



Managing General Agent for:

CEM Insurance Company

(A Stock Company)

Deer Park, Illinois

TEXAS PERSONAL AUTO POLICY

For claims call 1-888-224-7740
Para reclamos hable al 1-888-224-7740

Pronto General Agency, Ltd.
P.O Drawer 3267
Brownsville, TX 78523

IMPORTANT NOTICE

To obtain information or make a complaint you may contact your managing general agent at:

1-855-200-4567

You may call the Company's toll-free number for information or to make a complaint at:

1-888-598-7400

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

1-800-252-3439

You may write the Texas Department of Insurance:
P.O. Box 149104
Austin, TX 78714-9104

Fax: (512) 490-1007

Web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

INSURANCE WEBSITE NOTICE

To obtain price and policy form comparisons and other information relating to residential property and personal automobile insurance, you may visit the Texas Department of Insurance/Office of Public Insurance Counsel website:

www.helpinsure.com

PREMIUM OR CLAIM DISPUTES:

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

ATTACH THIS NOTICE TO YOUR POLICY:

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

AVISO IMPORTANTE

Para obtener información o para presentar una queja, usted puede comunicarse con su agente general al:

1-855-200-4567

Usted puede llamar al número de teléfono gratuito de Compañías para obtener información o para presentar una queja al:

1-888-598-7400

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos o quejas al:

1-800-252-3439

Usted puede escribir al Departamento de Seguros de Texas a:
P.O. Box 149104
Austin, TX 78714-9104

Fax: (512) 490-1007

Sitio web: <http://www.tdi.texas.gov>

E-mail: ConsumerProtection@tdi.texas.gov

AVISO DEL SITIO WEB DE SEGUROS

Para obtener formas para la comparación de precios y pólizas y para obtener otra información sobre el seguro de propiedad residencial y de seguro de automóvil personal, visite el sitio web del Departamento de Seguros de Texas/oficina del Asesor Público de Seguros:

www.helpinsure.com

DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:

Si tiene un disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente o la compañía primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

ADJUNTE ESTE AVISO A SU POLIZA:

Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.

CONTENTS

POLICY AGREEMENT	2	PREMIUM CHANGES	16
DEFINITIONS USED THROUGHOUT THIS POLICY	2	LIBERALIZATION CLAUSE.....	166
PART A - LIABILITY COVERAGE INSURING AGREEMENT	4	PREMIUM PAYMENT.....	16
ADDITIONAL DEFINITIONS USED IN PART A ONLY.....	4	CANCELLATION AND NONRENEWAL	17
ADDITIONAL BENEFITS - PART A ONLY	4	AUTOMATIC TERMINATION.....	177
EXCLUSIONS - PART A ONLY	4	LIMITATIONS ON AGENT AUTHORITY.....	177
LIMITS OF LIABILITY - PART A ONLY.....	5	SUITS AGAINST US	18
CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS	6	FRAUD OR MISREPRESENTATION	18
OUT OF STATE INSURANCE.....	6	TWO OR MORE AUTO POLICIES.....	18
OTHER INSURANCE - PART A ONLY.....	6	TRANSFER OF YOUR INTEREST IN THIS POLICY.....	188
PART B1 - MEDICAL PAYMENTS COVERAGE INSURING		BANKRUPTCY	188
AGREEMENT	6	OUR RECOVERY RIGHTS.....	188
ADDITIONAL DEFINITIONS USED IN PART B1 ONLY.....	6	LOSS PAYABLE CLAUSE.....	18
EXCLUSIONS - PART B1 ONLY	7	LIMITED MEXICO COVERAGE	19
LIMITS OF LIABILITY - PART B1 ONLY.....	7	TERMS OF POLICY CONFORMED TO STATUTE.....	19
OTHER INSURANCE - PART B1 ONLY.....	8	COMPANY STATEMENT	19
ASSIGNMENT OF BENEFITS.....	8		
PART B2 - PERSONAL INJURY PROTECTION COVERAGE	8		
INSURING AGREEMENT	8		
ADDITIONAL DEFINITIONS USED IN PART B2 ONLY.....	8		
EXCLUSIONS - PART B2 ONLY.	8		
LIMITS OF LIABILITY - PART B2 ONLY.....	9		
OTHER INSURANCE - PART B2 ONLY.....	9		
OTHER PROVISIONS.....	9		
ASSIGNMENT OF BENEFITS.....	9		
PART C - UNINSURED/UNDERINSURED MOTORISTS COVERAGE			
.....	9		
INSURING AGREEMENT	9		
ADDITIONAL DEFINITIONS USED IN PART C ONLY.....	9		
EXCLUSIONS - PART C ONLY.....	10		
LIMITS OF LIABILITY - PART C ONLY.....	10		
OTHER INSURANCE - PART C ONLY.....	11		
PART D - COVERAGE FOR DAMAGE TO THE INSURED AUTO ..	11		
INSURING AGREEMENT	11		
ADDITIONAL DEFINITIONS USED IN PART D ONLY.....	12		
EXCLUSIONS - PART D ONLY	12		
LIMITS OF LIABILITY - PART D ONLY.....	13		
STORAGE COSTS	14		
APPRAISAL - PART D ONLY.....	14		
PAYMENT OF LOSS - PART D ONLY	14		
OTHER INSURANCE - PART D ONLY	14		
NO BENEFIT TO BAILEE	14		
TWO OR MORE AUTOMOBILES	15		
PART E – DUTIES - INSURED PERSONS DUTIES IN CASE OF			
ACCIDENT OR LOSS.....	15		
OUR DUTIES IN THE EVENT OF A CLAIM.....	15		
DUTY TO REPORT CHANGES	16		
PART F - GENERAL PROVISIONS POLICY PERIOD & TERRITORY	16		

POLICY AGREEMENT

In return for **your** payment of premium, **we** agree to insure **you** subject to all terms, conditions, and limitations of this policy. **We** will insure **you** for the coverages and the limits of liability shown on the policy's **Declarations page**. **Your** policy consists of the policy contract, **your** insurance **application**, the **Declarations page**, and all endorsements to this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

Unless defined differently elsewhere in this policy, the following definitions apply throughout the policy. Defined terms are printed in boldface type and have the same meaning whether in the singular, plural, or any other form.

1. **Additional auto** means an **auto** that **you** become the **owner** of which does not permanently replace an **auto** listed on the **Declarations page** if:
 - a. **You** acquire the **additional auto** during the policy period;
 - b. **You** notify **us** within 20 days of becoming the **owner** of the **additional auto**; and
 - c. **You** pay any additional premium due.An **additional auto** will have the broadest coverage **we** provide for any **auto** listed on the **Declarations page**. If **you** ask us to insure the **additional auto** more than 20 days after **you** become the **owner**, any coverage **we** provide will begin at the time **you** request coverage.
2. **Accident** means a sudden, unexpected, and unintended event causing **bodily injury or property damage**.
3. **Application** means the form entitled Texas Automobile **Application** that contains statements, coverage options, and agreements that form a part of this policy.
4. **Auto** means a licensed and registered land vehicle:
 - a. Of the private passenger, pickup body, van, or utility type,
 - b. Intended for use on public roads; and with a Gross Vehicle Weight of 25,000 pounds or less that is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - i. the delivery of the goods, materials, or supplies is not the primary use for which the **auto** is employed; or
 - ii. the **auto** is used for farming or ranching.
5. **Auto business** means the **business** of selling, leasing, repairing, servicing, delivering, testing, road testing, towing, storing, or parking vehicles or **trailers**. This does not include the ownership, maintenance or use of your insured auto by: you; any **relative**; or any partner, agent or employee of you or any **relative**.
6. **Bodily injury** means bodily harm to the body, including sickness, disease, or death resulting therefrom.
7. **Business** means trade, profession, occupation, course of employment, job, or commercial use of any kind, but does not include the use of the **Insured auto** to carry tools and supplies that belong to **you** or a **relative** between **your** home and job site.
8. **Business day** means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.
9. **Declarations page** means the document **you** receive from **us** listing:
 - a. The types of coverage **you** have selected,
 - b. The limit for each coverage,
 - c. The cost of each coverage,
 - d. The deductibles, if applicable,
 - e. The specified **autos** covered by this policy,
 - f. the types of coverage for each **auto**, and
 - g. Other information applicable to this policy.
10. **Digital network** means any online-enabled application, software, website, or system offered or used by a transportation network company that facilitates a prearranged ride for individuals in exchange for payment of a fee.
11. **Fungi** means any type or form of **fungus**, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spore, scents or other substances, products or byproducts produced, released by or arising out of **fungi**, including growth, proliferation or spread of **fungi** or the current or past presence of **fungi**. However, this definition does not include any **fungi** intended for human consumption.
12. **Household** means **your** primary residence. For purposes of this policy **you** can only have one **household**. The members of **your household** will include **you**, **your relatives** living in the **household** at the time of loss, and any **resident** living in **your household** as their primary residence at the time of loss.
13. **Insured auto** means:
 - a. An **auto** or **trailer owned** by **you** as described and listed on the **Declarations page** for the coverages applicable to the **auto** or **trailer**,
 - b. An **additional auto**,
 - c. A **replacement auto**, or
 - d. A **temporary substitute auto**.
14. **Non-Owned auto** means an **auto** that is not **owned** by or furnished or available for the regular use of **you**, a **relative**, or a

- resident** while in the custody of or being operated by **you**, a **relative**, or a **resident** with the permission of the **owner** of the **auto** or the person in lawful possession of the **auto**.
15. **Occupying** means in, upon, entering into, or exiting from.
 16. **Off-road recreational activity** means the operation or use of any **auto** or **trailer** on unsurfaced roads or tracks in activities such as mudding, rock crawling, dune bashing or wench events.
 17. **Owned** means to:
 - a. Hold legal title to the **insured auto**;
 - b. Have legal possession of the **insured auto** subject to a written conditional sales agreement; or
 - c. Have legal possession of the **insured auto** under a lease agreement of at least 6 continuous months.
 18. **Owner** means any person who:
 - a. Holds legal title to the **insured auto**;
 - b. Has legal possession of the **insured auto** subject to a written conditional sales agreement; or
 - c. Has legal possession of the **insured auto** under a lease agreement of at least 6 continuous months
 18. **Personal vehicle** means a vehicle that is used by a **transportation network company driver** and is owned, leased, or otherwise authorized for use by the driver and is not a taxicab, limousine, or similar for-hire vehicle.
 19. **Prearranged ride** means transportation provide by a **transportation network company driver** to a **transportation network company rider**, beginning at the time a driver accepts a ride requested by the rider through a **digital network** controlled by a **transportation network company** and ending at the time the last requesting rider departs from the driver’s vehicle. The term does not include a shared expense carpool or vanpool arrangement or service.
 20. **Property damage** means physical damage to tangible property, including destruction or loss of its use, which is caused solely by an **accident** covered under this policy and occurring while the policy is in force.
 21. **Punitive or Exemplary Damages** means damages which are awarded to punish or deter wrongful conduct, to set an example, to fine, penalize or impose a statutory penalty, and damages which are awarded for any purpose other than as compensatory damages for **bodily injury** or **property damage**.
 22. **Racing** means participating in any organized race, speed, demolition, stunt, or timed contest or activity. **Racing** also includes preparation for the contest or activity.
 23. **Regular operator** means any person not listed on the **Declarations page** who uses or has care, custody or control of an **insured auto** on a regular or frequent basis.
 24. **Relative** means any person related to **you** by blood, marriage, or adoption, including a ward, foster child, or a minor under **your** guardianship, who lives in **your Household**, whether or not temporarily living elsewhere.
 25. **Replacement auto** means an **auto** that permanently replaces an **auto** listed on the **Declarations page**. A **replacement auto** will have the same coverage as the **auto** it replaces. **You** must notify **us** of a **replacement auto** within 20 days only if **you** wish to:
 - a. Add coverage for damage to the **auto**; or
 - b. Continue existing coverage for damage to the **auto** after 20 days.
 26. **Resident** means any person living in **your household** as their primary residence at the time of loss, other than **you**, a **relative** or a tenant of **yours** or anyone else who lives in the household.
 27. **Ride-sharing activity** means the use of any **personal vehicle** to provide transportation of persons through or in connection with a transportation network company from the **time a transportation network company driver** logs on to or signs in, as a driver, to a **digital network** until the time the driver logs off of or signs out of, as a driver, the **digital network**, including the time the driver is on the way to pick up any **transportation company network rider**, and whether or not the driver has accepted a passenger or rider.
 28. **Temporary substitute auto** means any **auto** not **owned** by or available for **your** regular use, while being used when the **insured auto** is out of use due to repair, breakdown, servicing, loss, or destruction resulting from a covered loss under this policy. To the extent **allowed** by law, any coverage **we** provide for a **temporary substitute auto** will be excess over any other collectible insurance.
 29. **Trailer** means a vehicle which is not self-propelled and is designed to be pulled by a private passenger **auto**. It also means a farm wagon or farm implement while towed by such vehicles.
 30. **Transportation network company** means a corporation, partnership, sole proprietorship, or other entity operating in this state that uses a **digital network** to connect a **transportation network company rider** to a **transportation network company driver** for a prearranged ride.
 31. **Transportation network company driver** means an individual who receives connections to potential **transportation network company riders** and related services from a **transportation network company** in exchange for payment of a fee to the company and who uses a personal vehicle to offer or provide a prearranged ride to a **transportation network company rider** through a **digital network** controlled by the company in exchange for compensation or payment of a fee.
 32. **Transportation network company rider** means an individual who uses a **transportation network company’s digital network** to connect with a **transportation network company driver** who provides a prearranged ride to the individual in the driver’s **personal vehicle** between points chosen by the individual.
 33. **We**, **us**, and **our** mean the company shown on the **Declarations page**.
 34. **You** and **your** mean the named insured showed on the **Declarations page** and includes **your** spouse, if living in the same

household. You shall also mean **your** spouse during a period of separation in contemplation of divorce.

PART A - LIABILITY COVERAGE INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident**. Damages include prejudgment interest awarded against an **insured person**. **We** will settle or defend, at **our** option; any claim for damages covered under Part A- Liability Coverage.

Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

ADDITIONAL DEFINITIONS USED IN PART A ONLY

1. As used in this Part, **insured person** means:
 - a. **You** or a **relative** for an **accident** arising out of the **ownership**, maintenance, or use of an **auto**.
 - b. A **resident** of **your household** for an **accident** arising out of their use of an **insured auto**.
 - c. Any other person listed on the **Declarations page** for an **accident** arising out of the person's use of the **Insured auto**.
 - d. Any person while using the **insured auto** with **your** express or implied permission for an **accident** arising out of that person's use of an **insured auto**. A **regular operator** is not considered an **insured person**.

ADDITIONAL BENEFITS - PART A ONLY

When **we** defend an **insured person** under this Part, **we** will provide the following benefits:

1. As **we** deem appropriate, **we** will defend the **insured person**, hire and pay a lawyer, and pay all defense costs. **We** have no duty to defend any claim or action not covered under this policy.
2. As **we** deem appropriate, **we** will pay costs **we** incur to investigate and settle any claim or action.
3. **We** will pay the interest that accrues after judgment is entered against an **insured person** and before **we** have offered to pay, or deposited into court, sums that are not more than **our** limit of liability, on damages awarded in a suit **we** defend.
4. **We** will pay the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** limit of liability, and **we** have no duty to apply for or furnish these bonds.
5. **We** will reimburse any other reasonable costs an **insured person** incurs, including loss of earnings up to \$200 per day, incurred at **our** request.

To receive reimbursement for additional benefit under this section, **you** must submit a claim and provide proof of entitlement thereto.

EXCLUSIONS - PART A ONLY - READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover:

1. **Bodily injury** or **property damage** that results from nuclear reactions, radiation, or fallout.
2. **Bodily injury** or **property damage** covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. **Bodily injury** or **property damage** caused intentionally by, or at the direction of, an **insured person**.
4. **Bodily injury** or **property damage** arising out of an **insured person's** use of an **auto**, other than the **insured auto**, without permission of the **owner** of the vehicle or the person in lawful possession of the **auto**.
5. Liability for any **bodily injury** or **property damage** assumed by or imposed on an **insured person** under any agreement, contract or bailment.
6. **Bodily injury** to an **insured person's** employee which arises in the course of employment. Unless coverage is required under workers' compensation, disability benefits, or similar laws, **we** will provide coverage for an **insured person's** domestic employee injured in an **accident** in the course of employment.
7. **Bodily injury** to an **insured person's** co-worker occurring in the course of employment if such injury arises out of the **insured person's** use of a vehicle in any **business**. This exclusion does not apply to **you** and **resident relatives** who are legally liable for bodily injury to fellow employees.
8. **Bodily injury** occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law.
9. **Bodily injury** or property damage arising from the ownership, maintenance, or use of any **auto**, motor vehicle or **trailer** while it is being used to transport persons for a fee; this does not apply to share-the-expense car pools.
10. **Bodily injury** or **property damage** arising from the **ownership**, maintenance, or use of any **auto**, motor vehicle or **trailer** while it is being used to transport or carry property for a fee. This does not apply to **you** or any **relative** unless the primary usage of the vehicle is to carry property for a fee.
11. **Bodily injury** or **property damage** arising from the ownership, maintenance or use of any **auto**, motor vehicle or **trailer** while it is being used for retail or wholesale delivery, including but not limited to the pickup, transport or delivery of food, newspapers,

publications, money, flowers or mail. This does not apply to you or any **relative** unless the primary usage of the vehicle is to carry property for a fee.

12. **Bodily injury** or **property damage** that occurs while a **personal vehicle** is being used in a **ride-sharing activity** or for a **prearranged ride**.
13. **Bodily injury** to an **insured person** or **resident** arising out of the ownership, maintenance, or use of the **Insured auto**, except to the extent of the **minimum limits** of liability coverage required by the Texas Motor Vehicle Safety Responsibility Act.
14. **Property damage** to property **owned** by, or being transported by, an **insured person**.
15. **Bodily injury** or **property damage** arising out of the operation of equipment or machinery not listed on the **Declarations page**.
16. Damage to property an **insured person** rents, uses, or has charge of, except a residence or private garage, including loss of its use.
17. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of any vehicle other than the **Insured auto** which is **owned** by, furnished or available for the regular use of **you**, a **relative**, or a **resident**.
18. **Bodily injury** or **property damage** arising out of an **insured person's** ownership, maintenance, or use of any vehicle with fewer than four wheels.
19. **Bodily injury** or **property damage** arising out of an **insured person's** ownership, maintenance, or use of any vehicle designed mainly for use off of public roads.
20. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of a vehicle in any **racing** event.
21. **Bodily injury** or **property damage** incurred while the **Insured auto** is being leased or rented to others. This exclusion does not apply if you or any **relative** lends your covered auto to another for reimbursement of operating expenses only.
22. **Bodily injury** or **property damage** resulting from the use of a motor vehicle for snow removal.
23. **Bodily injury** or **property damage** caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
24. **Bodily injury** or **property damage** sustained by an **insured person** while **occupying** any vehicle being used as a residence or premises.
25. **Bodily injury** or **property damage** resulting from an **auto business**. However, this exclusion does not apply to **you** when the **bodily injury** or **property damage** arises out of **auto business** operations conducted by someone other than an **insured person**.
26. **Property damage** due to or as a consequence of a seizure of any vehicle by federal or state law enforcement officers as evidence in a case against **you** under Chapter 481 of the Health and Safety Code, or under the federal Controlled Substances Act, if **you** are convicted in such a case.
27. **Bodily injury** or **property damage** resulting from the ownership, maintenance, or use of the **Insured auto** by a person or persons specifically excluded by endorsement.
28. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance, use, loading or unloading of any haul away, tank truck, or tank **trailer** when used with a vehicle that is not listed on the **Declarations page**, which is **owned**, hired or held for sale by the **insured person**.
29. **Bodily injury** or **property damage** that results from the **ownership**, maintenance or use of a vehicle with a Gross Vehicle Weight in excess of 25,000 pounds.
30. Damage to, or loss of use of, a **non-owned auto**. However, this exclusion shall not apply to a rental vehicle while being used as a **temporary substitute auto** by **you** while the **Insured auto** is not available due to a covered loss.
31. **Bodily injury** or **property damage** resulting from the use of the **Insured auto** by any person other than an **insured person**.
32. **Bodily injury** or **property damage** resulting from **Fungi**. This exclusion does not apply to damage from fungi that is the result of a covered loss.
33. **Bodily injury** or **property damage** for which the United States Government is liable under the Federal Tort Claims Act.

LIMITS OF LIABILITY - PART A ONLY

The limit of liability shown on the **Declarations page** for liability coverage is the most **we** will pay regardless of the number of:

1. Claims made;
2. **Insured autos**;
3. Insured persons;
4. Lawsuits brought;
5. Vehicles involved in the **Accident**; or
6. Premiums paid.

We will pay these limits of liability as follows:

1. The amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person resulting from any one **Accident**;
2. Subject to the "each person" limit, the amount shown for "each **Accident**" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **Accident**; and
3. The amount shown for "**property damage**" is the most **we** will pay for the total of all **property damage** resulting from any one **Accident**.

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

No one is entitled to duplicate payments for the same element of loss.

Any payment to a person under this Part-A Limits of Liability will be reduced by any payment to that person under Part B1 - Medical Payments Coverage, Part B2 - Personal Injury Protection Coverage, or Part C - Uninsured/Underinsured Motorist Coverage.

If multiple **auto** policies are issued to **you** by us are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limits of liability will not be increased for an **Accident** involving an **auto** that has an attached **trailer**.

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

When **we** certify this policy as proof under a state financial responsibility law, it will comply with that law to the extent of the coverage and limits of liability required by that law.

If **we** make a payment that **we** would not be required to make except for the provisions of this part of the policy, **you** agree to reimburse us for any such payment.

This policy is not intended as proof under any state financial responsibility laws, other than this state. The terms, conditions and exclusions as written will apply in any state where the loss may occur.

OUT OF STATE INSURANCE

If an **insured person** is operating an **Insured auto** in a state which requires minimum Financial Responsibility limits for nonresidents, **we** will increase the policy limits to the required minimum limits of that state.

No person shall be entitled to duplicate payments for the same element of loss.

OTHER INSURANCE - PART A ONLY

If there is other applicable liability insurance available, any insurance we provide shall be excess over any other applicable liability insurance. If more than one policy applies on an excess basis, we will bear our proportionate share with the other collectible liability insurance.

PART B1 - MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay medical expenses, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an **Accident** and sustained by an **insured person**.

ADDITIONAL DEFINITIONS USED IN PART B1 ONLY

As used in this Part:

1. Medical expenses means the usual and customary charges incurred for reasonable and necessary services rendered to or on behalf of an **insured person** within three years from the date of the **Accident** for: medical, surgical, x-ray, and dental services when performed by a licensed medical professional; pharmaceuticals; prosthetic devices; eye glasses; necessary ambulance, hospital, and professional nursing services when prescribed by a licensed medical professional; and funeral services.

Reasonable medical expenses do not include expenses:

- a. For treatment, services, products or procedures that are:
 - i. Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - ii. Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of the **Bodily Injury**; or
- b. Incurred for:
 - i. The use of thermography or other related procedures of similar nature;
 - ii. The use of acupuncture or other related procedures of a similar nature;
 - iii. The use of chiropractic care or other related procedures of a similar nature; or
 - iv. the purchase or rental of equipment not primarily designed to serve a medical purpose.

2. **Insured person** means:

- a. You, or a **household** member while **occupying an Insured auto** or as a pedestrian when struck by an **auto** or **trailer**;
- b. Any person while using the **Insured auto** with **your** expressed or implied permission, for an **Accident** arising out of that

- person's use of the **insured auto**. A **regular operator** is not considered an **insured person**
- c. Any occupants of the **Insured auto** while the vehicle is being operated by a person authorized under this definition.
3. Usual and customary charge means an amount that **we** determine that represents a customary charge for services in the geographical area in which service is rendered. **We** shall determine the customary charge through the use of independent sources of our choice.

EXCLUSIONS - PART B1 ONLY - READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover bodily injury:

1. That results from a nuclear reaction, radiation, or fallout.
2. Covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. That results from the maintenance or the use of any vehicle without the express or implied permission of the **owner**.
4. To an **insured person's** employee which arises in the course of employment.
Unless coverage is required under workers' compensation, disability benefits, or similar laws, **we** will provide coverage for an **insured person's** domestic employee injured in an **Accident** in the course of employment.
5. To an **insured person's** co-worker occurring in the course of employment if such injury arises out of the **insured person's** use of a vehicle or **trailer** in the **Business** of the **insured person's** employer. This exclusion does not apply to you and resident **relatives** who are legally liable for bodily injury to fellow employees.
6. That results from the **ownership**, maintenance, or use of a vehicle while used to transport persons for a fee; this does not apply to share-the-expense car pools.
7. That results from the **ownership**, maintenance, or use of a vehicle while used to carry property for a fee; this does not apply to you or a **relative** unless the primary use of the vehicle is to carry property for a fee.
8. Arising out of the operation of equipment or machinery not listed on the **Declarations page**.
9. Resulting from the **ownership**, maintenance, or use of any vehicle other than the **Insured auto**, which is **owned** by, furnished or available for the regular use of **you**, a **relative**, a **resident**, or a non**resident** spouse.
10. Arising out of the use of the **Insured auto** by any person other than an **insured person**.
11. Arising out of the **ownership**, maintenance or use of any vehicle with **fewer** than four wheels.
12. Resulting from the **ownership**, maintenance or use of a vehicle in any **racing** event.
13. Resulting from any **auto Business**.
14. Incurred while the **Insured auto** is being leased or rented to others. This exclusion does not apply if you or any **relative** lends your covered auto to another for reimbursement of operating expenses only.
15. Resulting from the use of a vehicle for snow removal.
16. Sustained while **occupying** any vehicle located for use or being used as a residence or premises.
17. Sustained as a result of the use of a vehicle by any person specifically excluded by endorsement.
18. Sustained from any source other than an **Accident**.
19. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
20. Sustained by any person while **occupying** the **Insured auto** without **your** express or implied permission.
21. Occurring during the course of employment if benefits are payable or available under a worker's compensation law or similar law.
22. Caused by a vehicle driven by a person under the minimum age to obtain a license to operate a vehicle in that state.
23. Caused intentionally by, or at the direction of, an **insured person**.
24. **Bodily injury** resulting from **Fungi**. This exclusion does not apply for damage from fungi that is the result of a covered loss.

LIMITS OF LIABILITY - PART B1 ONLY

The limit of liability shown on the **Declarations page** for Medical Payments Coverage is the most **we** will pay for each **insured person** injured in any one **Accident**, regardless of the number of:

1. Claims made;
2. **Insured autos**;
3. **Insured persons**;
4. Lawsuits brought;
5. Vehicles involved in the **Accident**; or
6. Premiums paid.

No one will be entitled to duplicate payments under this policy for the same element of loss.

Any amount payable to an **insured person** under this Part B1 will be reduced by any amount paid or payable for the same expense under Part-A Limits of Liability nor Part C - Uninsured/Underinsured Motorist Coverage.

If multiple **auto** policies issued to **you** by us are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

We will make no payment under this Part of the policy unless the **insured person** or the **insured person's** legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under the Liability, Uninsured Motorists, or Underinsured Motorists Coverages of this policy.

OTHER INSURANCE - PART B1 ONLY

Any payment **we** make under this Part to an **insured person** shall be excess over any:

1. Other available **auto** medical payments insurance;

In no event will an **insured person** be entitled to receive duplicate payments for the same element of loss.

ASSIGNMENT OF BENEFITS

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

PART B2 - PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay Personal Injury Protection benefits, not exceeding the limits shown on the **Declarations page**, incurred as a result of **bodily injury** caused by an **Accident** and sustained by an **insured person**.

We will pay only for those expenses incurred for services rendered within three years from the date of the **Accident**.

Personal Injury Protection benefits consist of:

1. Reasonable medical expenses incurred for necessary medical and funeral services.
2. Eighty percent of an **insured person's** loss of income from employment. These benefits apply only if, at the time of the **Accident**, the **insured person**:
 - a. Was an income producer; and
 - b. Was in an occupational status.

These benefits do not apply to any loss after the **insured person** dies.

ADDITIONAL DEFINITIONS USED IN PART B2 ONLY

As used in this part:

1. **Insured person** means:
 - a. You, a **relative**, or a **resident** who sustains bodily injury while **occupying** a motor vehicle or while a pedestrian through being struck by a motor vehicle designed for use mainly on public roads or a **trailer** of any type; or
 - b. Any other person while **occupying** the **Insured auto** with **your** permission.
2. Loss of income means the difference between:
 - a. Income which would have been earned had the **insured person** not been injured; and
 - b. The amount of income actually received from employment during the disability.

If the income being earned as of the date of **Accident** is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (more than 12 months) preceding the **Accident** shall be used.

- c. Reasonable expense incurred for obtaining services. These services must replace those an **insured person** would normally have performed
 - i. Without pay;
 - ii. During a period of disability; and
 - iii. For the care and maintenance of the family or **Household**.

These benefits apply only if, at the time of the **Accident**, the **insured person**:

- i. Was not an income producer; and
- ii. Was not in an occupational status.

These benefits do not apply to any loss after the **insured person** dies.

3. Medical expenses means the usual and customary charges incurred for reasonable expenses arising from an **accident** and incurred within three years for necessary medical, surgical, x-ray, and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing services when prescribed by a licensed medical professional; and funeral services.

EXCLUSIONS - PART B2 ONLY - READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS

PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

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

1. By any person in an **Accident** caused intentionally by that person.
2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While **occupying**, or when struck by, any motor vehicle (other than the **Insured auto**) which is **owned** by **you**.
5. By a **relative** or **resident** while **occupying**, or when struck by, any motor vehicle (other than the **Insured auto**) which is **owned** by the **relative** or **resident**.

LIMITS OF LIABILITY - PART B2 ONLY

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

1. **Insured persons**;
2. Claims made;
3. Vehicles or premiums shown on the **Declarations page**; or
4. Vehicles involved in the **Accident**.

OTHER INSURANCE - PART B2 ONLY

If there is other applicable Personal Injury Protection insurance, **we** will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. **However**, any insurance that **we** provide with respect to **Non-owned auto** shall be excess over any other collectible Personal Injury Protection insurance.

OTHER PROVISIONS

Loss payment benefits are payable:

1. Not more frequently than once every two weeks; and
2. Within 30 days after satisfactory proof of claim is received.

The Part F - General Provisions section of this policy entitled "Our Recovery Rights" does not apply to this coverage.

ASSIGNMENT OF BENEFITS

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

PART C - UNINSURED/ UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay damages, not exceeding the limits shown on the **Declarations page**, which an **insured person** is legally entitled to recover from the **owner** or operator of an uninsured or underinsured motor vehicle because of **bodily injury or property damage** caused by an **Accident** and sustained by the **insured person**. The **bodily injury or property damage** must be caused by an **Accident** and must arise out of the **ownership**, maintenance or use of the uninsured or underinsured motor vehicle.

If suit is brought to determine legal liability or damages without our written consent, **we** are not bound by any resulting judgment.

If **we** and **you** do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be upon us.

ADDITIONAL DEFINITIONS USED IN PART C ONLY

As used in this Part:

1. **Insured person** means:
 - a. You or a **relative** for an **Accident** arising out of the **ownership**, maintenance, or use of the **Insured auto**.
 - b. A **resident** of **your Household** for an **Accident** arising out of their use of an **Insured auto**.
 - c. Any person while using the **Insured auto** with **your** express or implied permission, for an **Accident** arising out of that person's use of the **Insured auto**. A **regular operator** is not considered an **insured person**.
 - d. Any other person listed on the **Declarations page** for an **Accident** arising out of the person's use of the **Insured auto**.
2. **Property damage** as used in this Part means damage to or loss of use of:
 - a. The **insured auto**;
 - b. Any property **owned** by an **insured person** while contained in the **insured auto**;
 - c. Any property **owned** by **you**, a **relative**, or a **resident** while contained in any **auto** not **owned**, but being operated by, **you** or any **relative** or **resident**.
3. Uninsured motor vehicle means a land motor vehicle or **trailer** of any type which is:

- a. Not insured by a liability bond or policy at the time of the **Accident**.
- b. A hit-and-run vehicle whose operator or **owner** cannot be identified and which causes an **Accident** by hitting:
 - i. You, a **relative** or any **resident**;
 - ii. An **auto** which **you**, a **relative** or any **resident** are **occupying**; or
 - iii. The **Insured auto**.
- c. Insured by a liability bond or policy at the time of the **Accident**, but the insurer denies coverage, currently is or becomes insolvent.

Uninsured motor vehicle does not include any vehicle or equipment:

- a. **Owned** by, or furnished or available for the regular use of **you**, or a **relative**;
- b. Operated on rails or crawler treads;
- c. Designed mainly for use off public roads while not on public roads;
- d. While located for use or being used as a residence or premises; or
- e. **Owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that has become insolvent; or
- f. **Owned** by a governmental unit or agency unless:
 - i. The operator of the vehicle is uninsured; and
 - ii. There is no statute imposing liability for damages because of **bodily injury or property damage** on the governmental body for an amount not less than the limit of liability for this coverage.

4. Underinsured motor vehicle means a land motor vehicle or **trailer** of any type to which a liability bond or policy applies at the time of the **Accident**, but its limit of liability either:

- a. Is not enough to pay the full amount the **insured person** is legally entitled to recover as damages; or
- b. Has been reduced by payment of claims to an amount which is not enough to pay the full amount the **insured person** is legally entitled to recover.

Underinsured motor vehicle does not include any vehicle or equipment:

- a. Operated on rails or crawler treads;
- b. Designed mainly for use off public roads while not on public roads;
- c. While located for use or being used as a residence or premises;
- d. To which a liability bond or policy applies at the time of the **Accident** but the bonding or insuring company denies coverage or is or becomes insolvent;
- e. **Owned** by or furnished or available for the regular use of **you**, or a **relative**;
- f. **Owned** or operated by a self-insurer under any applicable motor vehicle law; or
- g. **Owned** by a governmental unit or agency unless:
 - i. The operator of the vehicle is uninsured; and
 - ii. There is no statute imposing liability for damages because of **bodily injury or property damage** on the governmental body for an amount not less than the limit of liability for this coverage.

EXCLUSIONS - PART C ONLY - READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not provide Uninsured Motorists Coverage or Underinsured Motorists Coverage for any person:

- 1. If that person or his legal representative settles the claim without our consent.
- 2. When the insured auto is being used to transport persons for a fee; this does not apply to share-the-expense car pools.
- 3. When the insured auto is being used to transport property for a fee; including magazines, newspapers, food or any other product. This does not apply to you or a **relative** unless the primary use of the vehicle is to carry property for a fee.
- 4. While using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion does not apply to you or any **relative** while using your insured auto.
- 5. So as to apply directly or indirectly to the benefit of any insurer or any self-insurer under any worker's compensation law, disability law, or any similar law.
- 6. So as to apply directly or indirectly to the benefit of any insurer of property.
- 7. For **bodily injury** sustained by any person while **occupying** or when struck by any vehicle **owned** by **you**, any **relative** which is not insured for this coverage under this policy.
- 8. For the first \$250 of the amount of **property damage** to the property of each **insured person** as the result of any one **Accident**.
- 9. For **bodily injury or property damage** resulting from the intentional acts of that person.
- 10. For punitive or exemplary damages.

LIMITS OF LIABILITY - PART C ONLY

The limit of liability shown on the **Declarations page** for Uninsured/Underinsured Motorist Coverage is the most **we** will pay regardless of the number of:

1. Claims made;
2. **Insured autos;**
3. **Insured persons;**
4. Lawsuits brought;
5. Vehicles involved in the **Accident;** or
6. Premiums paid.

We will pay these limits of liability as follows:

1. The amount shown for "each person" is the most **we** will pay for all damages due to **bodily injury** to one person;
2. Subject to the "each person" limit, the amount shown for "each **Accident**" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **Accident;** and
3. The amount shown for "each **Accident**" for **property damage** is our maximum limit of liability for all **property damage** resulting from any one **Accident.**

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

The damages recoverable under this Part C will be reduced by all sums:

1. Paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible;
2. Paid under Part A -Limits of Liability; and
3. Paid or payable because of **bodily injury** under any of the following or similar laws:
 - a. Workers' compensation law; or
 - b. Disability benefits law.

We will not pay under this Part C any expenses paid under Part B1 - Medical Payments Coverage or Part B2 Personal Injury Protection Coverage.

The damages recoverable for **property damage** under this Part C will be reduced by all sums paid because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part A -Limits of Liability.

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

If multiple **auto** policies issued to **you** by us are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

OTHER INSURANCE - PART C ONLY

If there is other applicable uninsured or underinsured motorists insurance that covers a loss under an insurance policy not issued by us, **we** will only pay our proportionate share of that loss. Our share is the proportion that our limits of liability bear to the total of all applicable limits.

However, any uninsured or underinsured motorists coverage that **we** provide shall be excess over any other collectible uninsured or underinsured motorists insurance while **you**, a **relative**, or a **resident** are **occupying** any vehicle that is not the **Insured auto** and will apply only in the amount our limit of liability exceeds the sum of the applicable limits of liability of all other applicable insurance.

We will pay only after all other applicable limits have been paid.

For any **property damage** to which Part D - Coverage for Damage to the **Insured auto** of this policy (or similar coverage from another policy) and this coverage both apply, **you** may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:

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

PART D - COVERAGE FOR DAMAGE TO THE INSURED AUTO

INSURING AGREEMENT

If **you** pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay for direct and **Accidental** comprehensive loss to the **Insured auto**, including its factory-installed equipment, less any applicable deductible for each separate loss.

If you pay the premium for this coverage and it is shown on the **Declarations page**, **we** will pay for direct and **Accidental** loss to the **Insured auto** caused by collision, including its factory-installed equipment, less any applicable deductible for each separate loss. The **insured auto** must be operated by an **insured person** at the time of the loss or in the care, custody, or control of an **insured person** at the time of loss if the **Insured auto** was not in operation.

ADDITIONAL DEFINITIONS USED IN PART D ONLY

As used in this part:

1. **Actual cash value** means the market value at the time of the **loss**, less any **depreciation**.
2. **Aftermarket parts** mean replacement **auto** parts not made by the original manufacturer of the motor vehicle or by a manufacturer authorized by the original manufacturer to use its name or trademark.
3. **Collision** means **loss** caused by the Insured auto's upset or overturn, or a sudden impact with another object.
4. **Comprehensive** means **loss** to the Insured auto caused by an event other than collision.
Comprehensive loss includes, but is not limited to **loss** caused by:
 - a. Missiles or falling objects;
 - b. Fire, theft or larceny;
 - c. Explosion;
 - d. Earthquake or volcanic activity;
 - e. Windstorm, hail, water, or flood;
 - f. Malicious mischief or vandalism;
 - g. Riot or civil commotion;
 - h. Contact with a bird or animal; or
 - i. Breakage of glass.If breakage of glass results from collision, **you** may elect to have it treated as **loss** caused by collision.
5. **Custom** or **additional equipment** means any **equipment** which was not installed at the factory or added as original **equipment** when the vehicle was purchased new.
6. **Deductible** is that sum which is shown on the **Declarations page** and will be deducted from the **loss** payment.
7. **Depreciation** means the **loss** of value caused by the physical, technological, or market deterioration.
8. **Diminution** of value means the difference in the actual cash value of the **Insured auto** immediately before a **loss** and after the repair of the **Insured auto**.
9. **Insured person** means:
 - a. You, a **relative**, or a **resident**, or
 - b. Any other person listed on the **application** or added by endorsement, during the policy term and prior to a **loss**.
 - c. Any person while using the **Insured auto** with **your** expressed or implied permission, for an **accident** arising out of that person's use of the **insured auto**. A **regular operator** is not considered an **insured person**
10. **Loss** means sudden, direct, and accidental damage to, or theft of, the **Insured auto**, including its original optional equipment, which is permanently installed at the factory by the vehicle manufacturer or authorized dealer. **Custom** or **additional equipment** is covered only if it is declared before the **loss** and an additional premium is paid. Equipment installed or alterations made by conversion facilities to an **auto** or camper are not considered standard or original optional equipment.

EXCLUSIONS - PART D ONLY - READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

We do not cover **loss**:

1. That results from nuclear reactions, radiation, or fallout.
2. Covered by a nuclear energy liability policy, even if the limits of that policy are exhausted.
3. That arises from the ownership, maintenance or use of the **insured auto** while it is being used to transport persons for a fee; this does not apply to share-the-expense car pools.
4. That arises from the ownership, maintenance or use of the **insured auto** while it is being used for retail or wholesale delivery, including but not limited to the pickup, transport or delivery of food, newspapers, publications, money, flowers or mail. This does not apply to you or any **relative** unless the primary usage of the vehicle is to carry property for a fee.
5. That arises from the operation, maintenance or use of any **insured auto** or **trailer** that is primarily used for the following types of commercial or business uses: delivery or livery vehicles, mobile services, sales, or taxis.
6. That occurs while any **insured auto** or **trailer** is being used in a **ride-sharing activity** or for a **prearranged ride**.
7. To the **insured auto** while it is rented or is leased to others. This exclusion does not apply if you or any **relative** lends your covered auto to another for reimbursement of operating expenses only.
8. To clothes, tools, or other personal effects.
9. To property the **insured person** rents, uses, or has charge of, including **loss** of its use.
10. To any vehicle with fewer than four wheels.
11. Resulting from the use of any vehicle in any **racine** event or **off-road recreational activity**.
12. To any vehicle or **trailer** resulting from **your** employment by or ownership of any **auto business**.
13. Resulting from the use of the **Insured auto** for snow removal.
14. Caused by a war (declared or undeclared), civil war, insurrection, rebellion, or revolution.
15. Caused to a camper body, pickup shell, box cover, or **trailer owned** by **you** or any other person.
16. Resulting from prior **loss** or damage; manufacturers' defects; wear and tear; freezing; mechanical or electrical breakdown or

failure; or road damage to tires.

However, coverage does apply if the **loss** is the result of other **loss** covered by this policy.

17. To any modified suspension equipment, modified engines, modified carburetor systems, or modified equipment, including but not limited to:
 - a. Aluminum, magnesium, chrome, or alloy wheels;
 - b. Special wide-tread tires or slicks.This exclusion does not apply to special equipment as outlined under the **Custom** or **Additional Equipment** coverage.
18. To winches, utility boxes, or tool boxes.
19. To tapes, compact discs, records, cassettes, or similar recording or recorded media used with sound equipment, including any cases or other containers used in storing or carrying such items.
20. To any equipment not installed at the factory or that is not considered standard equipment for such vehicle, including custom paint or murals, decals or graphics; special carpeting or furnishings; custom sunroofs, moon roofs, T-bar roofs or height extending roofs; bubble domes or similar windows; refrigeration or cooking equipment and any equipment used for sleeping.
21. To any electronic equipment, antennas, and other devices used exclusively or primarily to send or receive audio, visual, or data signals, or to play back recorded media, if such equipment or device is not permanently installed in the dash or console opening of the **Insured auto** by the vehicle manufacturer or dealer and specified as original equipment by the vehicle manufacturer.
22. To sound receiving or transmitting equipment designed for use as citizen band radios, two-way mobile radios, televisions, VCRs, telephones not originally installed by the original make and model vehicle manufacturer or dealer, home high fidelity equipment, scanning monitor receivers, radar or laser detectors, or any other detection equipment for speed-measuring devices, or any accessories or antennas to any of these types of equipment.
23. To TV antennas, awnings, cabanas, or equipment designed to provide additional living facilities.
24. That results in damage to, or **loss** of use of, a **non-owned** vehicle or **trailer**.
25. To damage caused by, due to, or in any way resulting from the alteration, modification, or customizing of the **insured auto** which alters or affects the drivability, road worthiness, handling or safety of the **insured auto**.
26. To the **insured auto** while in the care, custody, or control of an **insured person** other than **you** for the purpose of selling the **insured auto**.
27. Caused intentionally by, or at the direction of, **you**, a **relative**, a **resident** or anyone in possession or custody of an **insured auto** with your express or implied permission.
28. **Loss** due to or as a consequence of the seizure or confiscation of **your covered auto** by federal or state law enforcement officers due to your acquiring an **auto** or **trailer** from a seller without a valid legal title, including but not limited to legal fees or expenses incurred in any dispute over the title.
29. To the **insured auto** while being operated by any person specifically excluded by endorsement.
30. To any vehicle that is subject to a bailment, lease, conditional sale or consignment agreement not specifically declared and described in this policy.
31. Caused to the **Insured auto** when it is driven, operated or used by, or in the control of any person who is not an **insured person** under this Part.
32. Arising out of or due to the use of the vehicle for transportation of any explosive substance, flammable liquid or similarly hazardous materials except such transportation that is incidental to **your** ordinary **household** activities.
33. **Loss** due to or as a consequence of the seizure of **your** covered **auto** by federal or state law enforcement officers as evidence in a case against **you** under the Texas Controlled Substances Act or the Federal Controlled Substances Act if **you** are convicted in such case.
34. To paint or discoloration of paint that results from acid rain, smoke, smog, chemicals, salt, tree sap, or animal or bird droppings unless such **loss** is a direct result of collision or vandalism.
35. To the **insured auto** for **diminution of value**.
36. Caused by the theft or conversion of the **insured auto** by a person to whom **you** have voluntarily entrusted the **insured auto**.
37. To any non-dealer or non-factory installed equipment that mechanically or structurally changes the **insured auto** and results in an increase in performance or a change in appearance. This also includes equipment which does not conform to this state's Motor Vehicle Code.
38. To a single vehicle **Accident** when a police report has not been made within 24 hours or as soon as practical after of the **Accident**.
39. **Loss** caused by **Fungi**, wet or dry rot, or bacteria. This means the presence, growth, proliferation, spread, or any activity of **Fungi**, wet or dry rot, or bacteria. This exclusion (39) does not apply to damage directly resulting from a **loss** covered under Comprehensive Coverage or Collision Coverage.
40. For **temporary substitute autos** when the **Insured auto** is out of use beyond 30 days.

LIMITS OF LIABILITY - PART D ONLY

Our limits of liability for **loss** shall not exceed the lesser of:

1. The **actual cash value** of the stolen or damaged property at the time of the **loss**.
2. The amount necessary to replace or repair the property to its physical condition immediately prior to the **loss**, with other

property of like, kind or quality. **We** may use parts produced by or for the vehicle's manufacturer or parts from other sources including, but not limited to, **aftermarket parts**, as specified in **Payment of Loss - Part D Only**; or

3. An estimate written based upon the prevailing competitive price. You agree with **us** that **we** may include in the estimate parts furnished by the original vehicle manufacturer or parts from other sources including non-original equipment manufacturers. The prevailing competitive price means prices charged by a majority of the repair market in the area where the vehicle is to be repaired.

Custom or additional equipment is not covered under this Part unless the value has been reported to **us** prior to the **loss** and a premium has been paid for the Custom or Additional Equipment coverage amount shown on the **Declarations page**.

All claims submitted under this Part shall be subject to the applicable **deductibles** shown on the **Declarations page**. Any applicable **deductible** amount and salvage value, if **you** retain salvage, will be subtracted from all **loss** payments.

If **we**, at our option, elect to pay for the cost to replace or repair the property or part, our liability does not include any decrease in the property's value, however measured, resulting from the **loss**, repair, or replacement.

Sound reproducing equipment and component parts shall be subject to a maximum limit of \$500 in the aggregate. Such equipment must be permanently installed by a factory or dealer as original equipment in the dash or console opening of the **Insured auto**. Duplicate recovery for the same elements of **loss** is not permitted.

If multiple **auto** policies issued to **you** by **us** are in effect for **you**, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

STORAGE COSTS

We will pay up to maximum of \$100 for the cost of storage of the **insured auto** in the event of a covered **loss**.

APPRAISAL - PART D ONLY

If **you** and **we** cannot agree on the amount of **loss**, either may demand appraisal of the **loss**. Both parties will be bound by the results of the appraisal. Within 30 days after an appraisal has been demanded, each party will select and appoint a competent, impartial appraiser and will notify the other party of their selection.

The appraisers will determine the amount of **loss**. An agreement on the amount of **loss** by the appraisers will be binding on **you** and **us**.

If the appraisers fail to agree, they will select a qualified, impartial umpire and submit their difference to the umpire. If the appraisers cannot agree on an umpire within 15 days, **we** or **you** may request that a judge of a court of record in the county where **you** reside select the umpire. An agreement on the amount of the **loss** by any two of these three shall be binding on **you** and **us**, subject to the terms of this policy. Attorney fees shall not be regarded as appraiser's fees and expenses. All other expenses of the appraisal, including the umpire's fees if one is appointed, shall be shared equally by **you** and **us**.

Neither **you** nor **we** waive any duties or rights afforded under this policy by agreeing to an appraisal.

PAYMENT OF LOSS - PART D ONLY

We may pay for the **loss** in money or **we** may repair the damaged or stolen property. **We** may take all or part of the damaged property at the agreed or appraised value. Before a **loss** is paid or the property is replaced, **we** may return any stolen property to **you** at our expense with payment for any damage.

We may settle any claim for **loss** either with **you**, or with the **owner** of the property. Payment for **loss** is required only if **you** have fully complied with the terms of this policy. **We** may wait up to 30 days from the date the theft is reported in writing to the police and to **us** to either issue payment or replace the property.

OTHER INSURANCE - PART D ONLY

If other insurance applies to a **loss** covered under this Part, **we** will pay only our share of the **loss**. Our share is the prorated amount of our limit of liability compared to all available limits of liability.

For any **loss** to which uninsured/underinsured motorist's coverage (from this or any other policy) and this coverage both apply, **you** may choose the coverage from which damages will be paid. **You** may recover under both coverages, but only if:

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

NO BENEFIT TO BAILEE

This coverage shall not directly or indirectly benefit any person, organization, group, or other bailee caring for or handling property for a fee or compensation.

TWO OR MORE AUTOMOBILES

When **we** insure 2 or more vehicles under this policy, the terms and conditions of this policy shall apply separately to each vehicle.

PART E – DUTIES - INSURED PERSONS DUTIES IN CASE OF ACCIDENT OR LOSS

1. In the event of an **accident** or **loss**, **you** or any person claiming coverage under this policy must notify us within 24 hours or as soon as practical.
2. In the event of an **accident** or **loss**, **you** or any person claiming coverage under this policy must provide us with the following **accident** or **loss** information:
 - a. The date, time and place of the **accident** or **loss**;
 - b. The license plate numbers of the vehicles involved, and the names and addresses of injured persons.
3. Cooperate with **us** in any matter concerning a claim or a suit.
4. Provide us access, as **we** may require, to the recorded data contained within the **Insured auto's** event data recorder (EDR), global positioning system (GPS), or similar device, in connection with any matter concerning an **accident**, claim or suit.
5. Submit to physical examination at **our** expense, by doctors **we** select, as often as **we** may require, and authorize **us** to obtain pertinent medical and other records related to the injuries or damages asserted.
6. Provide any sworn proof of **loss** under oath that **we** may require.
7. Attend hearings and trials as **we** or a court may require.
8. Send **us** promptly any legal papers received in regard to any claim or suit for which coverage may be sought.
9. Submit to statements or examinations under oath and subscribe to the same as often as **we** may require. **We** may examine any **insured person** under oath, while not in the presence of any other **insured person**, about any matter relating to this insurance or to the claim. This includes an **insured person's** books and records subject to Tex. Ins. Code 542.004. subsection 2 (B). This duty allows all minors to have a parent or guardian present during an examination under oath.
10. A person claiming uninsured or underinsured motorist's coverage, or someone on their behalf, must notify the police as soon as practical after the **accident** if a hit-and-run driver is involved.
11. Allow **us** to take signed or recorded statements when and as often as **we** may require.
12. If coverage is claimed for **property damage** or **loss** or damage to the **insured auto**, the person claiming coverage must take reasonable steps after the **accident** to protect the property from any further **loss** or damage. **We** will pay the reasonable expenses incurred in providing that protection.
13. In the event of any theft or vandalism of the **insured auto**, you must promptly file a written report with the appropriate law enforcement agency.
14. You must also allow us to inspect and appraise the damaged property before its repair or disposal.

FAILURE TO COMPLY WITH ANY OR ALL OF THE CONDITIONS ABOVE MAY RESULT IN OUR REFUSAL TO EXTEND TO YOU ANY PROTECTION UNDER THIS POLICY FOR THE ACCIDENT OR LOSS.

OUR DUTIES IN THE EVENT OF A CLAIM

1. Receipt of a Claim:

Within 15 days after **we** receive **your** written notice of claim, **we** must:

 - a. Acknowledge receipt of the claim. If **our** acknowledgment of the claim is not in writing, **we** will keep a record of the date, method and content of our acknowledgment.
 - b. Begin any investigation of the claim.
 - c. Specify the information **you** must provide in accordance with paragraphs 1 through 13 above.

We may request more information, if during the investigation of the claim such additional information is necessary.
2. Notice of Acceptance or Rejection of Claim:

After **we** receive the information **we** request, **we** must notify **you** in writing whether the claim will be paid or has been denied or whether more information is needed:

 - a. Within 15 **business days**; or
 - b. Within 30 days if **we** have reason to believe the **loss** resulted from arson.
3. If **we** do not approve payment of **your** claim or require more time for processing **your** claim, **we** must:
 - a. Give the reasons for denying **your** claim; or
 - b. Give the reasons **we** require more time to process **your** claim. But, **we** must either approve or deny **your** claim within 45 days after our requesting more time.
4. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.
5. **Loss** Payment:
 - a. If **we** notify **you** that **we** will pay **your** claim, or part of **your** claim, **we** must pay within 5 **business days** after **we** notify **you**.
 - b. If payment of **your** claim or a part of **your** claim requires the performance of an act by **you**, **we** must pay within 5 **business days** after the date **you** perform the act.

6. Notice of Settlement of Liability Claim
 - a. **We** will notify **you** in writing of any initial offer to compromise or to settle a claim against **you** under the liability section of this policy. **We** will give **you** notice within 10 days after the date the offer is made.
 - b. **We** will notify **you** in writing of any settlement of a claim against **you** under the liability section of this policy. **We** will give **you** notice within 30 days after the date of the settlement.

DUTY TO REPORT CHANGES

You must promptly notify us when:

1. **Your** mailing or **household** address changes;
2. The principal garaging address for any **insured auto** or **trailer** shown on the **Declarations page** changes;
3. There is a change with respect to the **residents** in **your household** or the persons who regularly operate an **Insured auto**;
4. An operator's marital status changes;
5. **You** or a **household member** obtains a driver's license or operator's permit; or
6. Your driver's license or that of any **household member** expires or is revoked or suspended

PART F - GENERAL PROVISIONS POLICY PERIOD & TERRITORY

This policy shall become effective on the date and the time shown on the **Declarations page** at the address shown on the **Declarations page**. The policy will expire on the date and time specified on the **Declarations page** at the address shown on the **Declarations page**, unless terminated sooner.

This policy applies only to **accidents** and losses that occur;

1. During the policy period shown on the **Declarations page**; and
2. Within the policy territory.

The policy territory is:

- a. Within the United States of America, its territories or possessions,
- b. Puerto Rico; and
- c. Canada.

If **you** owe **us** any premium on **your** expired or expiring policy, these funds must be paid before **your** policy will be **renewed** by us. Any payment sent by **you** will first be used to pay any balance owed on the expired or expiring policy and any remainder of such payment will be applied to the renewal premium.

PREMIUM CHANGES

The premium for this policy is based on the information that **we** have received from **you** and from other sources.

You agree:

1. That if **you** provide incorrect or incomplete information, or if any information material to calculating the policy premium changes, **we** may adjust the premium accordingly during the policy period;
2. To cooperate with us in determining if this information is correct and complete. **You** must advise **us** of any changes in this information; and
3. That the return premium will be calculated on the basis of the correct premium, if this policy is canceled.

Any adjustment of **your** premium will be made using the rules in effect at the time of the change.

Premium adjustment may be made as the result of a change in:

1. Any **auto** insured by the policy including changes in use or the location where the vehicle is principally garaged;
2. Drivers, driver's age, or driver's marital status;
3. Coverages or coverage limits;
4. Rating territory;
5. Eligibility for discounts or other premium credits; and
6. Any other rating criteria.

LIBERALIZATION CLAUSE

We may revise **your** policy coverages to provide more protection without additional premium charge. If **we** do this and **you** have the coverage which **we** change, **your** policy will automatically provide the additional coverage as of the date the revision is effective in **your** state. Otherwise, this policy, the **application**, the endorsements, the **Declarations page** and all attachments contain all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by us.

PREMIUM PAYMENT

Premium payment means the actual receipt of cash funds by **us**. **We** provide coverage for each policy term only on condition that the premium payment is received by us on a timely basis.

If **you** give us a check, a credit card, an electronic funds transfer or similar form of remittance for the initial premium remittance or down payment due at the time the policy is purchased that is, for any reason, not honored at first presentation by **your** financial institution, the policy will be null and void and no coverage will be afforded, regardless of whether the policy has been issued.

If **you** receive a cancellation notice from us, referencing a regular installment payment, and informing **you** that **your** premium payment to us was returned unpaid, **you** must provide a replacement payment to **us** by means of either a cashier's check or money order. If payment is made by the due date noted on the cancellation notice, then **your** policy will remain active and in force.

CANCELLATION AND NONRENEWAL

We will not cancel, non-renew or discontinue **your** policy based in whole or in part on the age, race, color, religion or national origin of anyone who is an insured.

We will not cancel, non-renew or discontinue **your** policy based solely on the fact that **you** are an elected official.

You may cancel this policy by returning it to **us** or an authorized agent or by advising us in writing as to when the cancellation is to be effective at a future date. If this policy has been in effect less than 60 days and is not a continuation or renewal policy, **we** may cancel for any reason by mailing notice to **you** at the address shown on the **Declarations page** or by delivering the notice at least 10 days before the effective date of the cancellation.

If this policy has been in effect 60 days or more or it is a continuation or renewal policy, then **we** may cancel with at least 10 days' notice for the following:

1. For nonpayment of premium;
2. If **you** submit a fraudulent claim;
3. If **your** driver's license or motor vehicle registration or that of:
 - a. Any driver who lives with **you**; or
 - b. Any driver who customarily uses the **insured auto**
 - c. Has been suspended or revoked.

However, **we** will not cancel if **you** consent to the attachment of an endorsement eliminating coverage when the **insured auto** is being operated by the driver whose license has been suspended or revoked.

We will mail to **you** at the address shown on the **Declarations page** notice of nonrenewal not less than 30 days before the end of the policy period, if **we** decide not to renew or continue this policy. If the policy period is other than 1 year, **we** will have the right not to renew or continue it only at each anniversary of its original effective date. **We** may deliver any notice instead of mailing it.

Proof of mailing of any notice shall be sufficient proof of notice. Mailing is equivalent to delivery.

Upon cancellation, **you** may be entitled to a premium refund. If so, **we** will send it to **you** but our offer of a refund is not a condition of cancellation. If **you** cancel, the refund will be computed on a pro-rata basis. If **we** cancel, the refund will also be computed on a prorated basis. The effective date of the cancellation stated in a notice is the end of the policy period. All policy fees will be considered fully earned by us for purposes of calculating any refund. **We** shall refund the appropriate portion of any unearned premium to **you** no later than the 15th **business day** after the effective date of cancellation or termination of a policy.

This policy will automatically terminate at the end of the current policy period if **you** or **your** representative does not accept our offer to renew or continue it. **Your** failure to pay the required continuation or renewal premium when it is due means that **you** have declined our offer. If, at any time, **you** obtain other insurance on the **insured auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance.

AUTOMATIC TERMINATION

If, at any time, **you** obtain other insurance on an **insured auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance.

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

If you are entitled to a premium refund, the refund will be computed on a pro-rate basis and mailed to you.

LIMITATIONS ON AGENT AUTHORITY

The authorized agent who obtained this policy for **you** has limited authority to act in transacting **business** with **you** on this policy. Any statement or assurance made by this authorized agent to **you** concerning **your** policy is governed by our guidelines and rules, as well as applicable laws and regulations. The authorized agent who obtained this policy for **you** does not possess any apparent, implied, or actual authority to act on our behalf after the expiration, cancellation, or nonrenewal of your policy with us. Any representations made by the authorized agent after a notice of termination has been initiated, by either you or us, will apply only if

we provide prior written approval.

SUITS AGAINST US

We may not be sued unless there is full compliance with all of the terms of this policy. **We** may not be sued under Part A of this policy until the obligation of an insured to pay is finally determined either by a judgment against the insured or by written agreement of the insured, the claimant, and us. No one shall have any right to make us a party to a suit to determine the liability of an insured. Any lawsuit brought against **us** under this policy must be commenced within 2 years and 1 day after the cause of action first accrues. This section does not apply to Part C - Uninsured/Underinsured Motorists Coverage.

FRAUD OR MISREPRESENTATION

This policy was issued in reliance upon the information provided on **your** insurance **Application**.

To the extent permitted by Texas Insurance Code section 705.004, this policy may be voided by us, including after the occurrence of an **Accident** or loss, if it is shown at trial that any false statement made in the application for this policy:

1. Was material to the risk; or
2. Contributed to the contingency or event on which the policy becomes due and payable.

To the extent permitted by Texas Insurance Code section 705.003, **we** may deny coverage for an **accident** or loss if an **insured person** or a person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim if it is shown at trial that the misrepresentation or concealment:

1. Was fraudulently made;
2. Misrepresented a fact material to the question of **our** liability under the policy; and
3. Misled **us** and caused **us** to waive or lose a valid defense to the policy.

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 of the policies shall not exceed the highest applicable limit of liability under any one policy, even though separate premiums have been paid.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Interest in this policy may not be assigned or transferred without our written consent. However, if **you** die, coverage will be provided for:

1. Any person specifically named as an operator on the **Declarations page**; and
2. The legal representative of the deceased person while acting within the scope of his or her duties as a legal representative.

If the **Insured auto** is sold, coverage will terminate as to that **auto** when the buyer takes possession of the **auto**. Coverage will not transfer to the new **owner**.

BANKRUPTCY

An insured's bankruptcy or insolvency will not relieve us of any obligation under this policy.

OUR RECOVERY RIGHTS

If **we** make a payment under this policy and the person receiving payment is entitled to recover from another, **we** are entitled to those same rights of recovery to the extent of our payment. **You** and anyone **we** cover must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise **our** rights, and do nothing after a loss to harm **our** rights.

When a person has been paid by us under this policy and also recovers from another, the amount recovered from the other shall be held by that person in trust for us and reimbursed to us to the extent of **our** payment, provided that the person to or on behalf of whom such payment is made is fully compensated for their loss.

If an **insured person** or organization receives recovery from a responsible party without our written consent, the **insured person** or organization's right to payment under any affected coverages of this policy will no longer exist.

LOSS PAYABLE CLAUSE

With respect to the coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

It is agreed that "loss" or damage under this policy shall be paid to you and the loss payee shown in the Declarations, as your interests may appear at our option, we may issue payment jointly to you and the loss payee, or separately to either. However, if the "insured auto" is not a total loss, we may make payment to you and the repairer of the "insured auto".

We will not pay the loss payee more than the lesser of:

1. The cost to repair,
2. Actual cash value, or
3. The existing loan balance as of the date of “loss” minus any applicable “deductible”.

If you surrender possession of the “insured auto” to the loss payee or the loss payee repossesses the “insured auto”, we will not pay the loss payee for “loss” occurring after the date the loss payee or its agents take possession of the “insured auto”.

1. This insurance covering the interest of the loss payee shall not become invalid because of your fraudulent acts or omissions, unless the loss results from your conversion, secretion or embezzlement of your covered auto.
2. The insurance covering the interest of the loss payee shall apply unless the “loss” is otherwise not covered under the terms of this policy.

We have the right to cancel, non-renew or void this policy as provided in the policy terms and such actions shall terminate this agreement with respect to any loss payee’s interest. When we cancel, non-renew or void this policy, we will give the same advance notice of cancellation or non-renewal to the loss payee as we give to the Named Insured shown in the Declarations.

Additionally, we will not pay the loss payee for any loss caused by conversion, secretion, embezzlement, or concealment by:

1. You;
2. A “relative”;
3. A “resident”; or
4. Anyone acting on behalf of persons in this 1., 2., or 3 above.

When we pay the loss payee we are entitled, to the extent of the payment, to be subrogated to the loss payee’s right of recovery. If the “loss” is not covered under the policy, but payment is made to the loss payee you will reimburse us up to the amount of our payment.

LIMITED MEXICO COVERAGE

Auto accidents in Mexico are subject to the laws of Mexico only - NOT the laws of the United States of America. Unlike the United States, the Republic of Mexico considers an **auto accident** a CRIMINAL OFFENSE as well as a civil matter.

In some cases, this coverage may NOT be recognized by Mexican authorities and the Company may not be allowed to implement this coverage at all in Mexico. You should consider purchasing **auto** coverage from a licensed Mexican Insurance Company before driving into Mexico.

The coverages for any **insured auto** provided by this policy are extended to accidents occurring in Mexico within 25 miles of the United States border.

The extension only applies if five or less trips are made into Mexico in any **insured auto** in the 30 days prior to the date of loss **AND** no **insured auto** is garaged in Mexico more than 10 calendar days in the 90 days prior to the date of loss.

A **trip** for the purposes of this coverage begins any time any **insured auto** crosses the border from the United States into Mexico and ends when the **insured auto** crosses back across the border from Mexico into the United States, regardless of whether this occurs on the same day or different days. No coverage applies for any **trip** that lasts longer than 5 consecutive days.

Additional Exclusions

We do not provide any coverage:

1. If **your Insured auto** is not principally garaged and used in the United States; and
2. To any **insured person** who does not principally live in United States.

Special Conditions

1. **Other Insurance.** The insurance **we** provide by this coverage will be excess over any other collectible insurance.
2. **Losses Payable Under Coverage for Damage to your Auto.** **We** will pay losses under Coverage for Damage to the **Your Auto** in the United States, not in Mexico. If the **Insured auto** must be repaired in Mexico in order to be driven, **we** will not pay more than the **actual cash value** of such **loss** at the nearest United States point where the repairs can be made.

TERMS OF POLICY CONFORMED TO STATUTE

Terms of this policy that conflict with the statutes of the State of Texas are hereby amended to conform to such statutes.

COMPANY STATEMENT

This policy is issued to **you** by **us**. By accepting this policy **you** agree:

1. That the statements in the **Declarations page, Application**, endorsements, or any other documents related to this policy are **your** representations;

2. That this policy is issued in reliance upon the truth of those representations; and
3. That this policy embodies all the agreements existing between **you** and **us** or any of **our** agents relating to this policy.
4. This policy is issued subject to the constitution and bylaws and all amendments thereto of the company which shall form part of this policy.

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.

[Variable Signature]

[Variable Signature]

*****POLICY ENDS ABOVE*****