

CALIFORNIA PERSONAL AUTOMOBILE INSURANCE POLICY



**CLAIMS ADMINISTRATION
BRIDGER CLAIMS
PLEASANTON, CALIFORNIA**

**TO REPORT A NEW LOSS OR IF YOU ALREADY HAVE A CLAIM NUMBER AND DESIRE INFORMATION
CALL 855-543-0099 OR GO TO Bridgerins.com**

**Send Premium Payments to:
Bridger Insurance Services
PO Box 9
Pleasanton, CA 94566-0814**

Important: Please read your California Personal Auto Policy carefully as it contains language that may restrict or exclude coverage. The policy specifically addresses who may use your vehicle and under what conditions coverage will be afforded.

Notice: Section 550 of the California Penal Code outlaws insurance fraud. Any misrepresentation on the insurance application or any claims made under this policy of insurance that are fraudulent can result in you being sued and/or having criminal charges filed against you.

IMPORTANT NOTICE

The insured has submitted to KnightBrook Insurance Company (hereinafter called the Company) a written application incorporated by reference. Each and every statement contained in the application is hereby warranted by the insured to be true. The application and the particulars and statements contained therein are hereby agreed to be the basis of this policy, and any renewals of this policy, and shall any of these statements not be true this policy may be rescinded from its inception date by the Company. Unless drivers residing with the named insured are named in the Declarations, coverage may not be afforded. If you desire coverage for drivers other than those shown, request our agent to have your policy amended to list the additional drivers.

LIMITS OF FUTURE COVERAGE

Pursuant to California Insurance Code Section 11580.09, please be advised the section of your policy entitled "REJECTION, CANCELLATION OR NONRENEWAL OF THIS POLICY" on page 10 of this policy lists specific reasons for which the Company may cancel or refuse to renew the policy and lists grounds for valid notice of cancellation. Several of the reasons the Company may use for purposes of nonrenewal or premium increase for the same coverage include but are not limited to the following:

- 1) Accident involvement by an insured, and whether the insured is at-fault in the accident.
 - 2) A change in, or an addition of, an insured vehicle.
 - 3) A change in, or addition of, an insured under the policy.
 - 4) A change in the location of garaging of an insured vehicle.
 - 5) A change in the use of an insured vehicle.
 - 6) Convictions for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle.
 - 7) The payment made by the Company due to a claim filed by an insured or a third party.
- Some nonrenewals and premium increases may result from reasons that are not specified in 1-7 above that are both lawful and not unfairly discriminatory.

Your Personal Auto Policy Quick Reference

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AGREEMENT

POLICY AGREEMENT

We agree with you, in return for your valid premium payment, to insure you subject to the terms of this policy.

We will insure you for the coverages and Limits of Liability for which a premium is shown in the Declarations Page of this policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

- 1) “**Accident**” means a sudden, unexpected, and unintended occurrence.
- 2) “**Automobile**” means a licensed and registered **motor vehicle** of the private passenger type designed for **use** upon a public road. “**Automobile**” also means a vehicle with a load capacity of 1 ton or less of the pick-up, van or utility type. This definition shall not include:
 - a) motorcycles;
 - b) midget vehicles;
 - c) golf mobiles;
 - d) tractors;
 - e) farm machinery;
 - f) any vehicle operated on rails or crawler treads; or
 - g) any vehicle used as a residence or premises.
- 3) “**Automobile business**” means to be employed or otherwise engaged in the **business** or occupation of selling, leasing, repairing, servicing, delivering, testing, storing or parking **automobiles**.
- 4) “**Bodily Injury**” means bodily harm, sickness, disease or death of any **person**.
- 5) “**Business**” means any trade, profession, occupation or job (including part-time jobs).
- 6) “**Business Use**” means the operating, maintaining, loading or unloading of a **motor vehicle** in the course of any trade, profession, occupation or job (including part-time jobs).
- 7) “**Collision**” means the impact of **your insured automobile** with another object.
- 8) “**Crime**” means any felony and shall include any act of eluding the police.
- 9) “**Declarations Page**” means the report from **us** listing:
 - a) the types of coverage you have elected;
 - b) the limit of each coverage;
 - c) the cost for each coverage;
 - d) the specified vehicles covered by this policy;
 - e) the types of coverage for each such vehicle; and
 - f) other information applicable to this policy.
- 10) “**Motor Vehicle**” means a self-propelled vehicle defined as “motor vehicle” by the California Vehicle Code. **Motor**

vehicle also includes but is not limited to **trailers**, house **trailers**, mobile homes, campers and all other wheeled vehicles or non-wheeled structures so made as to be capable of being moved as a compatible portion thereof, or trailed behind, another **motor vehicle**.

- 11) “**Named Insured**” means the **person** shown as **Named Insured** on the **Declarations Page**.
- 12) “**Non-owned automobile**” means an **automobile** in which you have no ownership interest.
- 13) “**Occupying**” means in, on, getting into or out of.
- 14) “**Off Road**” means while the vehicle is intentionally or willfully being **used** on property that is not being publicly maintained for passenger vehicle travel except private driveways and parking areas.
- 15) “**Person**” or “**Persons**” means a Human Being.
- 16) “**Personal Property**” means anything other than real property except a child passenger restraint system.
- 17) “**Private passenger automobile**” means an **automobile** of the private passenger type with neither more than nor less than four wheels, designed for **use** principally upon streets and highways and subject to **motor vehicle** registration under the laws of this state.
- 18) “**Property damage**” means damage to or destruction of tangible property, including loss of its **use**.
- 19) “**Racing**” means preparation for and/or participation in any **racing**, speed demonstration, demolition derby, stunt or other similar activity whether cited or not.
- 20) “**Relative**” means a **person** related to **you** by blood, marriage, registered domestic partnership or adoption, including a ward or foster child.
- 21) “**Resident**” means a **person** living in **your** household.
- 22) “**State**” means the District of Columbia and any **state** of the United States of America.
- 23) “**Trailer**” means a licensed vehicle designed to be towed, and while being towed by **your insured automobile**. **Trailer** does not include licensed or unlicensed vehicles used for the transportation of people, used for habitation, used for **business**, or while such vehicle is not actually being towed or is parked.
- 24) “**Use**” – When applied to a **motor vehicle** shall only mean operating, maintaining, loading or unloading a **motor vehicle**.
- 25) “**We**” “**us**” “**our**” or “**Company**” means KnightBrook Insurance Company.
- 26) “**You**” and “**your**” mean:
 - a) the Named Insured in the Declarations Page;
 - b) the resident spouse of the Named Insured, unless excluded; or
 - c) any person listed in the “Insured Drivers” section of the Declarations Page.
- 27) “**Your insured automobile**” means:

- a) the **automobile** described in the **Declarations Page** and any **trailer you** own.
- b) an **automobile you** acquire during the policy period if it has replaced any **automobile** described in the **Declarations Page** provided:
 1. **you** have transferred title and possession of the acquired/replacement **automobile** and the vehicle it has replaced; and
 2. **you** have made written request to **us** to delete the **automobile** described in the **Declarations Page** being replaced and add the acquired/replacement **automobile** within thirty (30) days of **you** taking initial possession of the acquired/replacement **automobile**.The acquired/replacement **automobile** will have the same coverage as described in the **Declarations Page** for the vehicle it replaces for 30 days. If **you** want to continue coverage under PART IV – DAMAGE TO YOUR AUTOMOBILE beyond 30 days, **you** must submit **your** request to continue coverage within 30 days of the acquisition date of the acquired/replacement **automobile** AND provide **us** with the required documentation to add physical damage coverage. All insurance for the **automobile** being replaced ends when **you** take delivery of the replacement automobile.
- c) an **automobile you** acquire during the policy period if it is in addition to any **automobile** described in the **Declarations Page** provided:
 1. **we** insure all **automobiles** then owned by **you**; and
 2. title has been transferred to **you** and **you** have taken possession of the newly acquired **automobile**; and
 3. **you** request in writing that **we** provide insurance for **your** newly acquired **automobile** within thirty (30) days after **you** take initial delivery of the newly acquired **automobile**.The acquired/added **automobile** will have the same liability coverages as the other **automobiles** described in the **Declarations Page**. If **you** want coverage for **your** acquired/added **automobile** under PART IV – DAMAGE TO YOUR AUTOMOBILE, such coverage will be in effect no earlier than the time and day on which **you** submit **your** request to add coverage AND provide **us** with the required documentation to add physical damage coverage. If **you** ask **us** to add Automobile Physical Damage Coverage in writing and provide the required documentation to support the request, the coverage will not be in effect until 12:01 AM on the day following the date of the postmark shown on the envelope containing your request. If a

postage meter is used on the envelope containing your request to add Automobile Physical Damage Coverage or there is no postmark, coverage will be in effect no earlier than the time and day **your** request is received by **us**.

- d) an **automobile** or **trailer** not owned by **you** while temporarily used with the permission of the owner, as a substitute for **your insured automobile** when withdrawn from normal **use** for servicing or repairs because of its breakdown, loss or destruction. For purposes of this section, an **automobile** or **trailer** not owned by **you** is not considered to be “temporarily used” if it has been available for **your** regular **use** for a period greater than thirty (30) days. For purposes of this policy any **automobile** leased by **you** under a written agreement for a continuous period of at least six months shall be deemed to be owned by **you**.

PART I - LIABILITY

COVERAGE A (BODILY INJURY) AND COVERAGE B (PROPERTY DAMAGE) – LIABILITY COVERAGE INSURING AGREEMENT

We will pay damages, except for punitive or exemplary damages, up to the policy limits stated on the **Declarations Page**, for which an **insured** is legally liable because of **bodily injury** or **property damage** resulting from the ownership, maintenance or **use** of **your insured automobile**, or resulting from the **use** of a **non-owned automobile**. The **bodily injury** or **property damage** must be caused by an **accident** and not be expected nor intended from the standpoint of the **insured**.

We will defend, through attorneys selected by **us**, any suit, or settle any claim for damages as we think appropriate. We will not defend after **our** limit of liability has been paid. We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

We shall provide liability coverage for replacement of a child passenger restraint system that was damaged or was in use by a child during an **accident** for which liability coverage under the policy is applicable due to the liability of an **insured**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

- 1) “**Insured**” shall mean **you**, or a **resident relative**, unless excluded, to whom any policy is issued as **insured** and any other **person** to whom coverage is afforded under the term of any such policy with respect to **your insured**

automobile. Insured also means any **person**, unless excluded, using **your insured automobile** within the scope of **your** express or implied permission, or within the scope of **your resident relative’s** express or implied permission.

Permissive User Limitation: Regardless of the limits selected by the **named insured**, the most **we** will pay when **your insured automobile** is driven by a permissive user not listed on the **Declarations page** is \$15,000 per person \$30,000 per **accident** for **bodily injury** and \$5,000 per **accident** for **property damage**.

ADDITIONAL PAYMENTS PART - 1

In addition to the limits of liability, **we** will pay:

- 1) all costs **we** incur in the settlement of any claim or defense of any suit;
- 2) interest on any judgment, including pre-judgment interest, in any suit **we** defend which accrues before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than our limit of liability;
- 3) loss of wages or salary limited to \$50 per day if **we** ask **you** to attend the trial or arbitration of a civil suit;
- 4) expenses a **person** insured incurs for first aid to others at the time of an **accident** involving an **automobile** insured under this PART;
- 5) premiums on:
 - a) appeal bonds required in any suit **we** defend;
 - b) bonds to release attachments of an amount not in excess of the limits of liability.

EXCLUSIONS

We do not cover:

- 1) **bodily injury** or **property damage** resulting from the ownership, maintenance or **use** of a vehicle when **used** to carry **persons** or property for a charge. This exclusion does not apply to shared-expense **automobile** pools.
- 2) **bodily injury** or **property damage** caused intentionally by the willful act or at the direction of an **insured**.
- 3) **bodily injury** or **property damage** for which a **person** is or could be an **insured** under a nuclear energy liability insurance policy. This exclusion applies even if the limits of that policy are exhausted.
- 4) **liability** for **bodily injury** assumed by the **insured** under any worker’s compensation law or liability for **bodily injury** to any employee of the **insured** arising out of and in the course of his or her employment.
- 5) **bodily injury** or **property damage** resulting from **automobile business** operations. However, this exclusion does not apply to **you**, or a **resident relative** when the **bodily injury** or **property damage** arises out of

automobile business operations conducted by someone other than **you** or a **resident relative**.

- 6) **bodily injury** or **property damage** resulting from the ownership, maintenance or **use** of a vehicle by a **person** employed while engaged in a **business**. This exclusion does not apply if endorsement number KBPA14 appears on the **Declarations Page**.
- 7) liability for damage to property owned, rented to, transported by or in the charge of an **insured**. A **motor vehicle** operated by an **insured** shall be considered to be property in the charge of an **insured**.
- 8) **bodily injury** or **property damage** resulting from the ownership, maintenance or **use** of a **motor vehicle** that is not defined as an **automobile** under DEFINITIONS USED THROUGHOUT THIS POLICY.
- 9) **bodily injury** or **property damage** arising out of the ownership, maintenance or **use** of any vehicle, other than **your insured automobile**, which is owned by or furnished or available for regular **use** by or to **you**, an **insured**, a **relative** or **resident**.
- 10) **bodily injury** or **property damage** resulting from the **use** of any vehicle for **racing**.
- 11) **bodily injury** or **property damage** liability assumed by an **insured** under any contract or agreement.
- 12) **bodily injury** or **property damage** resulting from the transportation or storage of radioactive, toxic, explosive or other hazardous properties or source of, nuclear or by-product material.
- 13) **bodily injury** or **property damage** resulting from or associated with the operation or **use** (including care, custody and control) of an **automobile** by a **person** or **persons** specifically excluded by endorsement.
- 14) **bodily injury** or **property damage** due to or resulting from war (declared or undeclared), civil war, insurrection, rebellion, riot, terrorist activity or revolution.
- 15) **bodily injury** or **property damage** arising out of the **use**, loading or unloading of an **automobile** not described in the **Declarations Page** and not owned by **you** while being **used** by another **person** within the scope of **your** express or implied permission or within the scope of **your resident relative’s** express or implied permission.
- 16) **bodily injury** or **property damage** arising out of actual, alleged, or threatened discharge, dispersal, release, or escape of any pollutant including the cost of cleanup and containment.
- 17) **bodily injury** or **property damage** for any amount where the **accident** occurs and arises out of the **use** of an **automobile** or any other **motor vehicle** for the commission of a **crime**.
- 18) liability for **bodily injury** to an **insured** or liability for **bodily injury** to an **insured** whenever the ultimate benefits

of that indemnification accrue directly or indirectly to an **insured**.

- 19) **bodily injury** or **property damage** resulting from the ownership, maintenance or **use** of a vehicle for delivery of any goods or services arising out of the **insured's business**. This exclusion does not apply if endorsement number KBPA14 appears on the **Declarations Page**.
- 20) **bodily injury** or **property damage** for any amount in excess of the minimum financial responsibility laws of the **state** where the **accident** occurs and arises out of the **use** of any **motor vehicle** while an **insured** is driving while under the influence of drugs or alcohol or charged with driving while impaired.
- 21) **bodily injury** or **property damage** resulting from the **use** of any **motor vehicle** that is excluded under **automobile** as defined under DEFINITIONS USED THROUGHOUT THIS POLICY.
- 22) liability for punitive or exemplary damages.
- 23) any fine, penalty, or restitution in any criminal action or proceeding.
- 24) a **non-owned automobile** or **trailer** under this PART:
 - a) that is rented for any **business** purpose; or
 - b) that is rented for a period in excess of 14 consecutive days, except where vehicle is a temporary substitute not to exceed 30 days.
- 25) voluntary payments or settlements made by an **insured** to another party.
- 26) any other **person using your insured automobile** without **your** express or implied permission to do so.
- 27) any other **person using your insured automobile** outside the scope of **your** express or implied permission.
- 28) **bodily injury** or **property damage** resulting from the **use** of a **non-owned automobile** by anyone other than **you**.
- 29) **bodily injury** or **property damage** resulting from the **use** of a **non-owned automobile** furnished or available to **you**, a **relative** or a **resident** for regular **use**.
- 30) **bodily injury** or **property damage** resulting from the **use** of a **non-owned automobile** by **you** without the express or implied permission of the owner.
- 31) **property damage** to a **non-owned automobile** used by **you**.

FEDERAL TORT CLAIMS ACT EXCLUSIONS

The following are not insured under PART I – LIABILITY of the policy.

- 1) the United States of America or any of its agencies.
- 2) any **person** for **bodily injury** or **property damage** arising from the operation of a vehicle by that **person**

as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.

OUT OF STATE INSURANCE

If this policy provides insurance under PART I – LIABILITY and if **you** are traveling in a **state** that has compulsory **motor vehicle** insurance requirements for non-residents, **we** will automatically provide the required liability insurance. **WE WILL NOT PROVIDE ANY COVERAGE UNDER THE NO-FAULT LAW** or any similar law of any other **state**. Any broader coverage so afforded shall be reduced to the extent that other **automobile** liability insurance applies. No **person** may, in any event, collect more than once for the same elements of loss.

LIMITS OF LIABILITY

The limits of liability shown in the **Declarations Page** apply subject to the following:

- 1) the **bodily injury** liability limit for “each **person**” is the maximum **we** will pay as damages for **bodily injury** to one **person** as stated in the **Declarations Page** in one **accident**. It includes all damages including, but not limited to damages for care, medical expenses, loss of income and pain and suffering. Any claims for loss of services, loss of society, comfort, companionship, loss of consortium, or wrongful death and any other damages in any way arising out of such **bodily injury** shall be included in this limit.
- 2) the **bodily injury** liability limit for “each **accident**” is the maximum **we** will pay as damages for all **bodily injury** to two or more **persons** in any one **accident**. It includes all damages including, but not limited to, damages for care, medical expenses, loss of income and pain and suffering. Any claims for loss of services, loss of society, comfort, companionship, loss of consortium, wrongful death, and any other damages in any way arising out of or deriving from such **bodily injury** shall be included in this amount.
- 3) the **property damage** liability limit for “each **accident**” is the maximum **we** will pay for all damages to property in one **accident**.
- 4) all **bodily injury** or **property damage** limits are subject to Exclusion number 21, if applicable.

All **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **accident** or chain of events.

We will pay no more than the maximum limit of liability regardless of the number of:

- a) vehicles described in the **Declarations Page**;
- b) **insureds**;
- c) claims;
- d) claimants;
- e) policies; or

f) vehicles involved in the **accident**.

Any amount payable under this coverage to or for an injured **person** will be reduced by any amount paid or payable to that **person** under PART II – EXPENSES FOR MEDICAL SERVICES or PART III – UNINSURED/UNDERINSURED MOTORISTS COVERAGE of this policy.

Permissive User Limitation: Regardless of the limits selected by the **named insured**, the most **we** will pay when **your insured automobile** is driven by a permissive user not listed on the **Declarations page** is \$15,000 per person/\$30,000 per **accident** for **bodily injury** and \$5,000 per **accident** for **property damage**.

OTHER INSURANCE

If there is other applicable **automobile** liability insurance on a loss covered by this PART **we** will pay **our** proportionate share as **our** limits of liability bear to the total of all applicable liability limits. Any insurance afforded under this PART for a vehicle **you** do not own, however, is excess over any other collectible **automobile** liability insurance.

PART II – EXPENSES FOR MEDICAL SERVICES

COVERAGE C – MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT

If a premium is shown on the **Declarations Page** for Medical Payments coverage, **we** will pay the usual and customary charge for all reasonable expenses incurred within 1 year from the date of **accident** for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services because of **bodily injury** sustained by an **insured**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this PART “**Insured**” means:

- 1) **you** while **occupying** or through being struck by a **motor vehicle**.
- 2) any other **person** while **occupying your insured automobile** while the **automobile** is being **used** by **you** or another **person** if that **person** has express or implied permission to **use** the **automobile**.

EXCLUSIONS

This coverage does not apply for **bodily injury** to any **person**:

- 1) sustained while **occupying your insured automobile** when **used** to carry **persons** for a charge including rental of **your insured automobile** to others. This exclusion does not apply to shared-expense **automobile** pools.
- 2) sustained while in, on, or **occupying** any **motor vehicle** while **used** as a shelter, residence or living space.
- 3) sustained while **occupying** or during **use** of a motorized vehicle with less than four wheels.
- 4) sustained while **occupying** or through being struck by any vehicle, other than **your insured automobile**, which is owned by or furnished or available for regular **use** by **you**, a **relative** or **resident**.
- 5) sustained while **occupying** a **motor vehicle** while the vehicle is being **used** in the **business** or occupation of an **insured**.
- 6) occurring during the course of employment whether or not benefits are payable or must be provided under a workers' compensation law or similar law.
- 7) caused by war or any consequence of war (declared or undeclared), civil war, terrorist activity, insurrection, rebellion, riot, revolution, nuclear reaction, radiation or radioactive contamination.
- 8) while in the commission of a **crime** or while driving while intoxicated or driving while impaired.
- 9) who sustains **bodily injury** resulting from the **use** of an **automobile** by a **person** or **persons** specifically excluded by endorsement.
- 10) while using **your insured automobile** for **business**.

LIMITS OF LIABILITY

Regardless of the number of vehicles described in the **Declarations Page**, **insureds**, claims, policies, or vehicles involved in the **accident**, **we** will pay no more than \$1,000 for any **person** nor more than \$2,500 per **accident**. Any amount paid or payable for medical expenses under the Liability or Uninsured Motorists coverages of this policy shall be deducted from the amounts payable under this PART. Any payment **we** make to or on behalf of a **person** because any part of this policy is extended to comply with laws of any other **state** shall be applied to reduce any amount **we** owe that **person** under this PART. No payment will be made under this coverage unless the injured **person** or his legal representative agrees that any payment shall be applied toward any settlement or judgment that **person** receives under any Automobile Liability, Uninsured Motorist or Underinsured Motorists coverage provided by the policy. **We** will not pay more than \$1,000 for any **person** for funeral expenses.

OTHER INSURANCE

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

- 1) other available **automobile** medical payments insurance;
- 2) medical, surgical, hospital or funeral services benefit or reimbursement plan;
- 3) individual, blanket or group **accident**, disability, health or hospitalization insurance; or
- 4) premises medical payments insurance.

SUBROGATION/REPAYMENT TO US

When **we** pay, any right of recovery from anyone else becomes **ours** up to the amount **we** have paid. Any **person** insured must protect these rights and help **us** enforce them, and DO NOTHING TO PREJUDICE OUR RIGHTS.

If **we** pay to or for a **person** insured under this PART, and that **person** also recovers damages from any other **person** or organization for the same injuries, any amount recovered as damages shall be reimbursed to **us** to the extent of **our** payment.

PART III – UNINSURED/UNDERINSURED MOTORISTS

COVERAGE D – UNINSURED/UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT UNINSURED MOTORIST BODILY INJURY

We will pay compensatory damages, but not punitive or exemplary damages, for which an **insured** is legally entitled to recover from an owner or operator of an **uninsured** or **underinsured motor vehicle** because of **bodily injury** sustained by an **insured** if the **Declarations Page** indicates that Uninsured Motorist Bodily Injury Coverage applies. The **bodily injury** must be caused by an **accident** and result from the ownership, maintenance or **use** of an **uninsured** or **underinsured motor vehicle** and arise out of physical contact of the uninsured or underinsured **automobile** with an **insured** or with an **automobile** occupied by an **insured**.

Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**. Determination of whether an **insured** is legally entitled to recover damages or the amount of damages shall be made by agreement between the **insured** and **us**. If no agreement is reached, either party may demand arbitration pursuant to the Arbitration section of this coverage.

UNINSURED MOTORIST PROPERTY DAMAGE / COLLISION DEDUCTIBLE WAIVER

We will pay compensatory damages, but not punitive or exemplary damages, for which an **insured** is legally entitled to recover from an owner or operator of an **uninsured motor vehicle** because of **property damage** caused by a **collision** if:

- 1) the **Declarations Page** indicates coverage for Uninsured Motorist Property Damage or Collision Deductible Waiver; and
- 2) the **property damage** is the result of direct physical contact between **your motor vehicle** and the **uninsured motor vehicle**; and
- 3) the owner or operator of the **uninsured motor vehicle** is identified or the **uninsured motor vehicle** is identified by its license number; and
- 4) an **insured** or their legal representative has notified **us** of the **accident** within 10 business days.

If coverage is applicable under this Part for Collision Deductible Waiver, and **your insured automobile** is insured for Collision coverage, no Collision deductible will apply.

CHILD PASSENGER RESTRAINT

We shall provide coverage for replacement of a child passenger restraint system that was damaged or was in **use** by a child during an **accident** for which Uninsured Motorist Property Damage coverage under the policy is applicable due to the liability of an uninsured motorist.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this PART:

- 1) **“Insured”** means:
 - a) only the **insured** and the spouse of the **named insured** as listed on the **Declarations Page**; or
 - b) while **residents** of the same household, **relative(s)** of either the **named insured** as listed on the **Declarations Page** and/or the spouse; or
 - c) any other **person** while in or upon or entering into or alighting from an **insured motor vehicle**.
- 2) **“Insured Motor Vehicle”** means one that is insured under a **motor vehicle** liability policy, or **automobile** liability insurance policy, self-insured, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law or any vehicle owned, leased or rented by any government unit or agency.
- 3) **“Motor vehicle”** means a **motor vehicle** described on the **Declarations Page**, a temporary substitute for which **automobile** liability coverage is provided in the policy or a newly acquired **automobile** for which liability coverage is provided in the policy if the **motor vehicle** is **used** by:
 - a) an **insured**; or
 - b) any **resident** of the household; or

- c) any other **person** for whom coverage has not been excluded; or
 - d) an **insured** using an **automobile** not owned by or available for regular **use** by an **insured**.
- A **motor vehicle** does not include a **trailer**, motorcycles, midget vehicles, golf mobiles, tractors, farm machinery, any vehicle operated on rails or crawler treads or any vehicle **used** as a residence or premises.
- 4) **“Property Damage”** means loss or damage to a **motor vehicle** or child passenger restraint but does not include loss of **use** of the **motor vehicle** or loss of **personal property** or loss of **use** of **personal property**.
 - 5) **“Underinsured Motor Vehicle”**: For **bodily injury** caused by an underinsured vehicle only, **Underinsured Motor Vehicle** means an **insured motor vehicle** insured for an amount that is less than the uninsured motorist limits carried on the **motor vehicle** of the injured **person**.
 - 6) **“Uninsured Motor Vehicle”** means a **motor vehicle** with respect to the ownership, maintenance or **use** of which there is no **bodily injury** and **property damage** liability insurance or bond applicable at the time of the **accident** or where coverage for the vehicle has been denied or contested.

EXCLUSIONS

- 1) Underinsured motorist coverage does not apply to any **bodily injury** until the limits of **bodily injury** liability policies applicable to all **insured motor vehicles** causing the injury have been exhausted by payment of judgments or settlements, and proof of the payment is submitted to the insurer providing the underinsured motorist coverage.
- 2) The insurance provided in this section does not apply either as primary or excess coverage:
 - a) to **property damage** sustained by an **insured** except if Uninsured Motorist Property Damage or Collision Deductible Waiver is shown on the **Declarations Page**;
 - b) to **bodily injury** sustained by an **insured** except if Uninsured Motorist Bodily Injury coverage is shown on the **Declarations Page**;
 - c) to **bodily injury** to an **insured** while in or upon or while entering into or alighting from or **use** of a vehicle other than the described **motor vehicle** if the owner thereof has insurance similar to that provided in this section;
 - d) to a **person** if that **person** or their representative makes a settlement of any claim or prosecutes a claim to judgment without **our** written consent;
 - e) to a **person** while the **motor vehicle** is being **used** to carry **persons** or property for a charge. This

- exclusion does not apply to shared-expense **automobile** pools;
- f) to a **person** while **occupying** a vehicle with less than four wheels;
 - g) to **bodily injury** of the **insured** when struck by a vehicle owned by **you** or **your relative** or **resident**, or when the **insured** is **occupying** a vehicle owned by **you** or **your relative** or **resident**, except when the **motor vehicle** is being operated, or caused to be operated, by a **person** without the injured **insured’s** consent in connection with criminal activity, to which the injured **insured** is not a party, and which has been documented in a police report;
 - h) in any instance where it would inure to the benefit of any workers’ compensation carrier or self-insured;
 - i) in any instance where it would inure to the benefit of any governmental entity or agency whether federal, state or local;
 - j) to a **person** using a **motor vehicle** without the express or implied permission of the owner, or not within the scope of that permission;
 - k) to **bodily injury** sustained by any **person** while **occupying** or when struck by a **trailer used** with a **motor vehicle** owned by **you**, a **resident** or a **relative** unless the **motor vehicle** is **insured** under this policy;
 - l) to **collision** damage where there is valid and collectible Collision coverage unless a premium is shown on the **Declarations Page** for Collision Deductible Waiver or Uninsured Motorist Property Damage coverage;
 - m) to **bodily injury** or **property damage** resulting from the **use** of a **motor vehicle** by a **person (s)** specifically excluded by endorsement; (n) to **property damage** caused by a hit and run **motor vehicle**;
 - n) to **property damage** caused by a hit and run **motor vehicle**;
 - o) to **bodily injury** caused by a hit and run **motor vehicle** unless:
 - i. the **bodily injury** was the result of physical contact between the hit and run **motor vehicle** and the **insured**, or physical contact between the hit and run **motor vehicle** and a **motor vehicle** which an **insured** was occupying at the time of the **accident**; and
 - ii. the identity of either the owner or operator of the hit and run **motor vehicle** cannot be ascertained; and
 - iii. an **insured** or their representative reports the **accident** within 24 hours to the police department of the city where the **accident** occurred or to the sheriff or highway patrol if the **accident** occurred in an unincorporated area or within the jurisdiction of the highway patrol; and

- iv. files with **us**, within 30 days thereafter, a statement under oath that: 1) states an **insured** has a cause of action arising out of the **accident** for damages against the owner or operator of the hit and run **motor vehicle**; 2) states that the identity of the **person(s)** who caused the damage(s) is unascertainable, and; 3) provides the facts that support the claim of an **insured**; and
- v. the **motor vehicle** the **insured** was **occupying** at the time of the **accident** is made available to **us** for inspection.
- p) to any **person** resulting from the ownership, maintenance, or **use** of a vehicle by a **person** employed or otherwise engaged in a **business**. This exclusion does not apply if endorsement number SA14 appears on the **Declarations Page**.
- q) to **bodily injury** or **property damage** resulting from or associated with the operation or **use** (including care, custody and control) of an **automobile** by a **person** or **persons** specifically excluded by endorsement.
- r) to **bodily injury** of the **insured** while occupying a **motor vehicle** owned by an **insured** or leased to an **insured** under a written contract for a period of six months or longer, unless the occupied vehicle is an **insured motor vehicle**.

LIMITS OF LIABILITY

- 1) For **Underinsured Motorist** coverage, when **bodily injury** is caused by one or more vehicles, whether insured, underinsured, or uninsured, **our** maximum liability shall not exceed the limits of liability as shown on the **Declarations Page** less the amount paid to the **insured** by or for any **person** or organization that may be held legally liable for the injury.
- 2) The **bodily injury** liability limit for each **person** as shown in the **Declarations Page** is the maximum **we** will pay as damages for **bodily injury** to one **person** in one **accident**.
- 3) The **bodily injury** liability limit for each **accident** as shown in the **Declarations Page** is the maximum **we** will pay as damages for **bodily injury** to two or more **persons** in one **accident** subject to the each **person** limit described in (2) above.
- 4) **Our** maximum **property damage** liability limit for uninsured motorist coverage is the lesser of:
 - a) the actual cash value of **your insured automobile** subject to adjustment for depreciation of physical condition; or
 - b) the amount necessary to repair or replace **your insured automobile**; or
 - c) \$3,500.

We will pay no more than these maximums regardless of the number of vehicles described on the **Declarations Page**, insured **persons**, claims, claimants policies or vehicles involved in the **accident**.

No one will be entitled to receive duplicate payments for the same elements of loss or damage under the Uninsured Motorist or Underinsured Motorist coverage.

Any amounts payable under this PART shall be reduced by:

- 1) payments made by any **person** or their representative or agent who may be held legally liable;
- 2) any payment made under PART I - LIABILITY or PART II - EXPENSES FOR MEDICAL SERVICES;
- 3) payments made under any workers' compensation or disability law, whether mandated by federal or state laws;
- 4) payments made under any property insurance policy;
- 5) for Underinsured Motorist Coverage, the limits of liability shall be reduced by ALL sums paid for **bodily injury** by any **person** or representative, organization or agent of an owner or operator who may be legally liable. This includes ALL sums paid under PART I - LIABILITY of the policy.

CAUSE OF ACTION

No cause of action shall accrue to an **insured** under this section unless one of the following actions has been taken within two (2) years from the date of **accident**:

- 1) Suit for **bodily injury** has been filed against the uninsured motorist in a court of proper jurisdiction within the applicable statute of limitations.
- 2) Agreement as to the amount due under the policy has been concluded.
- 3) An **insured** or their legal representative has formally instituted arbitration by notifying **us**, in writing, sent by certified mail, with return receipt requested.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage:

- 1) Any recovery for damages under all such policies may equal, but not exceed the highest applicable limit under any insurance providing coverage on either a primary or excess basis.
- 2) Any insurance **we** provide with respect to a vehicle **you** do not own shall be excess over any insurance providing coverage on a primary basis.
- 3) If the coverage under this policy is provided:
 - a) On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. **Our** share is the proportion that **our** limit of liability bears to the total of

all applicable limits of liability under policies providing coverage on a primary basis.

- b) On an excess basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.
- 4) If **you** have other valid and collectible insurance that applies to an insured **automobile** newly acquired by **you**, this coverage does not apply.

ARBITRATION

If an insured **person** and **we** do not agree:

- 1) that an **insured** is legally entitled to recover damages from the owner or operator of an **uninsured** or **underinsured motor vehicle**; or
- 2) as to the amount that is owed under the Uninsured or Underinsured Motorist coverage, then either party may demand in writing that the issues be determined by arbitration.

All disputes involving only Uninsured Motorist Property Damage must be subjected to the APPRAISAL remedy described in Part IV - DAMAGE TO YOUR AUTOMOBILE.

Any demand for arbitration shall contain:

- 1) a declaration under penalty of perjury stating whether the **insured** has a workers' compensation claim; and
- 2) if so, whether the claim has proceeded to a finding and award or settlement; and
- 3) if not, the reasons amounting to good cause as to why the Arbitration should proceed immediately. The notice sent to **us** must comply completely with any and all applicable insurance code requirements.

Arbitration shall take place in the **named insured's** county of residence unless both parties agree otherwise.

A single, neutral and unbiased arbitrator shall be appointed by agreement between an **insured** and **us**. If an agreement on an arbitrator cannot be reached by mutual assent, either party may petition the court for an appointment of an arbitrator.

Each party will pay their incurred expenses and shall bear the expenses of the arbitrator equally.

The decision of the arbitrator shall be final and binding upon the parties as to:

- 1) whether an **insured** is legally entitled to recover damages; and
- 2) the amount of damages.

The decision of the arbitrator may be entered in any court of competent jurisdiction.

The arbitrator shall not award any amount in excess of the **limits**

of liability as shown on the **Declarations Page** and damages shall be subject to the terms and conditions of the policy.

TRUST AGREEMENT

If **we** pay an **insured** for a loss under this coverage;

- 1) **We** are entitled to recover from the **insured** an amount equal to such payment if there is a settlement made or a judgment paid to the **insured** by any **person** or organization responsible for the **bodily injury**.
- 2) The **insured** must hold in trust for **us** all rights to recover money which the **insured** has against the **person** or organization legally responsible for **bodily injury**.
- 3) The **insured** must do everything reasonable to secure **our** rights and do nothing to prejudice these rights.
- 4) If **we** ask, an **insured** must take reasonable or appropriate action, through a representative designated by **us**, to recover payment as damages from the responsible **person** or organization.
- 5) The **insured** must execute and deliver to **us** any legal instrument or papers necessary to secure the rights and obligations of an **insured** and **us** as established here.
- 6) An **insured** under this coverage must do nothing before or after a loss to prejudice **our** rights of recovery from any **person** or organization.

PART IV – DAMAGE TO YOUR AUTOMOBILE

COVERAGE E – (COMPREHENSIVE) AND COVERAGE F – (COLLISION) – AUTOMOBILE DAMAGE COVERAGE INSURING AGREEMENT

We will pay for **loss** to **your insured automobile** under this PART for the coverage specified on the **Declarations Page**. The payment will be reduced by the applicable deductible.

We shall provide coverage, subject to the applicable deductible, for a new child passenger restraint system of like kind and quality if the child passenger restraint system was in **use** by a child during an **accident** or, if the child passenger restraint system was in **your insured automobile** and it sustained a **loss** covered by the policy.

LOSS SETTLEMENT

We may elect a cash settlement that shall be based upon the actual cost of a **comparable automobile** less any deductible provided in the policy. This cash

settlement amount shall include all applicable taxes and one-time fees incident to transfer of evidence of ownership of a **comparable automobile**. This amount shall also include the license fee and other annual fees to be computed based upon the remaining term of the **loss** vehicle's current registration. This procedure shall apply whether or not a replacement **automobile** is purchased.

If **you** choose to retain the **loss** vehicle, the cash settlement amount shall include the sales tax associated with the cost of a **comparable automobile**, discounted by the amount of sales tax attributed to the salvage value of the **loss** vehicle. The salvage value may be deducted from the settlement amount and shall be determined by the greater of the following, the amount for which a salvage pool or a licensed salvage dealer, wholesale **motor vehicle** auction or dismantler will purchase the salvage. If **we** elect to repair **your** vehicle, **we** may use parts that are at least equal to the original equipment manufacturer parts in terms of kind, quality, safety, fit, and performance.

The amount of **your** claim may be adjusted because of betterment, depreciation, or salvage. Any adjustments shall be discernable, measurable, itemized, and specified as to dollar amount, and shall accurately reflect the value of the betterment, depreciation, or salvage.

The basis for any adjustment shall be fully explained in writing and shall:

- 1) reflect a measurable difference in market value attributable to the condition and age of the vehicle; or
- 2) apply only to parts normally subject to repair and replacement during the useful life of the vehicle such as, but not limited to, tires, batteries, et cetera.

We will provide **you** with reasonable notice before terminating payment for storage charges, so that **you** have time to remove the vehicle from storage.

We may, at any time before the **loss** is paid or the property is replaced, return, at **our** expense, any stolen property either to **you** or to the address shown in the **Declarations Page**, with payment for any resulting damage to the stolen property. **We** may keep all or part of the property at the agreed or appraised value.

You do not have the right to abandon salvage to **us**.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

As used in this PART:

- 1) "**Comparable automobile**" is an **automobile** of like kind and quality, made by the same manufacturer, of the same or newer model year, of the same model type, of a similar body type, with options and mileage similar to the **insured** vehicle.
- 2) "**Comprehensive**" **loss** is **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake,

windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, terrorist activity, colliding with a bird or animal, or breakage of glass.

Comprehensive coverage may also be referred to as "other than **collision**" coverage.

- 3) "**Loss**" means sudden, direct and accidental destruction of or damage to:
 - a) **your insured automobile**;
 - b) the original optional equipment offered by the manufacturer, and permanently installed by the manufacturer or its authorized dealer at the time of purchase of **your insured automobile**;
 - c) other equipment and accessories when additional coverage was purchased and is shown on the **Declarations Page** of this policy listed as Special Equipment (subject to a maximum of \$1,000); or
 - d) a child passenger restraint system that:
 - i. meets the applicable federal **motor vehicle** safety standards; and
 - ii. if the child passenger restraint system was in **use** by a child during an **accident**.

Loss shall not include confiscation of the vehicle by any governmental authority.

ADDITIONAL PAYMENTS

If there is a theft of **your insured automobile**, **we** will pay up to \$15 per day, but no more than \$255 for the cost of transportation incurred by **you**. This coverage begins 48 hours after **you** notify the police of the theft as evidenced by a written police report. The coverage period ends when the **automobile** is returned to **use** or when **we** pay for the **loss**. **We** will not pay for the cost of transportation incurred by an **insured** if there is a theft only of a **trailer**.

AUTOMOBILE TOWING AND STORAGE COVERAGE

In the event of a **loss** to **your insured automobile** for which coverage is provided under this PART where towing and storage are reasonably necessary to protect the vehicle from further **loss**, **we** will pay reasonable towing charges incurred by **you** for **your insured automobile** for all towing charges associated with any one **loss** and storage costs incurred by **you** for **your insured automobile** for all storage costs associated with any one **loss**. **Our** responsibility does not begin until **you** have reported the **loss** to **us**. **You** agree to cooperate with **us** in mitigating the cost of towing and storage.

EXCLUSIONS

We do not cover Car Rental costs.

We do not cover **loss**:

- 1) to **your insured automobile** while **used** to carry **persons** or property for a charge including rental of **your insured automobile** to others. This exclusion does not apply to shared-expense **automobile** pools.
- 2) caused by war (declared or undeclared), terrorist activity, civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
- 3) to any portable electronic equipment such as, but not limited to, citizens band radios, two-way mobile radios, telephones, scanning monitor receivers, radar detectors, television sets, global positioning systems, DVD systems, game systems, Satellite Radios or their accessories or antennas.
- 4) to any parts, equipment or modifications to **your insured automobile**, that are not original equipment or original optional equipment offered by the manufacturer and permanently installed by the manufacturer or its authorized dealer at the time of purchase, unless Special Equipment coverage for such parts, equipment or modifications is shown on the **Declarations Page** of this policy. This exclusion applies to any parts, equipment or modifications that change the appearance or performance of **your insured automobile**, such as wheels, tires, paint, audio equipment, video equipment, engine modifications, exhaust system modifications, suspension modifications, camper bodies, pick-up shells, or box covers.
- 5) to a **trailer**.
- 6) to awnings, cabanas, or equipment designed to provide additional living facilities unless originally installed by the manufacturer or coverage is scheduled on the **Declarations Page** of this policy.
- 7) for prior damage, manufacturer's defects, wear and tear, freezing, mechanical or electrical breakdown, failure or road damage to tires. This exclusion does not apply to **loss** resulting from any of the foregoing if the damage is the result of another **loss** covered by the policy.
- 8) to vehicles that are confiscated by, become impaired or unusable by any action of a governmental agency.
- 9) to any vehicle **used** while **racing** or **off road**.
- 10) caused by the embezzlement, theft or conversion of **your insured automobile** by a **person** to whom **you** have voluntarily entrusted **your insured automobile**. This exclusion does not apply when **your insured automobile** is stolen from the **person** **you** loaned the **automobile** to, if the theft is reported to the police within 24 hours of the **loss**.
- 11) to **your insured automobile** arising out of or during its **use** for the transportation of any:
 - a) explosive substance;
 - b) flammable liquid;

- c) hazardous materials; or
 - d) illegal substance or contraband.
- 12) to **personal property**.
 - 13) to **your insured automobile** caused by or resulting from **you** acquiring an **automobile** from the seller without legal title available to **you**.
 - 14) to **your insured automobile** while being **used** by **you** (or anyone to whom **you** entrust **your** vehicle), where the **accident** arises out of the **use** of an **automobile** or any other **motor vehicle** while under the influence of drugs or alcohol or during the commission of a **crime**.
 - 15) to **your insured automobile** caused intentionally or willfully by or at the direction of **you**, a **relative** or a **resident** or anyone with an insurable interest to **your insured automobile**
 - 16) to **your insured automobile** while being operated or **used** by or in the care, custody or control of a **person** or **persons** specifically excluded by endorsement.
 - 17) to **your insured automobile** while being operated by one who is not specifically named as a driver on the declarations page. This exclusion applies whether or not **we** would have charged a higher premium or would not have issued the policy had **we** known of this operator. This exclusion does not apply to the **loss payee**.
 - 18) to any vehicle not owned by **you**.
 - 19) to damage to or discoloration(s) of paint as a result of environmental hazard, tree sap, animal or bird droppings, or vermin.
 - 20) to **your insured automobile** resulting from the ownership, maintenance, or **use** of a vehicle by a **person** employed or otherwise engaged in a **business**.
This exclusion does not apply if endorsement number AM14 appears on the **Declarations Page**.
 - 21) to **your insured automobile** while it is being regularly garaged more than two days per week at a location other than the address of the **named insured**.

LIMIT OF LIABILITY

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

- 1) the actual cash value of **your insured automobile** that was stolen or damaged, less **your** deductible; or
- 2) the amount necessary to repair or replace **your insured automobile** which was stolen or damaged, less **your** deductible. A deduction will be made for betterment if the repair or replacement is better than the original at the time of the **loss**; or
- 3) the amount **you** paid for the vehicle, less **your** deductible.

The applicable deductible under this Part IV for a **loss** which occurs within 30 days after the inception of the policy shall be twice the amount shown on the **declarations page**.

OTHER COVERAGE

If there is other applicable insurance on a **loss** covered by this PART, **we** will pay only that proportion of the **loss** that **our** limit of liability bears to the total limits of all applicable insurance. Any insurance afforded under this PART for a vehicle **you** do not own is excess over any other applicable insurance. If **you** have other valid and collectible insurance that applies to an insured **automobile** newly acquired by **you**, this coverage for **comprehensive** and **collision** shall not apply.

APPRAISAL

You or **we** may demand appraisal of the **loss**. Each will appoint and pay an appraiser whose full-time occupation is to estimate damages to private passenger vehicles and will equally share other appraisal expenses. The appraisers will select a neutral umpire to decide any differences. The umpire must be a full-time professional appraiser specializing in the appraisal of personal passenger vehicles. Each appraiser will state separately the actual cash value and the amount of **loss**. An award in writing by any two will determine the amount payable subject to the terms of this policy.

An award pursuant to the appraisal process shall be final and binding on all parties.

THE APPRAISAL REMEDY IS THE SOLE METHOD BY WHICH TO RESOLVE A DISPUTE BETWEEN **YOU** AND **US**.

PART V – GENERAL PROVISIONS

AUTHORIZED PERSON

An authorized **person** is the **named insured** as designated on the **Declarations Page** or legal representative when the **named insured** is mentally or physically incapacitated.

Only an authorized **person** is entitled to premium refunds and **collision**, **comprehensive** and uninsured motorist vehicle physical damage payments.

We have the right to include the **named insured** as designated on the **Declarations Page** on all payments.

AUTOMATIC ISSUANCE

If all the **motor vehicle(s)** specifically described on the **Declarations Page** and insured by **us** are deleted from the policy at **your** request, sold, found by **us** to be a total loss or **your** interests in the described **motor vehicles** is terminated by filing the appropriate notice to the appropriate **state** agency

responsible for registration and or licensing of vehicles, then NON-OWNER LIABILITY INSURANCE (endorsement number KBPA10) shall automatically apply. In the event NON-OWNER LIABILITY INSURANCE applies and **you** acquire an **automobile** during the policy period, the coverage restrictions in the NON-OWNER LIABILITY INSURANCE endorsement number KBPA10 shall not be automatically removed. Coverage for your newly acquired **automobile** is contingent upon the requirements described in the NON-OWNER LIABILITY INSURANCE endorsement number KBPA10.

AUTOMATIC TERMINATION

This policy will terminate at the end of the current policy period if **you** do not accept **our** offer to renew. **Your** failure to pay the required renewal premium when due means that **you** have declined **our** offer.

CHANGES

This policy, the application, and the **Declarations Page** constitute all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this policy except by endorsement issued by **us**. If a premium adjustment is appropriate **we** will make it as of the effective date of the change.

When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective.

FRAUD AND MISREPRESENTATION

The statements made by **you** in the application, endorsements, and supporting documents upon which **we** rely are deemed to be **your** representations. If any representation made to **us** is false or misleading, whether intentional, willful or negligent, and materially affects a claim under this policy or the acceptance, renewal, rating, or exposure of this risk by **us**, by either direct misrepresentation, omission, concealment of facts or incorrect statements, the policy may be rescinded or the claim be denied.

LOSS PAYABLE CLAUSE

We will pay loss or damage under PART IV – DAMAGE TO YOUR AUTOMOBILE, as interest may appear, to **you** and the loss payee named in the policy.

We may make separate payments according to those interests. **We** will pay the loss payee for a loss under this policy under the same terms and conditions that **we** would pay the **insured** subject to a maximum deductible of \$500.

We may cancel the policy as allowed by the REJECTION, CANCELLATION OR NON-RENEWAL OF THIS POLICY provision and such cancellation will prospectively terminate the interest of any loss payee. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

MAILING

We will mail all correspondence and notices to **you** at the address of record provided to **us**.

MANDATORY PROVISION

The insolvency or bankruptcy of the **insured** will not release the insurer from payment of damages for injury sustained or loss occasioned during the life of this policy.

Whenever judgment is secured against the **insured** or the executor or administrator of a deceased **insured** in an action based upon **bodily injury**, death, or **property damage**, an action may be brought against the insurer on the policy subject to its terms and limitations, by such judgment creditor to recover on the judgement.

NON-ASSIGNMENT

Interest in this policy may not be assigned. If **you** die the policy will cover for the remainder of the paid policy term:

- 1) any surviving spouse or registered domestic partner, if on the policy as of the date of loss;
- 2) the legal representatives of the deceased **person** while acting within the scope of duties of a legal representative arising from the operation or **use of your insured automobile**.

OUR RIGHT TO REIMBURSEMENT

(APPLICABLE TO PART II – EXPENSES FOR MEDICAL SERVICES, PART III – UNINSURED/UNDERINSURED MOTORIST AND PART IV – DAMAGE TO YOUR AUTOMOBILE)

In the event of a payment under this policy, **we** are entitled to all the rights of recovery that the **person** has against another. That **person** must cooperate in any effort relating to **our** recovery. They must also do whatever else is necessary to help **us** exercise those rights and do nothing after loss to harm **our** rights.

When a **person** has been paid damages by **us** under this policy and also recovers from another, the amount recovered shall be held by that **person** or their legal representative in trust for **us** and reimbursed to **us** to the extent of **our** payment.

POLICY PERIOD, TERRITORY

This policy applies only to **accidents** and losses **occurring** during the policy period for which a premium is shown in the **Declarations Page**, if such **accident** or loss occurs within Canada, the United States of America and its territories or possessions, or between their ports.

This insurance does not apply to loss occurring in the Republic of Mexico. **WARNING: UNLESS YOU HAVE MEXICAN AUTOMOBILE INSURANCE, YOU MAY SPEND MANY HOURS OR DAYS IN JAIL IF YOU HAVE AN ACCIDENT IN MEXICO. INSURANCE COVERAGE SHOULD BE SECURED FROM A COMPANY LICENSED UNDER THE LAWS OF MEXICO TO WRITE SUCH INSURANCE IN ORDER TO AVOID COMPLICATIONS AND SOME OTHER PENALTIES POSSIBLE UNDER THE LAWS OF MEXICO, INCLUDING THE POSSIBLE IMPOUNDING OF YOUR VEHICLE.**

REJECTION, CANCELLATION OR NONRENEWAL OF THIS POLICY

We will not cancel or refuse to issue or renew wholly or partially because of one or more of the following characteristics of any **person**: age, sex, race, color, creed, religion, national origin, ancestry, or marital status.

You may cancel this policy by advising **us** in writing of a future date as to when the cancellation is to be effective.

We may cancel or nonrenew this policy for:

- 1) nonpayment of premium;
- 2) fraud or material misrepresentation affecting the policy or **insured**; or
- 3) a substantial increase in hazard insured against.

We may cancel this policy by mailing cancellation notice to **you** at the address shown in the **Declarations Page** at least 20 days prior to the effective date of cancellation; provided, however, that where cancellation is for nonpayment of premium, at least 10 days notice of cancellation will be given.

We will mail to **you** at the address shown in the **Declarations Page** or deliver to **you** notice of nonrenewal not less than 30 days before the end of the policy period if **we** decide not to renew or continue this policy.

Proof of mailing a notice is proof of notice. Mailing is equivalent to delivery.

Upon cancellation **you** may be entitled to a premium refund; if so, **we** will send it to **you** but **our** offer of a refund is not a condition of cancellation. The effective date of cancellation stated in a notice is the end of the policy period.

RESCISSION

If **your** payment for a new policy or renewal term is not honored by the financial institution, the policy will be rescinded and no coverage will be afforded.

SUITS AGAINST US

WE MAY NOT BE SUED UNLESS THERE IS FULL COMPLIANCE BY YOU WITH ALL TERMS OF THIS POLICY.

We may not be sued under PART I – LIABILITY coverage until the obligation of an **insured** to pay is finally determined either by judgment against the **person** after actual trial or by written agreement of the **person**, the claimant and **us**. No one shall have any right to make **us** a party to a suit to determine the liability of an **insured**.

No suit for the breach of any policy term, condition or provision may be brought against the **Company** or its agent unless such suit is filed by the insured within one (1) year from the date of the alleged breach.

PART VI – WHAT TO DO IN CASE OF AN AUTOMOBILE ACCIDENT OR LOSS

NOTICE OF ACCIDENT OR LOSS

In the event of an **accident** or loss, an **insured** must promptly provide notice to **us** but in no event more than 30 days from the date of **accident** or loss. The notice must give the time, place, and circumstances of the **accident** or loss, including the names and addresses of the injured **persons**, any witnesses and the license plate numbers of the vehicles involved. **FAILURE TO PROMPTLY REPORT A LOSS OR ACCIDENT TO US MAY JEOPARDIZE YOUR COVERAGE UNDER THIS POLICY.**

OTHER DUTIES

A **person** claiming any coverage under this policy must also:

- 1) cooperate with **us** and assist **us** in any matter concerning a claim or suit, including but not limited to presence at a trial, arbitration and/or mediation.
- 2) respond to **our** written request within 15 days, allowing **us** to obtain a written, or recorded statement(s) concerning the circumstances of the claim and any damages.
- 3) promptly send **us** any and all legal papers, letters and other written documents received relating to any claim or suit.
- 4) submit to a physical examination(s) at **our** expense by doctor(s) **we** select as often as **we** may reasonably require and within 30 days of **our** request.

- 5) provide **us** written authorization, within 30 days of **our** request to obtain medical, earnings, payroll and other records including but not limited to credit and financial records.
- 6) submit, under oath, a signed proof of loss or affidavit of theft, as appropriate, within 15 days of **our** request if required by **us**.
- 7) within 45 days of **our** request, submit to an examination under oath as often as may be reasonably required.
- 8) upon theft, partial theft, or vandalism of **your** insured vehicle, report it to the police immediately but no later than 24 hours after the discovery of the theft or vandalism.

AUTOMOBILE DAMAGE


A **person** claiming under PART IV – DAMAGE TO YOUR AUTOMOBILE must also:

- 1) take responsible steps after loss to protect the **automobile** and its equipment from further loss. **We** will pay reasonable expenses incurred in providing that protection.
- 2) allow **us** to inspect and appraise the damaged **automobile** before its repair or disposal.
- 3) avoid accumulation of storage charges and cooperate with **us** in the movement of the vehicle.

This policy is signed, on behalf of KnightBrook Insurance Company by **our** President and Secretary. It is countersigned on the **Declarations Pages** by **our** authorized representative



President Signature



Secretary Signature

ENDORSEMENTS

THESE ENDORSEMENTS CHANGE THE POLICY. PLEASE READ THEM CAREFULLY.

COMMERCIAL VEHICLE AND USE EXCLUSION

The insurance afforded by this policy does not apply to commercial risks. Commercial risks include but are not limited to:
Commercial vehicles – The following vehicles are considered commercial risks regardless of vehicle **use**:

- Vehicles not of the private passenger type
- Vehicles owned by or leased to a **business**, partnership or corporation
- Vehicles **used** as a public or livery conveyance for passengers
- Vehicles rented to others
- Pickups and vans exceeding 1 ton
- Vehicles showing logos or advertising
- Two or more **business use** vehicles on the same policy

Commercial **use** – The following vehicle **use** is considered a commercial risk regardless of the type of vehicle:

- Any **motor vehicle used** as courier or livery
- Any **motor vehicle** visiting four (4) or more job sites per day
- Any **motor vehicle** driven in a radius exceeding 100 miles of the garaging address during the course of **business**
- Any **motor vehicle** carrying explosives or flammable materials
- Any **motor vehicle** carrying equipment weighing more than 500 pounds
- Any **motor vehicle** driven by employees
- Any **motor vehicle used** to transport passengers in connection with a **business**

KBPA13

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA08 APPEARS ON THE POLICY DECLARATION.

BUSINESS USE EXCLUSION

It is agreed that the insurance afforded by this policy does not apply while any **motor vehicle** is **used** in the course of any trade, profession, occupation or job including part-time jobs.
KBPA08

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA14 APPEARS ON THE POLICY DECLARATION.

BUSINESS USE COVERAGE

It is agreed **business use** coverage only applies to private passenger risks subject to the terms of the Policy and that coverage will not be afforded for “Commercial vehicles” and/or “Commercial use” as defined in the COMMERCIAL VEHICLE AND USE EXCLUSION (form # KBPA13.)
KBPA14

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA10 APPEARS ON THE POLICY DECLARATION.

NON-OWNER LIABILITY INSURANCE

WARNING: This endorsement restricts coverage under **your** policy. **Your** coverage is limited and only protects **you** when **you** are driving an **automobile** in which **you** have no ownership interest. Please carefully read this endorsement.

INSURING AGREEMENT

The first paragraph of the “COVERAGE A (BODILY INJURY) AND COVERAGE B (PROPERTY DAMAGE) – LIABILITY COVERAGE INSURING AGREEMENT” in **your** policy is deleted and replaced as follows:

We will pay damages, except for punitive or exemplary damages, up to the policy limits stated on the **Declarations Page**, for which **you** are legally liable because of **bodily injury** or **property damage** resulting from the **use** of a **non-owned automobile**. The **bodily injury** or **property damage** must be caused by an **accident** and not be expected nor intended from **your** standpoint.

In addition to the EXCLUSIONS listed under PART I – LIABILITY, the following EXCLUSIONS also apply to NON-OWNER LIABILITY INSURANCE.

We do not cover:

- 31) **bodily injury** or **property damage** resulting from the **use** of any **motor vehicle** owned by, leased by or registered in **your** name or the name of **your** spouse, in whole or in part.
- 32) **bodily injury** or **property damage** resulting from the **use** of any **motor vehicle** owned by, leased by, or registered to any **relative** or **resident** of **your** household.

OTHER INSURANCE

The insurance provided by this endorsement is EXCESS over any other insurance, bond, cash deposit or self-insurance including but not limited to any **automobile** policy that specifically describes the **motor vehicle** that **you** are operating
NEWLY ACQUIRED VEHICLE

In the event **you** acquire an **automobile** during the policy period, **we** will consider the newly acquired **automobile** to meet the definition of “**your insured automobile**” under DEFINITIONS USED THROUGHOUT THIS POLICY, provided:

1. **we** insure all **automobiles** then owned by **you**; and
2. title has been transferred to **you** and **you** have taken possession of the newly acquired **automobile**; and
3. **you** request in writing that **we** provide insurance for **your** newly acquired **automobile** within thirty (30) days after **you** take initial delivery of the newly acquired **automobile**.

The newly acquired **automobile** will have the liability coverages described in the **Declarations Page**. If **you** want coverage for **your** newly acquired **automobile** under PART IV – DAMAGE TO YOUR AUTOMOBILE, such coverage will be in effect no earlier than the time and day on which **you** submit **your** request to add coverage AND provide **us** with the required documentation to add physical damage coverage. If **you** ask **us** to add Automobile Physical Damage Coverage in writing and provide the required documentation to support the request, the coverage will not be in effect until 12:01 AM on the day following the date of the postmark shown on the envelope containing **your** request. If a postage meter is used on the envelope containing **your** request to add Automobile Physical Damage Coverage or there is no postmark, coverage will be in effect no earlier than the time and day **your** request is received by **us**.

KBPA10

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA09 APPEARS ON THE POLICY DECLARATION.

ADDITIONAL INSURED ENDORSEMENT

It is hereby agreed that such insurance as is afforded by this policy shall also apply to the additional **insured** listed on the **Declarations Page**, but solely with respect to its liability arising out of activities of the **named insured**. Nothing contained herein shall operate to increase the **company's** limit of liability as shown in the policy declarations.

All other terms and conditions shall remain unchanged.

KBPA09

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA11 APPEARS ON THE POLICY DECLARATION.

RENTAL REIMBURSEMENT ENDORSEMENT

We agree to pay **you** for any reasonable and necessary transportation expense incurred, but not more than \$20 per day, not to exceed \$600 per claim, for the loss of **use of your insured automobile** because of damage covered under PART IV – DAMAGE TO YOUR AUTOMOBILE. **Your insured automobile** must be withdrawn from normal **use** for more than 24 hours. Coverage begins once **you** have notified **us of your** loss. In the case of theft, this coverage begins 48 hours after **you** notify the police of the theft. We will not pay for the cost of transportation incurred by an **insured** if there is a theft of only a **trailer**. We will reimburse **you** for rental only for the length of time required to repair or replace **your insured automobile** as

quickly and reasonably as possible. This endorsement is subject to such exclusions, conditions, and other terms of the policy which are applicable to PART IV – DAMAGE TO YOUR AUTOMOBILE. Coverage under this endorsement does not apply if the reason for the loss of **use of your insured automobile** is not insured under PART IV – DAMAGE TO YOUR AUTOMOBILE.

KBPA11

THE FOLLOWING ENDORSEMENT APPLIES ONLY IF ENDORSEMENT NUMBER KBPA15 APPEARS ON THE POLICY DECLARATION.

GLASS DEDUCTIBLE WAIVER

We agree to pay without a deductible the reasonable cost of repairing or replacing damaged “safety glass” caused by a Comprehensive loss covered under PART IV – DAMAGE TO YOUR AUTOMOBILE. For the purposes of this endorsement, “safety glass” is defined as 1) glass used in the windshield, doors and windows of **your insured automobile** and 2) glass, plastic or other material used in the lights of **your insured automobile**. As with all other claims under this policy, a **person** claiming damages under this endorsement must allow **us** to inspect and appraise the damaged **automobile** before its repair. All other provisions and exclusions that apply to PART IV – DAMAGE TO YOUR AUTOMOBILE apply to this endorsement.

KBPA15

IMPORTANT SERVICE INFORMATION

KnightBrook Insurance Company prides itself in providing excellent service to its insureds. Should **you** have a complaint, please contact **your** broker. **Your** broker's name and phone number can be found on **your Declarations Page**.

Notices to the Policyholder

CONSUMER ASSISTANCE

If you have a problem with your insurance company, first try to resolve it with your broker or our customer service department.

Bridger Insurance Services
PO Box 9
Pleasanton, CA 94566-0814
925.463.0398

If your complaint is still not resolved to your satisfaction, the California Department of Insurance, Consumer Services Division may be able to assist you.

California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013
800.927.4357 or 213.897.8921
Telecommunication Device for the Deaf,
dial 800-482-4TDD (4833)

AUTO BODY REPAIR CONSUMER BILL OF RIGHTS

A consumer is entitled to:

1. Select the auto body repair shop to repair auto body damage covered by the insurance company. An insurance company may not require the repairs to be done at a specific auto body repair shop.
2. An itemized written estimate for auto body repairs and, upon completion of repairs, a detailed invoice. The estimate and the invoice must include an itemized list of parts and labor along with the total price for the work performed. The estimate and invoice must also identify all parts as new, used, aftermarket, reconditioned, or rebuilt.
3. Be informed about coverage for towing services. Unless the insurance company has provided an insured with the name of a specific towing company prior to the insured's use of another towing company, the insurance company must pay all reasonable towing charges of the towing company used by the insured.
4. Be informed about the extent of coverage, if any, for a replacement rental vehicle while a damaged vehicle is being repaired.
5. Be informed of where to report suspected fraud or other complaints and concerns about auto body repairs.

Complaints concerning the repair of a vehicle by an auto body repair shop should be directed to:

California Department of Consumer Affairs
Bureau of Automotive Repair
10240 Systems Parkway
Sacramento, CA 95827
(800) 952-5210
Internet: www.autorepair.ca.gov

Any concerns regarding how an auto insurance claim is being handled should be submitted to the California Department of Insurance at:

California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013
(800) 927-HELP or (213) 897-8921
Internet: www.insurance.ca.gov

CALIFORNIA SURCHARGE DISCLOSURE

In accordance with the California Insurance Code, Chapter 5, Section 489, this information is provided to you. Premiums for your policy are affected by any chargeable accidents and or tickets received by the drivers of your car(s). Please note that almost all tickets are assigned surcharge points, not just major violations. Higher premiums are charged based on the number of surcharge points accumulated during the preceding 36 months for each driver.

NOTICE OF OUR INFORMATION PRACTICES

When you applied for insurance with the Company, through your broker, you entrusted us with personal information about yourself. We may seek further information about you and any insured person under the policy from other sources. We may secure a copy of an insured person's motor vehicle record.

You have the right to know what kind of information we maintain in our files about you. You may have the right to receive a copy of all personal information we keep on you and if necessary, the right to request the correction, amendment or deletion of incorrect information. We will not disclose information about you without your consent unless the disclosure is necessary for us to conduct our business. Upon receipt of your request, we will furnish you with a more detailed notice of our information practices. In providing you with personal forms of insurance, the Company and your broker are mindful of our responsibilities to conduct our business in a manner which reflects concern for your right to privacy. Thank you for insuring with us.

This information is provided to you in accordance with the Federal Fair Credit Reporting Act, Public Law 91-508 and the privacy laws of California.

Contact:

Knightbrook Insurance Company
PO Box 9
Pleasanton, CA 94566-081