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

PA-0127 (07-09)
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.

<table>
<thead>
<tr>
<th>Subject</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insuring Agreement</td>
<td>3</td>
</tr>
<tr>
<td>Definitions Used in This Policy</td>
<td>3-4</td>
</tr>
<tr>
<td>Reporting a Claim – YOUR Duties</td>
<td>4-5</td>
</tr>
<tr>
<td>Policy Exclusions Which Apply to All Coverages</td>
<td>5</td>
</tr>
<tr>
<td>Duplicate Payment Prohibited</td>
<td>6</td>
</tr>
<tr>
<td>Stacking of Coverages Prohibited</td>
<td>6</td>
</tr>
<tr>
<td>Liability (Damage to Others)</td>
<td>6-8</td>
</tr>
<tr>
<td>Medical Payments Coverage</td>
<td>8</td>
</tr>
<tr>
<td>Uninsured/Underinsured Motorist Coverage</td>
<td>8-10</td>
</tr>
<tr>
<td>Physical Damage Coverage (for YOUR car)</td>
<td>10-11</td>
</tr>
<tr>
<td>General Policy Provisions</td>
<td>12-13</td>
</tr>
<tr>
<td>Policy Endorsements and Driver Exclusions</td>
<td>14</td>
</tr>
</tbody>
</table>

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the check or draft is not honored by the Payor Bank, regardless of the reason, all coverage provided by this policy is rescinded.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 COVERAGE**

**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 COVERAGE**

**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.**


**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.

---

[Signature]

Med K. James, III - President