



Auto Policy

Report Claims To:
Alliance United Insurance Company
P.O. Box 280339
Northridge, CA 91328-0339
Phone (800) 508-5833

Fraud Warning

Pursuant to California Insurance Code Section 1879.2, you are hereby notified that any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Warning – No Coverage In Canada or Mexico

This policy provides no coverage for accidents or losses that occur in Canada or Mexico. Unless you have automobile insurance written by a Canadian or Mexican Insurance Company, you may encounter heavy fines and possible jail time. Insurance coverage should be secured from a company licensed under the laws of Canada or Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Canada or Mexico, including the possible impoundment of your automobile.

Warning – No Automatic Coverage Limit Increase When Driving In Other States

This policy provides the minimum financial responsibility coverage and limits required in California but does not provide increased limits for losses that occur in states that require higher limits. You are advised to check the requirements in other states and consult your agent before driving in them. It is your responsibility to secure adequate coverage before operating a vehicle at any time in any country or state. Otherwise, you may be subject to fines and penalties, and as is the case for any loss covered under this policy, you will be responsible for any liability in excess of the stated limits on the Declarations Page of this policy.

Warning – Reduction In Coverage

There may be a Reduction in Coverage for some drivers of covered vehicles. See page 12 of this policy.

CONTENTS

POLICY AGREEMENT	1
POLICY PERIOD AND TERRITORY	1
YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS	1
Notice Of Accident or Loss	1
Other Duties	2
DISCLOSURE OF HOUSEHOLD MEMBERS AND REGULAR USERS OF COVERED VEHICLES	2
FRAUD OR MISREPRESENTATION	3
GENERAL DEFINITIONS	3
PART I – LIABILITY TO OTHERS	8
Insuring Agreement – Bodily Injury And Property Damage	8
Additional Payments	9
Exclusions	9
Limits Of Liability	11
Reduction In Coverage	12
Financial Responsibility Laws	13
Other Insurance	13
Duties	13
PART II – MEDICAL PAYMENTS COVERAGE	13
Insuring Agreement	13
Additional Definitions	14
Exclusions	14
Limit Of Liability	16
Right Of Reimbursement	16
Other Insurance	16
Other Payment	17
Payment Of Claims	17
PART III – UNINSURED/UNDERINSURED MOTORIST COVERAGE	17
Insuring Agreement – Uninsured/Underinsured Motorist Bodily Injury Coverage	17
Insuring Agreement – Uninsured Motorist Property Damage Coverage	17
Additional Definitions	18
Exclusions	19
Limits Of Liability	21
Waiver Of Collision Deductible	23
Other Insurance	23
Arbitration - Uninsured/Underinsured Motorist Bodily Injury Coverage	24
Arbitration - Uninsured Motorist Property Damage Coverage	25
Proof Of Claim	25
Trust Agreement	26

PART IV – DAMAGE TO A VEHICLE	26
Insuring Agreement – Collision and Comprehensive	26
Exclusions	27
Limits Of Liability	30
Total Loss	31
Payment Of Loss	32
No Benefit To Bailee	32
Other Insurance	32
Appraisal	32
PART V – EMERGENCY TOWING AND LABOR COVERAGE	32
Insuring Agreement – Emergency Towing and Labor Coverage	32
PART VI – RENTAL REIMBURSEMENT COVERAGE	33
Insuring Agreement – Rental Reimbursement Coverage	33
PART VII – GENERAL PROVISIONS	33
Policy Changes	33
Additional Premium Due – Loss Settlement	34
Transfer	34
Two Or More Vehicles Insured	34
Policy Fee And/Or Filing Fee	35
Payment Of Premium	35
Cancellation	35
Non-Renewal	36
Automatic Termination	36
Notice Of Limits Of Future Coverage	37
Proof Of Notice	37
Coverage Changes	37
Legal Action Under This Policy	37
Our Rights To Recover Payment	38
Bankruptcy	38
Consumer Affairs	39
POLICY ENDORSEMENTS	39
AU 01 – Information Regarding Premium Discounts	40
AU 02 – Auto Body Repair Consumer Bill Of Rights	41
AU 03 – Loss Payee Endorsement	42
AU 04 – Additional Insured Endorsement	43
AU 05 – Named Driver Exclusion Endorsement	43
AU 06 – Named Non-Owned Vehicle Coverage Endorsement	44
AU 07 – Deletion Of Uninsured/Underinsured Motorist Bodily Injury Coverage	45
AU 08 – Deletion Of Uninsured Motorist Property Damage Coverage	46
AU 09 – Business/Artisan Use Endorsement	46
AU 10 – Named Operator – Physical Damage Coverage Endorsement	47
AU 11 – Privacy Notice	48

PLEASE REFER TO THE "GENERAL PROVISIONS" SECTION OF THIS POLICY AND READ THE FOLLOWING PROVISIONS CAREFULLY.

- 1. POLICY CHANGES**
- 2. CANCELLATION**
- 3. NON-RENEWAL**

THEY MAY AFFECT YOUR COVERAGE IN THE FUTURE.

POLICY AGREEMENT

If **you** pay the exact premium as billed by the due date, **we** agree to provide this insurance, subject to all the terms and provisions of this policy, and up to the Limits of Liability described in this policy and shown on the **Declarations Page**.

POLICY PERIOD AND TERRITORY

This policy applies only to **accidents** and **losses** occurring during the policy period shown on the **Declarations Page** and which occur within any state, territory, or possession of the United States of America, or while a **covered vehicle, non-owned vehicle, or trailer** is being transported between their ports.

YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS

NOTICE OF ACCIDENT OR LOSS

If there is an **accident** or **loss** arising out of the ownership, maintenance or use of a **vehicle**, for which coverage may be provided under this policy, report it to **us** within twenty-four (24) hours or as soon as practicable by calling **us** at 1-800-508-5833.

The following information should be reported as it is obtained:

1. time;
2. place;
3. circumstances of the **accident** or **loss**;
4. names and addresses of any injured persons;
5. names and addresses of any witnesses;
6. the license plate numbers of the vehicles involved; and
7. name(s) and contact information of any driver and occupant(s) involved in the **accident**.

You should also notify the police within twenty-four (24) hours or as soon as practicable if:

1. a hit-and-run vehicle is involved; or
2. theft or vandalism has occurred.

OTHER DUTIES

We have no duty to provide coverage under this policy unless there has been full compliance with all terms of this policy.

A person claiming coverage under this policy must:

1. cooperate with **us** in any matter concerning a claim or lawsuit;
2. provide any written proof of loss **we** may reasonably require;
3. allow **us** to take signed or recorded statements, including statements under oath, and answer all reasonable questions **we** may ask, when and as often as **we** may reasonably require;
4. promptly send **us** any and all legal papers relating to any claim or lawsuit;
5. attend hearings and trials as **we** require;
6. take reasonable steps after a **loss** to protect the **covered vehicle** or **non-owned vehicle** from further **loss**. **We** will pay reasonable expenses incurred in providing that protection. If **you** fail to do so, any further damages will not be covered under this policy;
7. allow **us** to inspect and appraise the damage to a **covered vehicle** or **non-owned vehicle** before its repair or disposal;
8. submit to medical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require;
9. authorize **us** to obtain medical and other records;
10. refuse to, except at **your** own expense, assume any obligation or incur any expense other than medical or surgical care imperative at the scene of the **accident** and at the time of **accident**;
11. allow **us** to extract samples and fluids from **your covered vehicle**, including, but not limited to, engine oil and transmission oil; and
12. allow **us** to access and extract all data contained in **your covered vehicle's** event data recorder.

DISCLOSURE OF HOUSEHOLD MEMBERS AND REGULAR USERS OF COVERED VEHICLES

Coverage will not be afforded for those individuals age 14 or older who are **relatives** of **you** and who are:

1. not disclosed on **your** application; and
2. not listed on the **Declarations Page**.

Coverage will not be afforded for those individuals age 14 or older who are **residents** of **your** household and who are:

1. not disclosed on **your** application; and
2. not listed on the **Declarations Page**.

Coverage will not be afforded for those individuals age 14 or older who have **regular use** of a **covered vehicle** (irrespective of whether they are **relatives** of **you** or **residents** of **your** household) and who are:

1. not disclosed on **your** application; and
2. not listed on the **Declarations Page**.

If **you** desire coverage for any individual who is a **relative** of **you**, or a **resident** of **your** household, or who has or will have **regular use** of any **covered vehicle**, other than those individuals disclosed on **your** application and listed on the **Declarations Page** at any time during the policy period, **you** must request **your** broker or **us** to amend **your** policy to add those individuals prior to the **loss**.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance application. By **your** acceptance of this policy, **you** agree that the facts and information contained in **your** application and in the **Declarations Page** of this policy are correct and accurate and that **you** have not failed to disclose any material facts relating to the risks insured under this policy. **We** may void this policy and/or deny coverage for an **accident** or **loss** if **you** or an **insured person** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or at any time during the policy period whether intentional or unintentional.

We may void this policy or deny coverage for an **accident** or **loss** if **you** or any **insured person** has concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation, investigation, processing or settlement of a claim.

We may void this policy for fraud or misrepresentation even after the occurrence of an **accident**, **loss** or as a result of an investigation conducted by **our** claims department. This means that **we** will not be liable for any claims or damages which would otherwise be covered.

GENERAL DEFINITIONS

Except as otherwise defined in this policy, terms appearing in boldface will have the following meaning:

1. **“Accident”** and **“Accidents”** means a sudden, unexpected, and unintended occurrence that results in **bodily injury** and/or **property damage**.
2. **“Bodily injury”** means bodily harm, sickness, disease or death, which results directly from a **loss**

or **accident** covered under this policy and occurring while this policy is in force. **Bodily injury** does not include any bodily harm, sickness, disease or death, which arises out of a medically defined sexually transmitted communicable disease contracted by any insured, nor the exposure of such a disease by any insured to any other person.

3. **“Business”** means:

- a. any trade, profession, commercial enterprise, occupation, job or any activity for money or other compensation, whether full- or part-time, or engaged in on a temporary, seasonal, or occasional basis, but shall not include the use of **your covered vehicle** when used to carry tools or supplies between **your** home and workplace or job site;
- b. use of any **vehicle** to carry persons for a charge, fee or compensation, or use of any **vehicle** while the **vehicle** is available for hire by the public, including the time during which the **vehicle** is, directly or indirectly, logged on to any application, platform or other system used to connect with potential passengers, or use of any **vehicle** going to pick up passengers, including entering into or alighting from the **vehicle**. This includes, but is not limited to, ridesharing arrangements through a digital network or similar connection used by a transportation network company;
- c. use of any **vehicle** to deliver or pick up tangible property for charge, fee or compensation. This includes, but is not limited to, while the **vehicle** is directly or indirectly, logged on to any application, platform or other system used to initiate such activity. Tangible property includes but is not limited to, food, messages, newspapers, periodicals, packages or film; or
- d. operation or use of any **vehicle** for emergency medical, law enforcement, or fire suppression purpose, in the insured’s part-time or full-time occupation or business.

4. **“Covered vehicle”** and **“Covered vehicles”** means:

- a. a **vehicle** expressly identified by make, model and vehicle identification number on the **Declarations Page**;
- b. any additional **vehicle** on the date **you** become the **owner** if:
 - i. **you** acquire the **vehicle** during the policy period shown on the **Declarations Page**;
 - ii. **we** insure all **vehicles owned** by **you**; and
 - iii. no other insurance policy provides coverage for that **vehicle**.

For a **vehicle you** acquire in addition to any **vehicle** expressly identified on the **Declarations Page**, **we** will provide the broadest coverage

we provide for any **covered vehicle** shown on the **Declarations Page**. **We** will provide coverage for a period of thirty (30) days after **you** become the **owner**. **We** will not provide coverage after this thirty (30) day period, unless within this period **you** ask **us** to insure the **vehicle**.

However, for coverage to apply under Part IV – Damage To A Vehicle, **you** must have notified **us** of **your** intent to insure the additional **vehicle** prior to the **loss** for which coverage is applicable;

- c. any replacement **vehicle** on the date **you** become the **owner** if:
 - i. **you** acquire the **vehicle** during the policy period shown on the **Declarations Page**;
 - ii. the **vehicle** that **you** acquire replaces one shown on the **Declarations Page**, provided that **you** have transferred title and possession of the replaced **vehicle**; and
 - iii. no other insurance policy provides coverage for that **vehicle**.

If the **vehicle** that **you** acquire replaces one expressly identified on the **Declarations Page**, it will have the same coverage as the **covered vehicle** it replaces. All coverage for the **vehicle** being replaced ends when **you** take delivery of the replacement **vehicle**. **You** must ask **us** to insure a replacement **vehicle** within thirty (30) days after **you** become the **owner** if **you** want to add or continue coverage;

- d. any **trailer owned** by **you** while drawn by or attached to a **vehicle** described in a, b or c above.

5. “**Crime**” means any act involving maintenance, operation or use of a **vehicle** which is classified as a misdemeanor or a felony under a state’s criminal laws. **Crime** includes without limitation, the following acts that are, may be held to be, or arise out of a misdemeanor or felony:

- a. illegal trade or transportation;
- b. driving while intoxicated or under the influence of alcohol or a controlled substance; or
- c. any act calculated to, or constituting an attempt to, avoid or elude apprehension or arrest by a law enforcement official.

6. “**Declarations Page**” means the report from **us** listing:

- a. the types of coverage **you** have elected;
- b. the limit for each coverage;
- c. the cost for each coverage;
- d. the specified **vehicles** covered by this policy;
- e. the types of coverage for each such **vehicle**; and
- f. other information applicable to this policy.

7. “**Diminution in value**” means or refers to the real

or perceived **loss** in market or resale value which results from a **loss**.

8. **“Insured person” or “insured persons”** means:
- a. **you** with respect to an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle** or a **substitute vehicle**;
 - b. a **relative** with respect to an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle**, so long as that **relative** was disclosed and is listed on the **Declarations Page**;
 - c. a **resident** of **your** household with respect to an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle**, so long as such **resident** was disclosed and is listed on the **Declarations Page**;
 - d. any person who has **regular use** of a **covered vehicle** with respect to an **accident** arising out of the ownership, maintenance, or use of such **covered vehicle**, so long as such person was disclosed and is listed on the **Declarations Page**;
or
 - e. any other person with respect to an **accident** arising out of such person’s use of a **covered vehicle** with **your** express permission and within the scope of **your** permission.
9. **“Loss” and “Losses”** means sudden, direct, and accidental damage to or theft of property.
10. **“Minimum limits”** refers to the following limits of liability, as required by California law, to be provided under a policy of automobile liability insurance:
- a. \$15,000 for each person, subject to \$30,000 for each **accident**, with respect to **bodily injury**; and
 - b. \$5,000 for each **accident** with respect to **property damage**.
11. **“Non-owned vehicle”** means any **vehicle** that:
- a. is used with express permission of the **owner**;
 - b. is not **owned** by:
 - i. **you**;
 - ii. any person listed as a driver on the **Declarations Page**;
 - iii. an **insured person’s** employer;
 - iv. a **relative**;
 - v. **your** non-resident spouse;
 - vi. a person **residing** with **you**;
 - vii. a corporation or partnership in which the combined ownership interest of **you** and **your relatives** exceeds twenty percent; and
 - c. has never been **owned** by or registered to **you**, or any other person listed as a driver on the **Declarations Page**; and
 - d. is not furnished or available for **regular use** to

you or a **relative**.

12. **“Occupying”** means in, on, entering, or exiting.
13. **“Owned”** means the person that:
 - a. holds legal title to the **vehicle**;
 - b. has legal possession of the **vehicle** that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous period of six (6) months or more.
14. **“Owner”** means any person who, with respect to a **vehicle**:
 - a. holds legal title to the **vehicle**;
 - b. has legal possession of the **vehicle** that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous period of six (6) months or more.
15. **“Property damage”** means physical damage to, or destruction or loss of use of, tangible property caused solely by a covered **accident** while this policy is in force.
16. **“Regular use”** means care, custody or control of a **vehicle** for more than two times or 48 hours, whichever comes first, at any time during a six (6) month period. The two times or 48 hours may be consecutive or cumulative.
17. **“Relative”** and **“Relatives”** means a person **residing** in the same household as **you**, and related to **you** by blood, marriage, or adoption, including a ward, stepchild, or foster child. All **relatives** must be listed on the **Declarations Page** prior to the date of loss. Unmarried dependent children temporarily away from home will be considered **residents** if:
 - a. they are under the age of twenty-five (25) years; and
 - b. they intend to continue to reside in **your** household.
18. **“Resident”**, **“Residents”** and **“Residing”** means a person living in the household in which **you** reside when the **accident** or **loss** occurs.
19. **“Substitute vehicle”** means a **non-owned vehicle** that is used temporarily by **you** while a **covered vehicle** described on the **Declarations Page** is unavailable for use due to servicing, repair, theft, destruction, or malfunction. “Temporarily” as used herein means a time period not to exceed 30 days

from the date such **covered vehicle** first became unavailable for use.

20. **“Trailer”** means a device or **vehicle** designed to be towed on public roads by a **covered vehicle**. It includes a farm wagon or farm implement while being towed by a **covered vehicle**. It does not include a mobile home, or a trailer used as an office, store, display, or passenger conveyance.
21. **“Vehicle”** and **“Vehicles”** means a land motor vehicle:
- a. of the private passenger, pickup body, or sedan delivery type;
 - b. designed for operation principally upon public roads;
 - c. with at least four (4) wheels; and
 - d. with a gross vehicle weight of 10,000 pounds or less or a load capacity of one (1) ton or less.

A **vehicle** does not include any all-terrain vehicles, golf carts, tractors or farm equipment, vehicles operated on crawler treads or rails, or vehicles that by design are unable to reach and sustain a maximum speed of at least 55 miles per hour.

22. **“War”** means war, whether or not declared, civil war, civil commotion, insurrection, rebellion, revolution, riot, terrorism or any act or condition incident to the foregoing.
23. **“We”**, **“Us”**, and **“Our”** mean the company providing the insurance, as shown on the **Declarations Page**.
24. **“You”** and **“Your”** mean a person shown as a named insured on the **Declarations Page**, and that person’s spouse (not including common-law marriage) if **residing** in the same household and disclosed on the application for this policy.

PART I – LIABILITY TO OTHERS

INSURING AGREEMENT – BODILY INJURY AND PROPERTY DAMAGE

Subject to the Limits of Liability, if **you** pay a premium for **bodily injury** and **property damage** liability coverage, **we** will pay damages, other than punitive or exemplary damages, for **bodily injury** and/or **property damage** for which an **insured person** becomes legally responsible because of an **accident** arising out of the ownership, maintenance, or use of a **vehicle**.

We will defend any lawsuit for damages which are payable under this policy Part I, or settle any claim for

those damages as **we** think appropriate. **We** have no duty to settle or defend any lawsuit or make any additional payments after **we** have paid the Limit of Liability for this coverage. If, in the defense of any claim, an **insured person** is entitled by law to independent counsel, and has not waived that right in writing, **we** will provide such counsel. The **insured person** may choose independent counsel provided that such counsel has the following minimum qualifications:

1. at least five (5) years of experience in civil litigation, including substantial defense experience in the subject at issue in the action; and
2. errors and omissions coverage.

We are not obligated to pay the fees of such counsel until the **insured person** provides **us** with reasonable written proof that the counsel chosen possesses these minimum qualifications. In no event are **we** obligated to pay fees in excess of the rate actually paid by **us** to an attorney in the ordinary course of business in the defense of a similar action in the community in which the claim arose or is being defended.

We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

ADDITIONAL PAYMENTS

In addition to **our** Limit of Liability, **we** will pay for an **insured person**:

1. all expenses **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment, until **we** have paid or tendered that portion of the judgment which does not exceed **our** Limit of Liability. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured person**; and
3. premiums on appeal bonds or attachment bonds required in any lawsuit **we** defend. **We** have no duty to purchase bonds in an amount exceeding **our** Limit of Liability, and **we** have no duty to apply for or furnish these bonds.
4. reasonable expenses, including loss of earnings up to \$75 a day, incurred at **our** request.

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

Coverage under this Part I, including **our** duty to defend, does not apply to:

1. **bodily injury** or **property damage** arising out of the

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- ownership, maintenance, or use of any **vehicle** while being used for **business**. This exclusion does not apply to shared-expense car pools;
2. any liability assumed by an **insured person** under any oral or written contract or agreement;
 3. **bodily injury** to an employee of an **insured person** arising out of and in the course and scope of employment. Coverage does apply to a domestic employee unless benefits are payable or are required to be provided under any workers' compensation, disability benefits or other similar law;
 4. **bodily injury** or **property damage** arising out of an **accident** involving any **vehicle** while being used by an **insured person** while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles;
 5. **bodily injury** or **property damage** due to nuclear reaction or radiation;
 6. **bodily injury** or **property damage** for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of the nuclear energy liability insurance are exhausted;
 7. **bodily injury** or **property damage** caused by an intentional act of the **insured person** against whom the claim is made or at the direction of such **insured person**. This exclusion applies even if the **bodily injury** or **property damage** that occurs is different than what was expected, directed or intended;
 8. **property damage** to any property **owned** by, rented to, being transported by, used by, or in the charge of an **insured person**. However, this exclusion does not apply to a rented residence or a rented garage damaged by a **covered vehicle**;
 9. **bodily injury** to:
 - a. an **insured person**;
 - b. any person listed as a driver on the **Declarations Page**; or
 - c. a **relative**;
 10. **bodily injury** or **property damage** resulting from a **relative's** operation or use of a vehicle, other than a **covered vehicle**, **owned** by a person who resides with **you**;
 11. **bodily injury** or **property damage** caused by any individual not listed as a driver on the **Declarations Page** at time of **loss** who is:
 - a. a **relative** of **you**;
 - b. a **resident** of **your** household; or
 - c. an individual who has **regular use** of **your covered vehicle**.
 12. **bodily injury** or **property damage** resulting from **your** operation or use of a vehicle **owned** by **you**, other than a **covered vehicle**;
 13. **bodily injury** to **you**, a **relative** or any other person insured under this policy whenever the ultimate

benefits of that indemnification accrue directly or indirectly to **you**, a **relative** or any other **insured person**;

14. **bodily injury** or **property damage** caused by any person using a **vehicle** without the express or implied permission of the **owner** or person having lawful possession, or any person who exceeds the scope of the permission granted;
15. **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any motorized **vehicle** with less than four (4) wheels or a **vehicle** with more than four (4) wheels and a load capacity of more than one (1) ton unless listed on the **Declarations Page**;
16. **bodily injury** or **property damage** occurring outside the United States;
17. benefits payable under the no-fault laws of any state;
18. **bodily injury** or **property damage** occurring while **your covered vehicle** is rented or leased to others;
19. **bodily injury** or **property damage** caused by **war** or any consequence of **war**;
20. **bodily injury** or **property damage** arising out of the ownership, operation, maintenance or use of **your covered vehicle** while the **vehicle** is being used in connection with a personal vehicle sharing program by anyone other than **you** or a **relative** who is a **resident** and listed on the **Declarations Page**;
21. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of a **vehicle** for the purpose of competing in or practicing or preparing for any prearranged or organized racing or speed contest;
22. **bodily injury** or **property damage** occurring while **your covered vehicle** is being operated by a person excluded from coverage under a Named Driver Exclusion Endorsement.
23. any bail bond required because of an **accident** arising out of the ownership, maintenance, or use of a **covered vehicle** or **non-owned vehicle**;
24. **bodily injury** or **property damage** resulting from an **insured person(s)** maintenance, operation or use of a **non-owned vehicle** other than from **your** maintenance, operation or use of a **substitute vehicle**; or
25. **bodily injury** or **property damage** resulting from the maintenance, operation or use of a **substitute vehicle** by any person other than **you**.

LIMITS OF LIABILITY

The Limit of Liability shown on the **Declarations Page** is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;

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4. lawsuits brought;
 5. **vehicles** involved in an **accident**; or
 6. premiums paid.

The Limits of Liability shown in **your Declarations Page** for Part I are subject to the following:

1. the **bodily injury** liability limit for each person is the maximum **we** will pay for all damages from **bodily injury** sustained by one (1) person in any one (1) **accident**;
2. the **bodily injury** liability limit for each **accident** is the maximum **we** will pay for **bodily injury** sustained by two (2) or more persons in any one (1) **accident**, subject to the **bodily injury** liability limit for each person; and
3. the **property damage** liability limit for each **accident** is the maximum **we** will pay for **property damage** in any one (1) **accident**.

The **bodily injury** limit for each person includes the aggregate of claims made for such **bodily injury** and claims derived from such **bodily injury**, including, but not limited to, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

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

Any payment to a person under this Part I shall be reduced by any payment to that person under Part III – Uninsured/Underinsured Motorist Coverage.

A **vehicle** and attached **trailer** are considered one (1) **vehicle**. Therefore, the Limits of Liability will not be increased for an **accident** involving a **vehicle** which has an attached **trailer**.

REDUCTION IN COVERAGE

The Limits of Liability shown on the **Declarations Page** for coverage provided under this Part I are amended and reduced to the **minimum limits** required by the applicable Financial Responsibility Law of the State of California for any coverage provided:

1. to a person other than **you** or a driver listed on the **Declarations Page**; or
2. to an **insured person**:
 - a. Who causes **bodily injury** or **property damage** in the course of such person's operation of a **covered vehicle** while committing, or attempting to commit, an act which constitutes a **crime**; or
 - b. While operating a **covered vehicle** without a valid driver's license or permit unless that person is **you** or listed as a driver on the **Declarations Page**;

FINANCIAL RESPONSIBILITY LAWS

When **we** certify this policy as proof of financial responsibility, this policy will comply with the law to the extent required. **You** must reimburse **us** if **we** make a payment that we would not have made if this policy was not certified as Proof of Financial Responsibility.

OTHER INSURANCE

If there is other applicable liability insurance or bond, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** Limits of Liability bears to the total of all applicable limits. Any insurance **we** provide for a **vehicle**, other than a **covered vehicle**, will be excess over any other collectible insurance, self-insurance, or bond.

DUTIES

In addition to fulfilling the required duties set forth in the Your Duties In Case Of An Accident Or Loss section of this policy, any **insured person** must cooperate with **us** and at **our** request attend hearings and trials and assist in making settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in the conduct of suits.

Insured persons shall not, except at their own cost make any payment, assume any obligation or incur any expense.

No attorney fees or costs incurred by or on behalf of any **insured person** prior to the date notice is given to **us** of a lawsuit shall be payable under this policy. No other costs incurred by or on behalf of any **insured person** prior to the date notice is given to **us** shall be payable under this policy.

If a claim is made or lawsuit is brought against any **insured person**, any papers, including legal papers received by any insured relating to such claim or lawsuit, must be sent to **us** immediately.

PART II – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the Limits of Liability shown on the **Declarations Page** and the Right of Reimbursement provision under this Part II, if **you** pay a premium for medical payments coverage, **we** will pay the **usual and customary charge** for reasonable and necessary **medical expenses**, incurred within one (1) year from the date of an **accident**, for medical and funeral services

because of **bodily injury**:

1. caused by the **accident**; and
2. sustained by an **insured person**.

ADDITIONAL DEFINITIONS

When used in this Part II:

1. **“Insured person”** and **“insured persons”** mean:
 - a. **you** or any **relative** while **occupying a covered vehicle** or **non-owned vehicle**, or when struck by a motor **vehicle** or **trailer** while not **occupying** a motor **vehicle**; and
 - b. any other person while **occupying a covered vehicle**.
2. **“Medical expenses”** means reasonable and necessary medical, surgical, dental, x-ray, ambulance, hospital expenses and funeral services, and includes the cost of pharmaceuticals, orthopedics, and prosthetic devices.
3. **“Usual and customary charge”** means an amount which **we** determine represents a customary charge for services in the geographical area in which the service is rendered. **We** shall determine this customary charge through the use of independent sources of **our** choice.

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

Coverage under this Part II does not apply to:

1. **bodily injury** sustained while **occupying a covered vehicle** while being used for **business**. This exclusion does not apply to shared-expense car pools;
2. **bodily injury** sustained while **occupying any vehicle** used as a residence or premises,
3. **bodily injury** if workers’ compensation benefits are available for the **bodily injury**;
4. **bodily injury** arising out of an **accident** involving any **vehicle** while being used by an **insured person** while engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
5. **bodily injury** sustained while **occupying a vehicle** for the purpose of competing in or practicing or preparing for any prearranged or organized racing or speed contest;
6. **bodily injury** due to nuclear reaction or radiation;

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7. **bodily injury** for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of the nuclear energy liability insurance are exhausted;
 8. **bodily injury** sustained by any person while **occupying a covered vehicle** without the express or implied permission of **you** or a **relative**;
 9. **bodily injury** sustained by **you** or a **relative** while **occupying a non-owned vehicle** without the express or implied permission of the **owner**;
 10. **bodily injury** sustained by any driver of **your covered vehicle** who is not listed as a driver on the **Declarations Page** at time of **loss** and who is:
 - a. a **relative** of **you**;
 - b. a **resident** of **your** household; or
 - c. an individual who has **regular use** of **your covered vehicle**;
 11. medical or funeral expenses paid, payable, or eligible for payment under any:
 - a. motor **vehicle** or premises insurance affording benefits for medical or funeral expenses;
 - b. individual, blanket, or group accident, disability, health or hospitalization insurance;
 - c. medical, surgical, hospital or funeral service, benefits or reimbursement plan; or
 - d. workers' compensation or disability benefits law, or any similar law;
 12. **bodily injury** sustained while any **insured person** is **occupying** any motorized **vehicle** with less than four (4) wheels or a **vehicle** with more than four (4) wheels and a load capacity of more than one (1) ton unless listed on the **Declarations Page**;
 13. **bodily injury** caused by **war** or any consequence of **war**;
 14. **bodily injury** occurring outside the United States;
 15. **bodily injury** occurring while **your covered vehicle** is rented or leased to others;
 16. **bodily injury** sustained while **your covered vehicle** is being operated by a person excluded from coverage under this policy under a Named Driver Exclusion Endorsement;
 17. **bodily injury** sustained while an **insured person** was committing, or attempting to commit, an act which constitutes a **crime**. This exclusion applies regardless of whether the **insured person** is actually cited for, arrested for, charged with, or convicted of, a **crime**;
 18. **bodily injury** sustained by the **owner** of any **non-owned vehicle**; or
 19. **bodily injury** sustained while **occupying**, or when struck by, **your covered vehicle** while the **vehicle** is being used in connection with a personal **vehicle** sharing program by anyone other than **you** or a **relative** who is a **resident** and listed on the **Declarations Page**.

LIMIT OF LIABILITY

The Medical Payments Limit of Liability shown on the **Declarations Page** is the most **we** will pay for each **insured person** injured in any one (1) **accident**, regardless of the number of:

1. claims made;
2. **covered vehicles**;
3. **insured persons**;
4. lawsuits brought;
5. **vehicles** involved in an **accident**; or
6. premiums paid.

Any amounts payable to an **insured person** under this Part II will be reduced by any amounts paid or payable for the same expense under Part I – Liability To Others or Part III – Uninsured/ Underinsured Motorist Coverage.

RIGHT OF REIMBURSEMENT

If payment is made by **us** to or on behalf of an **insured person** under this Part II, the **insured person** shall reimburse **us** from the proceeds of any sums received from any other sources for such medical and funeral expenses. Any amount recovered by the **insured person** shall be held by the **insured person** in trust for **us** and reimbursed to **us** within 30 days of receipt of such proceeds to the extent of our payments made under this Part II. This includes reimbursement to **us** out of any:

1. sums paid by or on behalf of any persons or organizations who may be legally responsible; and
2. sums paid under the provisions of any:
 - a. motor vehicle or premises insurance affording benefits for **medical expenses**;
 - b. individual, blanket, or group accident, disability, health or hospitalization insurance;
 - c. medical, surgical, hospital or funeral service, benefits or reimbursement plan; and
 - d. workers' compensation or disability benefits law, or any similar law.

In order to protect **our** right of reimbursement, **we** may notify persons or organizations that may be legally responsible for payment of medical or funeral expenses to or on behalf of the **insured person**.

OTHER INSURANCE

If there is other applicable insurance or self-insurance providing coverage for medical or funeral expenses, any insurance **we** provide shall be excess over the other applicable insurance or self- insurance. If there is other applicable excess insurance or self- insurance, **we** will pay only **our** share of the excess expenses. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable excess limits.

OTHER PAYMENT

If an **insured person** recovers any or all of their **medical expenses** from any source other than from **us** prior to an insured person bringing a claim under this Part, the **insured person** will have no right to recover that amount recovered for **medical expenses** under this Part II.

PAYMENT OF CLAIMS

We may pay **you** or any other person making a claim under this policy Part II or any person or organization rendering medical or funeral services. The total amount available under this Part shall be reduced by any payment made by **us** under this Part. Payment by **us** shall not constitute an admission that the medical or funeral expenses were reasonable, necessary or otherwise covered under this Part.

PART III – UNINSURED/UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT – UNINSURED/ UNDERINSURED MOTORIST BODILY INJURY COVERAGE

Subject to the Limits of Liability, if **you** pay a premium for Uninsured/Underinsured Motorist Bodily Injury Coverage, **we** will pay for damages, other than punitive or exemplary damages, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by **accident**; and
3. arising out of the ownership, maintenance, or use of an **uninsured motor vehicle** or **underinsured motor vehicle**.

We will pay for damages which an **insured person** is legally entitled to recover for **bodily injury** from the **owner** or operator of an **underinsured motor vehicle** only after the limits of liability under all applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgment or settlements.

INSURING AGREEMENT – UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

Subject to the Limits of Liability, if **you** pay a premium for Uninsured Motorist Property Damage Coverage, **we** will pay for damages, other than punitive or exemplary damages, which an **insured person** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** due to property **damage**:

1. caused by **accident**; and

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2. arising out of the ownership, maintenance or use of an **uninsured motor vehicle**.

You, or someone on **your** behalf, must notify **us** of any **accident** resulting in **property damage** within ten (10) business days from the date of the **accident**.

ADDITIONAL DEFINITIONS

When used in this Part III:

1. **“Insured person”** and **“insured persons”** mean:
 - a. **you** or a **relative**;
 - b. any person **occupying a covered vehicle**;
 - c. any person **occupying a non-owned vehicle** while it is being operated by **you**; and
 - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a, b, or c above.
2. **“Property damage”** means physical damage to, or destruction of, a **covered vehicle** caused solely by a covered **accident** while this policy was in force. It does not include loss of use of the **covered vehicle**.
3. **“Underinsured motor vehicle”** means a land motor **vehicle** to which a **bodily injury** liability bond, policy, cash deposit, or self-insurance certificate applies at the time of the **accident**, but the sum of all such bonds, policies, deposits or self-insurance is less than the coverage limit for Underinsured Motorist Coverage shown on the **Declarations Page**.

An **underinsured motor vehicle** does not include any vehicle or equipment:

- a. **owned by you** or a **relative**;
 - b. **owned** by any governmental unit or agency;
 - c. operated on rails or crawler treads;
 - d. designed mainly for use off public roads, while not on public roads;
 - e. while used as a residence or premises;
 - f. expressly identified by make, model and vehicle identification number on the **Declarations Page** of this policy; or
 - g. not required to be registered as a motor vehicle.
4. **“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. to which a liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
 - i. denies coverage or refuses to admit coverage

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- there under except conditionally or with reservation; or
- ii. is or becomes insolvent within one (1) year of the **accident**; or
- c. that is a hit-and-run vehicle whose operator or **owner** cannot be identified and which causes **bodily injury** by physically contacting:
- i. **you** or a **relative**; or
- ii. a **vehicle** that an **insured person** is **occupying**;

provided the **insured person**, or someone on his or her behalf, reports the **accident** to the police or civil authority within twenty-four (24) hours or as soon as practicable after the **accident**. Within thirty (30) days of the **accident** the **insured person**, or someone on his or her behalf, must also provide us with a statement under oath that the **insured person**, or his or her legal representative, has a cause of action against the **owner** or operator of a vehicle who cannot be identified. The statement must set forth facts supporting the claim. At **our** request, the **insured person** must make available for inspection the **vehicle** which the **insured person** was **occupying** at the time of the **accident**.

An **uninsured motor vehicle** does not include any vehicle or equipment:

- a. **owned** by you or a **relative**;
- b. **owned** or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
- c. **owned** by any governmental unit or agency;
- d. operated on rails or crawler treads;
- e. designed mainly for use off public roads, while not on public roads;
- f. while used as a residence or premises;
- g. expressly identified by make, model and vehicle identification number on the **Declarations Page** of this policy; or
- h. not required to be registered as a motor vehicle.

5. “**You**” and “**Your**” mean a person shown as a named insured on the **Declarations Page** and that person’s spouse.

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

Coverage under this Part III does not apply to:

1. **bodily injury** sustained by any person while **occupying your covered vehicle** while being used

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- for **business**. This exclusion does not apply to shared-expense car pools;
2. **property damage** sustained while a **covered vehicle** is being used for **business**. This exclusion does not apply to shared-expense car pools;
 3. **bodily injury** sustained by any person while using or **occupying a covered vehicle** without the express permission of **you** or a **relative**;
 4. **bodily injury** sustained by any person while using or **occupying a non-owned vehicle** without the express or implied permission of the **owner**;
 5. **bodily injury** sustained by any person while using or **occupying** any motor vehicle **owned** by **you** or a **relative**, other than a **covered vehicle**;
 6. **bodily injury** or **property damage** while **your covered vehicle** is being operated by a person excluded from coverage under this policy under a Named Driver Exclusion Endorsement;
 7. **bodily injury** sustained by any person while using or **occupying** a motor **vehicle**, other than a **covered vehicle**, if the **owner** has insurance similar to that provided under this Part III;
 8. **bodily injury** sustained by any person if that person or the legal representative of that person makes a settlement or prosecutes any action to judgment without **our** written consent;
 9. **bodily injury** sustained while **occupying** any motor vehicle **owned** or leased (for at least 6 months) which is not a **covered vehicle**;
 10. **bodily injury** or **property damage** occurring outside the United States;
 11. **property damage** sustained while using a **vehicle** for the purpose of competing in or practicing or preparing for any prearranged or organized racing or speed contest;
 12. **property damage** sustained while a **covered vehicle** is being used or driven by any person engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative** when using a **covered vehicle**;
 13. **property damage** due to nuclear reaction or radiation;
 14. **property damage** for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of the nuclear energy liability insurance are exhausted;
 15. **property damage** to a **trailer**;
 16. **property damage** if there is no actual, direct physical contact between the **uninsured motor vehicle** and the **covered vehicle**;
 17. **property damage** if the **owner** or operator of the **uninsured motor vehicle**, or the license plate number of the **uninsured motor vehicle**, cannot be

identified;

18. a claim for **diminution in value of your covered vehicle**;
19. a claim for loss of use of **your covered vehicle**;
20. **loss** or damage to personal property contained within **your covered vehicle**, except a child passenger restraint system;
21. **property damage** to a **vehicle**, other than a **covered vehicle**;
22. **bodily injury** or **property damage** sustained while any **insured person** is **occupying** any motorized **vehicle** with less than four (4) wheels or a **vehicle** with more than four (4) wheels and a load capacity of more than one (1) ton unless listed on the **Declarations Page**;
23. **bodily injury** or **property damage** sustained while an **insured person** was committing or attempting to commit, an act which constitutes a **crime**. This exclusion applies regardless of whether the **insured person** is actually cited for, arrested for, charged with, or convicted of, a **crime**;
24. **bodily injury** sustained by the **owner** of a **non-owned vehicle**;
25. any **bodily injury** or **property damage** claim due to the insurer of the **uninsured motor vehicle** or **underinsured motor vehicle** becoming insolvent more than one (1) year after the **accident**.
26. **property damage** to **your covered vehicle**, when it is being operated by any individual not listed as a driver on the **Declarations Page** at time of **loss** who is:
 - a. a **relative** of **you**;
 - b. a **resident** of **your** household;
 - c. an individual who has **regular use** of your **covered vehicle**; or
 - d. an individual who is not licensed to operate a motor vehicle.
27. **bodily injury** or **property damage** arising out of the ownership, operation, maintenance or use of **your covered vehicle** while the **vehicle** is being used in connection with a personal vehicle sharing program by anyone other than **you** or a **relative** who is a **resident** and listed on the **Declarations Page**.

Coverage under this Part III will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:

1. workers' compensation law; or
2. disability benefits law.

LIMITS OF LIABILITY

The Limits of Liability shown on the **Declarations Page** for the coverage under Part III is the most **we** will pay regardless of the number of:

1. claims made;

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2. **covered vehicles;**
 3. **insured persons;**
 4. lawsuits brought;
 5. **vehicles** involved in an **accident;** or
 6. premiums paid.

The Limits of Liability shown in **your Declarations Page** for Part III are subject to the following:

1. the **bodily injury** liability limit is the maximum **we** will pay for all damages from **bodily injury** sustained by one (1) person in any one (1) **accident;**
2. the **bodily injury** liability limit for each **accident** is the maximum **we** will pay for **bodily injury** sustained by two (2) or more persons in any one (1) **accident,** subject to the **bodily injury** liability limit for each person; and
3. the **property damage** liability limit for each **accident** is the maximum **we** will pay for **property damage** in any one (1) **accident.**

The **bodily injury** Limit of Liability under this Part III for each person includes the aggregate of claims made for such **bodily injury** and all claims derived from such **bodily injury**, including, but not limited to, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this Part III shall be reduced by all sums:

1. paid because of **bodily injury** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I – Liability To Others;
2. paid, and the present value of all amounts payable, because of **bodily injury** under any workers' compensation law; and
3. paid or payable under any valid collectible automobile medical payment insurance available to the **insured person** including, but not limited to, all sums paid or payable under Part II – Medical Payments Coverage.

Our Limit of Liability under this Part III for **property damage** to a **covered vehicle** arising out of one (1) **accident** is the lowest of:

1. the actual cash value of the **covered vehicle** at the time of the **accident** reduced by its salvage value if **you** retain the salvage;
2. the amount necessary to replace the **covered vehicle;**
3. the amount necessary to repair the **covered vehicle** to its pre-**loss** condition, reduced by depreciation or betterment; and
4. any Limit of Liability shown on the **Declarations Page** for **property damage** under this Part III

reduced by the salvage value of the **covered vehicle** if **you** retain the salvage.

Payments for **property damage** under this Part III are subject to the following provision:

1. An adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of the **accident**.

However, if **you** have paid a premium for collision coverage under Part IV – Damage To A Vehicle, **our** Limit of Liability under this Part III for **property damage** shall not exceed the amount of the deductible for collision coverage shown on the **Declarations Page**.

Any payment made to a person under this Part III shall reduce any amount that the person is entitled to recover under Part I – Liability To Others or Part IV – Damage To A Vehicle.

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

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

WAIVER OF COLLISION DEDUCTIBLE

If coverage under Part III – Uninsured Motorist Property Damage is applicable to this policy and there is a **loss** to **your covered vehicle** that is insured for collision coverage, no deductible will apply if the **loss** is caused by an **uninsured motor vehicle**.

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorist coverage, the damages which an **insured person** is entitled to recover under this Part III shall be deemed not to exceed the highest limit of any applicable coverage. **We** will pay only **our** share of the damages. **Our** share is the proportion that **our** Limit of Liability bears to the total of all available coverage limits. Any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury** to **you** or a **relative** when **occupying a covered vehicle**.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

If any **insured person** is injured while not **occupying** a motor vehicle, the coverage provided under this policy

shall be excess to any uninsured or underinsured motorist coverage provided by a policy under which that **insured person** is a named insured. If **you** are injured while not **occupying** a motor vehicle, and are also a named insured under any other policy, **our** coverage will pay the proportionate share that **our** limits bear to the total available uninsured or underinsured motorist coverage limits.

ARBITRATION - UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

Determination of the liability of an **uninsured motor vehicle** or **underinsured motor vehicle** and the amount of damages an **insured person** is entitled to recover as damages from an **uninsured motor vehicle** or **underinsured motor vehicle** under this Part III will be made by agreement between the **insured person** and **us**. If no such agreement can be reached between **us** and the **insured person**, then the disagreement shall be submitted to binding arbitration upon written demand of either **us** or the **insured person**.

If the **accident** involves an **uninsured motor vehicle**, any demand for arbitration must be made within two (2) years of the date of the **accident**. If the **accident** involves an **underinsured motor vehicle**, the demand must be made within one (1) year after all applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgments or settlements. An **insured person** demanding arbitration must send written notice to **us**, or **our** agent for process, by certified mail, return receipt requested, unless such requirement is waived by **us** in writing.

If a written demand for arbitration has been made, then arbitration shall be conducted by a single neutral arbitrator. The arbitrator will be jointly selected by the **insured person** and **us**. The costs and fees of the arbitrator will be shared equally. Each party will pay the expenses and attorney fees it incurs.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply. Any dispute between **us** and the **insured person** regarding coverage under this Part III is not subject to this arbitration provision and shall be resolved by judicial determination, unless otherwise agreed to by the **insured person** and **us**. If a coverage dispute exists between **us** and the **insured person**, the arbitration under this provision shall be stayed until the coverage issues are resolved.

A decision by the arbitrator will be binding as to whether

the **insured person** is legally entitled to recover damages under the applicable liability law, and the amount of damages. The arbitrator shall have no authority to award an amount in excess of the Limit of Liability.

ARBITRATION - UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

Determination of the liability of an uninsured **motor vehicle** and the amount of **property damage** an **insured person** is entitled to recover as damages from an **uninsured motor vehicle** under this Part III will be made by agreement between the **insured person** and **us**. If no such agreement can be reached between **us** and the **insured person**, then the disagreement shall be submitted to binding arbitration upon written demand of either **us** or the **insured person**.

Any demand for arbitration must be made within one (1) year from the date of the **accident**. An **insured person** demanding arbitration must send written notice to **us**, or **our** agent for process, by certified mail, return receipt requested, unless such requirement is waived by **us** in writing.

If a written demand for arbitration has been made, then arbitration shall be conducted by a single neutral arbitrator. The arbitrator will be jointly selected by the **insured person** and **us**. The costs and fees of the arbitrator will be shared equally. Each party will pay the expenses and attorney fees it incurs.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply. Any dispute between **us** and the **insured person** regarding coverage under this Part III is not subject to this arbitration provision and shall be resolved by judicial determination, unless otherwise agreed to by the **insured person** and **us**. If a coverage dispute exists between **us** and the **insured person**, the arbitration under this provision shall be stayed until the coverage issues are resolved.

A decision by the arbitrator will be binding as to whether the **insured person** is legally entitled to recover damages under the applicable liability law, and the amount of damages. The arbitrator shall have no authority to award an amount in excess of the Limit of Liability.

PROOF OF CLAIM

Each **insured person** making claim under Part III must give **us** full details of the injuries sustained and treatment

rendered. The burden is on the **insured person** to prove that the **accident** involved an **uninsured motor vehicle** or **underinsured motor vehicle**.

TRUST AGREEMENT

If **we** pay for a **loss** under this coverage:

1. **we** are entitled to recover from **you** an amount equal to such payment if there is a legal judgment or settlement made on **your** behalf against the person or organization legally responsible for the **bodily injury or property damage**;
2. **you** must hold in trust for **us** all rights to recover money which **you** have against the person or organization legally responsible for **bodily injury and/or property damage**;
3. **you** must do everything proper to secure **our** rights and do nothing to prejudice these rights;
4. if **we** ask **you** in writing, **you** will take necessary or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible person or organization; if there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery; and
5. **you** must execute and deliver to **us** any legal instruments or papers necessary to secure the rights and obligations of **you** and **us** as established here.

PART IV – DAMAGE TO A VEHICLE

INSURING AGREEMENT – COLLISION AND COMPREHENSIVE

If **you** pay a premium for collision coverage and comprehensive coverage, **we** will pay for **loss** to a **covered vehicle** when it collides with another object or overturns or when there is a comprehensive **loss**, subject to the Limits of Liability. **You** must report a **loss** to **us** within 12 months of the date of **loss**.

A comprehensive **loss** is a **loss** to a **covered vehicle**, caused by any event other than collision, including, but not limited to, any of the following:

1. contact with an animal (including a bird);
2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft; or
8. windstorm, hail, water, or flood.

If **you** pay a premium for comprehensive coverage

under this policy, **we** will pay **you** up to \$15 per day, but not more than a total of \$300 per **loss**, for transportation expenses incurred by **you** if a **covered vehicle** is stolen.

Transportation expenses and loss of use damages coverage begins forty-eight (48) hours after **you** report the theft to **us**, and ends when the **covered vehicle** has been recovered and repaired, replaced, or if the **covered vehicle** is deemed by **us** to be a total loss or unrecoverable, forty-eight (48) hours after **we** make an offer to pay the lesser of the actual cash value of the **covered vehicle** or any Stated Amount Vehicle Coverage elected by **you**.

You must provide **us** written proof of **your** transportation expenses and loss of use damages.

Duplicate recovery for identical elements of damages is not permitted under this policy.

If **we** can pay the **loss** under either comprehensive or collision coverage, **we** will pay under the coverage where **you** collect the most.

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

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

1. to a **covered vehicle**, while being used for **business**. This exclusion does not apply to shared-expense car pools;
2. to a **covered vehicle**, while being used or driven by a person engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles. However, this exclusion does not apply to **you**, a **relative**, or an agent or employee of **you** or a **relative**, when using a **covered vehicle**;
3. to a **covered vehicle** or a **non-owned vehicle** for the purpose of competing in or practicing or preparing for any prearranged or organized racing or speed contest;
4. due to nuclear reaction or radiation;
5. to a **covered vehicle** resulting from:
 - a. voluntarily parting with the title and possession of the **covered vehicle**, if induced to do so by any trick, device, false pretense or other fraudulent scheme; or
 - b. embezzlement, conversion, secretion, theft, larceny, robbery, or pilferage committed by any person including any employee, entrusted by **you** with either custody or possession of the **covered**

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- vehicle** under any circumstance, including, but not limited to a bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance;
6. to a **covered vehicle**, for which insurance is afforded under a nuclear energy liability insurance contract. This exclusion applies even if the limits of the nuclear energy liability insurance are exhausted;
 7. to a **covered vehicle** due to defective or disputed title;
 8. due to destruction or confiscation by governmental or civil authorities of a **covered vehicle**;
 9. to a **covered vehicle**, caused by an intentional act of **you** or a **relative** or at the direction of **you** or a **relative**. This exclusion applies even if the **bodily injury** or **property damage** that occurs is different than what was expected, directed or intended;
 10. to a **covered vehicle**, that is due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure;
 - d. road damage to tires;
 - e. deterioration; or
 - f. latent or inherent defects;
 11. due to theft or conversion of a **covered vehicle**:
 - a. by **you**, a **relative**, or any **resident** of **your** household;
 - b. prior to its delivery to **you** or a **relative**;
 - c. while in the care, custody, or control of anyone engaged in the **business** of selling the **vehicle** or **trailer**; or
 - d. by any person excluded from coverage under this policy;
 12. to compact discs, cassettes, DVD, Blue Ray and other recording or recorded media;
 13. to any case or other container designed for use in storing or carrying compact discs, cassettes, DVD, Blue Ray or other recording or recorded media;
 14. to any device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
 15. to a **covered vehicle** for diminution of value;
 16. to a **covered vehicle** when it is being operated by any individual not listed as a driver on the **Declarations Page** at time of **loss** and who is:
 - a. a **relative** of **you**;
 - b. a **resident** of **your** household;
 - c. an individual who has **regular use** of **your covered vehicle**;
 - d. an individual who is not licensed to operate a motor **vehicle**;
 17. to any custom furnishings or equipment in or upon any **covered vehicle**. Custom furnishings or equipment include but are not limited to:
 - a. special carpeting and insulation, furniture, bars or

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- television receivers;
 - b. facilities for cooking and sleeping;
 - c. height-extending roofs;
 - d. custom murals, paintings, or other decals or graphics;
 - e. custom car kits;
 - f. custom grills, louvers, scoops, continental kits and/or spoilers;
 - g. chrome, alloy, mag-type wheels or any custom wheel coverings or racing tires or tires wider than those installed as original factory equipment;
 - h. window film tinting;
 - i. alarms;
 - j. customized T-tops, sunroof, moon roof, convertible tops, and/or customized non-factory vinyl tops;
 - k. customized paint, including but not limited to lacquer paint and upholstery other than the original manufacturer;
 - l. ground effect kits;
 - m. modified and/or altered suspensions other than factory installed;
 - n. special gauges, modified carburetor systems and/or engines; or
 - o. camper body, pickup shell, box covers, bed liners or utility trailers.
 - p. adaptive equipment for the disabled;
18. to any of the following or the accessories not original manufacturer installed in or upon any **covered vehicle**, but not limited to:
- a. radios;
 - b. citizen band radios;
 - c. two-way radios;
 - d. satellite radios;
 - e. stereos;
 - f. tape decks;
 - g. compact disc players;
 - h. MP3 Players;
 - i. navigation systems;
 - j. GPS systems;
 - k. internet access systems;
 - l. personal computers;
 - m. video entertainment systems;
 - n. telephones;
 - o. televisions;
 - p. scanning monitor receiver;
 - q. antennas; or
 - r. devices used to exclusively send or receive audio, visual, or data signals;
19. to any obligation assumed by **you**, a **relative**, the registered **owner**, legal **owner**, or anyone else responsible for the **vehicle** for any of the following costs:
- a. estimating fees;
 - b. teardown charges;
 - c. handling fee;

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- d. negotiating charges;
 - e. administrative fees;
 - f. higher than reasonable, for the area, storage or towing fees; or
 - g. any other charges which are not part of the necessary cost of repairing the **vehicle**;
20. caused by **war** or any consequence of **war**;
 21. due to any **loss** resulting from lack of lubricants, oil, transmission fluid, coolant, or **loss** resulting from seepage of water;
 22. to personal property, except a child passenger restraint system;
 23. occurring outside the United States;
 24. caused if the operator of the **covered vehicle** was committing, or attempting to commit, an act which constitutes a **crime** at the time of **loss**. This exclusion applies regardless of whether the operator of the **covered vehicle** is actually cited for, arrested for, charged with, or convicted of, a **crime**;
 25. to any rented, leased, or **non-owned vehicle** other than your **covered vehicle**;
 26. to a **covered vehicle** while it is being operated by a person excluded from coverage under this policy under a Named Driver Exclusion Endorsement;
 27. repaired before **our** authorized representative has viewed **your covered vehicle**. This requirement can be waived only by **us**;
 28. to damage to or discoloration(s) of paint as a result of smoke, smog, chemicals, tree sap, animal or bird droppings, unless such damage is a direct result of vandalism;
 29. reported to **us** more than 12 months after the date of **loss**; or
 30. **loss** to **your covered vehicle** while it is being used in connection with a personal vehicle sharing program by anyone other than **you** or a **relative** who is a **resident** and listed on the **Declarations Page**.

LIMITS OF LIABILITY

1. The Limit of Liability for **loss** to a **covered vehicle** will be the lowest of:
 - a. the actual cash value of the stolen or damaged property at the time of the **loss**, reduced by the applicable deductible shown on the **Declarations Page**, and by its salvage value if **you** retain the salvage;
 - b. the amount necessary to repair or replace the stolen or damaged property with other of like kind and quality less depreciation, reduced by the applicable deductible shown on the **Declarations Page**; or
 - c. any applicable Limit of Liability or Stated Amount Vehicle Coverage elected by **you**, reduced by its salvage value if **you** retain the salvage.

However, if the **loss** is to a **trailer**, the applicable Limit of Liability will be \$500.

2. Payments for **loss** covered under Collision and Comprehensive are subject to the following provisions:
 - a. no more than one (1) deductible shall be applied to any one (1) covered **loss**;
 - b. an adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of **loss**;
 - c. in determining the amount necessary to repair damaged property to its pre-**loss** condition, **our** estimate will be based on:
 - i. the prevailing competitive labor rates charged in the area where the property is to be repaired, as reasonably determined by **us**; and
 - ii. the cost of repair or replacement parts, which may be new, refurbished, restored, or used, including, but not limited to:
 1. original manufacturer parts or equipment; and
 2. non-original manufacturer parts or equipment;
 - d. the actual cash value is determined by the market value, age and condition of the **vehicle** at the time the **loss** occurs; and
 - e. any amount paid or payable to a person under this Part IV shall be reduced by any amount paid for **property damage** under Part III – Uninsured/Underinsured Motorist Coverage.
3. If more than one (1) **vehicle** is shown on **your Declarations Page**, coverage will be provided as specified on the **Declarations Page** as to each **vehicle**.
4. **Our** Limit of Liability for any covered after-market sound producing equipment and its components parts: including, but not limited to, radios, speakers, tape players, compact disc players and radio equalizers, is limited to \$500 for each **loss**. After-market sound equipment is equipment installed by someone other than the factory or authorized dealer of the manufacturer of the car.
5. **We** will pay reasonable and necessary towing and temporary storage charges incurred by **you** for **your covered vehicle** as a result of any **loss** to which coverage under this Part IV applies.
6. If **we** repair or replace the property, **we** shall not be responsible for any **diminution in value** of **your covered vehicle** caused by the **loss**.

TOTAL LOSS

In the event that **we** determine **your covered vehicle** to be a total **loss**, **you** must allow **us** to move **your covered vehicle** to a fee free storage location of **our** choice. **You** must take reasonable steps after a covered

loss to protect the **covered vehicle** from further damage and/or unreasonable towing and storage charges. **We** will pay reasonable expenses, including reasonable towing and storage charges, incurred in providing that protection. Additional damages caused by the failure to protect the **covered vehicle**, including unreasonable towing and storage charges, will not be covered under this policy.

PAYMENT OF LOSS

At **our** expense, **we** may return any stolen property to **you** or to the address shown on the **Declarations Page**, with payment for any damage resulting from the theft. **We** may keep all or part of the property at the agreed or appraised value, but there shall be no abandonment of the property to **us**. **We** may settle any **loss** with **you** or the **owner** or lienholder of the property.

NO BENEFIT TO BAILEE

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

OTHER INSURANCE

If there is other applicable 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 of liability.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then **you** or **we** may demand an appraisal of the **loss**. If so, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. A decision agreed to by any two (2) will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **you** and **us**. Neither **you** nor **we** waive any rights under this policy by agreeing to an appraisal.

PART V – EMERGENCY TOWING AND LABOR COVERAGE

INSURING AGREEMENT – EMERGENCY TOWING AND LABOR COVERAGE

If **you** pay a premium for Emergency Towing and Labor coverage, **we** will pay for towing and labor costs incurred

by **you** as a result of the disablement of **your covered vehicle**, subject to the Limit of Liability shown on the Declarations Page, provided that:

1. the labor is performed at the place of disablement; and
2. the disablement does not occur at your residence.

The total limit of our liability for each **loss** is stated on the **Declarations Page** subject to a maximum of six (6) occurrences in any twelve (12) month period.

PART VI – RENTAL REIMBURSEMENT COVERAGE

INSURING AGREEMENT – RENTAL REIMBURSEMENT COVERAGE

If **you** pay a premium for Rental Reimbursement Coverage, **we** will reimburse **you** up to the limit shown on the **Declarations Page** when **you** rent a **vehicle** from a public automobile rental agency or garage due to a **loss** to a **covered vehicle** which would be payable under either Collision or Comprehensive coverage. **We** will not pay mileage or fuel charges. **We** will not pay collision damage waiver or other insurance charges.

Reimbursement will begin on:

1. the date the **covered vehicle** is delivered to a garage for repairs, if the **covered vehicle** is drivable; or
2. the date the **loss** is reported to **us**, if the **covered vehicle** is disabled or stolen.

Reimbursement ends:

1. when repairs to the **covered vehicle** are completed;
2. the day following the settlement offer, if **we** offer settlement in lieu of repairs; or
3. when **you** incur the policy maximum as listed on **your Declarations Page**; whichever occurs first.

Any reimbursement payable under Rental Reimbursement Coverage is reduced to the extent it is payable under Comprehensive or Collision coverage.

You must provide **us** written proof of **your** rental charges.

PART VII - GENERAL PROVISIONS

POLICY CHANGES

This policy, **your** application for insurance (which is made a part of this policy as if attached hereto), and endorsements issued by **us** to this policy contain all the agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived

except by an endorsement issued by **us**.

The premium for each **vehicle** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and **you** will notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period, or take other appropriate action. To properly insure **your vehicle**, **you** must promptly notify **us** when:

1. **you** change **your** address;
2. any **resident** operators are added or deleted; or
3. **you** acquire an additional or replacement **vehicle**.

Changes that may result in premium adjustment are contained in **our** rates and rules. These include, but are not limited to:

1. changes in the number, type, or use classification of **covered vehicles**;
2. changes in the operators using **covered vehicles**, their ages, or marital status;
3. a **relative** obtaining a driver's license or operator's permit;
4. changes in the place of principal garaging of any **covered vehicle**;
5. changes in coverage, deductibles, or limits of liability; or
6. changes in rating territory or discount eligibility.

Certain premium bearing endorsements may be subject to an endorsement fee, as per our underwriting guidelines.

ADDITIONAL PREMIUM DUE – LOSS SETTLEMENT

In the event of additional premium due to the incorrect rating of this policy, **we** shall have the right to correct the premium in accordance with **our** published rates and underwriting rules. If a **loss** occurs under the policy **we** shall have the option to deduct such additional premium from any loss settlement.

TRANSFER

This policy may not be transferred to another person without **our** written consent. If **you** die, this policy will provide coverage until the end of the policy period for **your** legal representative, while acting as such, and for persons covered under this policy on the date of **your** death.

TWO OR MORE VEHICLES INSURED

For any **accident** or **loss** to which this or any other policy

issued by **us** applies, the total limit of **our** liability under all policies shall not exceed the highest applicable limit of liability under one policy. In no event shall the limit of liability for two (2) or more **vehicles** or two (2) or more policies be added together, combined, or stacked.

POLICY FEE AND/OR FILING FEE

A Policy Fee and Filing Fee, if any, as set forth under the **Declarations Page** of this policy, is fully earned upon issuance of the policy and is not refundable.

PAYMENT OF PREMIUM

If **your** initial premium payment is by check, draft, credit card, debit card or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, credit card, debit card or remittance being honored upon presentment. If the check, draft, credit card, debit card or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, credit card, debit card or remittance had been honored upon presentment.

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

CANCELLATION

You may cancel this policy by mailing a written request for cancellation to **your** broker or **us**. Coverage shall cease and the policy period shall end on the latest date issued below:

1. 12:01 a.m. of the day specified by the named insured in the request for cancellation;
2. 12:01 a.m. of the day following the postmark date on the request for cancellation provided such date is legible and not a postage meter date; or
3. If neither 1 nor 2 above apply, the date and time the request is received by the Company.

We may cancel this policy by mailing a notice of cancellation to the named insured shown on the **Declarations Page** at the last known address appearing in **our** records. If cancellation is for non-payment of premium, notice will be mailed at least ten (10) days before the effective date of cancellation. If cancellation is due to any reason other than non-payment of premium,

notice will be mailed at least twenty (20) days before the effective date of cancellation.

We may cancel only for the following reasons:

1. **you** do not pay the required premium for this policy when due;
2. fraud or material misrepresentation affecting the policy or insured; or
3. a substantial increase in the hazard insured against which occurred during the policy period or 60 days prior to the most recent renewal or effective date of the policy and **we** had no notice thereof.

Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering of a refund is not a condition of cancellation.

If this policy is cancelled, any refund due will be computed on a daily pro-rata basis. The effective date of cancellation shown in a notice will be the end of the policy period. All policy fees and filing fees are fully earned as soon as coverage goes into effect.

NON-RENEWAL

If **we** decide not to renew or continue this policy, **we** will mail notice of non-renewal to the named insured shown on the **Declarations Page** at the last known address appearing in **our** records. Notice will be mailed at least thirty (30) days before the end of the policy period. If the policy period is other than one (1) year, **we** will have the right not to renew or continue this policy only at each anniversary of its original effective date or earlier as provided by the California Insurance Code or Regulations. Some non-renewals and premium increases may result from reasons that are not specified in section 11580.09 (d) of the California Insurance Code for an insurer that are both lawful and not unfairly discriminatory.

AUTOMATIC TERMINATION

If **we** offer to renew or continue coverage and **you** or **your** representative does 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.

If **you** obtain other insurance on **your covered vehicle**, any similar insurance provided by this policy will terminate as to that **vehicle** on the effective date of the other insurance. The termination will occur whether or not **your** intent is to have more than one policy in force at the same time.

If a **vehicle** listed on the **Declarations Page** is sold, transferred, or given as a gift to another person, any coverage provided by this policy will terminate as soon as possession of the **vehicle** is taken. This termination of coverage occurs whether or not the transaction is complete or title has been effectively transferred.

NOTICE OF LIMITS OF FUTURE COVERAGE

Pursuant to Section 11580.09 of the California Insurance Code, **you** are notified for the purpose of cancellation, refusal to renew or premium increase, that ALLIANCE UNITED INSURANCE COMPANY, shall state the reasons for this action which shall include, if applicable, but not limited to, the following:

1. **accident** involvement by an insured, and whether the insured is at fault in the **accident**.
2. a change in, or an addition of, an insured vehicle;
3. a change in, or an addition of, an insured under this policy;
4. a change in the location of garaging of an insured vehicle;
5. a change in the use of the insured vehicle;
6. convictions for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle; or
7. the payment made by an insurer due to a claim filed by an insured or a third party.

Further be advised that some non-renewals and premium increases may result from reasons that are not specified above that are both lawful and not unfairly discriminatory.

PROOF OF NOTICE

Proof of mailing of any notice will be sufficient proof of notice.

COVERAGE CHANGES

If **we** make a change which broadens a coverage **you** have under this edition of **your** policy, without additional charge, **you** will receive broadened coverage. The broadened coverage applies on the date the coverage change is implemented in **your** state. This provision does not apply to a general program revision or **our** issuance of a subsequent edition of **your** policy. Otherwise, this policy can be changed only by endorsement issued by **us**.

LEGAL ACTION UNDER THIS POLICY

We may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued for payment under Part I – Liability To Others until the

obligation of an **insured person** to pay is finally determined either by final judgment against that person or by written agreement of the **insured person**, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit to determine the liability of an **insured person**.

The policy is a contract of insurance entered into, and to be performed, in the County of Ventura, State of California, and shall be interpreted in accordance with and under the laws of the State of California. Subject matter jurisdiction over any disputes arising out the policy, including any suits against Alliance United, shall be vested in the Superior Court of California.

OUR RIGHTS TO RECOVER PAYMENT

In the event of any payment under this policy, other than a payment made under Part III – Uninsured/Underinsured Motorist Coverage for damages which an **insured person** is entitled to recover from the **owner** or operator of an **underinsured motor vehicle**, **we** are entitled to all the rights of recovery that the **insured person** to whom payment was made has against another.

That **insured person** must sign and deliver to **us** any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise those rights, and do nothing after an **accident** or **loss** to prejudice **our** rights.

However, **we** may not assert rights of recovery against any person who was using a **covered vehicle** with **your** express permission for any payment made under Part IV – Damage To A Vehicle.

When an **insured person** has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** in trust for **us** and reimbursed to **us** to the extent of **our** payment.

If an **insured person** under this policy makes recovery from a responsible party, other than the **owner** or operator of an **underinsured motor vehicle**, without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

BANKRUPTCY

The bankruptcy or insolvency of an **insured person** will not relieve **us** of any obligations under this policy. If execution of a judgment against an **insured person** is returned unsatisfied because of the bankruptcy or insolvency of an **insured person**, a person claiming damages under Part I – Liability To Others may

maintain an action against **us** for the amount of the judgment, subject to the terms and conditions of this policy and not exceeding **our** Limits of Liability under Part I.

CONSUMER AFFAIRS

If **you** need assistance at any time in resolving a problem concerning **your** insurance, **you** are invited to contact:

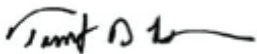
Your Insurance Broker
OR
Alliance United Insurance Company
Customer Service Department
PO Box 280339
Northridge, CA 91328-0339
1-800-508-5833

If **we** are unable to solve any problem related to this coverage to **your** satisfaction, **you** may call or write the California Department of Insurance at:

California Department of Insurance
Consumer Communications Bureau
300 South Spring Street, South Tower
Los Angeles, CA 90013

Consumer Hotline
1-800-927-Help (4357) or
1-213-897-8921
TDD Number
1-800-482-4TDD (4833)
Hotline hours are from
8:00 a.m. - 5:00 p.m.
Monday through Friday
(Except Holidays)
Website
www.insurance.ca.gov

This policy is signed, on behalf of Alliance United Insurance Company by our President and Secretary.



President



Secretary

POLICY ENDORSEMENTS

These endorsements only apply if the endorsement number is referenced on the Declarations Page.

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INFORMATION REGARDING PREMIUM DISCOUNTS

Discounts

Alliance United Insurance Company offers several discounts to their policyholders. If **you** qualify for any of the discounts listed below, the discount(s) should be reflected in the premium quoted. If **you** have any questions, please contact **your** broker shown on the top of **your** Policy **Declarations Page**.

Multiple Car/Multiple Driver Discount

Discounts will apply for Liability to Others coverage, Medical Payments Coverage, Uninsured/Underinsured Motorist Coverage and Damage To A Vehicle coverage. These discounts apply to each **vehicle** of a multi- car/ multi-driver risk. All **vehicles** must be listed on the same auto policy and primarily garaged at the same location to receive the discount.

Renewal Discount

This discount applies to Liability to Others, Medical Payments Coverage, Uninsured/Underinsured Motorist Coverage and Damage To A Vehicle coverage. The discount will automatically be applied to renewals that qualify.

Good Driver Discount

A 20% discount is automatically applied to all coverage for each driver qualifying for "good driver" status under Section 1861.025 of the California Insurance Code. Good drivers must be licensed for the past three years and have no more than one DMV violation point and / or one at fault accident point during that time to qualify.

All DUI's will be retained for 10 years for purposes of qualifying for good driver status.

Mature Driver Discount/Driver Improvement Course

A discount applies to all coverage if a listed driver who is 55 years of age or older provides proof of successful completion of a Defensive Driver Improvement Course approved by the California Department of Motor Vehicles.

The discount is good for 3 years from the date of course completion. The discount will be discontinued if the listed driver is at-fault in an accident or if the listed driver is convicted of a violation of Division 11 of the Vehicle Code, except Chapter 9 of that Division, or of a traffic-related offense involving alcohol or narcotics. The discount does not apply if the insured successfully completes the Defensive Driver Improvement Course pursuant to a court order.

Auto Body Repair Consumer Bill of Rights

A CONSUMER IS ENTITLED TO:

- 1. SELECT THE AUTO BODY REPAIR SHOP TO REPAIR AUTO BODY DAMAGE COVERED BY THE INSURANCE COMPANY. AN INSURANCE COMPANY SHALL NOT REQUIRE THE REPAIRS TO BE DONE AT A SPECIFIC AUTO BODY REPAIR SHOP.**
- 2. AN ITEMIZED WRITTEN ESTIMATE FOR AUTO BODY REPAIRS AND, UPON COMPLETION OF REPAIRS, A DETAILED INVOICE. THE ESTIMATE AND THE INVOICE MUST INCLUDE AN ITEMIZED LIST OF PARTS AND LABOR ALONG WITH THE TOTAL PRICE FOR THE WORK PERFORMED. THE ESTIMATE AND INVOICE MUST ALSO IDENTIFY ALL PARTS AS NEW, USED, AFTER MARKET, RECONDITIONED, OR REBUILT.**
- 3. BE INFORMED ABOUT COVERAGE FOR TOWING SERVICES.**
- 4. BE INFORMED ABOUT THE EXTENT OF COVERAGE, IF ANY, FOR A REPLACEMENT RENTAL VEHICLE WHILE A DAMAGED VEHICLE IS BEING REPAIRED.**
- 5. BE INFORMED OF WHERE TO REPORT SUSPECTED FRAUD OR OTHER COMPLAINTS AND CONCERNS ABOUT AUTO BODY REPAIRS.**
- 6. SEEK AND OBTAIN AN INDEPENDENT REPAIR ESTIMATE DIRECTLY FROM A REGISTERED AUTO BODY REPAIR SHOP, EVEN WHEN MAKING AN INSURANCE CLAIM FOR REPAIRING THE VEHICLE.**

COMPLAINTS WITHIN THE JURISDICTION OF THE BUREAU OF AUTOMOTIVE REPAIR

Complaints concerning the repair of a vehicle by an auto body repair shop should be directed to:

**Toll Free (866) 799-3811
Bureau of Automotive Repair
10949 North Mather Blvd.
Rancho Cordova, CA 95670**

The Bureau of Automotive Repair can also accept complaints over its web site at:
www.autorepair.ca.gov

**COMPLAINTS WITHIN THE JURISDICTION OF
THE CALIFORNIA INSURANCE COMMISSIONER**

Any concerns regarding how an auto insurance claim is being handled should be submitted to the California Department of Insurance at:

(800) 927-4357 or (213) 897-8921
California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013

The California Department of Insurance can also accept complaints over its web site at:

www.insurance.ca.gov

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LOSS PAYEE ENDORSEMENT

Loss or damage covered under Part IV of this policy shall be paid as financial interest may appear to **you** and the loss payee shown on the **Declarations Page**.

We will pay only if the loss payee takes physical possession of a **covered vehicle**, unless the loss payee is prevented from doing so. **We** will not pay the **loss** payee for **loss** occurring after the date the loss payee or its agent takes possession of a **covered vehicle**.

We will not pay the loss payee more than the repair costs of a **covered vehicle**, actual cash value of a **covered vehicle** or the existing loan balance as of the date of **loss**, whichever is less and minus any applicable deductible. This insurance covering the interest of loss payee shall become invalid because of illegal or fraudulent acts or omissions committed by **you** or a **relative**. **We** will not pay the loss payee for any **loss** caused by conversion, secretion, embezzlement, or concealment by **you**, a **relative**, anyone acting on **your** behalf, or anyone acting on behalf of a **relative**. Additionally, **we** will not pay the loss payee for any **loss** caused if the operator of the **covered vehicle** was committing, or attempting to commit, an act which constitutes a **crime** at the time of the **loss**. This exclusion applies regardless of whether the operator of the **covered vehicle** is actually cited for, arrested for, charged with, or convicted of, a **crime**.

When **we** pay the loss payee **we** shall, to the extent of payment, be subrogated to the loss payee's rights of recovery. If the **loss** is not covered under the policy, but payment is made to the loss payee **you** will reimburse **us**

up to the amount of **our** payment.

If **we** are asked to pay the loss payee, **we** will apply a deductible shown on the **Declarations Page** for the interest of the loss payee only for Part IV – Damage To A Vehicle. This loss payee provision is extended, provided that when a loss occurs, the **loss** payee can show:

1. The named insured has defaulted in payment;
2. The loss payee has made all reasonable efforts to collect overdue payments; and
3. The interest of the loss payee has become impaired.

Nothing in this provision changes the amount of the deductible on the **Declarations Page** for the interest of the named insured or for the loss payee.

We reserve the right to cancel the policy as permitted by the policy terms, and the cancellation shall terminate the policy and this agreement as to the loss payee's interest. **We** will give the same advance notice of cancellation to the loss payee as **we** give to the named insured shown on the **Declarations Page**.

AU 04 (2018)

ADDITIONAL INSURED ENDORSEMENT

In consideration of the premium charged, it is hereby agreed that such insurance as is afforded by this policy shall also apply to the additional insured(s) as listed in the policy declarations, but solely with respect to the ownership, maintenance or use of a **covered vehicle** insured under this policy. Nothing contained herein shall operate to increase the company's limit of liability as shown in the **Declarations Page**. All other terms and conditions remain unchanged.

AU 05 (2018)

NAMED DRIVER EXCLUSION ENDORSEMENT

If **you** have asked **us** to exclude any person from coverage under this Policy, then **we** will not provide coverage for any claim or suit arising from an **accident** or **loss** involving a **covered vehicle** or **non-owned vehicle** that occurs while it is being operated by the excluded person. THIS INCLUDES ANY CLAIM OR SUIT FOR DAMAGES MADE AGAINST **YOU**, A **RELATIVE**, OR ANY OTHER PERSON OR ORGANIZATION THAT IS ALLEGED TO BE LIABLE UNDER ANY THEORY OF LIABILITY WHATSOEVER (INCLUDING, WITHOUT LIMITATION, VICARIOUS LIABILITY AND/OR NEGLIGENT ENTRUSTMENT), FOR AN **ACCIDENT**

ARISING OUT OF THE OPERATION OF A **COVERED VEHICLE** OR **NON-OWNED VEHICLE** BY THE EXCLUDED DRIVER.

AU 06 (2018)

NAMED NON-OWNED VEHICLE COVERAGE ENDORSEMENT

If **you** elect the Named Non-owned Vehicle Coverage Endorsement, **you** agree with **us** that this policy is amended as follows:

GENERAL DEFINITIONS

The general policy definitions of “**covered vehicle**” (Number 4) and “**non-owned vehicle**” (Number 10) are deleted and replaced by the following:

“**Covered vehicle**” and “**non-owned vehicle**” mean any **vehicle** that:

1. is used with express permission of the **owner** of the vehicle;
2. is not **owned** by:
 - a. **you**;
 - b. any person listed as a driver on the **Declarations Page**;
 - c. an **insured person’s** employer;
 - d. a **relative**;
 - e. **your** non-**resident** spouse;
 - f. a person **residing** with **you**; or
 - g. a corporation or partnership in which the combined ownership interest of **you** and **your relatives** exceeds twenty percent; and
3. has never been **owned** by or registered to **you**, or any other person listed as a driver on the **Declarations Page**.

The general policy definition Number 19 of “**you**” and “**your**” is deleted and replaced by the following:

“**You**” and “**your**” mean the person shown as the named insured on the **Declarations Page**.

However, if this policy is certified as proof of financial responsibility, “**covered vehicle**” and “**non-owned vehicle**” shall also mean any **vehicle** acquired by **you** during the policy period but only for the first ten (10) days from the date of purchase.

PART I – LIABILITY TO OTHERS

ADDITIONAL DEFINITION

When used in Part I, the definition of “**insured person**” and “**insured persons**” is deleted and replaced by the following:

“**Insured person**” and “**insured persons**” mean:

1. **you**, when operating or using a **covered vehicle** or **non-owned vehicle** with the express or implied permission of the **owner**; and
2. any person or organization with respect only to vicarious liability for an **accident** arising out of the use of a **covered vehicle** or **non-owned vehicle** by **you** with the express or implied permission of the **owner**.

PART III – UNINSURED/UNDERINSURED MOTORIST COVERAGE

If **you** pay a premium for Uninsured/Underinsured Motorist Coverage, and it is shown on the **Declarations Page**, the Other Insurance provision under this Part III is deleted and replaced by the following:

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorist coverage, any insurance **we** provide shall be excess over any other collectible uninsured or underinsured motorist coverage.

We will not pay for any damages which would duplicate any payment made for damages under other insurance.

If **you** are injured while **not occupying** a motor vehicle, the coverage provided under this policy shall be excess to any uninsured or underinsured motorist coverage provided by a policy under which that **insured person** is a named insured.

AU 07 (2018)

DELETION OF UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

The California Insurance Code requires an insurer to provide uninsured motorist coverage in each bodily injury liability insurance policy it issues covering liability arising out of ownership, maintenance, or use of a motor **vehicle**. Such section also permits the insurer and the applicant to delete this coverage completely or to delete such coverage when a motor **vehicle** is operated by a natural person or persons designated by name or agree to provide such coverage in an amount less than that required by subdivision (m) of Section 11580.2 of the

Insurance code, but not less than the financial responsibility requirements. Uninsured motorist coverage insures the insured, his heirs, or legal representatives for all sums within limits established by law, which such person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to him from the **owner** or operator of an **uninsured motor vehicle** not **owned** or operated by the insured or **resident** of the same household. An **uninsured motor vehicle** includes an underinsured motor **vehicle** as defined in subdivision (p) of Section 11580.2 of the Insurance Code.

This rejection shall be binding upon every insured to whom the policy applies while the policy is in force and shall continue to be so binding with respect to any continuation or renewal of the policy, or with respect to any other policy which extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer or with respect to reinstatement of the policy within thirty (30) days of any lapse thereof.

AU 08 (2018)

DELETION OF UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE

The California Insurance Code requires insurers to offer coverage for damage to the insured motor **vehicle**, to the extent that **you** are legally entitled to recover from the **owner** or operator of the **uninsured motor vehicle**, caused by an **uninsured motor vehicle**, that either:

1. pays the collision deductible on the insured motor **vehicle** when **you** have purchased collision coverage; or
2. pays for the damage to the insured motor **vehicle** and shall not exceed the smaller of the actual cash value of the motor **vehicle** or \$3,500.

This rejection shall be binding upon every insured to whom the policy applies while the policy is in force and shall continue to be so binding with respect to any continuation or renewal of the policy, or with respect to any other policy which extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer or with respect to reinstatement of the policy within thirty (30) days of any lapse thereof.

All other terms and conditions remain unchanged.

AU 09 (2018)

BUSINESS/ARTISAN USE ENDORSEMENT

It is understood and agreed that coverage for

business use of a vehicle applies only to the vehicle listed with the Business Use Endorsement on the Declarations Page.

If **you** elect coverage for **business** use of a **covered vehicle** listed on **your Declarations Page**, and pay the additional premium as billed, **you** agree with **us** that this policy is amended as follows:

GENERAL DEFINITIONS

The general policy definition Number 3 of “**Business**” is deleted and replaced by the following:

3. “**Business**” means:
- a. any **vehicle** used to carry persons for a charge, fee or compensation and use of any **vehicle** while the **vehicle** is available for hire by the public, including the time during which the **vehicle** is, directly or indirectly, logged on to any application, platform or other system used to connect with potential passengers and use of any **vehicle** going to pick up passengers, including entering into or alighting from the **vehicle**. This includes, but is not limited to, ridesharing arrangements through a digital network or similar connection used by a transportation network company;
 - b. any **vehicle** used to deliver or pick up tangible property for a charge, fee or compensation while the **vehicle** is directly or indirectly, logged on to any application, platform or other system used to initiate such activity. Tangible property includes but is not limited to, food, messages, newspapers, periodicals, packages or film;
 - c. operation or use of any **vehicle** for emergency medical, law enforcement, or fire suppression purpose, in the insured’s part-time or full-time occupation or business; or
 - d. a vehicle with a load capacity over one (1) ton.

AU 10 (2018)

NAMED OPERATOR – PHYSICAL DAMAGE COVERAGE ENDORSEMENT

If **you** elect the Named Operator – Physical Damage Coverage Endorsement, **you** agree with **us** that this policy is amended as follows: The following exclusion is added to Part IV – Damage To A Vehicle:

Coverage under this Part IV – Damage To A Vehicle.

31. **We** do not cover **loss** while a **covered vehicle** is operated by an operator who is not specifically

named on the **Declarations Page**, or listed in the application for this policy, or added by endorsement. This exclusion applies whether or not **we** would have issued the policy had **we** known of this operator, or whether or not **we** would have charged a higher or lower premium. If, at the time of the **loss**, a **covered vehicle** is unoccupied and away from the garaging location stated in the **Declarations Page**, it will be deemed to be operated by the person who was the last operator.

AU 11 (2018)

PRIVACY NOTICE

Alliance United Insurance Company respects your right to privacy. We protect all personal data obtained in the course of doing business with you. We have physical, electronic, and procedural measures in place that comply with legal standards to protect your personal data. The only employees who have access to personal data are those who must have it to serve you. This notice explains how we collect and use your personal data.

Personal Data We Collect

Personal Data includes any identifying information about a consumer, such as:

- Name, residence address, e-mail address, phone number.
- Age, marital status, occupation, social security number.
- Driving record and claim history for you and any driver in your household.
- Medical information, such as from an accident report.
- Car make and model, license number, lender or lease agent.
- Credit standing, credit score, policy payment history.

We collect personal data from a variety of sources, such as:

- From you in person, by phone, or over the internet.
- From others, including your broker and insurance data banks when we investigate claims or verify accident history.
- From forms you submit to us, such as applications, claims, or policy updates.
- From your transactions with us, our affiliates or others such as claims, or policy updates.
- From a consumer reporting agency, such as a credit report to determine your credit standing and to offer payment plan options or a Motor Vehicle Report to verify driving record, auto title, or license status for each driver in your household.

If you visit or use the Alliance United Insurance Company website, or one of our subsidiaries, we may use “cookies” (small files transferred from our website to your hard drive) to recognize repeat users, track usage and assist your access to and use of the site. We do not use “cookies” to gather personal data, and we do not link cookies to identifiable information, such as your policy number. The “cookies” only enable you to use our website more easily.

How We Use and Disclose Personal Data

We do not sell personal data or customer lists to anyone. We only disclose data about you as allowed or required by law. In those instances, we may disclose personal data without your prior consent. Our disclosures, may include any personal data that is necessary to help others provide an insurance service on our behalf, or to satisfy a lawful request.

We may disclose personal data we collect to:

- Consumer reporting agencies for the purposes of obtaining a credit report or a Motor Vehicle Report in order to determine eligibility for coverage or to process your requested transaction.
- Service providers that assist us in underwriting, processing payments, or adjusting claims including your insurance broker.
- Medical-care facilities or providers in order to process your claim and verify coverage.
- Law enforcement or other government agency as required by law or to prevent fraud.
- Research organizations to conduct studies regarding claims results and insurance practices provided that no individual is identified in any study or report.
- Insurance and financial companies affiliated with us, as identified below, for processing or marketing of our insurance related products or services.
- Group policyholders for the purpose of reporting claims experience or for audit purposes.

When we use Service Providers to help us with the services shown above, we make every effort to use Service Providers that agree to keep your data private and not use it for any other purpose. We do not share with or sell consumer data to third parties for marketing. We do not share credit information with anyone for marketing, or for any other reason. We only use medical information to process, evaluate, or defend claims. We do not share medical information without your prior consent.

We share personal data with insurance data banks that collect information about claim history, accident fault, and

amounts paid. Insurance data banks may retain personal data and disclose it to other insurance companies and others legally entitled to see it.

A list of our affiliated companies is shown below. When we share personal data with affiliates it is only the minimum necessary to contact you about new products or special offers. The law allows us to share your data with our affiliates for marketing purposes. We send current customers a privacy notice each year. If we change our practices we will inform you promptly. We treat former customer data the same way as current customer data.

Your Right to Review and Correct Personal Data

If you wish to review your personal data, please send a written response to:

Alliance United Privacy Coordinator
P.O. Box 280339
Northridge, CA 91328-0339

Include your full name, address, and policy number(s). Let us know what kind of data you want to see. We may charge a small fee to collect and send the data to you.

If you see any mistakes, let us know and we will review it. If we agree, we will correct our files and send the correction to anyone that you ask who received the incorrect data from us in the past two years. If we disagree, you may file a short statement of dispute with us. Your statement will be included with any data we disclose in the future. We will also send the statement to anyone you ask who received your data from us in the past two years.

Companies Affiliated with Alliance United

Alliance United Insurance Services LLC

For More Information

Should you have further questions regarding our privacy policy, you may call us directly at 1 (800) 508-5833, you can e-mail us at info@au-ins.com or you can write to us at:

Alliance United Insurance Company
Consumer Affairs Department
P.O. Box 280339
Northridge, CA 91328-0339

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