



RESTRICTED CAR INSURANCE POLICY

IMPORTANT!! Don't fail to notify Key Insurance Company of every accident or loss, however slight, immediately upon occurrence and within 24 hours thereof. If an accident is fatal or involves serious injury, notify Key Insurance Company immediately, giving date of inquest if one is to be held. Delay in sending notice may jeopardize your claim rights. You must notify Key Insurance Company immediately of any lawsuits or legal proceedings brought against or by you arising from such accident.

PLEASE READ YOUR POLICY CAREFULLY

This policy is a binding legal contract between YOU and US.

YOU and any person seeking coverage under this policy have duties described in this contract. The performance of those duties is a condition to coverage under this contract.

It is important that you read this policy in its entirety. Your acceptance of this policy, understanding and agreement with its terms will be presumed by payment of the premiums for same. It will be presumed you have read it. Furthermore, this policy has been issued based upon reliance on the statements in the application, which is a part of this policy. Read both the Application and the Policy carefully, and immediately notify the Company in writing of any inaccuracies, misinformation or changes that may occur. Most importantly, if you wish to have coverage extended to additional persons, the Company must be notified. The additional persons must be added by endorsement and premium paid.

WHERE TO LOOK FOR POLICY INFORMATION

This policy is a legal and binding contract between YOU and US. WE provide only those coverages shown on YOUR Declarations page with a specific premium shown. PLEASE READ THIS POLICY CAREFULLY.

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PREMIUM PAYMENT CONDITIONS

If all or part of the premium payment for a new policy, a renewal policy, or for a change to this policy, is by check or draft, and said check or draft is not honored by the Payor Bank, regardless of the reason, all coverage provided by this policy, or any change to this policy, is rescinded as if the insurance were never purchased or the policy change were never requested, regardless of whether a policy, renewal certificate, endorsement, identification card, or proof of insurance has been issued.

YOUR policy will be issued based on the information contained in **YOUR** application for insurance. In the event the premium remitted to **US** with **YOUR** application is not sufficient to purchase thirty days of coverage under this policy, the result will be a pro-rated policy period less than thirty days. This occurs for a variety of reasons, the most common being undisclosed accidents or violations disclosed in motor vehicle records ordered as part of the underwriting of **YOUR** application, which cause an increase in the premium. **YOU** will be notified of the term of **YOUR** policy, specific reasons for any difference in premium if known, and the premium required to renew **YOUR** policy for a subsequent term. If **YOU** require additional information regarding the determination of premium for **YOUR** policy, **YOU** must submit a written request for such information and **WE** will respond to **YOU** in writing within twenty-one days of receipt of **YOUR** written request. **WE** will not refund any premium when the information on the application is misstated or omitted.

YOUR payment for renewal of this policy must be postmarked by the U.S. Post Office or received and accepted by **US** or **YOUR** local agent prior to the expiration date of this policy in order for coverage to continue without a gap in coverage. Payment of any premium amount less than 50% of the minimum payment requested in **OUR** premium billing will not be accepted by **US** and will be considered as non-payment of premium and all coverages afforded by this policy terminate on the expiration date shown on the premium billing, without any further notice from **US**. Payment of any premium amount 50% or greater but less than 100% of the thirty day minimum payment requested in **OUR** premium billing will result in a pro-rated policy period of less than thirty days.

PREMIUM RATE INCREASES

YOUR premium rates are determined by **OUR** rules and rates filed with **YOUR** state insurance department. Factors determining **YOUR** premium rates include, but are not limited to: garaging location of **YOUR car(s)**; type, use, age, repair cost and theft experience of **car(s)**; **OUR** experience for drivers of **YOUR** age, sex, marital status, and past driving or claims records.

WE use a point system based on driving records. Premium rates will be increased for traffic violations and chargeable accidents.

OUR premium rates are also based on the frequency and severity of **accidents** and **losses** in **YOUR** territory, **OUR** underwriting, claims, legal, and other costs, and **OUR** right to earn a profit. Base premium rates generally increase when overall costs rise as a result of inflation.



Key Insurance Company Privacy and Security Statement

Protecting you from loss is important to Key Insurance Company. Just as important to us is protecting your privacy and the personal information we use to provide you with superior products and service.

At Key Insurance Company, our policy is to maintain appropriate confidentiality with regard to all personal information obtained in the course of doing business with you. Our pledge to protect your privacy is reflected in this Privacy Statement which outlines our principles in collecting, using and safeguarding your personal information and information about your relationship with us.

Collection of Personal Information

Key Insurance Company only collects personal information about you when it is necessary to conduct the business of insurance. We limit the collection of personal information to what we reasonably believe is needed to administer your account. As a result, we collect personal information from the following sources:

- Personal information you share with us either directly or through your agent, such as the information on your application, requested policy change information or other forms you may complete.
- Personal information you provide or which is obtained through the process of handling a claim, including medical information, such as from an accident report.
- Personal information about you from your transactions with us, our affiliates or others such as the number of years you have been a policyholder with Key Insurance Company or the types of coverage you purchase.
- Personal information about you from a consumer reporting agency, such as a credit report or a Motor Vehicle Report. The information in these reports may be retained by the consumer reporting agency and disclosed to others.

Disclosure of Personal Information

Key Insurance Company does not disclose any personal information about current or former customers to anyone, except as permitted by law. We may disclose the personal information we collect as follows:

- To consumer reporting agencies for the purposes of obtaining a credit report or a Motor Vehicle Report in order to determine eligibility for coverage or to process your requested transaction.
- To your insurance agent to allow it to perform its normal insurance related services for you.
- To medical professionals in order to process your claim.
- To an insurance regulatory authority pursuant to an examination of our records or business practices.
- To law enforcement or other government agency as require by law or to report suspected fraud activities.
- To actuarial or research organizations to conduct studies regarding claims results and insurance practices provided that no individual is identified in any study or report.
- To our affiliates for processing or marketing of our insurance related products or services.
- To group policyholders for the purpose of reporting claims experience or conducting an audit of our operations.

When possible, we advise our vendors and other nonaffiliated third parties, to whom we legally provide your personal information in the course of conducting our insurance business, of our privacy policy. We make every effort to use vendors whose approach to customer privacy reflects our own.

Security of Personal Information

Key Insurance Company uses a variety of tools to maintain physical, electronic and procedural safeguards that comply with applicable federal and state regulations to guard your personal information. We restrict access to personal information about you to only those employees who need that information to provide products or services to you.

Your Ability to Access and Correct Your Personal Information

If you wish to review your personal information, please write to the address below and provide your full name, address and policy number(s). To better protect you, please have your request notarized so that we can ensure the identity of the person requesting the information.

Within 30 business days we will honor your request by allowing you to see and copy your information in person or, if you prefer, provide you a copy of your information. You will not be given access to information collected or in connection with a claim, or a civil or criminal proceeding involving you. If medical information is contained in your file, we may request you to designate a medical professional to whom we will send the information.

If you believe any of our information about you is incorrect, please notify us in writing at the address below. We will review your request and, within 30 business days, let you know if our investigation has resulted in a correction of your information. If we do not believe an error exists, you may file a statement disputing the information. We will attach the statement to your file. We will send any corrections we make or your statement to any person or organization to whom we have provided your information within the past two years or who may receive your information from us in the future. Please be aware that we do not control the personal information about you obtained from other third parties such as consumer reporting agencies or Departments of Motor Vehicles. You will need to contact these third parties directly to correct your personal information. We will provide you with the name and address of these third parties.

Notification of Change

At Key Insurance Company, your trust is one of our most important assets. We will continually work to protect the privacy of our individual customers and will continually review our privacy policy. If at some point in the future we revise our privacy practices that affect your personal information, we will notify you prior to introducing any changes.

For More Information or if you have Questions

Should you have further questions regarding our privacy policy, you can contact us either by mail or phone. You may directly call at 1-877-KEYINSCO, or you can write to us at:

Key Insurance Company
PO Box 2014
Shawnee Mission, KS 66201

FRAUD AND MISREPRESENTATION

This policy is null and void with no benefit or effect whatsoever as to any claim arising under this policy in the event that any statement made or document(s) submitted by **YOU** or on your behalf in the application, notification of change or in a claim under the policy is fraudulent or is material either to the acceptance of the risk or the hazard assumed by **US** or had **WE** known the true facts, we would not have issued the policy or would have issued it for a higher rate.

INSURING AGREEMENT

In return for **YOUR** premium payment, and subject to **OUR PREMIUM PAYMENT CONDITIONS** and/or exclusions, and in reliance upon the statements in the application and declarations, **WE** agree to insure **YOU** for the coverages and limits of liability for which a premium is shown on the Declarations page.

This insurance applies only to **accidents** and **losses** which happen while this policy is in force as shown in the Declarations. However, regardless of what appears in the Declarations, **WE** do not provide coverage earlier than the date and time of **YOUR** application for insurance, as we do not permit back dating.

This policy does not apply to any loss in which any vehicle is driven, operated, manipulated, maintained, serviced or used in any manner by any person that is not listed as a driver on **YOUR** application for insurance, Declarations, or Endorsements who is (a) under the age of twenty-five and is either a **relative** or resides in the same household as **YOU**, or (b) regardless of age is a regular or frequent user of any automobile insured under this policy. This provision will apply whether or not **YOU** are **occupying** the vehicle at the time of loss.

This policy is issued by **US** in reliance upon the statements made in **YOUR** application for insurance. If **YOU** or the applicant made any false statements and/or omissions in **YOUR** application for insurance or in the presentation of a claim, and those false statements and/or omissions are determined to constitute fraud or misrepresent facts material to the risk we are assuming, all as provided in Section 27-14-7 Alabama Code 1975, this policy will not provide any coverage. False statements on **YOUR** application for insurance can include, but are not limited to, failure to disclose: drivers residing in **YOUR** household or regularly driving **YOUR car(s)**; traffic violations and accidents; drivers license suspensions or revocations; commercial use of **YOUR car(s)**; or failure to provide **US** with **YOUR** correct residence address or garage address of **YOUR car(s)**. If false statements and/or omissions are made and determined to constitute fraud or misrepresentation and **WE** are required to make payment because of the financial responsibility laws of any state, or because of **OUR** obligation to a loss payee, **WE** have the right to recover all damages and expense from **YOU**.

WE may adjust **YOUR** policy period and/or premium rate to **OUR** correct rates, to reflect correct driving records, or to correct erroneous underwriting or rating information on **YOUR** application for insurance.

The Declarations page, applicable endorsements, and **YOUR** applications for insurance are part of this policy.

DEFINITIONS USED IN THIS POLICY

The following definitions apply throughout this policy, in addition to the definitions listed under each coverage of this policy:

“**WE**”, “**US**”, and “**OUR**” means Key Insurance Company.

“**YOU**” and “**YOUR**” means the person shown as the named insured on the Declarations page and that person’s spouse, if residing in the same household.

“**Bodily injury**” means bodily harm or death, caused by an **accident**.

“**Property damage**” means physical damage to or destruction of tangible property, including loss of use, caused by a **car accident**.

“**Accident**” means a sudden and unexpected or unintentional occurrence during the policy period, resulting in **bodily injury** or **property damage** that is neither expected nor intended, arising from the ownership, maintenance or use of a **motor vehicle**.

“**Car**” means a four wheel private passenger land motor vehicle licensed for use on public highways, including pickups, vans and utility vehicles with a rated load capacity of 2,000 pounds or less, not used for business purposes. **Car** does not include motorcycles, mopeds, or all terrain vehicles.

“**Replacement car**” means a **car** which **YOU** purchase, or lease from a licensed **car** leasing company on a written agreement covering a continuous period of six months or more, replacing a **car** shown on the Declarations page, provided **YOU** notify **US** within 14 days of its’ acquisition. **WE do not** consider a **car** leased from a private party, or a car rented from a **car** rental agency as a **replacement car**.

“**Non-owned car**” means a **car** (1) not shown on the Declarations page, and (2) not leased or **owned**, in whole or in part, by **YOU**, a **relative**, the spouse of a **relative**, or a driver named on **YOUR** application for insurance or added to this policy, and (3) not provided to and/or made available for regular use by **YOU**.

“**Insured car**”, for **LIABILITY, MEDICAL PAYMENTS, or UNINSURED MOTORIST** coverage means a **car** shown on the Declarations page with a premium shown for the coverage; or a **utility trailer** towed by an **insured car**; a **replacement car**; or an additional **car** **YOU** acquire during the policy period, provided **WE** insure all **cars** **YOU** own when **YOU** acquire the additional **car** and **YOU** add it to this policy within 14 days of acquisition. **Insured car** for **LIABILITY, MEDICAL PAYMENTS, or UNINSURED MOTORIST** coverage also includes **occasional use** of **non-owned cars**, with permission of the owner, by **YOU**, or by a driver named in **YOUR** application for insurance or added to this policy prior to a **loss**, but only if there is no other available insurance (whether primary or excess). **WE do not** provide coverage for repair or replacement of the non-owned **car** **YOU** borrow.

“**Insured car**” for **PHYSICAL DAMAGE** coverage means a **car** shown on the Declarations page with a premium shown for the coverage; or a **replacement car**, provided **YOU** notify **US** of the **replacement car** within 14 days of acquisition and the **car** being replaced appears on the Declarations page with a premium shown for **PHYSICAL DAMAGE** coverage.

“**Motor vehicle**” means a vehicle that is designed and manufactured to be operated on the streets and highways of Alabama, but not operated on rails.

“**Utility trailer**” means a trailer designed to be towed by a private passenger **car**, including a farm wagon or implement.

“**Loss**” means sudden and direct accidental loss of or physical damage to **YOUR insured car** that is neither intended nor expected.

“**Medical expenses**” means and includes all reasonable and necessary medical, surgical, chiropractic and dental treatment, professional nursing, hospital, X-ray, ambulance and funeral services and prosthetic devices.

“**Insured person**” for **LIABILITY, MEDICAL PAYMENTS and PHYSICAL DAMAGE** coverage means **YOU**. **Insured person** for **LIABILITY, MEDICAL PAYMENT and PHYSICAL DAMAGE** coverage also means any other person, other than a **non-insured** person, while using **YOUR insured car** with **YOUR** permission and within the scope of that permission, but only if that other person has no other available insurance (whether primary or excess).

“**Insured person**” for **UNINSURED MOTORIST** coverage means **YOU** and any other person, other than a **non-insured person**, while occupying **YOUR insured car**, provided it is not operated by a **non-insured person**. **Insured person** for **UNINSURED MOTORIST** coverage also means any person for damages that person is entitled to recover because of **bodily injury**, to which this coverage applies, sustained by **YOU** and any other person, other than a **non-insured person**, while occupying **YOUR insured car**, provided it is not operated by a **non-insured person**.

“**Non-insured person**” means any operator of a vehicle who is not listed as a driver on the Policy Application, Declarations, and/or added by Endorsement who is under the age of twenty-five and is either a **relative** or resides in the same household as **YOU**, or who is a regular or frequent operator of **YOUR insured car**. A **non-insured person** is also any person listed as “Excluded” on the Application, Declarations and/or Endorsement, any person driving **YOUR insured car** who is not licensed or whose driving privileges have been terminated or suspended, and any person driving **YOUR insured car** who is doing so without a reasonable belief that they are entitled to do so. A **non-insured person** is also any person who directly or indirectly intentionally causes bodily injury or property damage. This person shall be deemed to intend the natural and probable consequences of his/her intentional acts.

“**Relative**” means a person residing in the same household as **YOU** who is related to **YOU** by blood, marriage or adoption, including a ward or foster child, and who usually makes such person’s home in the same family unit, whether or not temporarily living elsewhere.

“**Occupying**” means being in or on a **car** as an operator or passenger, or being engaged in the immediate acts of entering or exiting from a **car**. It requires physical contact.

“**Negligent entrustment**” means knowingly entrusting, lending, permitting, furnishing, or supplying an automobile to an incompetent or habitually careless driver. An incompetent driver is one, who by reason of age, experience, physical or mental condition, known habits of recklessness, or for any other reason is incapable of operating a vehicle with ordinary care.

“**Punitive or Exemplary Damages**” means any extra or additional sum of money that a court may award as a means of punishing a person for conduct which has been determined to be willful, wanton, oppressive, fraudulent, malicious, and /or awarded for the sake of making an example of a person, or any conduct that results in such an award based on any state statute or ordinance.

“**Occasional use**” means use of a **car**, requiring permission each time it is used, not exceeding use for a continuous period of 15 days.

REPORTING A CLAIM – DUTIES AFTER AN ACCIDENT OR LOSS

All duties set forth herein are conditions to coverage.

If **YOU** or any person seeking coverage under this policy is involved in an **accident** or has a **loss**, **WE** must be notified as soon as reasonably possible. In addition to notifying **US** promptly of an **accident** or a **loss**, **YOU** must cooperate with **US** in the investigation and settlement of an **accident** or **loss**, and allow **US** to inspect **YOUR car** prior to its repair or disposal.

The following is information YOU or any person seeking coverage under this policy must provide US. The information must be truthful and accurate:

- (a) **YOUR** name, address, and telephone number where **YOU** can be contacted;
- (b) the hour, date, place and facts of the **accident** or **loss**;
- (c) the name of the investigating police department, if any;
- (d) the names and addresses of all persons or witnesses involved;
- (e) the current location of **YOUR car** and whether it is drivable or not.

YOUR additional duties:

When there is an **accident** or **loss** **YOU** and any person seeking coverage under this policy must cooperate with **US** and assist **US** in any reasonable manner, which includes, but is not limited to, the following:

- (a) in making settlements;
- (b) by securing and giving evidence;
- (c) by delivering to **US**, within 72 hours of receipt, any correspondence or legal papers received relating to a claim or suit;
- (d) by appearing, testifying and getting witnesses to testify at hearings or trials only as **WE** shall direct;
- (e) by giving the representative(s) **WE** designate, statements, including statements under oath, as often as **WE** reasonably request and at a time and place designated by **US**.

If YOUR car is damaged or stolen YOU must:

- (a) make a report to the police, within 24 hours of the **loss**, for losses involving theft or vandalism;
- (b) protect **YOUR** damaged car. **WE** will pay any reasonable expense incurred;
- (c) show **US** the damage before repair or disposal of the **car**, when **WE** ask;
- (d) provide **US** with all pertinent records, receipts and invoices that **WE** request, or certified copies of them.

YOUR additional duties:

YOU and any person making claim for “**MEDICAL PAYMENTS**” OR “**UNINSURED MOTORIST**” coverage must:

- (a) give **US** all details about the death, injury, treatment, and any other pertinent information **WE** request;
- (b) authorize **US** to obtain all medical reports and records. If the person is deceased or unable to act, his or her legal representative must authorize **US** to obtain all medical reports and records;
- (c) be examined by doctors chosen and paid by **US**, as often as **WE** reasonably require. **WE** will provide a copy of the examiner’s report to the person examined upon written request of the person or his or her legal representative;
- (d) if the **accident** involves a “**hit and run**” vehicle, **YOU** must report the **accident** to the police within 24 hours of the accident, and notify **US** as soon as reasonably possible.

YOUR additional duties:

YOU must not voluntarily, except at **YOUR** own expense:

- (a) make any payment or assume any obligation to others;
- (b) incur any expenses, other than for emergency first aid to others;
- (c) enter into any settlement agreement or release with others without **OUR** knowledge and written consent;
- (d) appear in court without prior notice and notification to **US**.

DUPLICATE PAYMENT - ALL POLICY COVERAGES

WE DO NOT PROVIDE DUPLICATE PAYMENT FOR ANY ACCIDENT OR LOSS COVERED UNDER MORE THAN ONE COVERAGE OR POLICY ISSUED BY US.

EXCEPT IN CASES WHERE THE INSURED'S TOTAL DAMAGES EXCEED THE SUM OF (A) THE LIMITS OF LIABILITY INSURANCE AVAILABLE TO A TORTFEASOR, PLUS (B) THE LIMITS OF LIABILITY FOR UNINSURED MOTORIST COVERAGE UNDER THIS POLICY (IF APPLICABLE), PLUS (C) THE LIMITS OF LIABILITY FOR MEDICAL PAYMENTS COVERAGE UNDER THIS POLICY, ANY AMOUNT PAYABLE TO OR FOR AN INSURED PERSON UNDER THE COVERAGE PROVIDED BY THIS POLICY WILL BE REDUCED BY THE AMOUNT OF ANY PAYMENT MADE TO THAT PERSON UNDER THE MEDICAL PAYMENTS COVERAGE OF THIS POLICY.

LIABILITY COVERAGE

WE will pay damages for which an **insured person** is legally obligated because of **bodily injury** or **property damage** resulting from an **accident** involving an **insured car**. **WE** do not provide any coverage for claims of **negligent entrustment**.

WE do not provide any coverage for **punitive or exemplary damages**, except for damages awarded under the Wrongful Death Act of Alabama.

OUR liability for interest, if any, is limited to interest applicable only to that portion of any claim or loss covered by this insurance and is subject to the Limits of Liability applicable to such claim or loss. Interest payable, if any, is limited to the amount accrued prior to the payment or tender of the amount of the claim or loss or the Limits of Liability, whichever is less.

WE will not pay damages for **bodily injury** or **property damage** caused by a **non-insured person**, nor will we defend or pay any cost of defense for the same.

WE will not pay any amount an **insured person** may be legally obligated to pay as a result of a lawsuit unless **WE** are provided actual notice of said suit, in accordance with the requirements set forth in the **REPORTING A CLAIM – DUTIES AFTER AN ACCIDENT OR LOSS** section of this contract.

LIMITED DEFENSE AND SETTLEMENT OF CLAIMS

WE have the right, **BUT NOT THE DUTY**, to provide a defense to any lawsuit as **WE** deem appropriate.

WE have the right to: (a) settle any claim against **YOU** within **YOUR** policy limits, as **WE** deem appropriate, or (b) transfer the applicable remaining limits of this policy to **YOU**, to a claimant or group of claimants, or to a court for the benefit of claimants, with or without **YOUR** consent, as **WE** deem appropriate.

If **WE** provide a defense, that defense shall cease when (a) **WE** have settled the covered claims against **YOU** and have secured a release for **YOU**, (b) **WE** have transferred the remaining applicable policy limits to satisfy, in whole or in part, a judgment that has been entered against **YOU**, or (c) **WE** have transferred the applicable remaining limits of this policy to **YOU**, to a claimant or group of claimants, or to a court for the benefit of claimants, with or without **YOUR** consent, as **WE** deem appropriate.

LIMITS OF LIABILITY

WE will pay up to the limit of liability shown on the Declarations page subject to the following:

The **BODILY INJURY** liability limit for “each person” is the most **WE** will pay for **bodily injury** suffered by any one person, resulting from any one accident, including all derivative claims (which include, but are not limited to, loss of society, loss of companionship, loss of services, loss of consortium) and interest on any judgment therefore.

The **BODILY INJURY** liability limit for “each **accident**” is the most **WE** will pay for **bodily injury** suffered by two or more persons, resulting from any one accident, including all derivative claims (which include, but are not limited to, loss of society, loss of companionship, loss of services, loss of consortium) and interest on any judgment therefore.

The **PROPERTY DAMAGE** liability limit for “each **accident**” is the most **WE** will pay for all damage to all property resulting from any accident, including, but not limited to, loss of use, diminution in value and pre-judgment interest.

WE will pay no more than the **BODILY INJURY** or **PROPERTY DAMAGE** liability limits shown on the Declarations page for any one car, even though a separate premium is charged for each **car**, regardless of the number of **cars** shown on the Declarations page, or the number of **insured persons**, or the number of claims or claimants, or the number of policies issued by **US**, or the number of **cars** involved in the **accident**.

If two or more **motor vehicle** liability policies apply to the same **accident**, the total limits of liability under all such policies shall not exceed that of the policy with the highest limit of liability.

ADDITIONAL PAYMENT – LIABILITY COVERAGE

When **WE** defend an **insured person**, **WE** will pay, in addition to **OUR** limit of liability:

1. All costs **WE** incur in the settlement of any claim or defense of any lawsuit, including premiums on appeal and attachment bonds, but only for bonds which are not more than **OUR** limit of liability.
2. Reasonable expenses an **insured person** incurs at **OUR** request, including up to \$35 per day for actual loss of wages, if **WE** ask the **insured person** to attend hearings or a trial.
3. An **insured person’s** expense for emergency first aid to others at the scene of an **accident** involving any **insured car**.

NAMED NON-OWNER POLICY

When “**NAMED NON-OWNER**” policy is shown on the Declarations page, **WE** insure one named operator instead of a **car**. The following changes apply to the liability coverage afforded by this policy:

1. **WE do not** insure a particular **car**. **WE** insure one named operator only, the Named Insured, to drive any **non-owned car** or “**newly acquired car**”. **WE PROVIDE NO COVERAGE FOR ANY OPERATOR EXCEPT THE NAMED INSURED.**
2. The definition of **YOU** and **YOUR** is replaced in its entirety by “the person shown on the Declarations page as Named Insured and no other person”.
3. The definition of “**newly acquired car**” means any **car** **YOU** become the owner of if **YOU** acquire the **car** during the policy period and notify us within 14 days of acquisition.

FINANCIAL RESPONSIBILITY LAWS

When **WE** certify this policy as “Proof of Financial Responsibility” by filing an SR-22 or other financial responsibility form in a particular state, this policy will comply with the minimum financial responsibility requirements, and only those minimums, in that state.

OTHER INSURANCE

If there is other valid and collectible insurance, whether primary, excess or contingent, available to the insured and the limits of such insurance are sufficient to pay damages up to the applicable limit of the financial responsibility law of the state where the automobile is principally garaged, no damages are collectible under this policy.

If this policy is a "NAMED NON-OWNER" policy, or for an **accident** involving an **insured person's occasional use** of a **non-owned car**, **OUR LIABILITY** coverage applies as excess coverage only, payable over any other applicable liability insurance.

LIABILITY COVERAGE EXCLUSIONS

PLEASE READ CAREFULLY. THESE ARE SITUATIONS WHICH ARE NOT COVERED BY THE LIABILITY COVERAGE SECTION OF THIS INSURANCE POLICY.

WE WILL NOT PAY FOR NOR WILL WE PROVIDE COVERAGE FOR:

1. Any **car**, while used to carry people or property for a fee, except a shared-expense carpool.
2. Intentional or expected damage caused by **YOU**, at the direction of **YOU**, a **relative**, or by any other person using **YOUR insured car**.
3. While towing a **car** other than the **insured car**.
4. **Bodily injury, property damage** or death sustained by **YOU** or any **relative** or person who is otherwise a member of **YOUR** household.
5. Any **car**, located inside a facility for racing, for the purpose of competing in or practicing or preparing for any prearranged or organized racing, speed contest, pulling activity, or demolition or stunt driving.
6. **Bodily injury** to an employee or fellow employee of an **insured person**, arising in the course of employment, except **YOUR** domestic employee who is not covered, or required to be covered, by workman's compensation benefits.
7. Any obligation of an **insured person** to indemnify another for **bodily injury** to the **insured person's** employee due to an **accident** arising out of and in the course of such employee's employment.
8. Damage to property owned by, rented to, used by, in the custody of, or being transported by, an **insured person**, except damage to a residence or private garage leased or rented to an **insured person**.
9. **Bodily injury or property damage** involving the ownership, maintenance or use of any motor vehicle not shown on the Declarations page, except coverage provided by this policy for **replacement cars**, newly acquired additional **cars**, or **occasional use of non-owned cars**.
10. **Bodily injury or property damage** caused by the handling of property before it is moved from the place where it is accepted by the **insured person** for movement into or onto the **insured car**, or after it is moved from the **insured car** to the place where it is finally delivered by the **insured person**.
11. (a) **Bodily injury or property damage** as a result of any **accident** to which this insurance applies, arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants; and /or
(b) Any loss, cost, or expense arising out of any governmental direction or request that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.
"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals, petroleum or a petroleum-based substance that is typically used in the operation of a motor or engine, including but not limited to gasoline, diesel fuel, or any grade of gasohol, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
12. **Bodily injury or property damage** for which an **insured person** is an insured under a nuclear energy liability policy.
13. Any damages sustained while a **car** is driven or in the care, custody or control of any person, except **YOU**, while engaged in the business of selling, servicing, repairing, storing, parking, delivering, or testing motor vehicles.
14. Liability assumed by **YOU** under any contract or agreement.
15. **Bodily injury or property damage** caused by any **car YOU** have sold, rented, leased or relinquished ownership of.
16. Any obligations for which the United States Government is liable under the Federal Tort Claim Act.
17. **Bodily injury or property damage** caused by any person using a **car** without your expressed or implied consent.
18. **Punitive or exemplary damages**. However, this exclusion does not apply to wrongful death claims under the Alabama Wrongful Death Act.

MEDICAL PAYMENTS COVERAGE

WE will pay reasonable and necessary **medical expenses** incurred by an **insured person**, as a result of a **car accident**, up to **OUR** limit of liability, which is in excess of any medical and/or funeral expenses actually paid or which would be payable to or on behalf of an **insured person** under the provision of any other insurance coverage including but not limited to automobile or premises insurance affording benefits for medical expenses; an individual, blanket or group accident, disability or hospitalization insurance; or medical or surgical insurance or reimbursement plans. WE will pay only those expenses incurred within one year from the date of the **car accident**.

For **MEDICAL PAYMENTS** coverage, an “**insured person**” means **YOU** or a driver named on **YOUR** application for insurance or added to this policy prior to a **loss**, or any other person operating or **occupying YOUR insured car**, provided that use or occupancy is with **YOUR** permission and within the scope of that permission, and not operated by a **non-insured person**. **Insured person** does not mean a **non-insured person**.

If WE pay **medical expenses**, the **insured person** or legal representative must agree in writing to repay US out of any damages recovered from anyone responsible for causing the **bodily injury**. The **insured person** must also agree in writing to hold in trust and preserve for US any rights to recovery against anyone.

MEDICAL PAYMENTS COVERAGE EXCLUSIONS

PLEASE READ CAREFULLY. THESE ARE SITUATIONS WHICH ARE NOT COVERED BY THIS POLICY. WE DO NOT PROVIDE MEDICAL PAYMENTS COVERAGE FOR:

1. **Bodily injury** sustained while **occupying** any vehicle used as a residence or premises.
2. **Bodily injury** sustained while any automobile is operated by a **non-insured person**.
3. Medical care which the United States Government or its’ military services is required to provide to their employees, members, or dependents.
4. **Bodily injury** incurred during the course and scope of employment, if benefits are payable or required to be provided under any workman’s compensation law.
5. **Bodily injury** sustained while **occupying YOUR insured car** when it is being used in the business or occupation of an **insured person**.
6. **Bodily injury** sustained by any person while **occupying** or being struck by any **car** leased or owned, in whole or in part, by **YOU**, a **relative**, the spouse of a **relative**, or a named driver on **YOUR** application for insurance or added to this policy, except a car shown on the Declarations page with a premium paid for **MEDICAL PAYMENTS** coverage.
7. **Bodily injury** sustained by any person while using the **insured car** in the commission of a crime or illegal occupation other than a minor traffic violation.
8. **Bodily injury** arising out of the operation of any **car**, located inside a facility for racing, for the purpose of competing in or practicing or preparing for any prearranged or organized racing, speed contest, pulling activity, or demolition or stunt driving.
9. Liability assumed by **YOU** under any contract or agreement.
10. **Bodily injury** sustained by any person while using any **car YOU** have sold, rented, leased or relinquished ownership of.
11. Any obligations for which the United States Government is liable under the Federal Tort Claim Act.

MEDICAL PAYMENTS LIMITS

WE will pay no more than **OUR** highest limit of liability for **MEDICAL PAYMENTS** coverage shown on the Declarations page for “each person”, regardless of the number of vehicles or premiums shown, the number of **insured persons**, the number of policies issued by **US**, the number of claims or claimants, or the number of vehicles involved in the **accident**.

Any amounts payable for expenses under this coverage will be reduced by any amounts paid or payable for the same expenses under **BODILY INJURY LIABILITY** or **UNINSURED MOTORIST COVERAGE**.

OTHER INSURANCE

For injuries sustained in an **accident** while an **insured person** is a pedestrian or **occupying a car** shown on the Declarations page, a **replacement car**, or a newly acquired additional **car**, if there is any other **MEDICAL PAYMENTS** coverage applicable, then this policy will apply only as excess above any other insurance.

When this policy is issued as a “**NAMED NON-OWNER**” policy, or when occupying a **car** or utility trailer **YOU** do not own, **OUR MEDICAL PAYMENTS** coverage applies as excess coverage only, over any other applicable coverage.

UNINSURED MOTORIST COVERAGE

WE will pay compensatory damages which an **insured person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle**, for **bodily injury**:

1. Sustained by an **insured person**; and
2. Caused by a **motor vehicle accident**, which in no way involves the operation of any motor vehicle by a **non-insured person**.

Recovery under the **UNINSURED MOTORISTS COVERAGE** section of this policy is limited to the amount of the damages suffered by the **insured person** that are in excess of the full limits of coverage available under all applicable bodily injury liability policies or bonds. The limit of **OUR** liability is that stated in the Declarations.

The owner’s or operator’s liability for these damages must result from the ownership, maintenance or use of the **uninsured motor vehicle**.

Any judgment for damages arising out of a suit filed without **OUR** having been given notice of the suit is not binding on **US**.

ADDITIONAL DEFINITIONS – UNINSURED MOTORIST COVERAGE

“**Uninsured**” **motor vehicle** means a land **motor vehicle** or trailer of any type:

1. To which no **bodily injury** liability bond or policy is in effect at the time of the **accident**.
2. To which a **bodily injury** liability bond or policy is in effect at the time of the **accident** but the sum of the limits of liability coverage under all policies is less than the damages which the **insured person** is legally entitled to recover from the owner or operator of the uninsured motor vehicle.
3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an **accident** resulting in **bodily injury** without hitting:

Uninsured motor vehicle does not include a **motor vehicle** or any equipment:

1. Operated by a **non-insured person**.
2. Leased or owned, in whole or in part, or furnished or available for the regular use of **YOU**, a **relative**, the spouse of a **relative**, or a driver named in **YOUR** application for insurance or added to this policy.
3. Leased or owned by a self-insurer under any financial responsibility, motor carrier or similar law.
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.

UNINSURED MOTORIST COVERAGE EXCLUSIONS

PLEASE READ CAREFULLY. THESE ARE SITUATIONS WHICH ARE NOT COVERED BY THIS POLICY. WE DO NOT PROVIDE UNINSURED MOTORIST COVERAGE FOR:

1. **Bodily injury** sustained during or as a result of operator of any **car** by a **non-insured person**.
2. **Bodily injury** sustained while **occupying YOUR insured car** when it is being used in the business or occupation of an **insured person**. This exclusion does not apply to a share-the-expense carpool.
3. **Bodily injury** sustained by an **insured person** while **occupying**, or when struck by, any **uninsured motor vehicle** owned by or provided for the regular use of the **insured person**. This includes a trailer of any type used with that vehicle.
4. **Bodily injury** sustained by an **insured person** if the **insured person** or their legal representative accepts a settlement or secures a judgment for a **bodily injury** claim that prejudices **OUR** right to recover payment unless **WE** have given written consent to settle or sue.

5. **Bodily injury** sustained by an **insured person** using a vehicle without a reasonable belief that the **insured person** is entitled to do so. This does not apply to a **relative** using **YOUR insured car** which is owned by **YOU**.
6. **Bodily injury** sustained by any person while using the **insured car** in the commission of a crime or illegal occupation other than a minor traffic violation.
7. Direct or indirect benefit of any insurer or self-insurer under any worker's compensation or disability benefits law.
8. Any **car YOU** have sold, rented, leased or relinquished ownership of.
9. **Punitive or exemplary damages**. However, this exclusion does not apply to wrongful death claims under the Alabama Wrongful Death Act or a claim made under the Alabama Uninsured Motorist Statute.

LIMITS OF LIABILITY – UNINSURED MOTORIST COVERAGE

This coverage limit provided for **UNINSURED MOTORISTS** coverage applies separately to damages caused by an **accident** with an **uninsured motor vehicle**.

The maximum amount **WE** will pay for any one **accident** is limited as follows:

1. The **UNINSURED MOTORIST** liability limit shown on the Declarations page for "each person" is the maximum amount **WE** will pay to anyone for **bodily injury** to any one **insured person** for any one **accident**, including all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services, and loss of consortium. However, if **UNINSURED MOTORIST** coverage applies to more than one **insured car** shown on the Declarations Page, the limit of liability will be the amount shown on the Declarations Page multiplied by the number of cars shown on the Declarations Page, not to exceed three.
2. Subject to the **UNINSURED MOTORIST** liability limit shown on the Declarations page for "each person", the **UNINSURED MOTORIST** liability limit shown on the Declarations page for "each **accident**", is the maximum amount **WE** will pay for **bodily injury** to two or more **insured persons** for any one **accident**, including damages for care, loss of services or death.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and the **LIABILITY** and **MEDICAL PAYMENTS** coverages of this policy.
4. The damages which an **insured person** is legally entitled to recover because of **bodily injury** will be reduced by all sums paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible. In addition, the damages will be reduced by any difference between the sums paid by the insurers of the persons or organizations who may be legally responsible and the limits of liability under those bonds and policies.
5. Any payments under this coverage will reduce any amount that person is entitled to recover for the same damages under the **LIABILITY** coverage of this policy.
6. 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 held legally responsible.
7. 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 workers' compensation or similar law or personal injury protection coverage.

ADDITIONAL DUTY

A person seeking coverage for damages caused by an **accident** with an **uninsured motor vehicle** must:

1. Provide **US** with written notice, by certified mail, of a tentative settlement between the **insured person** and the insuring company of the owner or operator of the **uninsured motor vehicle**; and
2. Allow **US** a reasonable time after receipt of the written notice to advance payment to that **insured person**, in an amount equal to the tentative settlement, to preserve **OUR** rights against the insuring company, owner or operator of such **uninsured motor vehicle**.

Written notice of a tentative settlement must include written documentation of all damages incurred, copies of all medical bills, and written authorization or a court order to obtain reports from all employers and medical providers.

OTHER INSURANCE

If there is other insurance available under one or more policies or provisions of coverage that is/are similar to the insurance provided under this part of the policy, then any insurance **WE** provide under this policy shall be excess over any other applicable insurance.

When this policy is issued as a “**NAMED NON-OWNER**” policy, or when occupying a **car** or **utility trailer** **YOU** do not own, **OUR UNINSURED MOTORIST** coverage applies as excess coverage only, over any other applicable coverage.

ARBITRATION

After a dispute has arisen, an appraisal or arbitration may take place if **YOU** and **WE** fail to agree on the amount of the loss. However, an appraisal or arbitration will take place only if both **YOU** and **WE** agree, voluntarily, to have the loss appraised or arbitrated.

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.

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

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** lives. Any decision agreed to by the arbitrators will be binding.

PHYSICAL DAMAGE COVERAGE

WE will pay for **covered** direct and **accidental loss** or damage resulting to **YOUR insured car**, provided such loss does not occur during the operation, maintenance or use by a **non-insured person**, **MINUS YOUR DEDUCTIBLE SHOWN ON THE DECLARATIONS PAGE**. **YOUR** deductible will be subtracted from each **accident** or **loss**.

WE will not pay for depreciation, mileage, or loss of value to **YOUR insured car**, caused by a **covered loss**. Diminished market value is not a covered loss. **WE** will not pay for loss of use, loss of profits or post-repair diminution in value as these do not constitute a **covered** direct loss to **YOUR insured car**. **WE** are not obligated to restore the value of the **car** to that prior to the loss.

WE may pay the **loss** in money, or repair or replace a damaged or stolen **car**. **WE** will pay the cost of repairs based on a competitive estimate approved by **US**, or an estimate written by **US** based on competitive prices charged by licensed repair shops in the area where the car is to be repaired. **WE** may keep all or part of **YOUR insured car**, upon payment to **YOU** of its' agreed or appraised value. **YOU** may not abandon the damaged **car** to **US**. **WE** may at any time before the **loss** is paid or the **car** replaced, return **YOUR insured car**, at **OUR** expense, to **YOU**, or to the address shown on the Declarations page, and repair, or pay **YOU** for any resulting damage.

If **YOUR insured car** is stolen, commencing 72 hours after **YOU** report the theft to **US** and the police, **WE** will pay **YOUR** rental car, taxi cab, or “common carrier” transportation expense, up to \$10 per day for a maximum of 30 days, until **YOUR insured car** is recovered, or until we offer to pay **YOU** for the **car**. **YOU** must provide **US** with written proof of **YOUR** cost of transportation.

ADDITIONAL DEFINITIONS – PHYSICAL DAMAGE COVERAGE

“**Covered**” means **loss** involving actual physical contact or collision between **YOUR insured car** and another object, bird or animal, or upset of **YOUR insured car**, or **loss** caused by fire, theft, larceny, vandalism, malicious mischief, missiles, falling objects, windstorm, hail, earthquake, water or flood. Loss occurring during operation, maintenance or use of **YOUR insured car** by a **non-insured person** is not a **covered** loss.

“**Accidental**” means a sudden and direct, unexpected event, arising from the ownership, maintenance or use of **YOUR insured car**.

“**Actual cash value**” means the amount it would cost to replace **YOUR insured car** with a **car** of “like kind and quality”, determined by the market value, age, mileage and condition of **YOUR insured car** at the time of **loss**.

LIMIT OF LIABILITY – PHYSICAL DAMAGE COVERAGE

OUR maximum payment for **PHYSICAL DAMAGE** coverage is the lesser of:

1. The **actual cash value** of **YOUR insured car**, at the time of **loss**, less any applicable deductible.
2. The amount necessary to repair or replace **YOUR insured car**, at the time of **loss**, less any applicable deductible. Repair or replacement may be made with materials or equipment of “like kind and quality”, which may include used, reconditioned, refurbished or aftermarket parts.
3. If **WE** repair **YOUR insured car** with new parts or equipment, **WE** may deduct depreciation and/or betterment. Lack of availability of parts or equipment for repair, shall not constitute the basis for a total loss of **YOUR insured car**.

OUR limit of liability is capped at the cost of returning **YOUR** damaged **insured car** to substantially the same physical, operating, and mechanical condition as existed before the loss.

PHYSICAL DAMAGE COVERAGE EXCLUSIONS

PLEASE READ CAREFULLY. THESE ARE SITUATIONS WHICH ARE NOT COVERED BY THIS POLICY. WE DO NOT PROVIDE PHYSICAL DAMAGE COVERAGE FOR:

1. **Loss to YOUR insured car** while it is being operated, maintained, or used by a **non-insured person**.
2. **Loss to YOUR insured car** by theft if evidence exists that forcible entry was not required to gain access to **YOUR insured car**.
3. Loss to **YOUR insured car** while it is being operated, maintained, or used in the commission or participation in a crime or an illegal occupation, other than a minor traffic violation.
4. Any **car**, while participating in any prearranged or organized racing, speed contest, pulling activity, demolition or stunt driving.
5. Any **car** used in a business, unless **YOU** have notified **US**, and **WE** have agreed to cover that use, prior to an **accident or loss**.
6. Damage resulting from manufacturer’s defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.
7. Any equipment, parts or accessories which were not purchased and permanently installed as standard or optional equipment from the manufacturer of the **car**. Examples of equipment, parts, or accessories not covered are:
 - (a) Two way radios (including CB radios), telephones, radio telephones, any device designed for audio or visual recording, amplification, or reproduction including components, accessories, tapes, records, disks or other similar devices.
 - (b) Chrome, alloy, aluminum, magnesium wheels or any custom wheels, or any custom tires or racing slicks.
 - (c) Sun roof, moon roof, T-bar roof, landau roof, bubble dome or window roof, or any custom roof.
 - (d) Tachometers, pressure gauges, engine parts or accessories, or equipment used to either mechanically or structurally modify the performance or appearance of **YOUR car**.
 - (e) Custom paint, striping, decals, murals, graphics, chroming, any custom decorations, upholstery or interior furnishings, including but not limited to, carpet, insulation, furniture, bars, cooking and sleeping facilities.
 - (f) Awnings, TV antennas, CB or other special antennas.
 - (g) Tools or personal effects.
 - (h) Travel trailers, campers or custom enclosures for pickup trucks.
 - (i) Alarm or security systems, radar detectors, or electronic equipment.
8. **Loss to YOUR insured car** due to confiscation by any governmental authority, or from any illegal occupation or transportation.
9. Conversion of **YOUR insured car**, when **YOU** give someone **YOUR car**, or permission to use **YOUR car** and they do not return it.
10. **Loss** to any additional **car** **YOU** acquire until **YOU** notify **US** of its acquisition, allow **US** to inspect it, and **WE** agree to provide coverage.
11. **Loss** to a **non-owned car**.
12. Liability assumed by **YOU** under any contract or agreement.
13. Any **car** **YOU** have sold, rented, leased or relinquished ownership of.
14. Any obligations for which the United States Government is liable under the Federal Tort Claim Act.

LOSS PAYEE PROVISIONS

If a loss payee is shown on the Declarations page or on an endorsement to this policy, **WE** may make payment for **PHYSICAL DAMAGE** coverage to **YOU** and/or the loss payee, as interests may appear. No loss payee shall have any rights greater than **YOUR** rights under this policy.

When **WE** pay a loss payee, **WE** shall be subrogated to the loss payee's right of recovery, to the extent of **OUR** payment.

APPRAISAL

After a dispute has arisen, an appraisal or arbitration may take place if **YOU** and **WE** fail to agree on the amount of the loss. However, an appraisal or arbitration will take place only if both **YOU** and **WE** agree, voluntarily, to have the loss appraised or arbitrated. **WE** do not waive any of our rights under this policy by agreeing to an appraisal.

If so agreed, each party must select and pay a licensed appraiser. The two appraisers will separately provide a written "**actual cash value**" and amount of loss report. If the two appraisers disagree on the amount of **loss**, and **WE** and **YOU** do not agree to a settlement in an amount between the two appraisals within 15 days, the two appraisers will select a disinterested third licensed appraiser to act as umpire, to provide a written decision determining the amount payable. Each party will split the cost of the umpire equally.

OTHER INSURANCE

If **YOU** have other insurance that covers **loss** or damage to **YOUR insured car**, then this policy will apply only as excess above any other insurance.

GENERAL POLICY PROVISIONS

TERRITORY

This policy only applies to **accidents** and **losses** which happen within the United States of America, its' territories or possessions, Puerto Rico, or Canada. **THIS POLICY PROVIDES NO COVERAGE IN MEXICO.**

POLICY CHANGES

This policy contains all agreements between **YOU** and **US** and may not be changed or waived, except by a written endorsement issued by **US**. If **WE** revise this policy to provide more coverage without additional premium, **YOUR** policy will automatically provide the additional coverage as of the date the revision is effective.

YOU have the duty to inform **US** of any change of **YOUR** mailing address, the garaging address of **YOUR insured car(s)**, **replacement** or newly acquired car(s), and/or additional drivers residing in **YOUR** household or regularly driving **YOUR insured car(s)**.

EXPIRATION

This policy will expire at the time and on the date shown on the Declarations. **THERE IS NO GRACE PERIOD.**

Payment of the premium necessary for renewal or continuation of the policy made after the expiration date as stated on the renewal offer will not extend coverage. If, at **OUR** option, said renewal premium is accepted, renewal will begin, with a lapse in coverage effective either (1) 12:01 a.m. on the day following the post mark date shown on the envelope containing the mailed payment, or (2) the time and day **YOUR** agent receives a payment that is not mailed. Any accidents or losses occurring during a lapse period will not be covered.

If this policy has been expired for more than 60 days, there can be no renewal of the policy.

CANCELLATION OF POLICY MID-TERM

YOU may cancel this policy during the policy period by giving **US** advance written notice of the date cancellation is to take effect.

If **WE** cancel this policy, **WE** will provide **YOU** with the reason for **OUR** decision. **OUR** notice of cancellation will be mailed at the U.S. Post Office to the address shown on the Declarations page. Proof of mailing the notice is proof of cancellation.

WE have the right to cancel **YOUR** policy:

1. at any time for non-payment of premium with at least a 10 day notice of cancellation;
2. within the first 60 days **YOUR** policy is in effect for any reason with at least a 20 day notice of cancellation;
3. after the first 60 days **YOUR** policy is in effect with at least a 20 day notice of cancellation, but only for the reasons as set forth in the Code of Alabama, 1975, Sec. 27-23-21.

NON-RENEWAL OF POLICY BY US

WE have the right to non-renew **YOUR** policy for any lawful reason as permitted by the laws of the State of Alabama. **OUR** notice of non-renewal will be mailed at the U.S. Post Office to the address shown on the Declarations page at least 20 days in advance of the non-renewal date. If **YOU** fail to pay **YOUR** premium prior to the date of non-renewal, **YOUR** policy will expire at the earlier date. If **WE** have mailed **YOU** a notice of non-renewal, **WE** will not accept any late payments. Proof of mailing the notice is proof of non-renewal.

AUTOMATIC TERMINATION

Notice of non-renewal is not required if **WE** have offered renewal or a replacement policy, or if **YOU** tell **YOUR** agent or **US** that **YOU** intend to cancel or not renew this policy. If **WE** have offered renewal or a replacement policy and **YOU** or **YOUR** representative do not accept our offer, this policy will automatically terminate at the end of the current policy period. If **YOU** fail to pay the required renewal premium when due, that shall mean **YOU** have not accepted our offer.

If **YOU** obtain other insurance on **YOUR insured car**, any similar insurance provided by this policy will terminate as to that **car** on the effective date of the other insurance.

PREMIUM REFUNDS

Upon termination of this policy, **YOU** may be entitled to a premium refund. If so, **WE** will mail it to the address shown on the Declarations page, but a refund or offer of refund is not a condition of policy termination. All premium refunds, except policy and expense fees, will be computed on a pro-rata basis. Policy and expense fees are fully earned at policy inception and non-refundable.

TRANSFER OF POLICY

This policy may not be assigned to another person or organization without **OUR** written consent. If **YOU** die, this policy covers **YOUR** legal representative while temporarily acting on **YOUR** behalf, or any other person having proper temporary custody of **YOUR insured car**, until a legal representative is appointed or until the expiration of the current policy period, whichever is earlier.

If any **insured car** is sold, there is no automatic transfer of any coverage under this policy to the new owner without **OUR** written consent.

OUR RECOVERY RIGHTS

In the event of any payment by **US** under this policy, **WE** are entitled to all rights of recovery of any person or organization **WE** paid, against any other party or organization who may be liable to **YOU** for the same or similar payment. **YOU** or any person **WE** paid must sign any legal papers and deliver them to **US** within 72 hours of receipt and do whatever else is necessary to assist **US** in the effort to recover such payments. **YOU** or anyone **WE** paid must do nothing to prejudice **OUR** rights of recovery. If **we** decide to take legal action to effect recovery, **WE** will select the attorney and pay all related expense.

BANKRUPTCY

WE are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any **insured person**.

ACTION AGAINST US

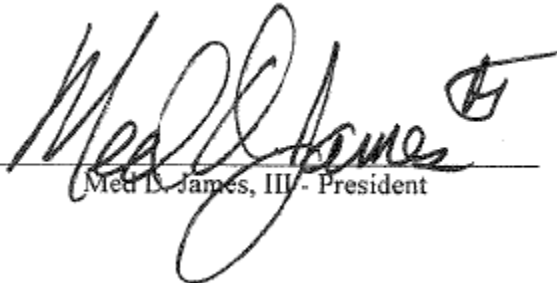
YOU may not sue **US** unless **YOU** have fully complied with all provisions of this policy. **WE** may not be sued under the liability coverage afforded by this policy until the **insured person's** legal liability has been decided, either by judgment against that person or by written agreement of that person, the claimant and **US**. **WE** may not be made a party to an action against an **insured person** to determine a person's liability.

If, for any reason deemed necessary by **US**, separate legal counsel is required for **YOU** or any other person, **WE** will only pay for legal counsel approved by **US** in writing.

POLICY TERMS COMPLY WITH THE LAWS OF ALABAMA

The coverage provided under this policy is in accordance with the coverage defined in Section 32-7A-4 of the Alabama Mandatory Liability Insurance Act relating to bodily injury and death, or property damage or both.

Any **insured person** shall reimburse us for any payment that we would not have been obligated to make under the terms of this policy except for payments made pursuant to Section 32-7A-4 of the Alabama Motor Vehicle Safety Responsibility Act.



Med D. James, III - President