

AUTOMOBILE INSURERS BUREAU OF MASSACHUSETTS

MASSACHUSETTS PERSONAL AUTO POLICY

[For Risks Not Subject To The Compulsory Insurance Law]

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DEFINITIONS

Throughout this policy:

1. **We, Us or Our** – refers to the company issuing this policy.
2. **You or Your** – refers to the person(s) named in the Declarations Page, the spouse if a resident of the same household. If the spouse stops residing in the household during the policy period or before the policy begins, the spouse will be considered you and your under this policy, but only until the earlier of 90 days following the spouse's residence change, the effective date of another policy listing the spouse as a named insured, or the date the policy ends.
3. **Accident** – means an unexpected, unintended event that causes **bodily injury or property damage** arising out of the ownership, maintenance or use of an auto.
4. **Auto** – means a land motor vehicle or **trailer** but does not include:
 - A. Any vehicle operated on rails or crawler treads.
 - B. Any vehicle or **trailer** while it is located for use as a residence or premises. We will consider such a vehicle to be an auto while it is being used on public roads, or for recreational use.
 - C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.
 - D. Any vehicle not subject to Massachusetts Motor Vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle (ATV).

Other words and phrases are defined. They are in boldface when used.

5. **Your Auto** – means:
 - A. The vehicle or vehicles described on the Declarations Page.
 - B. Any auto or **trailer** you or your spouse do not own while used as a temporary substitute for any other vehicle described in this definition while that auto is out of normal use because of a breakdown, repair, servicing, loss or destruction.
 - C. A private passenger auto, or a pick-up truck or van for which there is no other insurance policy providing coverage, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. If a replacement or additional auto is a pick-up truck, van, or similar vehicle, it must not have a Gross Vehicle Weight of more than ten thousand pounds, nor be used for the delivery or transportation of goods or materials unless such use is incidental to your **business** of installing, maintaining or repairing furnishings or equipment, or farming or ranching. A private passenger type auto, pickup or van shall be considered owned by a person if it is leased under an agreement in writing to that person, and is leased for a continuous period of at least six months.

An additional auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page, except for Collision and Other Than Collision coverage. On the date you become the owner, coverage will start. This coverage will apply to an additional auto only if you ask us to insure it within fourteen days after you take title or the effective date of the lease. A replacement auto for a vehicle shown in the Declarations Page will be provided coverage without your asking us to insure it.

Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Collision

Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Collision deductible will apply.

Other Than Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Other Than Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Other Than Collision Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Other Than Collision deductible will apply.

If you ask us to provide coverage for a permanent replacement for a described auto or an additional auto after the time periods specified above, any coverage provided for such auto will begin when coverage is requested.

6. **Trailer** – means a vehicle designed to be pulled by a private passenger auto, pick-up truck or van. This includes a farm wagon or farm implement towed by a private passenger auto, pick-up truck or van.
7. **Occupying** – means in, upon, entering into, or getting out of.
8. **Household Member** – means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
9. **Bodily Injury** – means bodily harm, illness or disease, including resulting death.
10. **Property Damage** – means physical injury to, destruction, or loss of use of material property.
11. **Business** – includes trade, profession or occupation.

OUR AGREEMENT

As long as you pay your premium when due, we agree to provide you the insurance protection to which you are entitled. The exact protection is determined by the coverages you purchased. Terms and conditions of the coverages are explained in the following pages.

INSURANCE COVERAGES

PART 1. LIABILITY COVERAGE

We will pay damages for **bodily injury** or **property damage** for which an **Insured** becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the **Insured**. We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court's permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy, without the need for a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

INSURED, when used in this Part, means:

1. You or any **household member** for the ownership, maintenance, or use of any auto or **trailer**, or anyone using **your auto**.
2. For **your auto**, any person or organization, but only with regard to legal responsibility for acts or omissions of anyone for whom coverage is provided under this part.
3. For any auto or **trailer** other than **your auto**, any other person or organization but only with regards to legal responsibility for acts or omissions of you or any **household member** for whom coverage is

provided under this Part. This provision applies only if the person or organization does not own or hire the auto or **trailer**.

We will also pay:

- A. Up to \$250 for the cost of bail bonds required as a result of an accident covered under this Part including bail bonds for traffic law violations related to the accident. The accident must result in **bodily injury** or **property damage** covered under this policy.
- B. Premiums on appeal bonds and premiums on bonds to release attachments for an amount up to the applicable limits you selected in any suit we defend.
- C. Interest that accrues after judgment is entered in any suit we defend. We will not pay interest that accrues after we have offered to pay up to the limits you selected.
- D. Up to \$200 a day for loss of earnings, but not for loss of other income, to any person covered under this policy who attends hearings or trials at our request.
- E. Other reasonable expenses incurred at our request.

These payments will not reduce the limits you selected.

EXCLUSIONS

- A. We will not pay:
 - 1. For **bodily injury** or **property damage** that is intentionally caused by you, a **household member** or anyone else using **your auto** with your consent.
 - 2. For **property damage** to an auto or other property owned or being transported by an **Insured**. Similarly, we will not pay for damage to an auto or other property, except for a private residence or garage, which an **Insured** rents, uses, or has in his or her care.
 - 3. For **bodily injury** to any employees of an **Insured** who are injured in the course of employment, except for a domestic employee, unless that domestic employee is entitled to workers' compensation benefits.
- B. We will not pay for an **Insured's** liability:
 - 1. If an accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
 - 2. While any auto is being used by anyone in the course of his or her employment in the **business** of selling, servicing, repairing or parking or storing autos. This includes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **your auto** by you, a **household member**, or any partner, agent or employee of you or any **household member**.
 - 3. While any auto is being used by an **Insured** in the course of his or her employment in any **business** not described in exclusion B2. This exclusion does not apply to the maintenance or use of a private passenger auto, pickup or van, or a **trailer** used with such autos.
 - 4. While an **Insured** is using an auto without a reasonable belief that he or she had the consent of the owner to do so. This exclusion does not apply to a **household member** using **your auto** which is owned by you.
 - 5. For **bodily injury** or **property damage** for which an **Insured** is an **Insured** under a nuclear energy liability policy or would be an **Insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or the Nuclear Insurance Association of Canada.
- C. We will not pay for damages:
 - 1. For the ownership, maintenance or use of any auto which has less than four wheels or is designed chiefly for use off public roads. This exclusion does not apply while such auto is being used by an **insured** in a medical emergency, nor does it apply to any **trailer** or non-owned golf cart.
 - 2. For any auto, other than **your auto**, which is owned by you or furnished or available for your regular use.
 - 3. For any auto, other than **your auto**, which is owned by any **household member** or furnished or available for the regular use of any **household member**. However, this exclusion does not apply to you while you are maintaining or **occupying** any auto which is owned by a **household member** or furnished or available for the regular use of a **household member**.

4. For any auto, located inside a facility designed for racing, or for the purpose of competing in, or practicing or preparing for any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

- A.1. The limit of liability shown in the Declarations for each person for **bodily injury** liability is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident for **bodily injury** liability is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
2. The most we will pay for **property damage** liability resulting from any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many **Insureds**, autos, or premiums are shown on the Declarations Page, claims made, or vehicle involved in the auto accident.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 2 – Bodily Injury Caused By An Uninsured Auto or Part 3 – Medical Payments, or any Bodily Injury Caused by an Underinsured Auto coverage provided by this policy.

OUT OF STATE COVERAGE

If an accident, to which this policy applies, occurs in any other state or province other than the one in which **your auto** is principally garaged, your policy will automatically apply to that accident as follows:

If the state or province has:

1. A financial responsibility law or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit you have purchased, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses an auto in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

OTHER PROVISIONS

- A. When this policy is certified as future proof of financial responsibility, this policy will comply with the law to the extent required.
- B. If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for an auto you do not own, including any auto while used as a temporary substitute for **your auto** shall be excess over any other collectible insurance.
- C. No legal action may be brought against us until we agree in writing that the **insured** has an obligation to pay, or the amount of that obligation has been finally determined by judgment after trial.

PART 2. BODILY INJURY CAUSED BY AN UNINSURED AUTO

- A. Under this Part, we will pay damages for **bodily injury** sustained by an insured injured or killed in certain accidents caused by uninsured or hit-and-run autos.

Uninsured Auto, when used in this Part, means:

a land motor vehicle or **trailer** of any type to which no **bodily injury** liability bond or policy applies at the time of the accident, or a **bodily injury** liability bond or policy applies, but the limit is less than the

minimum limit specified by the financial responsibility law of the state in which **your auto** is principally garaged. It does not include vehicles operated on rail or crawler treads, vehicles designed for use primarily off public roads, or vehicles located for use as residence or premises. Sometimes the company insuring the auto responsible for an accident will deny coverage or become insolvent. We consider such an auto to be uninsured for purposes of this Part. However, we do not consider the following to be an uninsured auto:

1. An auto owned by a governmental unit or agency
2. An auto owned by someone who is legally self-insured, except a self-insurer which is or becomes insolvent.
3. An auto owned by you or a **household member**, or furnished or available for the regular use of you or a **household member**.

We will pay only if the injured person is legally entitled to recover from the owner or operator of the uninsured or hit-and-run auto. We will pay for hit-and-run accidents only if the owner or operator causing the accident cannot be identified. Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- B. We will pay damages to or for:
You or any **household member**, while **occupying your auto**, while **occupying** an auto you do not own, or if injured as a pedestrian, anyone else while **occupying your auto**, or anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part. A pedestrian includes anyone incurring **bodily injury** as a result of being struck by an auto in an accident and who is not **occupying** an auto at the time of the accident.

EXCLUSIONS

We will not pay damages to or for:

1. An insured while **occupying** or when struck by **your auto**, including a **trailer** used with that vehicle, which is not insured for this coverage under this policy.
2. Any **household member** while **occupying** or when struck by **your auto** which is insured for this coverage on a primary basis under any other policy.
3. Anyone injured while **occupying your auto** while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool arrangement.
4. Anyone injured while using an auto without the consent of the owner. This does not apply to a **household member** using **your auto**.

LIMIT OF LIABILITY

- A.1. If an injured person settles a claim as a result of an accident covered under this Part, we will pay that person only if the claim was settled with our consent. We will not be bound under this Part by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.
2. The Part will not benefit any insurer or self-insurer under a workers' compensation law, disability benefits law, or any similar law. We do not provide coverage under this Part for punitive or exemplary damages.
3. The limit of liability shown in the Declarations Page for each person for coverage under this Part is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident under this coverage is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
4. This is the most we will pay regardless of the number of insureds, claims made, autos, or premiums shown in the Declarations Page, or autos involved in the accident.

5. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 1 Liability Coverage, Part 3, Medical Payments Coverage, or any Bodily Injury Caused by An Underinsured Auto coverage provided by this policy. We will not pay under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under a workers' compensation law, disability benefits law, or similar law.
6. If there is other applicable insurance coverage available under one or more policies that is the same coverage provided under this Part:
 - i. We will pay up to the highest applicable limit for any one auto under any insurance providing primary or excess coverage.
 - ii. Any coverage we provide with a respect to a non-owned auto, including a temporary substitute for **your auto** shall be excess over any applicable primary coverage.
 - iii. If Bodily Injury Caused by An Uninsured Auto coverage is provided on a primary basis, we will only pay our proportionate share of the damages that must be paid under all primary insurance coverage. If coverage under this part is provided on an excess basis, we will only pay our proportionate share of the damages that must be paid under all excess insurance coverage. Our proportionate share is the percentage of our limit of liability to all applicable limits of liability.

ARBITRATION

The determination as to whether an injured person is legally entitled to recover damages from the legally responsible owner or operator will be by agreement between us and the injured person. The amount of the damages, if any, will be determined in the same way. Arbitration will be used if no agreement can be reached. However, in no event may a demand for arbitration constitute first notice of claim. Arbitration may not be used to settle disputes involving coverage under this part. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be filed.

Arbitration will be conducted if both parties agree to it. An arbitrator will be selected by each party. A third arbitrator will be selected by the two arbitrators. If, within thirty days, they cannot agree on the third arbitrator, either has the option to request that a judge of a court having jurisdiction make the selection.

Each party will pay all expenses it incurs and bear the expenses of the third arbitrator equally.

Arbitration will take place in the county in which the insured lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to whether the insured is legally entitled to recover damages and the amount of damages.

A binding decision on the amount of damages applies only if the amount of damages is equal to or less than the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which **your auto** is principally garaged. If the amount of damages is greater than such limit, either party may demand the right to a trial. This demand must be made within sixty days of the arbitrators' decision. If neither party demands a right to a trial, the amount of damages agreed to by the arbitrators will be binding.

PART 3. MEDICAL PAYMENTS

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident causing **bodily injury** and sustained by an insured. We will not pay for expenses incurred more than two years after the date of the accident.

We will pay for expenses resulting from **bodily injury** to anyone **occupying your auto** at the time of the accident. We will also pay for expenses resulting from **bodily injury** to you or any **household member** if struck by an auto or **trailer** or if **occupying** someone else's auto at the time of the accident.

EXCLUSIONS

We will not pay for expenses resulting from injuries to:

1. Anyone injured while in **an auto** which had been placed off the public roads for use as a residence or premises.
2. Anyone injured in the course of employment if that person is entitled to workers' compensation benefits.
3. Anyone injured while **occupying** an auto without a reasonable belief that he or she had the consent of the owner to do so. This does not apply to a **household member** using **your auto** which is owned by you.
4. A **household member**, other than your spouse, while **occupying** or struck by an auto owned or regularly used by you or any **household member** unless a premium for this Part is shown for that auto on the Declarations Page.
5. You or your spouse, if a **household member**, while struck by, or **occupying** an auto owned or regularly used by you or your spouse unless a premium for this Part is shown for that auto on the Declarations Page.
6. Anyone injured while **occupying** any motorized auto having fewer than four wheels.
7. Anyone injured if the accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
8. Anyone injured while **occupying** an auto when it is used in the **business** of insured. This does not apply to **bodily injury** sustained while **occupying** a private passenger auto, pick-up truck, van or a **trailer** used with such autos.
9. Anyone for **bodily injury** caused by, or resulting from, discharge of a nuclear weapon, war, civil war, insurrection, rebellion or revolution.
10. Anyone injured while **occupying** any auto located inside a racing facility, for the purpose of competing in, preparing, or practicing for any prearranged or organized racing or speed competition.

LIMIT OF LIABILITY

- A.1. The most we will pay for any one person as a result of any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many insureds, autos or premiums are shown on the Declarations Page, or autos are involved in the accident.
2. We will not pay benefits under this Part which duplicate payments made under the Medical Payments coverage of any other auto policy, or Parts 1 or 2 on this policy.
3. If someone covered under this Part is also entitled to Medical Payments coverage under another auto policy issued to you or any **household member**, we will pay only our proportionate share. If someone covered under this Part is **occupying** an auto he or she does not own at the time of the accident, the owner's automobile Medical Payments insurance must pay its limit for medical or funeral expenses before we pay. Then, we will pay up to the limit shown on your Coverage Selections Page for any expenses not covered by that insurance.

PART 4. COLLISION AND OTHER THAN COLLISION

- A. We will pay for direct and accidental loss to **your auto** or **an auto you do not own**, minus any applicable deductible shown in the Declarations. Unless you selected a different amount, the law sets your deductible at \$500. Your deductible is shown in the Declarations Page.

An **Auto You Do Not Own**, when used in this Part, means:

any auto, pick-up truck, van or **trailer** that is not owned by, or furnished or available for regular use for you or any **household member**, while it is in the care, custody or control of, or being

operated by, you or any **household member**. It is also any auto or **trailer** you do not own while used as a temporary substitute for **your auto** which is out of normal use because of a breakdown, repair, servicing, loss or destruction.

We will pay for loss to **your auto** caused by:

1. Other than collision only if the Declarations Page indicates that Other Than Collision coverage is provided for that auto.
2. Collision only if the Declarations Page indicates that Collision coverage is provided for that auto.

If there is a loss to an **auto you do not own**, we will provide the broadest coverage applicable to **your auto** shown in the Declarations Page.

Collision means the upset of **your auto** or an **auto you do not own** or their impact with another auto or object.

We consider glass breakage when not involving other collision loss to be Other Than Collision and not a Collision loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than collision.

Any deductible indicated in the Declarations Page does not apply to glass breakage under Other Than Collision coverage.

If we pay for the total loss of **your auto** as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

- B. We will pay up to a maximum of \$600, without a deductible, for temporary substitute transportation expenses up to \$20 a day which you have incurred because of a loss to **your auto** or an **auto you do not own**. We will reimburse you if **your auto** was in a collision and is being repaired or replaced. We will also reimburse you if **your auto** cannot be used because of the kind of damage or loss, including theft, that is covered under Other Than Collision. We will pay only if these coverages are provided for that auto.

Subject to the provisions above, if **your auto** or an **auto you do not own** is stolen, we will reimburse you only for transportation expenses incurred after the first 48 hours following the theft, and ending when **your auto** or the **auto you do not own** is returned to use or we pay for the loss. If **your auto** or an **auto you do not own** cannot be used because of damage or loss caused by other than theft, we will pay only expenses incurred beginning when the auto is withdrawn from use for more than 24 hours. We will pay only for a period of time which is reasonable for having **your auto** or **the auto you do not own** repaired or replaced.

EXCLUSIONS

1. We will not pay for loss to **your auto** or an **auto you do not own** if the accident happens while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** or an **auto you do not own** in a share-the-expense car pool.
2. We will not pay for loss of or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, unless it has been permanently installed in **your auto** or an **auto you do not own**. If the electronic equipment is permanently installed in the auto but in locations not used by the auto manufacturer for installation of such equipment, we will only pay up to \$1,000 for loss to such equipment.

Electronic Equipment includes but is not limited to:

- A. Radios, Stereos, and Tape Decks;

- B. Cassette and Compact Disc Systems;
- C. Navigation Systems, Internet Access Systems, and Personal Computers;
- D. Video Entertainment Systems, Telephones and Televisions;
- E. Two-way mobile radios, Scanners and Citizens Band Radios

Tapes, records, discs, cassettes, and other media used with the equipment above are not covered.

3. We will not pay for a total loss to **your auto** or any **auto you do not own** due to confiscation or destruction by civil or governmental authorities. This does not apply to the interests of secured lenders in **your auto**.
4. We will not pay for loss of or damage to a **trailer**, camper body or motor home which is not shown in the Declarations Page, or loss of or damage to any facilities or equipment used with such **trailer**, camper body or motor home. Facilities or equipment include but are not limited to the following items: facilities for cooking, dining, plumbing or refrigeration, awnings or cabanas, or any other facilities or equipment used with a **trailer**, camper body or motor home. This does not apply to a **trailer** and its facilities or equipment which you do not own, or a **trailer**, camper body or the facilities or equipment in or attached to the **trailer** or camper body, which you acquire during the policy period and ask us to insure within 14 days after you become the owner.
5. We will not pay for loss of or damage to any **auto you do not own** when used by you or any **household member** without a reasonable belief that you or that **household member** are entitled to do so.
6. We will not pay for loss or damage to equipment designed for the detection or avoidance of any law enforcement speed measuring device. This does not apply to electronic equipment designed solely for safety warning systems.
7. We will not pay for loss of or damage to any custom furnishings or custom equipment in or upon any pick-up truck, van or similar auto. Custom furnishings or custom equipment include but are not limited to the following items: special carpeting and insulation, furniture, bars, height-extending roofs, custom murals, paintings or other decals or graphics. This does not apply to a cap, bedliner, or cover in or upon **your auto** which is a pick-up truck.
8. We will not pay for loss of or damage to any **auto you do not own** being used or maintained by an insured while employed or otherwise engaged in the **business** of selling, repairing, servicing, parking, or storing autos designed for use on public highways. This includes road testing and delivery.
9. We will not pay if an accident occurs while an auto covered under this Part is being operated in any prearranged or organized racing speed, stunting or demolition contest or activity, in practice or preparation for any such contest or activity, or located inside a facility designed for racing.
10. We will not pay for loss of, damage to, or loss of use of, an **auto you do not own** that is rented by you or any **household member** if a rental car company is precluded from recovering such loss or loss of use from you or that **household member**, pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

- A.1. The most we will pay for damage to or loss of an auto covered under this part will be either the actual cashvalue of the stolen or damaged property or the cost to physically repair or replace the property with other property of like kind and quality, whichever is less. However, the most we will pay for loss of or damage to any **trailer** you do not own is \$1500. In the event of a total loss, an adjustment for depreciation and physical condition will be made. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
2. We may pay for the loss in money or repair or replace the damaged or stolen property. If we pay for the loss in money, we will include the applicable sales tax for the damaged or stolen property. We have the option, at our expense, to return stolen property to you or the address listed on the policy. If

we return any stolen property, we will pay for any damage caused by the theft. We have the option to keep all or part of the property at an agreed or appraised value.

3. This insurance will not benefit any carrier or other bailee for hire, directly or indirectly. If there are other sources of recovery which cover the loss, we will only pay our proportionate share. However, if an auto covered under this Part is not owned by you at the time of the accident, the owner's auto insurance, or any other applicable physical damage insurance or source of recovery, must pay its limit before we pay. Then, we will pay, up to the limit shown on the Declarations Page, for any damage not covered by that insurance.

APPRAISAL

If we and you disagree on the amount of loss, either we or you can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. In this case, each part shall select an appraiser, who in turn will select an umpire. Failing for fifteen days to agree upon such umpire, then, on the request of either we or you, such umpire shall be selected by a judge of the record in the county and state in which such appraisal is pending. The appraisers will each state separately the actual cash value and amount of the loss. If an agreement is not reached, they will submit their differences to the umpire, with a decision by any two becoming binding. An award in writing by any two shall determine the amount of loss. We and you will pay the appraiser each chose and pay the expenses of the appraisal and umpire evenly. We do not waive any of our rights under this policy by agreeing to an appraisal.

ACTUAL CASH VALUE

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our determination shall be based on a consideration of all of the following factors:

- (1) The retail book value for an auto of like kind and quality, but for the damage incurred;
- (2) The price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
- (3) The decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
- (4) The actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

GENERAL PROVISIONS AND EXCLUSIONS

1. Where and When You Are Covered

This policy provides coverage only for accidents and losses which happen during the policy period in the United States or Canada. We consider United States territories and possessions and Puerto Rico to be part of the United States. We will pay for accidents and losses which happen while **your auto** is being transported between ports of the United States and Canada. **Your auto** is not covered in any other country.

2. What Happens If You Die

Your rights and duties under this policy may not be assigned without our written consent. If you die, however, we will continue coverage for the period of this policy for:

- A. Your spouse, if a resident of your household at your death.
- B. Any legal representative to the extent he or she is responsible for maintenance or use of **your auto**.
- C. Any person having proper temporary custody of **your auto**.

3. **Our Right To Be Repaid**

Sometimes we may make a payment under this policy to you or to someone else who has a separate legal right to recover damages from others. In that case, those legal rights may be exercised by us. Anyone receiving payment under those circumstances must do nothing to interfere with those rights. He or she must also do whatever is necessary to help us recover for ourselves up to the amount we have paid. However, our rights in this paragraph do not apply under Part 4 against any person using **your auto** with a reasonable belief that that person is entitled to do so.

Sometimes you or someone else may recover money from the person legally responsible for an accident and also receive money from us for the same accident. If so, the amount we paid must be repaid to us to the extent that you or someone else recovers.

4. **When You Have More than One Auto Policy With Us**

You may have more than one policy with us covering the same accident. In that case, the most we will pay is the highest amount payable under the applicable coverage in any one of those policies.

5. **If You Go Bankrupt**

Bankruptcy or insolvency of any person covered under this policy does not relieve us of any of our obligations under this policy.

6. **We Do Not Pay For Nuclear Losses Or War Losses**

We will not pay under Liability Coverage (Part 1) for any person who is an insured under a nuclear energy liability policy or who would be an insured under such a policy had it not already exhausted its limits.

We will not pay under Medical Payments (Part 3) Collision and Other Than Collision (Part 4) for losses or damage caused by nuclear reaction, radiation, radioactive contamination or by discharge of a nuclear weapon, acts of war, insurrection, rebellion or revolution or any act incident to any of these.

7. **We Do Not Pay For Ordinary Wear Or Tear**

We will not pay for damage to **your auto** or any **auto you do not own** which is due solely to ordinary wear and tear, freezing, mechanical or electrical failure, or for ordinary road damage to tires. We will, however, pay for this damage if it is the result of some other loss which is covered by this policy.

8. **Secured Lenders**

Sometimes the Declarations Page indicates that a loss payee has a secured interest in **your auto**. If so, we will make payments under Collision and Other Than Collision coverage according to the legal interests of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to **your auto** is the result of conversion, embezzlement, or secretion by you or any **household member**. Also, we will not pay if the loss of or damage to **your auto** is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must be sent to the loss payee as provided in this policy.

9. **Changes Which Affect Premium**

This policy contains all agreements between you and us. The terms of these agreements may not be waived or changed except through endorsements issued by us.

If the information used to develop the policy premium changes before this policy expires, we have the right to adjust your premium to reflect such changes. You must inform us of any changes which may have a material effect on your insurance coverage or premium charges, including the

description, ownership, type of usage, number of, and place of garaging of **your auto** and the **household members** and individuals who customarily operate **your auto**.

If we make a change to this edition of the policy which broadens coverage without any additional premium charge, that change will automatically apply to your policy as of the date it is implemented. This does not apply to any changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of a subsequent edition of your policy or an amendatory endorsement.

10. **Fraud**

We will not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent activities in regard to any accident or loss for which coverage is sought under this policy.

11. **Legal Action Against Us**

No legal action may be brought against us until there has been full compliance with all the terms of this policy. No person or organization has the right under this policy to bring us into any action to determine the liability of an insured.

CANCELLATION

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver's license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel Collision and Other Than Collision Coverage on **your auto**:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a "high-theft vehicle" which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. Collision on **your auto** customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto accident is one in which you or any person who customarily drives **your auto** was more than 50% at fault.
 - b. Other than Collision Coverage on **your auto** customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates **your auto** has been under suspension or revocation during the policy period, we may suspend coverage for that person.

Any notice of cancellation will be sent to you at your last address shown on the Declarations Page at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must also be sent to the loss payee in a similar manner.

If the policy is canceled, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect.

WHEN THERE IS AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us.

Do whatever is reasonable to protect **your auto** from further damage or loss. We will pay for any reasonable expenses incurred in doing this.

Promptly notify both the police and us if **your auto** or an **auto you do not own** is stolen or if you have been involved in a hit-and-run accident.

We must be permitted to inspect and appraise the damaged property before its repair or disposal.

We, or our agent, must be notified promptly of how, when and where the accident or loss happened by you or someone on your behalf. The notification should include as many details as possible, including names and addresses of drivers, injured persons and witnesses. A person seeking any coverage must submit a proof of loss when required by us.

After an accident or loss, you or anyone else covered under this policy must cooperate with us in the investigation, settlement and defense of any claim or lawsuit. We must be sent copies of all legal documents in connection with the accident or loss.

If anyone makes a claim or seeks payment under any coverage afforded by this policy they may be required to be examined by doctors selected by us. If anyone seeks continuing payments we may also require additional examinations at reasonable intervals. We will pay for these examinations. We may also require you and any person seeking payment under any part of this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim. We must also be authorized to obtain medical reports and other records pertinent to the claim.

MASSACHUSETTS PERSONAL AUTO POLICY

[For Risks Not Subject To The Compulsory Insurance Law]

MP 00 01 1010

DEFINITIONS

Throughout this policy:

1. **We, Us or Our** – refers to the company issuing this policy.
2. **You or Your** – refers to the person(s) named in the Declarations Page, the spouse if a resident of the same household. If the spouse stops residing in the household during the policy period or before the policy begins, the spouse will be considered you and your under this policy, but only until the earlier of 90 days following the spouse's residence change, the effective date of another policy listing the spouse as a named insured, or the date the policy ends.
3. **Accident** – means an unexpected, unintended event that causes **bodily injury or property damage** arising out of the ownership, maintenance or use of an auto.
4. **Auto** – means a land motor vehicle or **trailer** but does not include:
 - A. Any vehicle operated on rails or crawler treads.
 - B. Any vehicle or **trailer** while it is located for use as a residence or premises. We will consider such a vehicle to be an auto while it is being used on public roads, or for recreational use.
 - C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.
 - D. Any vehicle not subject to Massachusetts Motor Vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle (ATV).

Other words and phrases are defined. They are in boldface when used.

5. **Your Auto** – means:
 - A. The vehicle or vehicles described on the Declarations Page.
 - B. Any auto or **trailer** you or your spouse do not own while used as a temporary substitute for any other vehicle described in this definition while that auto is out of normal use because of a breakdown, repair, servicing, loss or destruction.
 - C. A private passenger auto, or a pick-up truck or van for which there is no other insurance policy providing coverage, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. If a replacement or additional auto is a pick-up truck, van, or similar vehicle, it must not have a Gross Vehicle Weight of more than ten thousand pounds, nor be used for the delivery or transportation of goods or materials unless such use is incidental to your **business** of installing, maintaining or repairing furnishings or equipment, or farming or ranching. A private passenger type auto, pickup or van shall be considered owned by a person if it is leased under an agreement in writing to that person, and is leased for a continuous period of at least six months.

An additional auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page, except for Collision and Other Than Collision coverage. On the date you become the owner, coverage will start. This coverage will apply to an additional auto only if you ask us to insure it within fourteen days after you take title or the effective date of the lease. A replacement auto for a vehicle shown in the Declarations Page will be provided coverage without your asking us to insure it.

Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Collision Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this

requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Collision deductible will apply.

Other Than Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Other Than Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Other Than Collision Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Other Than Collision deductible will apply.

If you ask us to provide coverage for a permanent replacement for a described auto or an additional auto after the time periods specified above, any coverage provided for such auto will begin when coverage is requested.

6. **Trailer** – means a vehicle designed to be pulled by a private passenger auto, pick-up truck or van. This includes a farm wagon or farm implement towed by a private passenger auto, pick-up truck or van.
7. **Occupying** – means in, upon, entering into, or getting out of.
8. **Household Member** – means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
9. **Bodily Injury** – means bodily harm, illness or disease, including resulting death.
10. **Property Damage** – means physical injury to, destruction, or loss of use of material property.
11. **Business** – includes trade, profession or occupation.

OUR AGREEMENT

As long as you pay your premium when due, we agree to provide you the insurance protection to which you are entitled. The exact protection is determined by the coverages you purchased. Terms and conditions of the coverages are explained in the following pages.

INSURANCE COVERAGES

PART 1. LIABILITY COVERAGE

We will pay damages for **bodily injury** or **property damage** for which an **Insured** becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the **Insured**. We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court's permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy, without the need for a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

INSURED, when used in this Part, means:

1. You or any **household member** for the ownership, maintenance, or use of any auto or **trailer**, or anyone using **your auto**.
2. For **your auto**, any person or organization, but only with regard to legal responsibility for acts or omissions of anyone for whom coverage is provided under this part.
3. For any auto or **trailer** other than **your auto**, any other person or organization but only with regards to legal responsibility for acts or omissions of you or any **household member** for whom coverage is provided under this Part. This provision applies only if the person or organization does not own or hire the auto or **trailer**.

We will also pay:

- A. Up to \$250 for the cost of bail bonds required as a result of an accident covered under this Part including bail bonds for traffic law violations related to the accident. The accident must result in **bodily injury** or **property damage** covered under this policy.
- B. Premiums on appeal bonds and premiums on bonds to release attachments for an amount up to the applicable limits you selected in any suit we defend.
- C. Interest that accrues after judgment is entered in any suit we defend. We will not pay interest that accrues after we have offered to pay up to the limits you selected.
- D. Up to \$200 a day for loss of earnings, but not for loss of other income, to any person covered under this policy who attends hearings or trials at our request.
- E. Other reasonable expenses incurred at our request.

These payments will not reduce the limits you selected.

EXCLUSIONS

- A. We will not pay:
 - 1. For **bodily injury** or **property damage** that is intentionally caused by you, a **household member** or anyone else using **your auto** with your consent.
 - 2. For **property damage** to an auto or other property owned or being transported by an **Insured**. Similarly, we will not pay for damage to an auto or other property, except for a private residence or garage, which an **Insured** rents, uses, or has in his or her care.
 - 3. For **bodily injury** to any employees of an **Insured** who are injured in the course of employment, except for a domestic employee, unless that domestic employee is entitled to workers' compensation benefits.
- B. We will not pay for an **Insured's** liability:
 - 1. If an accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
 - 2. While any auto is being used by anyone in the course of his or her employment in the **business** of selling, servicing, repairing or parking or storing autos. This includes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **your auto** by you, a **household member**, or any partner, agent or employee of you or any **household member**.
 - 3. While any auto is being used by an **Insured** in the course of his or her employment in any **business** not described in exclusion B2. This exclusion does not apply to the maintenance or use of a private passenger auto, pickup or van, or a **trailer** used with such autos.
 - 4. While an **Insured** is using an auto without a reasonable belief that he or she had the consent of the owner to do so. This exclusion does not apply to a **household member** using **your auto** which is owned by you.
 - 5. For **bodily injury** or **property damage** for which an **Insured** is an **Insured** under a nuclear energy liability policy or would be an **Insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or the Nuclear Insurance Association of Canada.
- C. We will not pay for damages:
 - 1. For the ownership, maintenance or use of any auto which has less than four wheels or is designed chiefly for use off public roads. This exclusion does not apply while such auto is being used by an **insured** in a medical emergency, nor does it apply to any **trailer** or non-owned golf cart.
 - 2. For any auto, other than **your auto**, which is owned by you or furnished or available for your regular use.
 - 3. For any auto, other than **your auto**, which is owned by any **household member** or furnished or available for the regular use of any **household member**. However, this exclusion does not apply to you while you are maintaining or **occupying** any auto which is owned by a **household member** or furnished or available for the regular use of a **household member**.
 - 4. For any auto, located inside a facility designed for racing, or for the purpose of competing in, or practicing or preparing for any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

- A.1. The limit of liability shown in the Declarations for each person for **bodily injury** liability is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident for **bodily injury** liability is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
2. The most we will pay for **property damage** liability resulting from any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many **Insureds**, autos, or premiums are shown on the Declarations Page, claims made, or vehicle involved in the auto accident.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 2 – Bodily Injury Caused By An Uninsured Auto or Part 3 – Medical Payments, or any Bodily Injury Caused by an Underinsured Auto coverage provided by this policy.

OUT OF STATE COVERAGE

If an accident, to which this policy applies, occurs in any other state or province other than the one in which **your auto** is principally garaged, your policy will automatically apply to that accident as follows:

If the state or province has:

1. A financial responsibility law or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit you have purchased, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses an auto in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

OTHER PROVISIONS

- A. When this policy is certified as future proof of financial responsibility, this policy will comply with the law to the extent required.
- B. If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for an auto you do not own, including any auto while used as a temporary substitute for **your auto** shall be excess over any other collectible insurance.
- C. No legal action may be brought against us until we agree in writing that the **insured** has an obligation to pay, or the amount of that obligation has been finally determined by judgment after trial.

PART 2. BODILY INJURY CAUSED BY AN UNINSURED AUTO

- A. Under this Part, we will pay damages for **bodily injury** sustained by an insured injured or killed in certain accidents caused by uninsured or hit-and-run autos.

Uninsured Auto, when used in this Part, means:

a land motor vehicle or **trailer** of any type to which no **bodily injury** liability bond or policy applies at the time of the accident, or a **bodily injury** liability bond or policy applies, but the limit is less than the minimum limit specified by the financial responsibility law of the state in which **your auto** is principally garaged. It does not include vehicles operated on rail or crawler treads, vehicles designed for use primarily off public roads, or vehicles located for use as residence or premises. Sometimes

the company insuring the auto responsible for an accident will deny coverage or become insolvent. We consider such an auto to be uninsured for purposes of this Part. However, we do not consider the following to be an uninsured auto:

1. An auto owned by a governmental unit or agency
2. An auto owned by someone who is legally self-insured, except a self-insurer which is or becomes insolvent.
3. An auto owned by you or a **household member**, or furnished or available for the regular use of you or a **household member**.

We will pay only if the injured person is legally entitled to recover from the owner or operator of the uninsured or hit-and-run auto. We will pay for hit-and-run accidents only if the owner or operator causing the accident cannot be identified. Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- B. We will pay damages to or for:
You or any **household member**, while **occupying your auto**, while **occupying** an auto you do not own, or if injured as a pedestrian, anyone else while **occupying your auto**, or anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part. A pedestrian includes anyone incurring **bodily injury** as a result of being struck by an auto in an accident and who is not **occupying** an auto at the time of the accident.

EXCLUSIONS

We will not pay damages to or for:

1. An insured while **occupying** or when struck by **your auto**, including a **trailer** used with that vehicle, which is not insured for this coverage under this policy.
2. Any **household member** while **occupying** or when struck by **your auto** which is insured for this coverage on a primary basis under any other policy.
3. Anyone injured while **occupying your auto** while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool arrangement.
4. Anyone injured while using an auto without the consent of the owner. This does not apply to a **household member** using **your auto**.

LIMIT OF LIABILITY

- A.1. If an injured person settles a claim as a result of an accident covered under this Part, we will pay that person only if the claim was settled with our consent. We will not be bound under this Part by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.
2. The Part will not benefit any insurer or self-insurer under a workers' compensation law, disability benefits law, or any similar law. We do not provide coverage under this Part for punitive or exemplary damages.
3. The limit of liability shown in the Declarations Page for each person for coverage under this Part is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident under this coverage is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
4. This is the most we will pay regardless of the number of insureds, claims made, autos, or premiums shown in the Declarations Page, or autos involved in the accident.
5. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 1 Liability Coverage, Part 3, Medical Payments Coverage, or any Bodily Injury Caused by An Underinsured Auto coverage provided by this policy. We will not

pay under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under a workers' compensation law, disability benefits law, or similar law.

6. If there is other applicable insurance coverage available under one or more policies that is the same coverage provided under this Part:
 - i. We will pay up to the highest applicable limit for any one auto under any insurance providing primary or excess coverage.
 - ii. Any coverage we provide with a respect to a non-owned auto, including a temporary substitute for **your auto** shall be excess over any applicable primary coverage.
 - iii. If Bodily Injury Caused by An Uninsured Auto coverage is provided on a primary basis, we will only pay our proportionate share of the damages that must be paid under all primary insurance coverage. If coverage under this part is provided on an excess basis, we will only pay our proportionate share of the damages that must be paid under all excess insurance coverage. Our proportionate share is the percentage of our limit of liability to all applicable limits of liability.

ARBITRATION

The determination as to whether an injured person is legally entitled to recover damages from the legally responsible owner or operator will be by agreement between us and the injured person. The amount of the damages, if any, will be determined in the same way. Arbitration will be used if no agreement can be reached. However, in no event may a demand for arbitration constitute first notice of claim. Arbitration may not be used to settle disputes involving coverage under this part. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be filed.

Arbitration will be conducted if both parties agree to it. An arbitrator will be selected by each party. A third arbitrator will be selected by the two arbitrators. If, within thirty days, they cannot agree on the third arbitrator, either has the option to request that a judge of a court having jurisdiction make the selection.

Each party will pay all expenses it incurs and bear the expenses of the third arbitrator equally.

Arbitration will take place in the county in which the insured lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to whether the insured is legally entitled to recover damages and the amount of damages.

A binding decision on the amount of damages applies only if the amount of damages is equal to or less than the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which **your auto** is principally garaged. If the amount of damages is greater than such limit, either party may demand the right to a trial. This demand must be made within sixty days of the arbitrators' decision. If neither party demands a right to a trial, the amount of damages agreed to by the arbitrators will be binding.

PART 3. MEDICAL PAYMENTS

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident causing **bodily injury** and sustained by an insured. We will not pay for expenses incurred more than two years after the date of the accident.

We will pay for expenses resulting from **bodily injury** to anyone **occupying your auto** at the time of the accident. We will also pay for expenses resulting from **bodily injury** to you or any **household member** if struck by an auto or **trailer** or if **occupying** someone else's auto at the time of the accident.

EXCLUSIONS

We will not pay for expenses resulting from injuries to:

1. Anyone injured while in **an auto** which had been placed off the public roads for use as a residence or premises.
2. Anyone injured in the course of employment if that person is entitled to workers' compensation benefits.
3. Anyone injured while **occupying** an auto without a reasonable belief that he or she had the consent of the owner to do so. This does not apply to a **household member** using **your auto** which is owned by you.
4. A **household member**, other than your spouse, while **occupying** or struck by an auto owned or regularly used by you or any **household member** unless a premium for this Part is shown for that auto on the Declarations Page.
5. You or your spouse, if a **household member**, while struck by, or **occupying** an auto owned or regularly used by you or your spouse unless a premium for this Part is shown for that auto on the Declarations Page.
6. Anyone injured while **occupying** any motorized auto having fewer than four wheels.
7. Anyone injured if the accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
8. Anyone injured while **occupying** an auto when it is used in the **business** of insured. This does not apply to **bodily injury** sustained while **occupying** a private passenger auto, pick-up truck, van or a **trailer** used with such autos.
9. Anyone for **bodily injury** caused by, or resulting from, discharge of a nuclear weapon, war, civil war, insurrection, rebellion or revolution.
10. Anyone injured while **occupying** any auto located inside a racing facility, for the purpose of competing in, preparing, or practicing for any prearranged or organized racing or speed competition.

LIMIT OF LIABILITY

- A.1. The most we will pay for any one person as a result of any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many insureds, autos or premiums are shown on the Declarations Page, or autos are involved in the accident.
2. We will not pay benefits under this Part which duplicate payments made under the Medical Payments coverage of any other auto policy, or Parts 1 or 2 on this policy.
3. If someone covered under this Part is also entitled to Medical Payments coverage under another auto policy issued to you or any **household member**, we will pay only our proportionate share. If someone covered under this Part is **occupying** an auto he or she does not own at the time of the accident, the owner's automobile Medical Payments insurance must pay its limit for medical or funeral expenses before we pay. Then, we will pay up to the limit shown on your Coverage Selections Page for any expenses not covered by that insurance.

PART 4. COLLISION AND OTHER THAN COLLISION

- A. We will pay for direct and accidental loss to **your auto** or **an auto you do not own**, minus any applicable deductible shown in the Declarations. Unless you selected a different amount, the law sets your deductible at \$500. Your deductible is shown in the Declarations Page.

An **Auto You Do Not Own**, when used in this Part, means:

any auto, pick-up truck, van or **trailer** that is not owned by, or furnished or available for regular use for you or any **household member**, while it is in the care, custody or control of, or being operated by, you or any **household member**. It is also any auto or **trailer** you do not own while used as a temporary substitute for **your auto** which is out of normal use because of a breakdown, repair, servicing, loss or destruction.

We will pay for loss to **your auto** caused by:

1. Other than collision only if the Declarations Page indicates that Other Than Collision coverage is provided for that auto.
2. Collision only if the Declarations Page indicates that Collision coverage is provided for that auto.

If there is a loss to an **auto you do not own**, we will provide the broadest coverage applicable to **your auto** shown in the Declarations Page.

Collision means the upset of **your auto** or an **auto you do not own** or their impact with another auto or object.

We consider glass breakage when not involving other collision loss to be Other Than Collision and not a Collision loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than collision.

Any deductible indicated in the Declarations Page does not apply to glass breakage under Other Than Collision coverage.

If we pay for the total loss of **your auto** as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

- B. We will pay up to a maximum of \$600, without a deductible, for temporary substitute transportation expenses up to \$20 a day which you have incurred because of a loss to **your auto** or an **auto you do not own**. We will reimburse you if **your auto** was in a collision and is being repaired or replaced. We will also reimburse you if **your auto** cannot be used because of the kind of damage or loss, including theft, that is covered under Other Than Collision. We will pay only if these coverages are provided for that auto.

Subject to the provisions above, if **your auto** or an **auto you do not own** is stolen, we will reimburse you only for transportation expenses incurred after the first 48 hours following the theft, and ending when **your auto** or the **auto you do not own** is returned to use or we pay for the loss. If **your auto** or an **auto you do not own** cannot be used because of damage or loss caused by other than theft, we will pay only expenses incurred beginning when the auto is withdrawn from use for more than 24 hours. We will pay only for a period of time which is reasonable for having **your auto** or **the auto you do not own** repaired or replaced.

EXCLUSIONS

1. We will not pay for loss to **your auto** or an **auto you do not own** if the accident happens while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** or an **auto you do not own** in a share-the-expense car pool.
2. We will not pay for loss of or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, unless it has been permanently installed in **your auto** or an **auto you do not own**. If the electronic equipment is permanently installed in the auto but in locations not used by the auto manufacturer for installation of such equipment, we will only pay up to \$1,000 for loss to such equipment.

Electronic Equipment includes but is not limited to:

- A. Radios, Stereos, and Tape Decks;
- B. Cassette and Compact Disc Systems;
- C. Navigation Systems, Internet Access Systems, and Personal Computers;
- D. Video Entertainment Systems, Telephones and Televisions;
- E. Two-way mobile radios, Scanners and Citizens Band Radios

Tapes, records, discs, cassettes, and other media used with the equipment above are not covered.

3. We will not pay for a total loss to **your auto** or any **auto you do not own** due to confiscation or destruction by civil or governmental authorities. This does not apply to the interests of secured lenders in **your auto**.
4. We will not pay for loss of or damage to a **trailer**, camper body or motor home which is not shown in the Declarations Page, or loss of or damage to any facilities or equipment used with such **trailer**, camper body or motor home. Facilities or equipment include but are not limited to the following items: facilities for cooking, dining, plumbing or refrigeration, awnings or cabanas, or any other facilities or equipment used with a **trailer**, camper body or motor home. This does not apply to a **trailer** and its facilities or equipment which you do not own, or a **trailer**, camper body or the facilities or equipment in or attached to the **trailer** or camper body, which you acquire during the policy period and ask us to insure within 14 days after you become the owner.
5. We will not pay for loss of or damage to any **auto you do not own** when used by you or any **household member** without a reasonable belief that you or that **household member** are entitled to do so.
6. We will not pay for loss or damage to equipment designed for the detection or avoidance of any law enforcement speed measuring device. This does not apply to electronic equipment designed solely for safety warning systems.
7. We will not pay for loss of or damage to any custom furnishings or custom equipment in or upon any pick-up truck, van or similar auto. Custom furnishings or custom equipment include but are not limited to the following items: special carpeting and insulation, furniture, bars, height-extending roofs, custom murals, paintings or other decals or graphics. This does not apply to a cap, bedliner, or cover in or upon **your auto** which is a pick-up truck.
8. We will not pay for loss of or damage to any **auto you do not own** being used or maintained by an insured while employed or otherwise engaged in the **business** of selling, repairing, servicing, parking, or storing autos designed for use on public highways. This includes road testing and delivery.
9. We will not pay if an accident occurs while an auto covered under this Part is being operated in any prearranged or organized racing speed, stunting or demolition contest or activity, in practice or preparation for any such contest or activity, or located inside a facility designed for racing.
10. We will not pay for loss of, damage to, or loss of use of, an **auto you do not own** that is rented by you or any **household member** if a rental car company is precluded from recovering such loss or loss of use from you or that **household member**, pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

- A.1. The most we will pay for damage to or loss of an auto covered under this part will be either the actual cashvalue of the stolen or damaged property or the cost to physically repair or replace the property with other property of like kind and quality, whichever is less. However, the most we will pay for loss of or damage to any **trailer** you do not own is \$1500. In the event of a total loss, an adjustment for depreciation and physical condition will be made. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
2. We may pay for the loss in money or repair or replace the damaged or stolen property. If we pay for the loss in money, we will include the applicable sales tax for the damaged or stolen property. We have the option, at our expense, to return stolen property to you or the address listed on the policy. If we return any stolen property, we will pay for any damage caused by the theft. We have the option to keep all or part of the property at an agreed or appraised value.

3. This insurance will not benefit any carrier or other bailee for hire, directly or indirectly. If there are other sources of recovery which cover the loss, we will only pay our proportionate share. However, if an auto covered under this Part is not owned by you at the time of the accident, the owner's auto insurance, or any other applicable physical damage insurance or source of recovery, must pay its limit before we pay. Then, we will pay, up to the limit shown on the Declarations Page, for any damage not covered by that insurance.

APPRAISAL

If we and you disagree on the amount of loss, either we or you can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. In this case, each part shall select an appraiser, who in turn will select an umpire. Failing for fifteen days to agree upon such umpire, then, on the request of either we or you, such umpire shall be selected by a judge of the record in the county and state in which such appraisal is pending. The appraisers will each state separately the actual cash value and amount of the loss. If an agreement is not reached, they will submit their differences to the umpire, with a decision by any two becoming binding. An award in writing by any two shall determine the amount of loss. We and you will pay the appraiser each chose and pay the expenses of the appraisal and umpire evenly. We do not waive any of our rights under this policy by agreeing to an appraisal.

GENERAL PROVISIONS AND EXCLUSIONS

1. Where and When You Are Covered

This policy provides coverage only for accidents and losses which happen during the policy period in the United States or Canada. We consider United States territories and possessions and Puerto Rico to be part of the United States. We will pay for accidents and losses which happen while **your auto** is being transported between ports of the United States and Canada. **Your auto** is not covered in any other country.

2. What Happens If You Die

Your rights and duties under this policy may not be assigned without our written consent. If you die, however, we will continue coverage for the period of this policy for:

- A. Your spouse, if a resident of your household at your death.
- B. Any legal representative to the extent he or she is responsible for maintenance or use of **your auto**.
- C. Any person having proper temporary custody of **your auto**.

3. Our Right To Be Repaid

Sometimes we may make a payment under this policy to you or to someone else who has a separate legal right to recover damages from others. In that case, those legal rights may be exercised by us. Anyone receiving payment under those circumstances must do nothing to interfere with those rights. He or she must also do whatever is necessary to help us recover for ourselves up to the amount we have paid. However, our rights in this paragraph do not apply under Part 4 against any person using **your auto** with a reasonable belief that that person is entitled to do so.

Sometimes you or someone else may recover money from the person legally responsible for an accident and also receive money from us for the same accident. If so, the amount we paid must be repaid to us to the extent that you or someone else recovers.

4. When You Have More than One Auto Policy With Us

You may have more than one policy with us covering the same accident. In that case, the most we will pay is the highest amount payable under the applicable coverage in any one of those policies.

5. If You Go Bankrupt

Bankruptcy or insolvency of any person covered under this policy does not relieve us of any of our obligations under this policy.

6. **We Do Not Pay For Nuclear Losses Or War Losses**
We will not pay under Liability Coverage (Part 1) for any person who is an insured under a nuclear energy liability policy or who would be an insured under such a policy had it not already exhausted its limits.
- We will not pay under Medical Payments (Part 3) Collision and Other Than Collision (Part 4) for losses or damage caused by nuclear reaction, radiation, radioactive contamination or by discharge of a nuclear weapon, acts of war, insurrection, rebellion or revolution or any act incident to any of these.
7. **We Do Not Pay For Ordinary Wear Or Tear**
We will not pay for damage to **your auto** or any **auto you do not own** which is due solely to ordinary wear and tear, freezing, mechanical or electrical failure, or for ordinary road damage to tires. We will, however, pay for this damage if it is the result of some other loss which is covered by this policy.
8. **Secured Lenders**
Sometimes the Declarations Page indicates that a loss payee has a secured interest in **your auto**. If so, we will make payments under Collision and Other Than Collision coverage according to the legal interests of each party.
- The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to **your auto** is the result of conversion, embezzlement, or secretion by you or any **household member**. Also, we will not pay if the loss of or damage to **your auto** is the result of arson, theft or any other means of disposal committed by you or at your direction.
- When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.
- In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must be sent to the loss payee as provided in this policy.
9. **Changes Which Affect Premium**
This policy contains all agreements between you and us. The terms of these agreements may not be waived or changed except through endorsements issued by us.
- If the information used to develop the policy premium changes before this policy expires, we have the right to adjust your premium to reflect such changes. You must inform us of any changes which may have a material effect on your insurance coverage or premium charges, including the description, ownership, type of usage, number of, and place of garaging of **your auto** and the **household members** and individuals who customarily operate **your auto**.
- If we make a change to this edition of the policy which broadens coverage without any additional premium charge, that change will automatically apply to your policy as of the date it is implemented. This does not apply to any changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of a subsequent edition of your policy or an amendatory endorsement.
10. **Fraud**
We will not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent activities in regard to any accident or loss for which coverage is sought under this policy.
11. **Legal Action Against Us**
No legal action may be brought against us until there has been full compliance with all the terms of this policy. No person or organization has the right under this policy to bring us into any action to determine the liability of an insured.

CANCELLATION

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver's license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel Collision and Other Than Collision Coverage on **your auto**:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a "high-theft vehicle" which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. Collision on **your auto** customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto accident is one in which you or any person who customarily drives **your auto** was more than 50% at fault.
 - b. Other than Collision Coverage on **your auto** customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates **your auto** has been under suspension or revocation during the policy period, we may suspend coverage for that person.

Any notice of cancellation will be sent to you at your last address shown on the Declarations Page at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must also be sent to the loss payee in a similar manner.

If the policy is canceled, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect.

WHEN THERE IS AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us.

Do whatever is reasonable to protect **your auto** from further damage or loss. We will pay for any reasonable expenses incurred in doing this.

Promptly notify both the police and us if **your auto** or an **auto you do not own** is stolen or if you have been involved in a hit-and-run accident.

We must be permitted to inspect and appraise the damaged property before its repair or disposal.

We, or our agent, must be notified promptly of how, when and where the accident or loss happened by you or someone on your behalf. The notification should include as many details as possible, including names and addresses of drivers, injured persons and witnesses. A person seeking any coverage must submit a proof of loss when required by us.

After an accident or loss, you or anyone else covered under this policy must cooperate with us in the investigation, settlement and defense of any claim or lawsuit. We must be sent copies of all legal documents in connection with the accident or loss.

If anyone makes a claim or seeks payment under any coverage afforded by this policy they may be required to be examined by doctors selected by us. If anyone seeks continuing payments we may also require additional examinations at reasonable intervals. We will pay for these examinations. We may also require you and any person seeking payment under any part of this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim. We must also be authorized to obtain medical reports and other records pertinent to the claim.

AUTOMOBILE INSURERS BUREAU OF MASSACHUSETTS
AMENDMENT OF POLICY PROVISIONS – MASSACHUSETTS

I. PART A – LIABILITY COVERAGE

Part A is amended as follows

- A. Paragraph A. of the Insuring Agreement is replaced by the following paragraph.

We will pay damages for “bodily injury” or “property damage” for which any “insured” becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the “insured”. We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court’s permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy. We do not need a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

II. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Paragraphs A. and B. are amended as follows.

- A. We will pay for direct and accidental loss to “your covered auto” or any “non-owned auto,” including their equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to “your covered auto” caused by:

- (1) Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
- (2) “Collision” only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a “non-owned auto,” we will provide the broadest coverage applicable to any “your covered auto” shown in the Declarations.

- B. “Collision” means the upset of “your covered auto” or a “non-owned auto” or their impact with another vehicle or object.

We consider glass breakage when not involving other collision loss to be other than “collision” and not a “collision” loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than “collision”.

Any deductible indicated in the Declarations does not apply to glass breakage under other than “collision” coverage.

If we pay for the total loss of “your covered auto” as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

III. PART F – GENERAL PROVISIONS

Part F is amended as follows.

A. The Termination provision is replaced by the following:

Cancellation. This policy may be cancelled during the policy period as follows.

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver’s license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel “Collision” and Other Than “Collision” Coverage on a vehicle:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a “high-theft vehicle” which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. “Collision” on a vehicle customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto

accident is one in which you or any person who customarily drives "your covered auto" was more than 50% at fault.

- b. Other than "Collision" Coverage on a vehicle customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates "your covered auto" has been under suspension or revocation during the policy period, we may suspend coverage for that person.

We can cancel Towing and Labor for reasons other than those listed above if done within the first 90 days of the policy period.

Any notice of cancellation will be sent to you at your last address shown on the Declarations at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must also be sent to the loss payee in a similar manner.

If we cancel, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect. If the policy is cancelled by you or by law, you will get a refund, which is less than proportional to the time involved. It will be based instead on a "short rate" table which compensates us for our expenses in servicing your policy.

IV. LOSS PAYABLE CLAUSE

Sometimes the Declarations indicate that a loss payee has a secured interest in your auto. If so, we will make payments under "Collision," and Other Than "Collision" according to the legal interests of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to "your covered auto" is the result of conversion, embezzlement, or secretion by you or any family member. Also, we will not pay if the loss of or damage to "your covered auto" is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

V. ACTUAL CASH VALUE

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our determination shall be based on a consideration of all of the following factors:

- (1) The retail book value for an auto of like kind and quality, but for the damage incurred;
- (2) The price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
- (3) The decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
- (4) The actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

AMENDMENT OF POLICY PROVISIONS – MASSACHUSETTS

I. PART A – LIABILITY COVERAGE

Part A is amended as follows

- A. Paragraph A. of the Insuring Agreement is replaced by the following paragraph.

We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured". We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court's permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy. We do not need a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

II. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Paragraphs A. and B. are amended as follows.

- A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto," including their equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to "your covered auto" caused by:

- (1) Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
- (2) "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a "non-owned auto," we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

- B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or their impact with another vehicle or object.

We consider glass breakage when not involving other collision loss to be other than "collision" and not a "collision" loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than "collision".

Any deductible indicated in the Declarations does not apply to glass breakage under other than "collision" coverage.

If we pay for the total loss of "your covered auto" as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days

following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

III. PART F – GENERAL PROVISIONS

Part F is amended as follows.

A. The Termination provision is replaced by the following:

Cancellation. This policy may be cancelled during the policy period as follows.

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver's license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel "Collision" and Other Than "Collision" Coverage on a vehicle:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a "high-theft vehicle" which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. "Collision" on a vehicle customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto accident is one in which you or any person who customarily drives "your covered auto" was more than 50% at fault.

- b. Other than "Collision" Coverage on a vehicle customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates "your covered auto" has been under suspension or revocation during the policy period, we may suspend coverage for that person.

We can cancel Towing and Labor for reasons other than those listed above if done within the first 90 days of the policy period.

Any notice of cancellation will be sent to you at your last address shown on the Declarations at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must also be sent to the loss payee in a similar manner.

If we cancel, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect. If the policy is cancelled by you or by law, you will get a refund, which is less than proportional to the time involved. It will be based instead on a "short rate" table which compensates us for our expenses in servicing your policy.

IV. LOSS PAYABLE CLAUSE

Sometimes the Declarations indicate that a loss payee has a secured interest in your auto. If so, we will make payments under "Collision," and Other Than "Collision" according to the legal interests of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to "your covered auto" is the result of conversion, embezzlement, or secretion by you or any family member. Also, we will not pay if the loss of or damage to "your covered auto" is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

AUTOMOBILE INSURERS BUREAU OF MASSASHUSETTS

MASSACHUSETTS PERSONAL AUTO POLICY

[For Risks Not Subject To The Compulsory Insurance Law]

~~MP 00 01 10 10~~ MP 00 01 11 11

DEFINITIONS

Throughout this policy:

1. **We, Us or Our** – refers to the company issuing this policy.
2. **You or Your** – refers to the person(s) named in the Declarations Page, the spouse if a resident of the same household. If the spouse stops residing in the household during the policy period or before the policy begins, the spouse will be considered you and your under this policy, but only until the earlier of 90 days following the spouse's residence change, the effective date of another policy listing the spouse as a named insured, or the date the policy ends.
3. **Accident** – means an unexpected, unintended event that causes **bodily injury or property damage** arising out of the ownership, maintenance or use of an auto.
4. **Auto** – means a land motor vehicle or **trailer** but does not include:
 - A. Any vehicle operated on rails or crawler treads.
 - B. Any vehicle or **trailer** while it is located for use as a residence or premises. We will consider such a vehicle to be an auto while it is being used on public roads, or for recreational use.
 - C. A farm tractor or other equipment designed for use principally off public roads. We will consider a tractor or other equipment to be an auto while it is being used on public roads.
 - D. Any vehicle not subject to Massachusetts Motor Vehicle registration such as a moped, dirt bike, mini-bike, snowmobile or an all-terrain vehicle (ATV).

Other words and phrases are defined. They are in boldface when used.

5. **Your Auto** – means:
 - A. The vehicle or vehicles described on the Declarations Page.
 - B. Any auto or **trailer** you or your spouse do not own while used as a temporary substitute for any other vehicle described in this definition while that auto is out of normal use because of a breakdown, repair, servicing, loss or destruction.
 - C. A private passenger auto, or a pick-up truck or van for which there is no other insurance policy providing coverage, to which you take title or lease as a permanent replacement for a described auto or as an additional auto. If a replacement or additional auto is a pick-up truck, van, or similar vehicle, it must not have a Gross Vehicle Weight of more than ten thousand pounds, nor be used for the delivery or transportation of goods or materials unless such use is incidental to your **business** of installing, maintaining or repairing furnishings or equipment, or farming or ranching. A private passenger type auto, pickup or van shall be considered owned by a person if it is leased under an agreement in writing to that person, and is leased for a continuous period of at least six months.

An additional auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page, except for Collision and Other Than Collision coverage. On the date you become the owner, coverage will start. This coverage will apply to an additional auto only if you ask us to insure it within fourteen days after you take title or the effective date of the lease. A replacement auto for a vehicle shown in the Declarations Page will be provided coverage without your asking us to insure it.

Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Collision

Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Collision deductible will apply.

Other Than Collision Coverage for a permanent replacement for a described auto or an additional auto will be provided on the date you take title or the effective date of the lease. We will provide coverage, though, only if you ask us to insure it within fourteen days after you take title or the effective date of the lease, and the Declarations Page indicates that at least one auto has Other Than Collision Coverage. If so, such auto will be provided the broadest coverage we currently provide for any vehicle shown in the Declarations Page. However, if the Declarations Page indicates that no auto has Other Than Collision Coverage, you must ask us to insure the permanent replacement for the described auto or additional auto within four days after you take title or the effective date of the lease. If you meet this requirement but a loss occurs before you ask us to insure such vehicle, a \$500 Other Than Collision deductible will apply.

If you ask us to provide coverage for a permanent replacement for a described auto or an additional auto after the time periods specified above, any coverage provided for such auto will begin when coverage is requested.

6. **Trailer** – means a vehicle designed to be pulled by a private passenger auto, pick-up truck or van. This includes a farm wagon or farm implement towed by a private passenger auto, pick-up truck or van.
7. **Occupying** – means in, upon, entering into, or getting out of.
8. **Household Member** – means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
9. **Bodily Injury** – means bodily harm, illness or disease, including resulting death.
10. **Property Damage** – means physical injury to, destruction, or loss of use of material property.
11. **Business** – includes trade, profession or occupation.

OUR AGREEMENT

As long as you pay your premium when due, we agree to provide you the insurance protection to which you are entitled. The exact protection is determined by the coverages you purchased. Terms and conditions of the coverages are explained in the following pages.

INSURANCE COVERAGES

PART 1. LIABILITY COVERAGE

We will pay damages for **bodily injury** or **property damage** for which an **Insured** becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the **Insured**. We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court's permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy, without the need for a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

INSURED, when used in this Part, means:

1. You or any **household member** for the ownership, maintenance, or use of any auto or **trailer**, or anyone using **your auto**.
2. For **your auto**, any person or organization, but only with regard to legal responsibility for acts or omissions of anyone for whom coverage is provided under this part.
3. For any auto or **trailer** other than **your auto**, any other person or organization but only with regards to legal responsibility for acts or omissions of you or any **household member** for whom coverage is

provided under this Part. This provision applies only if the person or organization does not own or hire the auto or **trailer**.

We will also pay:

- A. Up to \$250 for the cost of bail bonds required as a result of an accident covered under this Part including bail bonds for traffic law violations related to the accident. The accident must result in **bodily injury** or **property damage** covered under this policy.
- B. Premiums on appeal bonds and premiums on bonds to release attachments for an amount up to the applicable limits you selected in any suit we defend.
- C. Interest that accrues after judgment is entered in any suit we defend. We will not pay interest that accrues after we have offered to pay up to the limits you selected.
- D. Up to \$200 a day for loss of earnings, but not for loss of other income, to any person covered under this policy who attends hearings or trials at our request.
- E. Other reasonable expenses incurred at our request.

These payments will not reduce the limits you selected.

EXCLUSIONS

- A. We will not pay:
 - 1. For **bodily injury** or **property damage** that is intentionally caused by you, a **household member** or anyone else using **your auto** with your consent.
 - 2. For **property damage** to an auto or other property owned or being transported by an **Insured**. Similarly, we will not pay for damage to an auto or other property, except for a private residence or garage, which an **Insured** rents, uses, or has in his or her care.
 - 3. For **bodily injury** to any employees of an **Insured** who are injured in the course of employment, except for a domestic employee, unless that domestic employee is entitled to workers' compensation benefits.
- B. We will not pay for an **Insured's** liability:
 - 1. If an accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
 - 2. While any auto is being used by anyone in the course of his or her employment in the **business** of selling, servicing, repairing or parking or storing autos. This includes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **your auto** by you, a **household member**, or any partner, agent or employee of you or any **household member**.
 - 3. While any auto is being used by an **Insured** in the course of his or her employment in any **business** not described in exclusion B2. This exclusion does not apply to the maintenance or use of a private passenger auto, pickup or van, or a **trailer** used with such autos.
 - 4. While an **Insured** is using an auto without a reasonable belief that he or she had the consent of the owner to do so. This exclusion does not apply to a **household member** using **your auto** which is owned by you.
 - 5. For **bodily injury** or **property damage** for which an **Insured** is an **Insured** under a nuclear energy liability policy or would be an **Insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or the Nuclear Insurance Association of Canada.
- C. We will not pay for damages:
 - 1. For the ownership, maintenance or use of any auto which has less than four wheels or is designed chiefly for use off public roads. This exclusion does not apply while such auto is being used by an **insured** in a medical emergency, nor does it apply to any **trailer** or non-owned golf cart.
 - 2. For any auto, other than **your auto**, which is owned by you or furnished or available for your regular use.
 - 3. For any auto, other than **your auto**, which is owned by any **household member** or furnished or available for the regular use of any **household member**. However, this exclusion does not apply to you while you are maintaining or **occupying** any auto which is owned by a **household member** or furnished or available for the regular use of a **household member**.

4. For any auto, located inside a facility designed for racing, or for the purpose of competing in, or practicing or preparing for any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

- A.1. The limit of liability shown in the Declarations for each person for **bodily injury** liability is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident for **bodily injury** liability is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
2. The most we will pay for **property damage** liability resulting from any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many **Insureds**, autos, or premiums are shown on the Declarations Page, claims made, or vehicle involved in the auto accident.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 2 – Bodily Injury Caused By An Uninsured Auto or Part 3 – Medical Payments, or any Bodily Injury Caused by an Underinsured Auto coverage provided by this policy.

OUT OF STATE COVERAGE

If an accident, to which this policy applies, occurs in any other state or province other than the one in which **your auto** is principally garaged, your policy will automatically apply to that accident as follows:

If the state or province has:

1. A financial responsibility law or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit you have purchased, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses an auto in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

OTHER PROVISIONS

- A. When this policy is certified as future proof of financial responsibility, this policy will comply with the law to the extent required.
- B. If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for an auto you do not own, including any auto while used as a temporary substitute for **your auto** shall be excess over any other collectible insurance.
- C. No legal action may be brought against us until we agree in writing that the **insured** has an obligation to pay, or the amount of that obligation has been finally determined by judgment after trial.

PART 2. BODILY INJURY CAUSED BY AN UNINSURED AUTO

- A. Under this Part, we will pay damages for **bodily injury** sustained by an insured injured or killed in certain accidents caused by uninsured or hit-and-run autos.

Uninsured Auto, when used in this Part, means:

a land motor vehicle or **trailer** of any type to which no **bodily injury** liability bond or policy applies at the time of the accident, or a **bodily injury** liability bond or policy applies, but the limit is less than the

minimum limit specified by the financial responsibility law of the state in which **your auto** is principally garaged. It does not include vehicles operated on rail or crawler treads, vehicles designed for use primarily off public roads, or vehicles located for use as residence or premises. Sometimes the company insuring the auto responsible for an accident will deny coverage or become insolvent. We consider such an auto to be uninsured for purposes of this Part. However, we do not consider the following to be an uninsured auto:

1. An auto owned by a governmental unit or agency
2. An auto owned by someone who is legally self-insured, except a self-insurer which is or becomes insolvent.
3. An auto owned by you or a **household member**, or furnished or available for the regular use of you or a **household member**.

We will pay only if the injured person is legally entitled to recover from the owner or operator of the uninsured or hit-and-run auto. We will pay for hit-and-run accidents only if the owner or operator causing the accident cannot be identified. Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- B. We will pay damages to or for:
You or any **household member**, while **occupying your auto**, while **occupying** an auto you do not own, or if injured as a pedestrian, anyone else while **occupying your auto**, or anyone else for damages he or she is entitled to recover because of injury to a person covered under this Part. A pedestrian includes anyone incurring **bodily injury** as a result of being struck by an auto in an accident and who is not **occupying** an auto at the time of the accident.

EXCLUSIONS

We will not pay damages to or for:

1. An insured while **occupying** or when struck by **your auto**, including a **trailer** used with that vehicle, which is not insured for this coverage under this policy.
2. Any **household member** while **occupying** or when struck by **your auto** which is insured for this coverage on a primary basis under any other policy.
3. Anyone injured while **occupying your auto** while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool arrangement.
4. Anyone injured while using an auto without the consent of the owner. This does not apply to a **household member** using **your auto**.

LIMIT OF LIABILITY

- A.1. If an injured person settles a claim as a result of an accident covered under this Part, we will pay that person only if the claim was settled with our consent. We will not be bound under this Part by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.
2. The Part will not benefit any insurer or self-insurer under a workers' compensation law, disability benefits law, or any similar law. We do not provide coverage under this Part for punitive or exemplary damages.
3. The limit of liability shown in the Declarations Page for each person for coverage under this Part is the most we will pay for all damages, including damages for care, loss of services or death, arising out of **bodily injury** to any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations Page for each accident under this coverage is the most we will pay for all damages for **bodily injury** resulting from any one auto accident.
4. This is the most we will pay regardless of the number of insureds, claims made, autos, or premiums shown in the Declarations Page, or autos involved in the accident.

5. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part 1 Liability Coverage, Part 3, Medical Payments Coverage, or any Bodily Injury Caused by An Underinsured Auto coverage provided by this policy. We will not pay under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under a workers' compensation law, disability benefits law, or similar law.
6. If there is other applicable insurance coverage available under one or more policies that is the same coverage provided under this Part:
 - i. We will pay up to the highest applicable limit for any one auto under any insurance providing primary or excess coverage.
 - ii. Any coverage we provide with a respect to a non-owned auto, including a temporary substitute for **your auto** shall be excess over any applicable primary coverage.
 - iii. If Bodily Injury Caused by An Uninsured Auto coverage is provided on a primary basis, we will only pay our proportionate share of the damages that must be paid under all primary insurance coverage. If coverage under this part is provided on an excess basis, we will only pay our proportionate share of the damages that must be paid under all excess insurance coverage. Our proportionate share is the percentage of our limit of liability to all applicable limits of liability.

ARBITRATION

The determination as to whether an injured person is legally entitled to recover damages from the legally responsible owner or operator will be by agreement between us and the injured person. The amount of the damages, if any, will be determined in the same way. Arbitration will be used if no agreement can be reached. However, in no event may a demand for arbitration constitute first notice of claim. Arbitration may not be used to settle disputes involving coverage under this part. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be filed.

Arbitration will be conducted if both parties agree to it. An arbitrator will be selected by each party. A third arbitrator will be selected by the two arbitrators. If, within thirty days, they cannot agree on the third arbitrator, either has the option to request that a judge of a court having jurisdiction make the selection.

Each party will pay all expenses it incurs and bear the expenses of the third arbitrator equally.

Arbitration will take place in the county in which the insured lives, unless both parties agree otherwise. Local rules of law regarding procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to whether the insured is legally entitled to recover damages and the amount of damages.

A binding decision on the amount of damages applies only if the amount of damages is equal to or less than the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which **your auto** is principally garaged. If the amount of damages is greater than such limit, either party may demand the right to a trial. This demand must be made within sixty days of the arbitrators' decision. If neither party demands a right to a trial, the amount of damages agreed to by the arbitrators will be binding.

PART 3. MEDICAL PAYMENTS

Under this Part, we will pay reasonable expenses for necessary medical and funeral services incurred as a result of an accident causing **bodily injury** and sustained by an insured. We will not pay for expenses incurred more than two years after the date of the accident.

We will pay for expenses resulting from **bodily injury** to anyone **occupying your auto** at the time of the accident. We will also pay for expenses resulting from **bodily injury** to you or any **household member** if struck by an auto or **trailer** or if **occupying** someone else's auto at the time of the accident.

EXCLUSIONS

We will not pay for expenses resulting from injuries to:

1. Anyone injured while in **an auto** which had been placed off the public roads for use as a residence or premises.
2. Anyone injured in the course of employment if that person is entitled to workers' compensation benefits.
3. Anyone injured while **occupying** an auto without a reasonable belief that he or she had the consent of the owner to do so. This does not apply to a **household member** using **your auto** which is owned by you.
4. A **household member**, other than your spouse, while **occupying** or struck by an auto owned or regularly used by you or any **household member** unless a premium for this Part is shown for that auto on the Declarations Page.
5. You or your spouse, if a **household member**, while struck by, or **occupying** an auto owned or regularly used by you or your spouse unless a premium for this Part is shown for that auto on the Declarations Page.
6. Anyone injured while **occupying** any motorized auto having fewer than four wheels.
7. Anyone injured if the accident happens while **your auto** is being used as a public or livery conveyance. This does not apply to the use of **your auto** in a share-the-expense car pool.
8. Anyone injured while **occupying** an auto when it is used in the **business** of insured. This does not apply to **bodily injury** sustained while **occupying** a private passenger auto, pick-up truck, van or a **trailer** used with such autos.
9. Anyone for **bodily injury** caused by, or resulting from, discharge of a nuclear weapon, war, civil war, insurrection, rebellion or revolution.
10. Anyone injured while **occupying** any auto located inside a racing facility, for the purpose of competing in, preparing, or practicing for any prearranged or organized racing or speed competition.

LIMIT OF LIABILITY

- A.1. The most we will pay for any one person as a result of any one accident is shown on the Declarations Page. This is the most we will pay as the result of a single accident no matter how many insureds, autos or premiums are shown on the Declarations Page, or autos are involved in the accident.
2. We will not pay benefits under this Part which duplicate payments made under the Medical Payments coverage of any other auto policy, or Parts 1 or 2 on this policy.
3. If someone covered under this Part is also entitled to Medical Payments coverage under another auto policy issued to you or any **household member**, we will pay only our proportionate share. If someone covered under this Part is **occupying** an auto he or she does not own at the time of the accident, the owner's automobile Medical Payments insurance must pay its limit for medical or funeral expenses before we pay. Then, we will pay up to the limit shown on your Coverage Selections Page for any expenses not covered by that insurance.

PART 4. COLLISION AND OTHER THAN COLLISION

- A. We will pay for direct and accidental loss to **your auto** or **an auto you do not own**, minus any applicable deductible shown in the Declarations. Unless you selected a different amount, the law sets your deductible at \$500. Your deductible is shown in the Declarations Page.

An **Auto You Do Not Own**, when used in this Part, means:

any auto, pick-up truck, van or **trailer** that is not owned by, or furnished or available for regular use for you or any **household member**, while it is in the care, custody or control of, or being

operated by, you or any **household member**. It is also any auto or **trailer** you do not own while used as a temporary substitute for **your auto** which is out of normal use because of a breakdown, repair, servicing, loss or destruction.

We will pay for loss to **your auto** caused by:

1. Other than collision only if the Declarations Page indicates that Other Than Collision coverage is provided for that auto.
2. Collision only if the Declarations Page indicates that Collision coverage is provided for that auto.

If there is a loss to an **auto you do not own**, we will provide the broadest coverage applicable to **your auto** shown in the Declarations Page.

Collision means the upset of **your auto** or an **auto you do not own** or their impact with another auto or object.

We consider glass breakage when not involving other collision loss to be Other Than Collision and not a Collision loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than collision.

Any deductible indicated in the Declarations Page does not apply to glass breakage under Other Than Collision coverage.

If we pay for the total loss of **your auto** as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

- B. We will pay up to a maximum of \$600, without a deductible, for temporary substitute transportation expenses up to \$20 a day which you have incurred because of a loss to **your auto** or an **auto you do not own**. We will reimburse you if **your auto** was in a collision and is being repaired or replaced. We will also reimburse you if **your auto** cannot be used because of the kind of damage or loss, including theft, that is covered under Other Than Collision. We will pay only if these coverages are provided for that auto.

Subject to the provisions above, if **your auto** or an **auto you do not own** is stolen, we will reimburse you only for transportation expenses incurred after the first 48 hours following the theft, and ending when **your auto** or the **auto you do not own** is returned to use or we pay for the loss. If **your auto** or an **auto you do not own** cannot be used because of damage or loss caused by other than theft, we will pay only expenses incurred beginning when the auto is withdrawn from use for more than 24 hours. We will pay only for a period of time which is reasonable for having **your auto** or **the auto you do not own** repaired or replaced.

EXCLUSIONS

1. We will not pay for loss to **your auto** or an **auto you do not own** if the accident happens while it is being used as a public or livery conveyance. This does not apply to the use of **your auto** or an **auto you do not own** in a share-the-expense car pool.
2. We will not pay for loss of or damage to any electronic equipment that reproduces, receives or transmits audio, visual or data signals, unless it has been permanently installed in **your auto** or an **auto you do not own**. If the electronic equipment is permanently installed in the auto but in locations not used by the auto manufacturer for installation of such equipment, we will only pay up to \$1,000 for loss to such equipment.

Electronic Equipment includes but is not limited to:

- A. Radios, Stereos, and Tape Decks;

- B. Cassette and Compact Disc Systems;
 - C. Navigation Systems, Internet Access Systems, and Personal Computers;
 - D. Video Entertainment Systems, Telephones and Televisions;
 - E. Two-way mobile radios, Scanners and Citizens Band Radios
- Tapes, records, discs, cassettes, and other media used with the equipment above are not covered.

3. We will not pay for a total loss to **your auto** or any **auto you do not own** due to confiscation or destruction by civil or governmental authorities. This does not apply to the interests of secured lenders in **your auto**.
4. We will not pay for loss of or damage to a **trailer**, camper body or motor home which is not shown in the Declarations Page, or loss of or damage to any facilities or equipment used with such **trailer**, camper body or motor home. Facilities or equipment include but are not limited to the following items: facilities for cooking, dining, plumbing or refrigeration, awnings or cabanas, or any other facilities or equipment used with a **trailer**, camper body or motor home. This does not apply to a **trailer** and its facilities or equipment which you do not own, or a **trailer**, camper body or the facilities or equipment in or attached to the **trailer** or camper body, which you acquire during the policy period and ask us to insure within 14 days after you become the owner.
5. We will not pay for loss of or damage to any **auto you do not own** when used by you or any **household member** without a reasonable belief that you or that **household member** are entitled to do so.
6. We will not pay for loss or damage to equipment designed for the detection or avoidance of any law enforcement speed measuring device. This does not apply to electronic equipment designed solely for safety warning systems.
7. We will not pay for loss of or damage to any custom furnishings or custom equipment in or upon any pick-up truck, van or similar auto. Custom furnishings or custom equipment include but are not limited to the following items: special carpeting and insulation, furniture, bars, height-extending roofs, custom murals, paintings or other decals or graphics. This does not apply to a cap, bedliner, or cover in or upon **your auto** which is a pick-up truck.
8. We will not pay for loss of or damage to any **auto you do not own** being used or maintained by an insured while employed or otherwise engaged in the **business** of selling, repairing, servicing, parking, or storing autos designed for use on public highways. This includes road testing and delivery.
9. We will not pay if an accident occurs while an auto covered under this Part is being operated in any prearranged or organized racing speed, stunting or demolition contest or activity, in practice or preparation for any such contest or activity, or located inside a facility designed for racing.
10. We will not pay for loss of, damage to, or loss of use of, an **auto you do not own** that is rented by you or any **household member** if a rental car company is precluded from recovering such loss or loss of use from you or that **household member**, pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

- A.1. The most we will pay for damage to or loss of an auto covered under this part will be either the actual cashvalue of the stolen or damaged property or the cost to physically repair or replace the property with other property of like kind and quality, whichever is less. However, the most we will pay for loss of or damage to any **trailer** you do not own is \$1500. In the event of a total loss, an adjustment for depreciation and physical condition will be made. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
2. We may pay for the loss in money or repair or replace the damaged or stolen property. If we pay for the loss in money, we will include the applicable sales tax for the damaged or stolen property. We have the option, at our expense, to return stolen property to you or the address listed on the policy. If

we return any stolen property, we will pay for any damage caused by the theft. We have the option to keep all or part of the property at an agreed or appraised value.

3. This insurance will not benefit any carrier or other bailee for hire, directly or indirectly. If there are other sources of recovery which cover the loss, we will only pay our proportionate share. However, if an auto covered under this Part is not owned by you at the time of the accident, the owner's auto insurance, or any other applicable physical damage insurance or source of recovery, must pay its limit before we pay. Then, we will pay, up to the limit shown on the Declarations Page, for any damage not covered by that insurance.

APPRAISAL

If we and you disagree on the amount of loss, either we or you can, within 60 days after you file your proof of loss, demand in writing that appraisers be selected. In this case, each part shall select an appraiser, who in turn will select an umpire. Failing for fifteen days to agree upon such umpire, then, on the request of either we or you, such umpire shall be selected by a judge of the record in the county and state in which such appraisal is pending. The appraisers will each state separately the actual cash value and amount of the loss. If an agreement is not reached, they will submit their differences to the umpire, with a decision by any two becoming binding. An award in writing by any two shall determine the amount of loss. We and you will pay the appraiser each chose and pay the expenses of the appraisal and umpire evenly. We do not waive any of our rights under this policy by agreeing to an appraisal.

ACTUAL CASH VALUE

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our determination shall be based on a consideration of all of the following factors:

- (1) The retail book value for an auto of like kind and quality, but for the damage incurred;
- (2) The price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
- (3) The decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
- (4) The actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

GENERAL PROVISIONS AND EXCLUSIONS

1. **Where and When You Are Covered**

This policy provides coverage only for accidents and losses which happen during the policy period in the United States or Canada. We consider United States territories and possessions and Puerto Rico to be part of the United States. We will pay for accidents and losses which happen while **your auto** is being transported between ports of the United States and Canada. **Your auto** is not covered in any other country.
2. **What Happens If You Die**

Your rights and duties under this policy may not be assigned without our written consent. If you die, however, we will continue coverage for the period of this policy for:

 - A. Your spouse, if a resident of your household at your death.
 - B. Any legal representative to the extent he or she is responsible for maintenance or use of **your auto**.
 - C. Any person having proper temporary custody of **your auto**.

3. **Our Right To Be Repaid**

Sometimes we may make a payment under this policy to you or to someone else who has a separate legal right to recover damages from others. In that case, those legal rights may be exercised by us. Anyone receiving payment under those circumstances must do nothing to interfere with those rights. He or she must also do whatever is necessary to help us recover for ourselves up to the amount we have paid. However, our rights in this paragraph do not apply under Part 4 against any person using **your auto** with a reasonable belief that that person is entitled to do so.

Sometimes you or someone else may recover money from the person legally responsible for an accident and also receive money from us for the same accident. If so, the amount we paid must be repaid to us to the extent that you or someone else recovers.

4. **When You Have More than One Auto Policy With Us**

You may have more than one policy with us covering the same accident. In that case, the most we will pay is the highest amount payable under the applicable coverage in any one of those policies.

5. **If You Go Bankrupt**

Bankruptcy or insolvency of any person covered under this policy does not relieve us of any of our obligations under this policy.

6. **We Do Not Pay For Nuclear Losses Or War Losses**

We will not pay under Liability Coverage (Part 1) for any person who is an insured under a nuclear energy liability policy or who would be an insured under such a policy had it not already exhausted its limits.

We will not pay under Medical Payments (Part 3) Collision and Other Than Collision (Part 4) for losses or damage caused by nuclear reaction, radiation, radioactive contamination or by discharge of a nuclear weapon, acts of war, insurrection, rebellion or revolution or any act incident to any of these.

7. **We Do Not Pay For Ordinary Wear Or Tear**

We will not pay for damage to **your auto** or any **auto you do not own** which is due solely to ordinary wear and tear, freezing, mechanical or electrical failure, or for ordinary road damage to tires. We will, however, pay for this damage if it is the result of some other loss which is covered by this policy.

8. **Secured Lenders**

Sometimes the Declarations Page indicates that a loss payee has a secured interest in **your auto**. If so, we will make payments under Collision and Other Than Collision coverage according to the legal interests of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to **your auto** is the result of conversion, embezzlement, or secretion by you or any **household member**. Also, we will not pay if the loss of or damage to **your auto** is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must be sent to the loss payee as provided in this policy.

9. **Changes Which Affect Premium**

This policy contains all agreements between you and us. The terms of these agreements may not be waived or changed except through endorsements issued by us.

If the information used to develop the policy premium changes before this policy expires, we have the right to adjust your premium to reflect such changes. You must inform us of any changes which may have a material effect on your insurance coverage or premium charges, including the

description, ownership, type of usage, number of, and place of garaging of **your auto** and the **household members** and individuals who customarily operate **your auto**.

If we make a change to this edition of the policy which broadens coverage without any additional premium charge, that change will automatically apply to your policy as of the date it is implemented. This does not apply to any changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of a subsequent edition of your policy or an amendatory endorsement.

10. **Fraud**

We will not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent activities in regard to any accident or loss for which coverage is sought under this policy.

11. **Legal Action Against Us**

No legal action may be brought against us until there has been full compliance with all the terms of this policy. No person or organization has the right under this policy to bring us into any action to determine the liability of an insured.

CANCELLATION

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver's license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel Collision and Other Than Collision Coverage on **your auto**:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a "high-theft vehicle" which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. Collision on **your auto** customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto accident is one in which you or any person who customarily drives **your auto** was more than 50% at fault.
 - b. Other than Collision Coverage on **your auto** customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates **your auto** has been under suspension or revocation during the policy period, we may suspend coverage for that person.

Any notice of cancellation will be sent to you at your last address shown on the Declarations Page at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations Page, a notice of cancellation must also be sent to the loss payee in a similar manner.

If the policy is canceled, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect.

WHEN THERE IS AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us.

Do whatever is reasonable to protect **your auto** from further damage or loss. We will pay for any reasonable expenses incurred in doing this.

Promptly notify both the police and us if **your auto** or an **auto you do not own** is stolen or if you have been involved in a hit-and-run accident.

We must be permitted to inspect and appraise the damaged property before its repair or disposal.

We, or our agent, must be notified promptly of how, when and where the accident or loss happened by you or someone on your behalf. The notification should include as many details as possible, including names and addresses of drivers, injured persons and witnesses. A person seeking any coverage must submit a proof of loss when required by us.

After an accident or loss, you or anyone else covered under this policy must cooperate with us in the investigation, settlement and defense of any claim or lawsuit. We must be sent copies of all legal documents in connection with the accident or loss.

If anyone makes a claim or seeks payment under any coverage afforded by this policy they may be required to be examined by doctors selected by us. If anyone seeks continuing payments we may also require additional examinations at reasonable intervals. We will pay for these examinations. We may also require you and any person seeking payment under any part of this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim. We must also be authorized to obtain medical reports and other records pertinent to the claim.

AUTOMOBILE INSURERS BUREAU OF MASSACHUSETTS
AMENDMENT OF POLICY PROVISIONS – MASSACHUSETTS

I. PART A – LIABILITY COVERAGE

Part A is amended as follows

- A. Paragraph A. of the Insuring Agreement is replaced by the following paragraph.

We will pay damages for “bodily injury” or “property damage” for which any “insured” becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the “insured”. We have the right to defend any lawsuit brought against anyone covered under this policy. We will only defend such persons for damages which might be payable under this policy. We also have a duty to defend any such lawsuit, even if it is without merit. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court’s permission, the maximum limits of coverage under this policy. We also may end our duty to defend at any time during the course of the lawsuit, by tendering, or paying the maximum limits of coverage under the policy. We do not need a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

II. PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

Paragraphs A. and B. are amended as follows.

- A. We will pay for direct and accidental loss to “your covered auto” or any “non-owned auto,” including their equipment, minus any applicable deductible shown in the Declarations. We will pay for loss to “your covered auto” caused by:

- (1) Other than “collision” only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
- (2) “Collision” only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a “non-owned auto,” we will provide the broadest coverage applicable to any “your covered auto” shown in the Declarations.

- B. “Collision” means the upset of “your covered auto” or a “non-owned auto” or their impact with another vehicle or object.

We consider glass breakage when not involving other collision loss to be other than “collision” and not a “collision” loss. Losses caused by vandalism, fire and theft, missiles, falling objects, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, riot or contact with a bird or animal are also other than “collision”.

Any deductible indicated in the Declarations does not apply to glass breakage under other than “collision” coverage.

If we pay for the total loss of “your covered auto” as a result of a fire or theft, we may suspend coverage for a fire or theft loss under this Part for any replacement auto. However, if it is made reasonably available for our inspection within two business days following the day you acquired it, we will not suspend coverage. We may also raise your deductible unless you install an approved anti-theft device in the replacement auto.

III. PART F – GENERAL PROVISIONS

Part F is amended as follows.

A. The Termination provision is replaced by the following:

Cancellation. This policy may be cancelled during the policy period as follows.

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us.
 - b. Giving us at least 20 days advance written notice of the date cancellation is to take effect.
2. We can cancel all or any part of this policy if:
 - a. You have not paid your premium on this policy.
 - b. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
 - c. Your driver’s license or auto registration has been under suspension or revocation during the policy period.
3. We can cancel “Collision” and Other Than “Collision” Coverage on a vehicle:
 - a. Customarily driven by or owned by persons who have within the last five years been convicted of vehicle homicide, auto related fraud, or auto theft.
 - b. Customarily driven by or owned by persons who have within the last five years made an intentional and material misrepresentation in making claim under those coverages.
 - c. Customarily driven or owned by persons who have within the last three years, been convicted of any category of driving under the influence of alcohol or drugs.
 - d. Designated as a “high-theft vehicle” which does not have at least a minimum anti-theft or auto recovery device as prescribed by the Commissioner of Insurance.
4. We may likewise cancel:
 - a. “Collision” on a vehicle customarily driven by or owned by persons who, within three years preceding the effective date of this policy, have been involved in four or more at-fault auto accidents. An at-fault auto

accident is one in which you or any person who customarily drives "your covered auto" was more than 50% at fault.

- b. Other than "Collision" Coverage on a vehicle customarily driven by or owned by persons who have two or more total auto theft or fire insurance claims within the three years immediately preceding the effective date of this policy.

If the driver's license of anyone residing in your household who usually operates "your covered auto" has been under suspension or revocation during the policy period, we may suspend coverage for that person.

We can cancel Towing and Labor for reasons other than those listed above if done within the first 90 days of the policy period.

Any notice of cancellation will be sent to you at your last address shown on the Declarations at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must also be sent to the loss payee in a similar manner.

If we cancel, the amount of your refund will be determined by a pro rata table based on the number of days the policy was in effect. If the policy is cancelled by you or by law, you will get a refund, which is less than proportional to the time involved. It will be based instead on a "short rate" table which compensates us for our expenses in servicing your policy.

IV. LOSS PAYABLE CLAUSE

Sometimes the Declarations indicate that a loss payee has a secured interest in your auto. If so, we will make payments under "Collision," and Other Than "Collision" according to the legal interests of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect. However, we will not pay if the loss of or damage to "your covered auto" is the result of conversion, embezzlement, or secretion by you or any family member. Also, we will not pay if the loss of or damage to "your covered auto" is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so. This filing must be done within 30 days after the loss or damage becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

V. ACTUAL CASH VALUE

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto's actual cash value. Our determination shall be based on a consideration of all of the following factors:

- (1) The retail book value for an auto of like kind and quality, but for the damage incurred;
- (2) The price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
- (3) The decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
- (4) The actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

PERSONAL AUTO POLICY

AGREEMENT

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

DEFINITIONS

A. Throughout this policy, "you" and "your" refer to:

1. The "named insured" shown in the Declarations; and
2. The spouse if a resident of the same household.

If the spouse ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse will be considered "you" and "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's change of residency;
2. The effective date of another policy listing the spouse as a named insured; or
3. The end of the policy period.

B. "We", "us" and "our" refer to the Company providing this insurance.

C. For purposes of this policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least 6 months.

Other words and phrases are defined. They are in quotation marks when used.

D. "Bodily injury" means bodily harm, sickness or disease, including death that results.

E. "Business" includes trade, profession or occupation.

F. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

G. "Occupying" means:

1. In;
2. Upon; or
3. Getting in, on, out or off.

H. "Property damage" means physical injury to, destruction of or loss of use of tangible property.

I. "Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or

2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in **1.** or **2.** above.

J. "Your covered auto" means:

1. Any vehicle shown in the Declarations.
2. A "newly acquired auto".
3. Any "trailer" you own.

4. Any auto or "trailer" you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:

- a. Breakdown;
- b. Repair;
- c. Servicing;
- d. Loss; or
- e. Destruction.

This Provision (**J.4.**) does not apply to Coverage For Damage To Your Auto.

K. "Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:

- a. A private passenger auto; or
- b. A pickup or van, for which no other insurance policy provides coverage, that:

(1) Has a Gross Vehicle Weight Rating of 10,000 lbs. or less; and

(2) Is not used for the delivery or transportation of goods and materials unless such use is:

- (a)** Incidental to your "business" of installing, maintaining or repairing furnishings or equipment; or
- (b)** For farming or ranching.

2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

- a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 14 days after you become the owner.

If a "newly acquired auto" replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.

- b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

- (1) 14 days after you become the owner if the Declarations indicate that Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

- (2) Four days after you become the owner if the Declarations do not indicate that Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", a Collision deductible of \$500 will apply.

- c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

- (1) 14 days after you become the owner if the Declarations indicate that Other Than Collision Coverage applies to at least one auto. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

- (2) Four days after you become the owner if the Declarations do not indicate that Other Than Collision Coverage applies to at least one auto. If you comply with the 4 day requirement and a loss occurred before you asked us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

A. We will pay damages for "bodily injury" or "property damage" for which any "insured" becomes legally responsible because of an auto accident. Damages include prejudgment interest awarded against the "insured". We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have no duty to defend any suit or settle any claim for "bodily injury" or "property damage" not covered under this policy.

B. "Insured" as used in this Part means:

1. You or any "family member" for the ownership, maintenance or use of any auto or "trailer".
2. Any person using "your covered auto".
3. For "your covered auto", any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.

4. For any auto or "trailer", other than "your covered auto", any other person or organization but only with respect to legal responsibility for acts or omissions of you or any "family member" for whom coverage is afforded under this Part. This Provision (B.4.) applies only if the person or organization does not own or hire the auto or "trailer".

SUPPLEMENTARY PAYMENTS

We will pay on behalf of an "insured":

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in "bodily injury" or "property damage" covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

These payments will not reduce the limit of liability.

EXCLUSIONS

A. We do not provide Liability Coverage for any "insured":

1. Who intentionally causes "bodily injury" or "property damage".
2. For "property damage" to property owned or being transported by that "insured".
3. For "property damage" to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care of;
 that "insured".

This Exclusion **(A.3.)** does not apply to "property damage" to a residence or private garage.

4. For "bodily injury" to an employee of that "insured" during the course of employment. This Exclusion **(A.4.)** does not apply to "bodily injury" to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
5. For that "insured's" liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This Exclusion **(A.5.)** does not apply to a share-the-expense car pool.
6. While employed or otherwise engaged in the "business" of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing; or
 - e. Parking;
 vehicles designed for use mainly on public highways. This includes road testing and delivery. This Exclusion **(A.6.)** does not apply to the ownership, maintenance or use of "your covered auto" by:
 - a. You;
 - b. Any "family member"; or
 - c. Any partner, agent or employee of you or any "family member".

7. Maintaining or using any vehicle while that "insured" is employed or otherwise engaged in any "business" (other than farming or ranching) not described in Exclusion **A.6.**

This Exclusion **(A.7.)** does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. "Trailer" used with a vehicle described in **a.** or **b.** above.

8. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion **(A.8.)** does not apply to a "family member" using "your covered auto" which is owned by you.

9. For "bodily injury" or "property damage" for which that "insured":

- a. Is an insured under a nuclear energy liability policy; or
- b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

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

1. Any vehicle which:
 - a. Has fewer than four wheels; or
 - b. Is designed mainly for use off public roads.
 This Exclusion **(B.1.)** does not apply:
 - a. While such vehicle is being used by an "insured" in a medical emergency;
 - b. To any "trailer"; or
 - c. To any non-owned golf cart.
2. Any vehicle, other than "your covered auto", which is:
 - a. Owned by you; or
 - b. Furnished or available for your regular use.
3. Any vehicle, other than "your covered auto", which is:
 - a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of any "family member".

However, this Exclusion (B.3.) does not apply to you while you are maintaining or "occupying" any vehicle which is:

- a. Owned by a "family member"; or
 - b. Furnished or available for the regular use of a "family member".
4. Any vehicle, located inside a facility designed for racing, for the purpose of:
- a. Competing in; or
 - b. Practicing or preparing for;
- any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" resulting from any one auto accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the auto accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part B or Part C of this policy; or

2. Any Underinsured Motorists Coverage provided by this policy.

OUT OF STATE COVERAGE

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

- A. If the state or province has:
1. A financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
 2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.
- B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

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

OTHER INSURANCE

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance.

PART B – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

A. We will pay reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":

1. Caused by accident; and
2. Sustained by an "insured".

We will pay only those expenses incurred for services rendered within 3 years from the date of the accident.

B. "Insured" as used in this Part means:

1. You or any "family member":
 - a. While "occupying"; or
 - b. As a pedestrian when struck by; a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while "occupying" "your covered auto".

EXCLUSIONS

We do not provide Medical Payments Coverage for any "insured" for "bodily injury":

1. Sustained while "occupying" any motorized vehicle having fewer than four wheels.
2. Sustained while "occupying" "your covered auto" when it is being used as a public or livery conveyance. This Exclusion (2.) does not apply to a share-the-expense car pool.
3. Sustained while "occupying" any vehicle located for use as a residence or premises.
4. Occurring during the course of employment if workers' compensation benefits are required or available for the "bodily injury".
5. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by you; or
 - b. Furnished or available for your regular use.
6. Sustained while "occupying", or when struck by, any vehicle (other than "your covered auto") which is:
 - a. Owned by any "family member"; or
 - b. Furnished or available for the regular use of any "family member".However, this Exclusion (6.) does not apply to you.
7. Sustained while "occupying" a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (7.) does not apply to a "family member" using "your covered auto" which is owned by you.
8. Sustained while "occupying" a vehicle when it is being used in the "business" of an "insured". This Exclusion (8.) does not apply to "bodily injury" sustained while "occupying" a:
 - a. Private passenger auto;
 - b. Pickup or van; or
 - c. "Trailer" used with a vehicle described in a. or b. above.
9. Caused by or as a consequence of:
 - a. Discharge of a nuclear weapon (even if accidental);
 - b. War (declared or undeclared);
 - c. Civil war;
 - d. Insurrection; or
 - e. Rebellion or revolution.

10. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.
11. Sustained while "occupying" any vehicle located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for; any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
 1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
 1. Part A or Part C of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.

OTHER INSURANCE

If there is other applicable auto medical payments insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

PART C – UNINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of "bodily injury":

1. Sustained by an "insured"; and
2. Caused by an accident.

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

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this Part means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

C. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no bodily injury liability bond or policy applies at the time of the accident.
2. To which a bodily injury liability bond or policy applies at the time of the accident. In this case its limit for bodily injury liability must be less than the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged.
3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
 - a. You or any "family member";
 - b. A vehicle which you or any "family member" are "occupying"; or
 - c. "Your covered auto".
4. To which a bodily injury liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent.

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

1. Owned by or furnished or available for the regular use of you or any "family member".

2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designed mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained:

1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

1. If that "insured" or the legal representative settles the "bodily injury" claim and such settlement prejudices our right to recover payment.
2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This Exclusion (B.2.) does not apply to a share-the-expense car pool.
3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (B.3.) does not apply to a "family member" using "your covered auto" which is owned by you.

C. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:

1. Workers' compensation law; or
2. Disability benefits law.

D. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

This is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part **A** or Part **B** of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
- C.** We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- D.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Workers' compensation law; or
 2. Disability benefits law.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.

3. If the coverage under this policy is provided:

- a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
- b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

- A.** If we and an "insured" do not agree:
1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages which are recoverable by that "insured";
- from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.
- Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
- B.** Each party will:
1. Pay the expenses it incurs; and
 2. Bear the expenses of the third arbitrator equally.
- C.** Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:

1. Whether the "insured" is legally entitled to recover damages; and
2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. We will pay for direct and accidental loss to "your covered auto" or any "non-owned auto", including their equipment, minus any applicable deductible shown in the Declarations. If loss to more than one "your covered auto" or "non-owned auto" results from the same "collision", only the highest applicable deductible will apply. We will pay for loss to "your covered auto" caused by:

1. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a "non-owned auto", we will provide the broadest coverage applicable to any "your covered auto" shown in the Declarations.

B. "Collision" means the upset of "your covered auto" or a "non-owned auto" or their impact with another vehicle or object.

Loss caused by the following is considered other than "collision":

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism;
8. Riot or civil commotion;
9. Contact with bird or animal; or
10. Breakage of glass.

If breakage of glass is caused by a "collision", you may elect to have it considered a loss caused by "collision".

C. "Non-owned auto" means:

1. Any private passenger auto, pickup, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member" while in the custody of or being operated by you or any "family member"; or
2. Any auto or "trailer" you do not own while used as a temporary substitute for "your covered auto" which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;

d. Loss; or

e. Destruction.

TRANSPORTATION EXPENSES

A. In addition, we will pay, without application of a deductible, up to a maximum of \$600 for:

1. Temporary transportation expenses not exceeding \$20 per day incurred by you in the event of a loss to "your covered auto". We will pay for such expenses if the loss is caused by:

a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.

b. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.

2. Expenses for which you become legally responsible in the event of loss to a "non-owned auto". We will pay for such expenses if the loss is caused by:

a. Other than "collision" only if the Declarations indicate that Other Than Collision Coverage is provided for any "your covered auto".

b. "Collision" only if the Declarations indicate that Collision Coverage is provided for any "your covered auto".

However, the most we will pay for any expenses for loss of use is \$20 per day.

B. Subject to the provisions of Paragraph **A.**, if the loss is caused by:

1. A total theft of "your covered auto" or a "non-owned auto", we will pay only expenses incurred during the period:

a. Beginning 48 hours after the theft; and

b. Ending when "your covered auto" or the "non-owned auto" is returned to use or we pay for its loss.

2. Other than theft of a "your covered auto" or a "non-owned auto", we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

Our payment will be limited to that period of time reasonably required to repair or replace the "your covered auto" or the "non-owned auto".

EXCLUSIONS

We will not pay for:

1. Loss to "your covered auto" or any "non-owned auto" which occurs while it is being used as a public or livery conveyance. This Exclusion (1.) does not apply to a share-the-expense car pool.
2. Damage due and confined to:
 - a. Wear and tear;
 - b. Freezing;
 - c. Mechanical or electrical breakdown or failure; or
 - d. Road damage to tires.

This Exclusion (2.) does not apply if the damage results from the total theft of "your covered auto" or any "non-owned auto".

3. Loss due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. War (declared or undeclared);
 - d. Civil war;
 - e. Insurrection; or
 - f. Rebellion or revolution.
4. Loss to any electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes but is not limited to:
 - a. Radios and stereos;
 - b. Tape decks;
 - c. Compact disk systems;
 - d. Navigation systems;
 - e. Internet access systems;
 - f. Personal computers;
 - g. Video entertainment systems;
 - h. Telephones;
 - i. Televisions;
 - j. Two-way mobile radios;
 - k. Scanners; or
 - l. Citizens band radios.

This Exclusion (4.) does not apply to electronic equipment that is permanently installed in "your covered auto" or any "non-owned auto".

5. Loss to tapes, records, disks or other media used with equipment described in Exclusion 4.

6. A total loss to "your covered auto" or any "non-owned auto" due to destruction or confiscation by governmental or civil authorities.

This Exclusion (6.) does not apply to the interests of Loss Payees in "your covered auto".

7. Loss to:
 - a. A "trailer", camper body, or motor home, which is not shown in the Declarations; or
 - b. Facilities or equipment used with such "trailer", camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a "trailer", camper body, or motor home.

This Exclusion (7.) does not apply to a:

- a. "Trailer", and its facilities or equipment, which you do not own; or
 - b. "Trailer", camper body, or the facilities or equipment in or attached to the "trailer" or camper body, which you:
 - (1) Acquire during the policy period; and
 - (2) Ask us to insure within 14 days after you become the owner.
8. Loss to any "non-owned auto" when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.
 9. Loss to equipment designed or used for the detection or location of radar or laser.
 10. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:
 - a. Special carpeting or insulation;
 - b. Furniture or bars;
 - c. Height-extending roofs; or
 - d. Custom murals, paintings or other decals or graphics.

This Exclusion (10.) does not apply to a cap, cover or bedliner in or upon any "your covered auto" which is a pickup.

11. Loss to any "non-owned auto" being maintained or used by any person while employed or otherwise engaged in the "business" of:
 - a. Selling;
 - b. Repairing;

- c. Servicing;
- d. Storing; or
- e. Parking;

vehicles designed for use on public highways. This includes road testing and delivery.

- 12. Loss to "your covered auto" or any "non-owned auto", located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for; any prearranged or organized racing or speed contest.
- 13. Loss to, or loss of use of, a "non-owned auto" rented by:
 - a. You; or
 - b. Any "family member";
 if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that "family member", pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

- A. Our limit of liability for loss will be the lesser of the:
 - 1. Actual cash value of the stolen or damaged property; or
 - 2. Amount necessary to repair or replace the property with other property of like kind and quality.
 However, the most we will pay for loss to:
 - 1. Any "non-owned auto" which is a trailer is \$1500.
 - 2. Electronic equipment that reproduces, receives or transmits audio, visual or data signals, which is permanently installed in the auto in locations not used by the auto manufacturer for installation of such equipment, is \$1,000.
- B. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.
- C. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

PAYMENT OF LOSS

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

- 1. You; or
- 2. The address shown in this policy.

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

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

NO BENEFIT TO BAILEE

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

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible source of recovery including, but not limited to:

- 1. Any coverage provided by the owner of the "non-owned auto";
- 2. Any other applicable physical damage insurance;
- 3. Any other source of recovery applicable to the loss.

APPRAISAL

- A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
 - 1. Pay its chosen appraiser; and
 - 2. Bear the expenses of the appraisal and umpire equally.
- B. We do not waive any of our rights under this policy by agreeing to an appraisal.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

- A.** We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B.** A person seeking any coverage must:
 - 1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
 - 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 - 3. Submit, as often as we reasonably require:
 - a.** To physical exams by physicians we select. We will pay for these exams.
 - b.** To examination under oath and subscribe the same.
 - 4. Authorize us to obtain:
 - a.** Medical reports; and

- b.** Other pertinent records.
- 5. Submit a proof of loss when required by us.
- C.** A person seeking Uninsured Motorists Coverage must also:
 - 1. Promptly notify the police if a hit-and-run driver is involved.
 - 2. Promptly send us copies of the legal papers if a suit is brought.
- D.** A person seeking Coverage For Damage To Your Auto must also:
 - 1. Take reasonable steps after loss to protect "your covered auto" or any "non-owned auto" and their equipment from further loss. We will pay reasonable expenses incurred to do this.
 - 2. Promptly notify the police if "your covered auto" or any "non-owned auto" is stolen.
 - 3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART F – GENERAL PROVISIONS

BANKRUPTCY

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

CHANGES

- A.** This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- B.** If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 - 1. The number, type or use classification of insured vehicles;
 - 2. Operators using insured vehicles;
 - 3. The place of principal garaging of insured vehicles;
 - 4. Coverage, deductible or limits.

If a change resulting from **A.** or **B.** requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- C.** If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This Paragraph (**C.**) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
 - 1. A subsequent edition of your policy; or
 - 2. An Amendatory Endorsement.

FRAUD

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

LEGAL ACTION AGAINST US

- A.** No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part **A.**, no legal action may be brought against us until:
 - 1. We agree in writing that the "insured" has an obligation to pay; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.

- B. No person or organization has any right under this policy to bring us into any action to determine the liability of an "insured".

OUR RIGHT TO RECOVER PAYMENT

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

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

However, our rights in this Paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.

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

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment.

POLICY PERIOD AND TERRITORY

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

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

- B. The policy territory is:

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

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

TERMINATION

A. Cancellation

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us; or
 - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy:
 - a. At least 10 days notice:
 - (1) If cancellation is for nonpayment of premium; or

- (2) If notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or

- b. At least 20 days notice in all other cases.

3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:

- a. For nonpayment of premium; or

- b. If your driver's license or that of:

- (1) Any driver who lives with you; or

- (2) Any driver who customarily uses "your covered auto";

has been suspended or revoked. This must have occurred:

- (1) During the policy period; or

- (2) Since the last anniversary of the original effective date if the policy period is other than 1 year; or

- c. If the policy was obtained through material misrepresentation.

B. Nonrenewal

If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 20 days before the end of the policy period. Subject to this notice requirement, if the policy period is:

1. Less than 6 months, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
2. 6 months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

C. Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto", any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; and

2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use "your covered auto".

- B.** Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

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

SAMPLE