



CAR INSURANCE POLICY

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

YOU have duties, described in this contract, in order for coverage to apply.

PLEASE READ YOUR POLICY CAREFULLY

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

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 is by check or draft, and the check or draft is not honored by the Payor Bank, regardless of the reason, all coverage provided by this policy is rescinded. It will be as if the insurance was never purchased, regardless of whether a binder, policy, identification card, or proof of insurance has been issued.

In order for **YOUR** coverage to continue, 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.

A payment of an amount less than 50% of the minimum payment requested in **OUR** premium billing will not be accepted. **WE** will consider this as non-payment of premium. 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 less than thirty days.

If **YOU** fail to pay the minimum renewal premium, all coverages afforded by this policy terminate on the expiration date shown on the premium billing. **WE** will send no further notice.

PREMIUM RATE INCREASES OR DISCOUNTS

YOUR premiums are determined by **OUR** rules and rates filed with **YOUR** state insurance department. Factors determining **YOUR** premiums 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 for driving records, increasing premiums for traffic violations and chargeable accidents. **WE** use a renewal discount system, discounting premium rates for “loss free” policyholders.

However, **OUR** premiums 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. Premiums generally increase when overall costs rise because 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

INSURING AGREEMENT

If **YOU** pay the premiums when due, as required under **OUR** premium payment conditions and/or exclusions, **WE** agree to insure **YOU** for the coverages and limits for which a premium is shown on the Declarations page.

This insurance applies only to **car accidents** and **losses** that happen while this policy is in force as shown in the Declarations. **WE** do not provide coverage earlier than the date and time of **YOUR** application for insurance.

WE issue this policy relying on the statements made in **YOUR** application for insurance. If **YOU** or the applicant made any false statements in **YOUR** application for insurance, this policy may not provide any coverage. False statements on **YOUR** application for insurance 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 address or garage address of **YOUR car(s)**.

If **YOU** fail to abide by the provisions of this section, and **WE** are required to make payment because of the financial responsibility laws of any state, or because of **OUR** duty 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 reflect correct driving records, or to correct underwriting or rating information that is in error on **YOUR** application for insurance.

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

DEFINITIONS USED IN THIS POLICY

The definitions that follow 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 a **car accident**.

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

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

“**Car**” means a four wheel private passenger land motor vehicle licensed for use on public highways. This includes 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.

“**Owned car**” means a **car YOU** purchase or lease from a licensed **car** leasing company covering a continuous period of six months or more. A **car** leased from a private party or a **car** rented from a **car** rental agency is not an **owned car**.

“**Replacement car**” means a **car** that **you** purchase, or lease from a licensed **car** leasing company 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 acquiring it. A **car** leased from a private party, or a **car** rented from a **car** rental agency is not 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. A **non-owned car** also does not include a **car** provided to and/or made available for regular use by **YOU** or use during the course of **YOUR** employment.

“**Insured car**”, for **LIABILITY, MEDICAL PAYMENTS, or UNINSURED MOTORIST** coverage means a **car** 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. **WE** must insure all **cars** **YOU** own when **YOU** acquire the additional **car** and **YOU** must add it to this policy within 14 days of acquiring it.

“**Insured car**” for **LIABILITY, MEDICAL PAYMENTS, or UNINSURED MOTORIST** coverage 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**. **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**. **YOU** must notify **US** of the **replacement car** within 14 days of acquiring it and the **car** being replaced appears on the Declarations page with a premium shown for **PHYSICAL DAMAGE** coverage.

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

“**Loss**” means sudden and direct accidental **loss** of or damage to **YOUR insured car** that is not intended or expected.

“**Insured person**” means **YOU**, and any other person not excluded from coverage, while using **your insured car** with **YOUR** permission and within the scope of that permission. **Insured person** does not mean someone **YOU** were required to disclose to **US** at the time of the application as a resident of **YOUR** household, a driver of **YOUR insured car**, or a frequent or occasional driver of **YOUR insured car**.

“**Relative**” means a person residing in the same household as **YOU** who does not lease or own a **car**, in whole or in part, and is related to **YOU** by blood, marriage or adoption, including a ward or foster child. The person also must be dependent on **YOU** as a principal means of financial support.

“**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**.

“**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 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** not exceeding a continuous period of 15 days. Use of the **car** must be with the owner’s permission each time it is used.

REPORTING A CLAIM – YOUR DUTIES

If **YOU** are involved in an **accident** or have a **loss**, **YOU** must contact **US** as soon as possible. If **YOU** fail to report an **accident** or **loss** to **US** promptly, or fail to cooperate with **US** in the investigation and settlement of an **accident** or **loss**, **WE** may not provide any coverage. If **YOU** fail to allow **US** to inspect **YOUR car** prior to its repair or disposal, **WE** may not provide coverage.

The following is information YOU must provide US. The information must be truthful and accurate:

- (a) The 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 police department that was involved;
- (d) The names and addresses of all persons or witnesses involved;
- (e) The location of **YOUR car** and if it can be driven.

YOUR additional duties:

When there is an **accident** or **loss**, **YOU** must cooperate with **US** and assist **US** in any reasonable manner. This includes but is not limited to the following:

- (a) Making settlements.
- (b) Securing and giving evidence.
- (c) Delivering to **US**, as soon as possible, any papers received relating to a claim or suit.
- (d) Appear, testify and get witnesses to testify at hearings or trials only as **WE** shall direct.

- (e) Give the representative(s) **WE** designate, statements, including statements under oath, as often as **WE** reasonably request and at a time and place that is suitable to **YOU** and **US**.

If YOUR car is damaged or stolen YOU must:

- (a) Report theft and vandalism claims to the police within 24 hours of the discovery of the **loss**.
- (b) Protect **YOUR** damaged car. **WE** will pay any reasonable expense incurred.
- (c) Show **US** the damage before repair or disposal of the **car**.
- (d) Provide **US** with all records, receipts and invoices that **WE** request, or certified copies of them.

Your additional duties:

YOU or any person making claim for “MEDICAL PAYMENTS”, “UNINSURED MOTORIST” OR “UNDERINSURED MOTORIST” coverage must:

- (a) Give **US** all details about the death, injury, treatment, and any other information **WE** need.
- (b) Allow **US** to obtain all medical reports and records. If the person is deceased or unable to act, their representative must allow **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 give a copy of the examiner’s report to the person examined upon written request of the person or their attorney.
- (d) If the **accident** involves a “**hit and run**” vehicle, **YOU** must report the **accident** to the police within 24 hours. **YOU** also must 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 agreement or sign a release with others without **OUR** written consent.
- (d) Appear in court without **OUR** written consent.

**POLICY EXCLUSIONS WHICH APPLY TO ALL COVERAGES IN THIS
POLICY**

READ CAREFULLY. THESE SITUATIONS ARE NOT COVERED BY THIS POLICY.

In addition to the exclusions listed under each policy coverage, the following exclusions apply to all coverages of this policy. **WE do not** insure:

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. Any person involved in an **accident** or **loss** who commits or participates in a crime or an illegal occupation, other than a traffic violation.
4. Any **car** used in any prearranged or organized racing, speed contest, pulling activity, demolition or stunt driving.
5. Liability assumed by **YOU** under any contract or agreement.
6. Any **car** used in a business, unless **YOU** have told **US**, and **WE** have agreed to cover that use, prior to an **accident** or **loss**.
7. Any **car** **YOU** have sold, rented or leased. This also includes any **car** when you have given up ownership of it.
8. Any duties for which the United States Government could be liable under the Federal Tort Claim Act.
9. Damage caused by riot, civil commotion, war (declared or undeclared), civil war, insurrections, rebellion, revolution, nuclear reaction, radiation or radioactive contamination or any consequence of these.
10. Damage incurred while a **car** is being driven by, or in the control of any person excluded from coverage. If **WE** are required, by the laws of any state, or by a duty to a loss payee, to pay a claim involving a **car** driven by, or in the control of any person excluded from coverage, **WE** have the right to recover all damages and costs, including legal expense, from **YOU**.

11. Any damages that occur 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.
12. **Punitive or exemplary damages**, or any extra or additional sum of money that a court may award as a means of punishing a person for conduct that has been determined to be oppressive, fraudulent, malicious, or for making an example of a person, or any conduct that results in such an award based on any state statute or ordinance.

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.

ANY PAYMENT MADE BY US TO ANY INSURED PERSON UNDER MEDICAL PAYMENTS COVERAGE OF ANY POLICY ISSUED BY US WILL BE DEDUCTED FROM ANY DAMAGES YOU RECOVER UNDER THE LIABILITY OR UNINSURED/UNDERINSURED MOTORIST COVERAGES OF THIS POLICY.

STACKING OF COVERAGES - ALL POLICY COVERAGES

WE **DO NOT** PROVIDE FOR STACKING OF ANY COVERAGE, MORE THAN ONE COVERAGE OR MORE THAN ONE POLICY ISSUED BY US.

1. THE MOST WE WILL PAY FOR ANY SINGLE ACCIDENT UNDER ANY COVERAGE OF ANY POLICY, OR POLICIES ISSUED BY US, IS THE HIGHEST LIMIT OF COVERAGE FOR ANY SINGLE CAR INVOLVED IN ANY SINGLE ACCIDENT. THIS PAYMENT IS REGARDLESS OF THE NUMBER OF SEPARATE LIABILITY, MEDICAL PAYMENT, UNINSURED OR UNDERINSURED MOTORIST PREMIUMS PAID TO US.
2. IF THE ACCIDENT DOES NOT INVOLVE THE USE OF YOUR INSURED CAR SHOWN ON THE DECLARATIONS PAGE, THE MOST WE WILL PAY FOR ANY ACCIDENT IS OUR HIGHEST LIMIT OF LIABILITY, MEDICAL PAYMENTS, AND UNINSURED OR UNDERINSURED MOTORIST COVERAGE FOR ANY SINGLE CAR ON ANY POLICY ISSUED BY US.
3. **THIS LIMIT OF COVERAGE APPLIES REGARDLESS OF THE NUMBER OF CARS INSURED OR SEPARATE PREMIUMS PAID TO US, THE NUMBER OF POLICIES WE ISSUED, THE NUMBER OF INSURED PERSONS, THE NUMBER OF CLAIMS OR CLAIMANTS, OR THE NUMBER OF VEHICLES INVOLVED IN THE ACCIDENT. THIS LIMIT OF COVERAGE APPLIES REGARDLESS OF WHETHER YOUR CAR IS COVERED UNDER A SINGLE POLICY, MULTIPLE CAR POLICY, OR SEPARATE POLICIES.**

LIABILITY COVERAGE

WE will pay damages, excluding **punitive or exemplary damages**, for which an **insured person** is held responsible by law because of **bodily injury** or **property damage** that results from an **accident** involving an **insured car**.

WE will defend any lawsuit or settle any claim for these damages as WE think proper. WE have no duty to defend a lawsuit for which no coverage exists under this policy or when the amount WE pay or offer to pay equals **OUR** limit of liability coverage.

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** and loss of consortium suffered by any one person, resulting from any one **accident**. This includes all spousal claims and claims for care and loss of services.

The **BODILY INJURY** liability limit for “each **accident**” is the most **WE** will pay for **bodily injury** and loss of consortium suffered by two or more persons, resulting from any one accident. This includes all spousal claims and claims for care and loss of services.

The **PROPERTY DAMAGE** liability limit for “each **accident**” is the most **WE** will pay for all damage to all property. This includes loss of use resulting from any one accident.

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 shown for each **car**. This payment is 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**.

Any amount payable under this coverage, to or for an **insured person**, will be reduced by the amount of any payment made to that person under any **UNINSURED OR UNDERINSURED MOTORIST** coverage of this policy.

ADDITIONAL PAYMENT – LIABILITY COVERAGE

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

1. The costs **WE** incur in the settlement of any claim or defense of any lawsuit, including premiums on appeal and attachment bonds that are not more than **OUR** limit of liability.
2. Interest on damages awarded in any lawsuit **WE** defend until **WE** have paid, offered to pay, or deposited in court, an amount of interest equal to **OUR** limit of liability.
3. Reasonable expenses an **insured person** incurs at **OUR** request, if **WE** ask the **insured person** to attend hearings or a trial. Loss of wages is considered as an expense and **WE** will pay up to \$50 per day.
4. 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 liability coverages 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** will also pay for damage for which the Named Insured is legally obligated, when caused by an unattended **car**, not being operated or in the control of any other person. **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 provided you notify us within 14 days after you become the owner.

FINANCIAL RESPONSIBILITY LAWS

If **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

For a **car** shown on the Declarations page or a **replacement car**, if there is any other liability insurance which covers **YOUR** or any **insured person’s** liability applicable to an **accident**, then this policy, including our obligation to defend, will apply only as excess above any other insurance.

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

READ CAREFULLY. THESE SITUATIONS ARE NOT COVERED BY THIS INSURANCE POLICY

In addition to the exclusions which apply to all coverages in this policy, WE do not provide LIABILITY coverage for:

1. **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.
2. Damage to property owned by, rented to, used by, in the custody of, or being transported by, an **insured person**. This does not include damage to a residence or private garage leased or rented to an **insured person**.
3. **Bodily injury or property damage** that involves the ownership, maintenance or use of any motor vehicle not shown on the Declarations page. This does not apply to **replacement cars**, newly acquired additional **cars**, or **occasional use of non-owned cars**.
4. **Bodily injury or property damage** caused by the use of farm machinery.

MEDICAL PAYMENTS COVERAGE

When a premium is shown on the Declarations page for **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.

For **MEDICAL PAYMENTS** coverage, an "**insured person**" means **YOU**, a **relative**, 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.

"**Medical expenses**" mean reasonable and necessary medical, surgical, dental, X-ray, ambulance, hospital, pharmaceutical, orthopedic, prosthetic devices, or funeral expense incurred within two years of an **accident**.

MEDICAL PAYMENTS COVERAGE EXCLUSIONS

READ CAREFULLY. THESE SITUATIONS ARE NOT COVERED BY THIS INSURANCE POLICY.

In addition to the policy exclusions which apply to all coverages in 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. Medical care which the United States Government or its' military services is required to provide to their employees, members, or dependents.
3. **Bodily injury** during the course and scope of employment, if benefits are payable or required to be provided by workman's compensation.
4. **Bodily injury** while operating, **occupying**, or being struck by, any vehicle, except a motor vehicle.
5. **Bodily injury** 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. This does not apply to a **car** shown on the Declarations page with a premium paid for **MEDICAL PAYMENTS** coverage.

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". This is 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**.

OTHER INSURANCE

For injuries sustained in an **accident** when 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 applicable **MEDICAL PAYMENTS** coverage available from any other personal automobile insurance policy, then this policy will apply only as excess above any such 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/UNDERINSURED MOTORIST COVERAGE

If a premium is shown on the Declarations page for **UNINSURED MOTORIST** coverage, subject to all policy provisions, **WE** will pay damages up to **OUR** limit of liability for the coverage shown, which an **insured person** is entitled to recover by law from the owner or operator of an **uninsured** or **underinsured** motor vehicle, for **bodily injury** caused by a **car accident**, and resulting from ownership, maintenance or use of the **uninsured** or **underinsured** motor vehicle. **WE** will not pay for **punitive or exemplary damages**. **WE** will not pay damages for mental distress or any mental disorder. **WE** will not make payment for **UNDERINSURED MOTORIST** coverage until the **insured person's** damages for **bodily injury** exceed all available **BODILY INJURY** liability insurance, bonds, or self insurance for the **accident**.

Any amounts payable by **US** will be reduced by:

1. Any payment made for **bodily injury** by, or on behalf of the owner or operator of the **uninsured** or **underinsured** motor vehicle or organization which may be legally liable.
2. Any payments made under the **BODILY INJURY** liability or **MEDICAL PAYMENTS** coverage of any of **OUR** policies.
3. Any payments made or payable by any workers' compensation law, disability benefits law or any similar law.

If agreement cannot be reached with an **insured person**, as to the right to recover damages from the owner or operator of an **uninsured** or **underinsured** motor vehicle, or the amount of damages, either party may make written demand for arbitration.

YOU will select one arbitrator, **WE** will select one arbitrator. The two arbitrators will select a third arbitrator. Thereafter, the panel of three arbitrators will decide the contested claim. If suit is brought to determine legal liability or damages without **OUR** written consent, **WE** are not bound by any resulting judgment.

ADDITIONAL DEFINITIONS – UNINSURED MOTORIST COVERAGE

“**Uninsured**” means a “motor vehicle” which is not insured at the time of the accident, by a **bodily injury** liability policy or bond in the minimum amount prescribed by state law. **Uninsured** also includes a “motor vehicle” which is insured but with an insurer or bonding company which becomes insolvent within two years of the **accident**.

Uninsured also includes a “**hit and run vehicle**” so long as there is evidence of physical contact.

Uninsured does not include a “motor vehicle”:

1. 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.
2. Leased or owned by a self-insurer under any financial responsibility, motor carrier or similar law.
3. Leased or owned by a governmental agency or unit.

“**Underinsured**” means a “motor vehicle” which is insured at the time of the **accident** by a **bodily injury** liability policy, bond, self-insurer or governmental agency or unit, but all available limits for **bodily injury** liability for the **accident** are less than the total damages an **insured person** is legally entitled to recover from the negligent motorist(s).

“**Hit and run vehicle**” means a “motor vehicle” which makes direct physical contact with **YOUR insured car** or an **insured person**, and unlawfully leaves the scene of the **accident**, and whose owner or operator cannot be identified. **YOU** must report a “**hit and run**” **accident** to the police within 24 hours of the accident and to **US** as soon as reasonably possible.

UNINSURED/UNDERINSURED MOTORIST COVERAGE EXCLUSIONS

READ CAREFULLY. THESE SITUATIONS ARE NOT COVERED BY THIS INSURANCE POLICY.

In addition to the exclusions which apply to all coverages in this policy, **WE** do not provide **UNINSURED/UNDERINSURED MOTORIST** coverage for:

1. The benefit of or reimbursement to a workman's compensation disability benefits insurer, or a self-insurer under these or similar laws.
2. **Bodily injury** to any employee of an **insured person** sustained during the course of employment.
3. **Bodily injury** to any person while **occupying** any motor vehicle or trailer 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. This does not apply to a **car** shown on the Declarations page with a premium paid for **UNINSURED MOTORIST** coverage.

4. Any person who agrees to any settlement without **OUR** written consent.
5. Any occupants of **YOUR insured car**, if the **car** is used without **YOUR** permission.
6. **Bodily injury** involving the use of a vehicle as a residence or premises.
7. Damages for mental distress or any mental disorder.

LIMITS OF LIABILITY – UNINSURED MOTORIST COVERAGE

If a premium is shown on the Declarations page for **UNINSURED MOTORIST** coverage, 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**. This includes all spousal claims and claims for care, loss of services, and loss of consortium.
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 to anyone for **bodily injury** to two or more **insured persons** for any one **accident**. This includes all spousal claims and claims for care, loss of services, and loss of consortium.

OTHER INSURANCE

For injuries sustained in an **accident** while an **insured person** is a pedestrian, or operating or **occupying** a **car** shown on the Declarations page, a **replacement car**, or a newly acquired additional **car**, if there is any other **uninsured** or **underinsured motorist** coverage applicable, **WE** will pay only **OUR** share of the **loss**, which is the proportion that **OUR** limit of coverage bears to the total limits of all applicable coverage.

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.

PHYSICAL DAMAGE COVERAGE

WE will pay for **covered** direct and **accidental loss** or for damage resulting in physical contact to **YOUR insured car**. This includes **YOUR insured car’s** equipment, which was purchased and installed as standard or optional factory equipment from the manufacturer of the car. **YOUR** deductible applies to each **accident** or **loss**.

WE may pay the **loss** in money, or repair or replace a damaged or stolen **car**. **WE** will not pay for depreciation, mileage, or loss of value to **YOUR insured car**, caused by a **covered loss**. **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 48 hours after **YOU** report the theft to 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.

“**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**.
2. The amount necessary to repair or replace **YOUR insured car**, at the time of **loss**. Repair or replacement may be made with materials or equipment of “like kind and quality”. If **WE** repair **YOUR insured car** with new parts or equipment, **WE** may deduct depreciation. Lack of availability of parts or equipment for repair, shall not constitute the basis for a total loss of **YOUR insured car**.

PHYSICAL DAMAGE COVERAGE EXCLUSIONS

READ CAREFULLY. THESE SITUATIONS ARE NOT COVERED BY THIS INSURANCE POLICY.

In addition to the exclusions which apply to all coverages in this policy, **WE do not** provide **PHYSICAL DAMAGE** coverage for:

1. Damage resulting from manufacturer’s defects, wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.
2. 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 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.
3. **Loss to YOUR insured car** due to confiscation by any governmental authority, or from any illegal occupation or transportation.
4. **Loss** or damage to **YOUR insured car** which happened while this policy was not in force.
5. Embezzlement of **YOUR insured car**, when **YOU** give someone **YOUR car**, or permission to use **YOUR car** and they do not return it.
6. **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.
7. **Loss** to a **non-owned car**.

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 the loss payee, as interests may appear.

PHYSICAL DAMAGE coverage with respect to the interest of a loss payee shall apply, except if the **loss** results from **YOUR** conversion, secretion, or from embezzlement of **YOUR insured car**.

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

If **WE** and **YOU** do not agree on the amount of **loss**, 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. The umpire is 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**, **WE** will only pay **OUR** share of the **loss**, which is **OUR** proportion of the total insurance applicable to the **loss**.

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 be given 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 additional drivers residing in **YOUR** household or regularly driving **YOUR insured car(s)**.

FRAUD

WE do not provide coverage for any **insured person** who has made fraudulent statements or engaged in fraudulent conduct with respect to any **accident** or **loss**.

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.

If **WE** cancel this policy during the first 70 days, or for non-payment of premium, **WE** will mail notice at least ten days in advance of the termination date.

After this policy has been in force 70 days, **WE will mail notice at least thirty days in advance of the termination date and** will cancel this policy only:

1. If **YOU** or a **relative**, or other driver residing in **YOUR** household or using **YOUR insured car** has a suspended or revoked drivers license;
2. Upon discovery of an act, omission, material misrepresentation or fraud in the obtaining of this policy or in the presentation of a claim;
3. Upon discovery, after the policy effective date, of an act, omission, or a violation of any condition of the policy, which substantially and materially increases the hazard insured against.
4. Upon discovery, after the policy effective date, of a material change in the risk, including but not limited to undisclosed drivers, undisclosed traffic violations or **accidents**, garage location of vehicle(s), or use of vehicle(s).

5. If **YOU** no longer reside or **YOUR car(s)** are no longer garaged in the state shown on the Declarations page of **YOUR** policy.

NON-RENEWAL OF POLICY BY US

WE have the right to non-renew **YOUR** policy for any lawful reason every six months, beginning six months after its' original effective date. If **WE** non-renew **YOUR** policy, **WE** will provide **YOU** with the reason for **OUR** decision. **OUR** notice of non-renewal will be mailed at the U.S. Post Office to the address shown on the Declarations page at least 30 days in advance of the non-renewal date. If **YOUR** policy expires prior to the date of non-renewal, and **YOU** fail to pay **YOUR** premium prior to the expiration date, **YOUR** policy will expire on the expiration date rather than the date of non-renewal. 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. Failure to pay the required renewal premium when due shall mean that 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. A refund or offer of refund is not a condition of policy termination. All premium refunds, except policy and expense fees, are done 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, 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, deliver them to **US** within 48 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 duty 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 NEVADA

The provisions of this policy shall be interpreted in accordance with the laws of the State of Nevada.

POLICY ENDORSEMENTS AND DRIVER EXCLUSIONS

Policy "endorsements", when applicable, change, modify, limit, and/or restrict coverage in **YOUR** policy. **Endorsement(s)** apply to **YOUR** policy when the endorsement number is shown on **YOUR** Declarations page.

PLEASE READ CAREFULLY. IF YOU VIOLATE THE LIMITATIONS AND/OR RESTRICTIONS OF ENDORSEMENTS WHICH APPLY TO YOUR POLICY, THIS POLICY MAY NOT PROVIDE ANY COVERAGE. OR WE MAY ELECT TO PAY A CLAIM AND RECOVER ALL DAMAGES AND EXPENSE FROM YOU. CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS.

ENDORSEMENT NDE-27 (11-05)
NAMED DRIVER EXCLUSION

In consideration of the premium paid for this policy and **YOUR** signed driver exclusion, **YOU** agree that certain named person(s) will not be permitted, under any circumstance, to operate **YOUR insured car(s)**. This agreement remains in force until you notify us to remove this exclusion.

If **WE** are required to make payment under any law while **YOUR insured** car is operated, or in the control of any person(s) excluded from coverage, **WE** have the right to recover all damages and expense, including legal and collection expense, from **YOU**.



Mark D. James, III - President