texas Motor Vehicles Safety-Responsibility Act", Chapter 601, Texas Transportation Code.

- B. Any payment under the Uninsured/Underinsured Motorists Coverage or the Personal Injury Protection Coverage of this policy to or for a **"covered person"** will reduce any amount that person is entitled to recover under this coverage.
- C. A vehicle and attached **"trailer"** are considered one vehicle. Therefore, the limits of liability will not be increased for an accident involving a vehicle which has an attached **"trailer"**.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province of the United States of America other than the one in which **"your covered auto"** is principally garaged, **"we"** will interpret **"your"** policy for that accident as follows:

- A. If the state or province has:
 - 1. A financial responsibility or similar law requiring minimum limits of liability for bodily injury or property damage higher than the limits shown in the **"Declarations page"**, **"your"** policy will provide the higher specified limit.
 - 2. A compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a vehicle in that state or province, **"your"** policy will provide at least the required minimum amounts for bodily injury or property damage as specified by the state or province providing American Access Casualty Company has been granted a license and certificate of authority to conduct business in that state or province.
- B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY REQUIRED

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

OTHER INSURANCE

If there is other applicable liability insurance or bond **"we"** will pay only **"our"** share of the loss. **"Our"** share is the proportion that **"our"** limit of liability bears to the total of all

applicable limits. However, any liability insurance “we” provide to a “covered person” for the maintenance or use of a vehicle “you” do not own shall be excess over any other applicable liability insurance.

PART B1 – MEDICAL PAYMENTS COVERAGE

Subject to the terms, conditions and exclusions of this policy, and the Limits of Liability if, “you” pay the premium for medical payments coverage, “we” will pay all reasonable expenses incurred and submitted to the Company within three years from the date of accident for necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services to or for the named insured and each relative who sustains bodily injury caused by accident, while “occupying” an automobile; or to or for any other person who sustains bodily injury caused by accident, while “occupying”:

A. “your covered auto”, while being used by an insured; or, “Family Member” and “Resident Relative”; or

B. a “non-owned automobile”, if the bodily injury results from its operation by an insured provided no such payment shall be made unless the person to or for whom such payment is made shall have executed a written agreement that the amount of such payment shall:

1. be applied toward the settlement of any claim or the satisfaction of any judgment for damages entered in his/her favor,
2. against any insured because of bodily injury arising out of an accident to which “Part A – Liability Coverage” applies.

C. However, “you” agree that none of the insurance coverage afforded by Part B1—Medical Payments shall apply to “you” or anyone else, including claims of negligent entrustment, while an excluded driver, “family member” or resident of “your” household who is not listed in the “Declarations” or who is not added by endorsement during the policy term prior to loss is operating “your covered auto” or any other motor vehicle.

DEFINITIONS

The definitions under “Part A – Liability Coverage” and “Part D - Coverage For Damage to Your Auto” Coverage apply to Part B1 - Medical Payments Coverage.

EXCLUSIONS

This policy does not apply and does not provide coverage under Part B1 - Medical Payments Coverage to bodily injury:

- A. sustained while “occupying”
1. an automobile while used for a delivery purpose during the course of business or for other commercial purpose, or

2. any automobile while located for use as a residence or premises;
- B. sustained by the named insured or a relative
 1. while **"occupying"** an automobile owned by or furnished for the **"regular use"** of either the named insured or any resident of the household of the named insured, other than an automobile defined herein as **"your covered auto"**, or
 2. while **"occupying"** or as a result of being struck by
 - a. a motor vehicle or other equipment designed for use principally off public roads while not upon public roads, or
 - b. a vehicle operated on rails or crawler-treads;
- C. sustained by any person other than the named insured or a resident **"Family Member"** and **"Resident Relative"** of the named insured, resulting from use of:
 1. a **"non-owned automobile"** while used in the automobile business, or
 2. a **"non-owned automobile"** in any other business or occupation except operation or occupancy of private passenger automobile by the named insured or by his/her private chauffeur or domestic servant or a **"trailer"** used therewith or with **"your covered auto"**;
- D. while **"your covered auto"** or any **"non-owned automobile"** is,
 1. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
 2. Being used to carry or deliver property for a fee;
 3. Being used in the course of any business or employment, unless **"you"** have paid a specific premium for **"business use"** coverage; or
 4. Rented or leased to another person that is not listed on the **"Declarations Page."**
- E. sustained by any person who is employed in the automobile business, if the accident arises out of the operation thereof and if benefits therefore are in whole or in part either payable or required to be provided under any worker's compensation law;
- F. from loss due to war;
- G. to the extent any medical expense is paid or payable to or on behalf of the injured person under the provisions of any other
 1. insurance affording benefits for medical expenses,
 2. individual, blanket group accident, disability or hospitalization insurance,
 3. medical or surgical reimbursement plan, or
 4. worker's compensation or any similar law;
- H. resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
- I. arising out of the operation of any automobile designed for racing while being tested, repaired or serviced, or to any automobile while used, operated, manipulated or maintained in any pre-arranged or organized racing event;
- J. while any automobile is in the control of an excluded operator;

- K. incurred by any person while operating or **"occupying"** any automobile without a reasonable belief that he or she is entitled to do so, however this exclusion does not apply to the named insured or **"Family Member"** and **"Resident Relative"** with regard to the operation of **"your covered auto"**;
- L. arising out of the operation, occupation or use of a motor vehicle during or in connection with the commission of a crime or while attempting to elude police.;
- M. arising out of the operation or occupation of a motor vehicle in such circumstances where bodily injury is either expected or intended by the insured or incurred by an insured occupant of a vehicle who is complicit in the intentional act of the driver of that vehicle.
- N. to **"you"** or anyone else, including claims of negligent entrustment, while an excluded driver, **"family member"** or resident of **"your"** household who is not listed in the **"Declarations"** or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle.

ARBITRATION

If any person making claim hereunder and the Company do not agree that a medical bill submitted for payment is not usual and customary or necessary and reasonable or do not otherwise agree that it is payable under Part B1, these matters shall be submitted to arbitration. Upon the insured or the Company demanding arbitration, the insured and the Company shall each select a qualified arbitrator and the two arbitrators so named shall select a third arbitrator. The three arbitrators so selected shall hear and determine the questions in dispute. Any decision made by the arbitrators shall be binding for the amount decided by the arbitrators to be payable hereunder not exceeding the limits of liability for Medical Payments as provided in the **"Declarations"** of this policy subject to all other terms and conditions of this policy. To the extent that an arbitration decision exceeds the limit of liability, it is void. The authority of the arbitrators is limited to a determination of the amount due for Medical Payments and does not extend to punitive damages or other damages other than Medical Payments covered by this policy. Each party shall bear the cost of his/her own arbitrator and shall share equally the costs of the third arbitrator. No arbitrator shall have authority to hear or decide class or representative claims.

LIMIT OF LIABILITY

The limit of liability for this Medical Payments Coverage as stated in the **"Declarations"** as applicable to "each person" is the maximum limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains bodily injury as the result of any one accident. Therefore, this limit of liability for this medical payments coverage is the most the Company will pay under this coverage regardless of the number of:

- A. insured(s);

- B. claims made or suits resulting from bodily injury;
- C. automobiles or separated itemizations of premium stated in the **"Declarations"**; or
- D. automobiles involved in the accident.

The limits for any coverage for any automobile under this policy may not be aggregated with the limits for any similar coverage, whether provided by the Company or another insurer, applying to other motor vehicles, for purposes of determining the total limit of insurance coverage available for bodily injury suffered by a person in any one accident. Therefore, the total limit of liability under all the policies, whether provided by the Company or another insurer shall not exceed the highest applicable limit of liability under any one policy.

OTHER INSURANCE

If there is other automobile medical payments insurance against a loss covered by Part B1 – Medical Payments Coverage of this policy, the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability stated in the **"Declarations"** bears to the highest applicable limit of liability of any valid and collectible automobile medical payments insurance; provided, however, the insurance with respect to a **"temporary substitute automobile"** or **"non-owned automobile"** shall be excess insurance over any other valid and collectible automobile medical payments insurance.

LEGAL ACTION AGAINST THE COMPANY

Under This Part B1 – Medical Payments Coverage. No suit, action or arbitration for recovery of any claim may be brought against this Company until the named insured, **"Family Member"** and **"Resident Relative"** or any other person has fully complied with all the terms of this policy. Further, any suit or action will be barred unless commenced within three years after the date of the accident.

ASSIGNMENT OF BENEFITS

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

PART B2 – PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

Subject to the terms, conditions and exclusions of this policy and the Limits of Liability, if **"you"** pay the premium for Personal Injury Protection Coverage:

- A. **"We"** will pay Personal Injury Protection benefits because of bodily injury:
1. resulting from a motor vehicle accident; and
 2. sustained by a **"covered person"**; however,
 3. **"you"** agree that none of the insurance coverage afforded by Part B2—Personal Injury Protection shall apply to **"you"** or anyone else, including claims of negligent entrustment, while an excluded driver, **"family member"** or resident of **"your"** household who is not listed in the **"Declarations"** or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle.
- "Our"** payment will only be for losses or expenses incurred within three years from the date of accident.
- B. Personal Injury Protection benefits consist of:
1. Reasonable expenses incurred for necessary medical and funeral services.
 2.
 - a. Eighty percent of a **"covered person's"** loss of income from employment. These benefits apply only if, at the time of the accident, the **"covered person"**:
 - i. was an income producer; and
 - ii. was in an occupational status.These benefits do not apply to any loss after the **"covered person"** dies.
 - b. Loss of income is the difference between:
 - i. Income which would have been earned had the **"covered person"** not been injured; and
 - ii. The amount of income actually received from employment during the disability.
 - c. If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the accident shall be used.
 3.
 - a. Reasonable expenses incurred for obtaining services. These services must replace those a **"covered person"** would normally have performed.
 - i. without pay;
 - ii. during a period of disability; and
 - iii. for the care and maintenance of the family or household.
 - b. These benefits apply only if, at the time of the accident, the **"covered person"**:
 - i. was not an income producer; and
 - ii. was not in an occupational status.
 - iii. The benefits do not apply to any loss after the **"covered person"** dies.
- C. **"Covered person"** as used in this Part means:
1. **"You"** or any **"Family Member"**:
 - a. while **"occupying"**; or
 - b. when struck by; motor vehicles designed for use mainly on public roads or a **"trailer"** of any type.

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

EXCLUSIONS

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

- A. In an accident caused intentionally by that person.
- B. By that person while in the commission of a felony.
- C. By that person while attempting to elude arrest by a law enforcement official.
- D. While **"occupying"**, or when struck by, any motor vehicle (other than **"your covered auto"**) which is owned by **"you"**.
- E. By a **"Family Member"** while **"occupying"**, or when struck by any motor vehicle (other than **"your covered auto"**) which is owned by a **"family member"**.
- F. While any automobile is in the control of an excluded operator, named on a driver exclusion form, or any other regular operator not listed on the policy Declaration page as a named insured or **"Family Member"** or **"Resident Relative"** of **"your"** policy. This exclusion does not apply to any permissive users who do not have access to the vehicle for **"regular use"**.
- G. to **"you"** or anyone else, including claims of negligent entrustment, while an "excluded driver", **"family member"** or resident of **"your"** household who is not listed in the **"Declarations"** or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle.
- H. while **"your covered auto"** or any **"non-owned automobile"** is,
 1. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
 2. Being used to carry or deliver property for a fee;
 3. Being used in the course of any business or employment, unless **"you"** have paid a specific premium for **"business use"** coverage; or
 4. Rented or leased to another person that is not listed on the **"Declarations Page"**.

LIMIT OF LIABILITY

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

- A. **"Covered persons"**;
- B. Claims made;
- C. Vehicles or premiums shown in the **"Declarations"**; or
- D. Vehicles involved in the accident.

OTHER INSURANCE

If there is other Personal Injury Protection insurance, **"we"** will pay only **"our"** share. **"Our"** share is the proportion that **"our"**

limit of liability bears to the total of all applicable limits. However, any insurance **"we"** provide with respect to a vehicle **"you"** do not own shall be excess over any other collectible Personal Injury Protection insurance.

OTHER PROVISIONS

- A. Loss Payments. Benefits are payable:
1. Not more frequently than every two weeks; and
 2. Within 30 days after satisfactory proof of claim is received.
- B. **"We"** shall have the right of subrogation and a claim against a person causing or contributing if, on the date of loss financial responsibility as required by Motor Vehicle Safety Responsibility Act, Texas Transportation Code Section 601.051, titled "Requirement of Financial Responsibility" located in Subchapter C, has not been established for a motor vehicle involved in the accident and operated by that person

ASSIGNMENT OF BENEFITS

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

PART C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

Subject to the terms, conditions and exclusions of this policy, and the Limits of Liability, if **"you"** pay the premium for Uninsured/Underinsured Motorists Coverage:

- A. **"We"** will pay damages other than punitive or exemplary damages which a **"covered person"** is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury sustained by a **"covered person"**, or property damage, caused by an accident. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the uninsured motor vehicle. Any judgment for damages arising out of a suit brought without **"our"** consent is not binding on **"us"**. If **"we"** and **"you"** do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on **"us"**.
- B. **"Covered person"** as used in this Part means:
1. **"You"** or any **"Family Member"**;
 2. Any other person **"occupying"** **"your covered auto"**;
 3. Any person that is entitled to recover because of bodily injury to which this coverage applies sustained by a person described in B.1. or B.2. above.

- C. Property damage as used in this Part means injury to, destruction of or loss of use of:
1. **"Your covered auto"**, not including a **"temporary substitute auto"**.
 2. Any property owned by a person listed in B.1. or B.2. **"covered person"** while **"occupying"** **"your covered auto"**.
 3. Any property owned by **"you"** or any **"family member"** while contained in any auto not owned, but being operated, by **"you"** or any **"family member"**.
- D.
1. Uninsured motor vehicle means a land motor vehicle or **"trailer"** of any type.
 - a. To which no liability bond or policy applies at the time of the accident,
 - b. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits:
 - i. **"you"** or any **"Family Member"**;
 - ii. A vehicle which **"you"** or any **"Family Member"** are **"occupying"**; or
 - iii. **"your covered auto."**
 - c. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company;
 - i. denies coverage; or
 - ii. is or becomes insolvent.
 - d. Which is an underinsured motor vehicle. A underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - i. is not enough to pay the full amount the **"covered person"** is legally entitled to recover as damages; or
 - ii. has been reduced by payment of claims to an amount which is not enough to pay the full amount the **"covered person"** is entitled to recover as damages.
 2. However, uninsured motor vehicle does not include any vehicle or equipment:
 - a. Owned by or furnished or available for the **"regular use"** of **"you"** or any **"Family Member"**.
 - b. Owned or operated by a self-insurer under any applicable motor vehicle law.
 - c. Owned by any governmental body unless:
 - i. The operator of the vehicle is uninsured; and
 - ii. There is no statute imposing liability for damage because of bodily injury or property damage on the governmental body for an amount not less than the limit of liability for this coverage.
 - d. Operated on rails or crawler treads.
 - e. Designed mainly for use off public roads while not on public roads.
 - f. While located for use as a residence or premises.
- E. You agree that none of the insurance coverage afforded by Part C—Uninsured/Underinsured Motorist Coverage shall apply to **"you"** or anyone else, including claims of negligent entrustment, while an excluded driver, **"family member"** or resident of **"your"** household who is not listed in

the "**Declarations**" or who is not added by endorsement during the policy term prior to loss is operating "**your covered auto**" or any other motor vehicle.

EXCLUSIONS

- A. "**We**" do not provide Uninsured/Underinsured Motorists Coverage for any person:
1. For bodily injury sustained while "**occupying**", or when struck by, any motor vehicle or "**trailer**" of any type owned by "**you**" or any "**Family Member**" which is not insured for this coverage under this policy.
 2. If any person or the legal representative settles the claim without "**our**" written consent.
 3. while "**your covered auto**" or any "**non-owned automobile**" is,
 - a. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
 - b. Being used to carry or deliver property for a fee;
 - c. Being used in the course of any business or employment, unless "**you**" have paid a specific premium for "**business use**" coverage; or
 - d. Rented or leased to another person that is not listed on the "**Declarations Page**."
 4. For the first \$250 of the amount of damage to the property of any person as the result of any one accident.
 5. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion (A.5) does not apply to "**you**" or any "**Family Member**" while using "**your covered auto**".
 6. For bodily injury or property damage resulting from the intentional acts of any person.
 7. While any covered automobile is in the control of an excluded operator and or any other operator not disclosed on the policy "**Declaration page**" as a named insured or "**Family Member**" or "**Resident Relative**" of "**your**" policy.
 8. including "**you**" or anyone else, including claims of negligent entrustment, while an excluded driver, "**family member**" or resident of "**your**" household who is not listed in the "**Declarations**" or who is not added by endorsement during the policy term prior to loss is operating "**your covered auto**" or any other motor vehicle.
- B. This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
 2. Any insurer of property.

LIMIT OF LIABILITY

- A.
1. If separate limits of liability for bodily injury and property damage liability are shown in the "**Declarations**" for this coverage the limit of liability for each person for bodily

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

- a. **"Covered persons"**;
 - b. Claims made;
 - c. Policies or bonds applicable;
 - d. Vehicles or premiums shown in the **"Declarations"**; or
 - e. Vehicles involved in the accident.
2. Subject to this maximum, **"our"** limit of liability will be the lesser of:
- a. The difference between the amount of a **"covered person's"** damages for bodily injury or property damage and the amount paid or payable to that **"covered person"** for such damages, by or on behalf of persons or organizations who may be legally responsible; and
 - b. The applicable limit of liability for this coverage.
- B. In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the **"Declarations"** and other applicable provisions of this coverage, **"we"** will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.
- C. Any payment under this coverage to or for a **"covered person"** will reduce any amount that person is entitled to recover for the same damages under the Liability Coverage of this policy.

OTHER INSURANCE

Coverage under this part Uninsured/Underinsured Motorist Coverage may not be stacked with other Uninsured Motorist or Underinsured Motorist Coverage. If there is other Uninsured Motorist Coverage, the maximum an insured person may recover under all applicable Uninsured or Underinsured Motorist Coverage is the highest applicable Limit of Liability for one motor vehicle under one of the available policies even though separate premiums have been paid for each policy. Any and all stacking, including but not limited to inter family stacking and intra family, of Uninsured Motorist or Underinsured Motorist Coverage is precluded.

- A. If there is other applicable similar insurance “we” will pay only “our” share of the loss. “Our” share is the proportion that “our” limit of liability bears to the total of all applicable limits. However, any insurance “we” provide with respect to a vehicle “you” do not own shall be excess over any other collectible insurance.
- B. For any property damage to which the Coverage for Damage to “Your” Auto of this policy (or similar coverage from another policy) and this coverage both apply, “you” may choose the coverage from which this damage will be paid. “You” may recover under both coverages, but only if:
1. Neither one by itself is sufficient to cover the loss;
 2. “You” pay the higher deductible amount (but “you” do not have to pay both deductibles); and
 3. “You” will not recover more than the actual damages.
 4. “We” will not pay for any damages which would duplicate any payment made for damages under other insurance.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

Subject to the terms, conditions and exclusions of this policy, and Limits of Liability, if “you” pay the premium for “collision” coverage:

- A. “We” will pay for direct and accidental loss to “your covered auto”, including its equipment less any applicable deductible shown in the “Declarations”. However, “we” will pay for loss caused by “collision” only if the “Declarations” indicate that “Collision” Coverage is provided.
- B. “Collision” means the upset of “collision” with another object of “your covered auto”. However, loss caused by the following are not considered “collision”:
1. Missiles or falling objects;
 2. Fire;
 3. Theft or larceny;
 4. Explosion or earthquake;
 5. Windstorm;
 6. Hail, water or flood;
 7. Malicious mischief or vandalism;
 8. Riot or civil commotion;
 9. Contact with bird or animal; or
 10. Breakage of glass.
- C. For coverage to exist under Part D – Coverage for Damage to “Your” Auto, the covered auto must be operated by or in the care custody or “control” of an “authorized driver” at the time of the loss. As used in this Part “authorized driver” shall mean:
1. “you”; or
 2. Any other person listed in the “Declarations” or added by endorsement during the policy time prior to loss. As used in this Part “control” shall mean the direct and immediate pre-loss care and custody of “your covered auto”.

D. You agree that none of the insurance coverage afforded by Part C—Uninsured/Underinsured Motorist Coverage shall apply to **"you"** or anyone else, including claims of negligent entrustment, while an excluded driver, **"family member"** or resident of **"your"** household who is not listed in the **"Declarations"** or who is not added by endorsement during the policy term prior to loss is operating **"your covered auto"** or any other motor vehicle.

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

TRANSPORTATION EXPENSES

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

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

RENTAL REIMBURSEMENT COVERAGE

The provisions and exclusions that apply to Coverage For Damage To **"Your"** Auto also apply to this coverage. No deductible applies to this coverage. When there is a loss to **"your covered auto"** described in the **"Declarations"** for which a specific premium charge indicates that Rental Reimbursement Coverage is afforded:

"We" will reimburse **"you"** for expenses **"you"** incur to rent a substitute auto. **"We"** will pay up to the maximum of the limits described in the **"declarations"**. This coverage applies only if:

- A. **"Your covered auto"** is withdrawn from use for more than 24 hours, and
- B. The loss to **"your covered auto"** is covered under Coverage For Damage To **"Your"** Auto of this policy.

When there is a total theft of the auto, the limit of \$20 per Day (maximum of \$600) provided under Coverage For Damage To **"Your"** Auto will be supplemented to the extent the limits in the above **"Declarations"** or Schedule exceeds that \$20 per day limit. **"Our"** payment will be limited to that period of time reasonably required to repair or replace the auto.

ROADSIDE ASSISTANCE COVERAGE

The Company will pay for the following emergency roadside assistance services necessitated by the disablement of an owned automobile listed in the **"Declarations"** as carrying this Coverage, but only to the extent of the limits of this Coverage as stated in the **"Declarations"** and only two (2) occurrences per vehicle per policy period:

- A. reasonable towing and labor costs to the nearest point at which the disablement can be remedied;
- B. tire change;

- C. battery jump start;
 - D. key lockout service; and
 - E. fuel, oil and water delivery service limited to the amounts of fuel, oil and water necessary for the vehicle to travel to the nearest point where fuel and oil is available for purchase by the named insured and any **"Family Member"** or **"Resident Relative"** named on **"your"** policy **"declaration page"** of **"your"** policy for the owned automobile listed on **"your"** policy **"declaration page"** with the purchased coverage.
- This coverage applies only to **"your covered auto"** described below or for which a premium charge is shown in the **"Declarations"** for Roadside Assistance Coverage.

EXCLUSIONS

"We" will not pay for damage to **"your covered auto"** including **"collision"**:

- A. while **"your covered auto"** or any **"non-owned automobile"** is,
 - 1. Being used to carry persons for a fee; this does not apply to a share-the expense car pool;
 - 2. Being used to carry or deliver property for a fee;
 - 3. Being used in the course of any business or employment, unless **"you"** have paid a specific premium for **"business use"** coverage; or
 - 4. Rented or leased to another person that is not listed on the **"Declarations Page."**
 - 5. Being used by any unlisted driver who is a **"resident relative"**, or any other person residing in the household that has access to the vehicle, or any non-resident to whom the vehicle is furnished for their **"regular use"**;
 - 6. Being used in the course of any business or employment;
 - 7. Being used as a residence or premises;
 - 8. Being used to pull a mobile home or **"trailer"** which is used as an office, store, display or recreational vehicle;
 - 9. Being used to transport hazardous material, explosive substances, or flammable liquid;
 - 10. Resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
 - 11. Being used without the "owner's" permission or outside the scope of that permission, or by any person who does not have a reasonable belief of being entitled to do so.
- B. Damage due and confined to:
 - 1. Wear and tear;
 - 2. Freezing;
 - 3. Mechanical or electrical breakdown or failure; or
 - 4. Road damage to tires.

This exclusion (B) does not apply if the damage results from the total theft of **"your covered auto"**.
- C. Loss due to or as a consequence of:
 - 1. Radioactive contamination;
 - 2. Discharge of any nuclear weapon (even if accidental);
 - 3. War (declared or undeclared);
 - 4. Civil war;

5. Insurrection; or
 6. Rebellion or revolution
- D. Loss to stereos, radios, and other sound reproducing equipment. This exclusion (D) does not apply if the equipment is permanently installed in "**your covered auto**".
- E. Loss to tapes, records or other devices for use with equipment designed for the reproduction of sound.
- F. Loss to a camper body or "**trailer**" not shown in the "**Declarations**". This exclusion (F) does not apply to a camper body or "**trailer**" "**you**":
1. Acquire during the policy period; and
 2. Notify "**us**" within 20 days after "**you**" become the owner,
- G. Loss to any vehicle while used as a temporary substitute for a vehicle "**you**" own which is out of normal use because of its:
1. Breakdown;
 2. Repair;
 3. Servicing;
 4. Loss; or
 5. Destruction
- H. When in or upon any "**trailer**", loss to:
1. TV antennas;
 2. Awnings or cabanas; or
 3. Equipment designed to create additional living facilities
- I. Loss to any:
1. Any vehicle rented to "**you**" or anyone else.
 2. Any "**trailer**" rented to "**you**" or anyone else.
 3. Or any other property damage to that rental property.
- J. Loss to any of the following or their accessories:
1. Citizens band radio
 2. Two-way mobile radio
 3. Telephone
 4. Scanning monitor receiver
 5. Any device or instrument used for detection of radar or other speed measuring equipment.
- This exclusion (J) does not apply if the equipment is permanently installed in the opening of the dash or console of the auto. This opening must be normally used by the auto manufacturer for the installation of a radio.
- K. Loss to any "**non-OEM**", custom furnishings or equipment in or upon any private passenger auto, pickup or van. Custom furnishings or equipment or "**non-OEM**" items include but are not limited to:
1. Special carpeting and insulation, furniture, bars or television receivers;
 2. Facilities for cooking and sleeping
 3. Height extending roofs; or
 4. Custom murals, paintings or other decals or graphics.
- L. Loss due to or arising out of the ownership, maintenance or use of a vehicle while it is:
1. Being used to flee or elude law enforcement official(s);
 2. Being used in any illicit trade or transportation;
 3. Used in the commission of any felony; or
 4. As a consequence of a seizure of "**your covered auto**" by federal or state law enforcement officers as evidence in a case against "**you**" by the Texas Controlled

Substances Act or Federal Controlled Substances Act if "you" are convicted in such case.

- M. Loss while any covered automobile is in the control of an excluded operator and or any other operator not disclosed on the policy "Declaration page" as a named insured or "Family Member" or "Resident Relative" of "your" policy.
- N. Loss to a covered vehicle, while being used or driven by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles.
- O. Loss to a "covered vehicle", caused by an intentional act of "You", a "Resident Relative", or any person listed on the "Declarations page" as an additional driver, or at the direction of "You", a "Resident Relative", or any person listed on the "Declarations page" as an additional driver.
- P. Loss due to theft or conversion of a "covered vehicle":
 - 1. By "you" or "Resident Relative", or any person listed on the "Declarations page" as an additional driver, or any resident of "your" household;
 - 2. Prior to its delivery to "you" a "Resident Relative" or any person listed on the "Declarations page" as an additional driver; or
 - 3. While in the care custody, or control of anyone engaged in the business of selling the vehicle.
- Q. damages caused by "you" or anyone else, including claims of negligent entrustment, while an excluded driver, "family member" or "resident relative" who is not listed in the "Declarations" or who is not added by endorsement during the policy term prior to loss is operating "your covered auto" or any other motor vehicle.

LIMIT OF LIABILITY

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

- A. Actual cash value of the stolen or damaged property;
- B. Amount necessary to repair or replace the property with other of "like kind and quality"; or
- C. Amount stated in the "Declarations" of this policy. The most "we" will pay for the loss to equipment listed in Exclusion 4 is \$1500. "Our" payment for loss will be reduced by any applicable deductible shown in the "Declarations".

PAYMENT OF LOSS

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

- A. "You"; or
- B. The address shown in this policy.

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

NO BENEFIT TO BAILEE

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

OTHER INSURANCE

- A. If other insurance also covers the loss “we” will pay only “our” share of the loss. “Our” share is the proportion that “our” limit of liability bears to the total of all applicable limits.
- B. For any loss to which Uninsured/Underinsured Motorists Coverage (from this or any other policy) and this coverage both apply, “you” may choose the coverage from which damages will be paid.

“You” may recover under both coverages, but only if:

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

APPRAISAL

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

- A. Pay its chosen appraiser; and
 - B. Bear the expenses of the appraisal and umpire equally.
- “We” do not waive any of “our” rights under this policy by agreeing to an appraisal.

LOSS PAYABLE CLAUSE

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

PART E DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES

- A. “We” must be notified promptly of how, when and where the accident or loss happened. Notice should also include the

names and addresses of any injured persons and of any witnesses. If **"we"** show that **"your"** failure to provide notice prejudices **"our"** defense, there is not liability coverage under this policy.

- B. A person seeking any coverage must:
1. Cooperate with **"us"** in the investigation, settlement or defense of any claim or suit
 2. Promptly send **"us"** copies of any notices or legal papers received in connection with the accident or loss.
 3. Submit, as often as **"we"** reasonably require, to physical exams by physicians **"we"** select. **"We"** will pay for these exams.
 4. Authorize **"us"** to obtain:
 - a. Medical records which are reasonably related to the injury or damage asserted to; and
 - b. Other pertinent records.
 5. When required by **"us"**:
 - a. Submit a sworn proof of loss;
 - b. Submit to examination under oath.
- C. Within 15 days after **"we"** receive **"your"** written notice of claim, **"we"** must:
1. acknowledge receipt of the claim. If **"our"** acknowledgement of the claim is not in writing, **"we"** will keep a record of the date, method and content of **"our"** acknowledgement.
 2. begin any investigation of the claim.
 3. specify the information **"you"** must provide in accordance with paragraph B above.
- "We"** may request more information, if during the investigation of the claim such additional information is necessary.
- D. After **"we"** receive the information **"we"** request, **"we"** must notify **"you"** in writing whether the claim will be paid or has been denied or whether more information is needed:
1. within 15 **"business days"**; or
 2. within 30 days if **"we"** have reason to believe the loss resulted from arson.
- E. If **"we"** do not approve payment of **"your"** claim or require more time for processing **"your"** claim, **"we"** must:
1. give the reasons for denying **"your"** claim, or
 2. give the reasons **"we"** require more time to process **"your"** claim. But, **"we"** must either approve or deny **"your"** claim within 45 days after requesting more time.
- F. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.
- G. Loss Payment
1. If **"we"** notify **"you"** that **"we"** will pay **"your"** claim, or part of **"your"** claim, **"we"** must pay within 5 **"business days"** after **"we"** notify **"you"**.
 2. If payment of **"your"** claim or part of **"your"** claim requires the performance of an act by **"you"**, **"we"** must pay within 5 **"business days"** after the date **"you"** perform the act.
- H. Notice of Settlement of Liability Claim
1. **"We"** will notify **"you"** in writing of any initial offer to compromise or settle a claim against **"you"** under the liability section of this policy. **"We"** will give **"you"** notice

- within 10 days after the date the offer is made.
2. **"We"** will notify **"you"** in writing of any settlement of a claim against **"you"** under the liability section of this policy. **"We"** will give **"you"** notice within 30 days after the date of settlement.
 - I. If a claim is made or suit is brought against **"you"**, **"you"** shall immediately forward to the **"us"** every demand, notice, summons or other process received by **"you"** or **"your"** agent or representative. **"We"** will not be obligated to pay, and shall not pay under Part A – Liability Coverage unless **"We"** receive actual notice of a lawsuit before a judgement has been entered in said suit.

ADDITIONAL DUTIES FOR UNINSURED/ UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured/Underinsured Motorist Coverage must also:

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

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

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

- A. Take reasonable steps after loss, to protect **"your covered auto"** and its equipment from further loss. **"We"** will pay reasonable expenses incurred to do this;
- B. Promptly notify the policy if **"your covered auto"** is stolen:
and
- C. Permit **"us"** to inspect and appraise the damaged property before its repair and disposal.

PART F - GENERAL PROVISIONS

BANKRUPTCY

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

CHANGES

- A. This policy contains all the agreements between **"you"** and **"us"**. Its terms may not be changed or waived except by endorsement issued by **"us"**.
- B. If a change requires a premium adjustment, **"we"** will adjust the premium as of the effective date of the change in accordance with rules prescribed by the Texas Department of Insurance or its successor. Changes during the policy term that may result in a premium increase or decrease

include, but are not limited to, changes in:

1. The number, type or use classification of the insured autos;
 2. Operators using insured autos;
 3. The place of principal garaging of insured autos;
 4. Coverage, deductible, or limits
- C. If this policy form is revised to provide more coverage without additional premium charge, **"we"** will automatically provide the additional coverage as of the date the revision is effective.

MISREPRESENTATION OR FRAUD

"We" do not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

GENERAL EXCLUSIONS

- A. **"We"** do not provide any coverage for any person for bodily injury or property damage caused by or sustained:
1. In an incident caused by or at the direction of that person with the intent to injure person or property.
 2. While in the commission of a felony.
 3. While attempting to elude arrest by a law enforcement official.
- B. **"We"** will not pay for loss to **"your covered auto"** or any **"non-owned auto"** for damages sustained:
1. Due to or caused by a willful or intentional act by or at the direction of the named insured; however an innocent spouse or innocent named insured will be provided coverage under the policy.
 2. While in the commission of a felony.
 3. While attempting to elude arrest by a law enforcement official.

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

LEGAL ACTION AGAINST US

- A. No legal action may be brought against **"us"** until there has been full compliance with all the terms of the policy. In addition, under Liability Coverage, no legal action may be brought against **"us"** until:
1. **"We"** agree in writing that the **"covered person"** has an obligation to pay; or
 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring **"us"** into any action to determine the liability of a **"covered person"**.

OUR RIGHT TO RECOVER PAYMENT

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

That person shall do:

1. Whatever is necessary to enable **"us"** to exercise **"our"** rights; and
2. Nothing after loss to prejudice them. (A release of the insurer of an underinsured motor vehicle does not prejudice **"our"** rights.) However, **"our"** rights in this paragraph do not apply under Part D; against any person using **"your covered auto"** with a reasonable belief that person is entitled to do so.

B. If **"we"** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

1. Hold in trust for **"us"** the proceeds of the recovery; and
2. Reimburse **"us"** to the extent of **"our"** payment. (However, **"we"** may not claim the amount recovered from an insurer of any underinsured motor vehicle.)

POLICY PERIOD AND TERRITORY

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

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

B. The policy territory is:

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

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

TERMINATION

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

1. The named insured shown in the **"Declarations"** may cancel by:
 - a. Returning this policy to **"us"**; or
 - b. Giving **"us"** advance written notice of the date cancellation is to take effect.
2. **"We"** may cancel by mailing at least 10 days' notice to the named insured shown in the **"Declarations"** at the address shown in this policy.
3. After this policy is in effect for 60 days or if this is a renewal or continuation policy, **"we"** will cancel only:
 - a. if **"you"** submit a fraudulent claim; or
 - b. for nonpayment of premium; or
 - c. if **"your"** driver's license or motor vehicle registration

or that of:

- i. any driver who lives with “**you**”; or
- ii. any driver who customarily uses “**your covered auto**” has been suspended or revoked. However, “**we**” will not cancel if “**you**” consent to the attachment of an endorsement eliminating coverage when “**your covered auto**” is being operated by the driver whose license has been suspended or revoked.
- ii. “**We**” may not cancel this policy based solely on the fact that “**you**” are an elected official.

B. Non-renewal. If “**we**” decide not to renew or continue this policy, “**we**” will mail notice to the named insured shown in the “**Declarations**” at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than 1 year, “**we**” will have the right not to renew or continue it only at each anniversary of its original effective date. “**We**” will not refuse to renew because of a “**covered person’s**” age. “**We**” may not refuse to renew this policy based solely on the fact that “**you**” are an elected official.

C. Automatic Termination, if at any time, “**you**” obtain other insurance on “**your covered auto**”, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance. If “**we**” offer to renew or continue and “**you**” or “**your**” representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that “**you**” have not accepted “**our**” offer.

D. Other Termination Provisions.

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

1. “**We**” may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this policy is cancelled, “**you**” may be entitled to a premium refund. If so, “**we**” will send “**you**” the refund within 15 “**business days**” of the effective date of the cancellation. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.
4. Any cancellation or restriction of coverage made without “**your**” consent will be of no effect except as:
 - a. provided for in this Termination provision under:
 - i. Cancellation;
 - ii. non-renewal; or
 - iii. Automatic Termination; or
 - b. required by the Texas Department of Insurance

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. **"Your"** rights and duties under this policy may not be assigned without **"our"** written consent. However, if a named insured shown in the **"Declarations"** dies, coverage will be provided for:
1. The surviving spouse if a resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the **"Declarations"**.
 2. The legal representative of the deceased person as if a named insured shown in the **"Declarations page"**. This applies only with respect to the representative's legal responsibility to maintain or use **"your covered auto"**.
- B. Coverage will be provided until the end of the policy period.
NOTE: Refer to Medical Payments and/or Personal Injury Protection Coverage for Assignment of Benefits.

TWO OR MORE AUTO POLICIES

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

In **Witness Whereof**, the company has caused this policy to be signed by its authorized representatives, but this policy shall not be valid unless completed by the attachment hereto of a **Declarations page**.

President

A handwritten signature in black ink, appearing to be a stylized name with a long horizontal stroke at the end.

Vice - President

A handwritten signature in black ink, appearing to be "David A. Bl" followed by a long horizontal stroke.