

AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE POLICY

Incline National Insurance Company

This policy may have restrictive endorsements attached. If so please read them carefully. If you have any questions regarding their effect on your coverage, contact your broker for further explanation. These policy provisions with the Declarations Page and any Endorsements, complete this policy.

FRAUD - We do not provide Coverage for any insured person who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy and may result in a fine or confinement.

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all of the terms of this policy, agrees with the named insured as follows

SECTION A - BASIC AUTOMOBILE LIABILITY INSURANCE

I. COVERAGE A-BODILY INJURY LIABILITY COVERAGE B-PROPERTY DAMAGE LIABILITY

The company will pay on behalf of the insured all sums, except punitive, exemplary or any other uninsurable damages which the insured shall become legally obligated to pay as damages because of

bodily injury or property damage

to which this insurance applies, caused by an **occurrence** and arising out of the ownership, maintenance or use, including loading and unloading for the purposes stated as applicable thereto in the declarations, of an **owned automobile** or of a **temporary substitute automobile**, and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such **bodily injury or property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

LIMITS OF LIABILITY

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

COVERAGE A

1. The **Bodily Injury** liability limit for each person is the maximum we will pay for all damages from **Bodily Injury** sustained by one person in any one **accident**. **Bodily Injury** sustained by one person includes all injury, loss and damage sustained by others as a consequence. This is the maximum we will pay regardless of the number of vehicles described in the declarations, **insureds**, claims, claimants, policies, or vehicles involved in the **accident**.
2. Subject to the **Bodily Injury** liability limit for each person, the **Bodily Injury** liability limit for each **accident** is the maximum we will pay for **Bodily Injury** sustained by two or more persons in any one accident. This is the maximum we will pay regardless of the number of vehicles described in the declarations, **insureds**, claims, claimants, policies, or vehicles involved in the accident.

COVERAGE B

The total liability of the company for all damages because of all **property damage** sustained by one or more persons or organizations as the result of any one occurrence shall not exceed the limit of property damage liability stated in the declarations as applicable to "**each occurrence**".

COVERAGES A AND B

For the purpose of determining the limit of the company's liability, 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 **occurrence**.

Limited Coverage for Other Persons

If the Declarations provide **bodily injury** liability limits in excess of the minimum financial responsibility limits of \$15,000 per person and \$30,000 per **accident** and/or **property damage** limit in excess of \$5,000 per **accident**, then the coverage in excess of these minimum limits shall not apply to operation, maintenance or use of your **insured automobile** by any person other than **you** or a **relative** or an agent or employee of **you** or a **relative**, in the course and scope of his/her agency or employment. This limitation does not apply to the liability incurred by **you** or a **relative**.

EXCLUSIONS

This insurance does not apply:

- (a) to any motor vehicle used for commercial purposes but this exclusion does not apply to the **named insured** with respect to bodily injury or property damage which results from the **named insured's** occupancy of a **non-owned automobile** other than as an operator thereof;
- (b) to **bodily injury or property damage** caused intentionally by or at the direction of the insured;
- (c) to liability for any **bodily injury or property damage** with respect to which insurance is or can be afforded under a nuclear energy liability policy;
- (d) to **bodily injury or property damage** arising out of the operation of farm machinery;
- (e) to liability imposed upon or assumed by the **insured** under any workers' compensation law;
- (f) to **bodily injury** to a fellow employee of an **insured** injured in the scope and course of his or her employment but this exclusion shall not apply to the **named insured** with respect to injury sustained by such fellow employee;
- (g) to any person or to any agent or employee thereof, employed or otherwise engaged in the **automobile business** with respect to any accident arising out of the maintenance or use of a motor vehicle in connection therewith, but this exclusion shall not apply to the **named insured**, nor to the extent such insurance is required by statute;
- (h) to **bodily injury** to any **insured** or any **relative** or any resident of the named insured household related to the named insured by blood, marriage, or adoption whenever the ultimate benefits of this coverage would accrue directly or indirectly to the named insured or any resident of the named insured household related to the named insured by blood, marriage or adoption;
- (i) to a **non-owned automobile** while used in any business or occupation, except a private passenger or utility automobile by the **named insured**, or a trailer used therewith or with an **owned automobile**;
- (j) to **property 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**;
- (k) to **bodily injury or property damage** occurring while a motor vehicle is being operated in any pre-arranged contest or competitive event;
- (l) to liability assumed by the **insured** under any contract or agreement;

- (m) to **bodily injury** or **property damage** arising out of the loading or unloading of any motor vehicle, but this exclusion does not apply to the **named insured**, a relative, a lessee or bailee of the motor vehicle, or an employee of any such person;
- (n) to liability for **bodily injury** to any employee of the insured arising out of and in the course of his or her employment
- (o) to **bodily injury** or **property damage** which occurs as a result of the actual, alleged or threatened discharge, disposal, release or escape of pollutants while any insured vehicle, including any trailer, is being used for the purpose of transporting any pollutants. Pollutants mean solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed;
- (p) to **bodily injury** or **property damage** due to war or acts of terrorism, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to the expenses for first aid under the Supplementary Payments provision;
- (q) **bodily injury** or **property Damage** arising out of the ownership or operation of an **automobile** while it is being used to carry persons or property for a fee. This does not apply to a share-the-expense car pool;
- (r) Liability imposed upon or assumed by an **insured** under any Workers' compensation law;
- (s) **bodily injury, or property damage** arising out of the ownership, maintenance or use by an **insured** of any motorized vehicle with less than four (4) wheels;
- (t) **bodily injury** or **property damage** resulting from assault and battery

II. SUPPLEMENTARY PAYMENTS

The company will pay, in addition to the applicable limit of liability:

- (a) all expenses incurred by the company, all costs taxed against the **insured** in any suit defended by the company and all interest of the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of all bail bonds required of the **insured** because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the company shall have no obligation to apply for or to furnish any such bonds;
- (c) expenses incurred by the **insured** for first aid to others at the time of an accident, for **bodily injury** to which this policy applies;
- (d) reasonable expenses incurred by the **insured** at the company's request in assisting the company in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

III. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) the **named insured**;
- (b) any partner or executive officer thereof, but with respect to a **temporary substitute automobile** only while such **automobile** is being used in the business of the **named insured**;
- (c) any other person while using an **owned automobile** or a **temporary substitute automobile** with the express permission of the **named insured**, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to **bodily injury** or **property damage** arising out of the loading or unloading thereof, such other person shall be an **insured** only if he is:
 - (1) a lessee or borrower of the **automobile**, or
 - (2) an employee of the **named insured** of or such lessee or borrower;
- (d) any other person or organization but only with respect to his or its liability because of acts or omissions of an **insured** under (a), (b) or (c) above.

None of the following is an **insured**:

- (i) any person while engaged in the business of his employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his employment;
- (ii) except as stated under (b) above, the owner of a **temporary substitute automobile**, or any agent or employee of such owner; (iii) any person or organization, other than the **named insured**, with respect to:
 - (1) a motor vehicle while used with any trailer owned or hired by such person or organization and not covered by like insurance in the company (except a **trailer** designed for use with a four wheel private passenger automobile and not being used for business purposes with another type of motor vehicle), or
 - (2) a **trailer** while used with any motor vehicle owned or hired by such person or organization and not covered by like insurance in the company;
- (iv) any person while employed in or otherwise engaged in duties in connection with an **automobile business**, other than an **automobile business** operated by the **named insured**.

V. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs within the policy territory.

VI. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"you and your" means the **named insured** shown in the Declarations and the spouse if a resident of the same household.

"automobile" means any self-propelled motor vehicle, 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 California. Automobile does not include a vehicle used as a residence or premises.

"Bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting there from;

"Insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the **named insured**, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such a vehicle: Power cranes, shovels, loaders, diggers and drills, concrete mixers (other than the mix in transit type); graders, scrapers, rollers and other road construction or repair equipment; air compressors, pumps and generators, including spraying, welding and building cleaning equipment, and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in item 1 of the declarations of this policy;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which resulted in bodily injury or property damage neither expected nor intended from the standpoint of the insured;

"Policy territory" means:

- (1) the United States of America, its territories or possessions, or Canada or
- (2) international waters or airspace, provided the **bodily injury** or **property damage** does not occur in the course of travel or transportation to or from any other country, state or nation;

"Property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting there from, or (2) loss

of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.

"Relative" means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a Ward or Foster Child.

"Use, used, or using" means operating, maintaining, loading or unloading.

VII. ADDITIONAL DEFINITIONS

{Automobile Liability Insurance}

When used in reference to this insurance (including endorsements forming a part of the policy):

"automobile business" means the business or occupation of selling, repairing, servicing, storing or parking automobiles;

"owned automobile" means either:

- (a) an **automobile** which is owned by the named insured and described in the declarations; or
- (b) an automobile ownership of which is newly acquired by the named insured during the **policy period**, provided
 - (i) it replaces an **owned automobile** as defined in (a) above or
 - (ii) the company insures all **automobiles** owned by the **named insured** on the date of such acquisition and the **named insured** notifies the company within 30 days thereafter of his election to make this and no other policy issued by the company applicable to such **automobile** and pays any additional premium required therefore;
 - (iii) the **automobile** has never been owned by or registered to: the **named insured**, a relative, the **named insured's** non-resident spouse, a person residing with the **named insured**.

an **"owned automobile"** includes a **trailer** not described in this policy, if designed for use with a four-wheel private passenger automobile and if not being used for business purposes with another type automobile;

"private passenger automobile" means a private passenger or station wagon type **automobile** and any **automobile** the purpose of use which is stated in the declarations as pleasure and business.

"temporary substitute automobile" means an **automobile** not owned by the named insured or any resident of the same household, while temporarily used with the permission of the owner as a substitute

for an **owned automobile** when withdrawn from normal use for servicing or repair or because of its breakdown, loss or destruction; **"trailer"** includes a semi-trailer but does not include **mobile equipment**; **"commercial"** means use principally in the business occupation of the **named insured** as stated in the declarations including occasional use for personal, pleasure, family and the other business purposes; **"pleasure and business"** means personal, pleasure, family and business use.

VIII. ADDITIONAL CONDITIONS-TEMPORARY SUBSTITUTE AND NEW ACQUIRED AUTOMOBILES

A. Other insurance-temporary substitute and newly acquired automobiles

With respect to a temporary substitute automobile, this insurance shall be excess insurance over any other valid and collectible insurance available to the **insured**. With respect to an **owned automobile** ownership of which is newly acquired by the **named insured** during the policy period and not described in the declarations, this insurance shall not apply if any other valid and collectible insurance is available to the **named insured**.

B. Out of State Insurance

If, under the provisions of the motor vehicle financial responsibility law or the motor vehicle compulsory insurance law or any similar law of any state or province, a nonresident is required to maintain insurance with respect to the operation or use of a motor vehicle in such state or province and such insurance requirements are greater than the insurance provided by the policy, the limits of the company's liability and kinds of coverage afforded by the policy shall be as set forth in such law, in lieu of the insurance otherwise provided by the policy, but only to the extent required by such law and only with respect to the operation or use of a motor vehicle in such state or province; provided that the insurance under this provision shall be reduced to the extent that there is other valid and collectible insurance under this or any other motor vehicle insurance policy. In no event shall any person be entitled to receive duplicate payments for the same elements of loss.

SECTION B - AUTOMOBILE MEDICAL PAYMENTS INSURANCE

I. COVERAGE C - AUTOMOBILE MEDICAL PAYMENTS

The company will pay all reasonable medical expenses incurred within one year from the date of the accident subject to reimbursement to the company as provided in condition 12:

Division 1. To or for each person who sustains **bodily injury**, caused by accident, while occupying a **designated automobile** which is being used by a person for whom the bodily injury liability insurance is afforded under this policy with respect to such use;

Division 2. To or for each insured who sustains **bodily injury**, caused by accident, while occupying or, while a pedestrian, through being struck by a highway vehicle.

Exclusions

This insurance does not apply to bodily injury:

- (a) sustained while **occupying** (1) an **owned automobile** while used for commercial purposes or (2) any vehicle while located for use as a residence or premises;
- (b) sustained while **occupying** or through being struck by (1) a farm type tractor or other equipment designed for use principally off public roads or (2) a vehicle operated on rails or crawler-treads
- (c) sustained while upon, getting on or alighting from: a motorcycle, motor bike or any self-propelled motor vehicle with less than four wheels;
- (d) sustained by any person other than the **named insured** or a relative, resulting from the use of (1) a **non-owned automobile** in the automobile business or for commercial purposes or (2) a non-owned automobile in any other business or occupation, except operation of a **private passenger automobile** by the **named insured** or of a trailer used therewith or with an **owned automobile**;
- (e) sustained by any person who is employed in the **automobile business**, if the accident arises out of the operation thereof and if

- (f) benefits therefore are in whole or in part either payable or required to be provided under any worker's compensation law;
- (f) due to war or acts of terrorism;
- (g) sustained while a motor vehicle is being operated in any pre-arranged contest or competitive event;
- (h) sustained while **occupying** or using a motor vehicle without the permission of the owner;
- (i) for which the expenses, payable under this part, are paid, payable or eligible for payment, under the terms and conditions of any (1) **automobile** or premises insurance affording benefits for medical expenses (2) individual, blanket, or group accident, disability or hospitalization insurance (3) medical or surgical reimbursement plan (4) worker's compensation or disability benefits law or any similar law or (5) non-profit association or corporation plan providing hospital, surgical, medical or similar benefits to participants, enrollees or members. No payment shall be made, under this part, until claim for the expenses incurred shall have been first submitted to the benefit providers listed in (1) thru (5) above and such provider(s) have paid their limit of payment or furnished their applicable limit of service and the insured furnishes a written statement from the provider(s) as proof.
- (j) sustained through being struck by a motor vehicle owned by the **named insured** or a relative unless such motor vehicle is insured under Part II;
- (k) sustained by any person if benefits therefore are in whole, or in part, either payable or required to be provided under any **workers' compensation law**.
- (l) **under Division 1, to bodily injury** to any employee of the **named insured** arising out of and in the course of employment by the named insured, but this exclusion does not apply to any such **bodily injury** arising out of and in the course of domestic employment by the insured unless benefits therefore are in whole

or in part either payable or required to be provided under any workmen's compensation law;

- (m) **under Division 2, to bodily injury** sustained while **occupying a highway vehicle** owned by any **insured**, or furnished for the regular use of any insured by any person or organization other than the **named insured**.

II. PERSONS INSURED-DIVISION 2

Each of the following is an **insured** under this insurance to the extent set forth below;

- (a) any person designated as **insured** in the schedule;
- (b) while residents of the same household as such designated person, his spouse and the relatives of either;

And if such designated person shall die, any person who was an **insured** at the time of such death should continue to be an **insured**.

III. LIMIT OF LIABILITY

Regardless of the number of (1) persons or organizations who are **insured** under this policy, (2) persons who sustain bodily injury, (3) claims made or suit brought on account of bodily injury, or (4) **designated automobiles** to which this policy applies, the limit of liability for medical payments stated in the declarations as applicable to "each person" is the limit of the company's liability for all expenses incurred by or on behalf of each person who sustains **bodily injury** as the result of any one accident. When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

IV ADDITIONAL DEFINITIONS

The additional definitions applicable to automobile bodily injury liability insurance also apply to this insurance; and when used in reference to this insurance (including endorsements forming a part of policy):

"**designated automobile**" means an **automobile** designated in the schedule and includes:

- (a) an **automobile** not owned by the **named insured** while temporarily used as a substitute for an **owned automobile** designated in the schedule when withdrawn from normal use for servicing or repair or because of its breakdown, loss or destruction; and
- (b) a trailer designated for use with a **private passenger automobile**, if not being used for business purposes with another type **automobile** and if not a home, office, store, display or passenger trailer

"**highway vehicle**" means a land motor vehicle or trailer other than

- (a) a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads,
- (b) a vehicle operated on rails or crawler-treads, or
- (c) a vehicle while located for use as a residence or premises;

"**medical expense**" means the expenses for necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"**occupying**" means in or upon or entering into or alighting from.

V. POLICY PERIOD; TERRITORY

This insurance applies only to accidents which occur during the policy period within the policy territory.

VI. ADDITIONAL CONDITIONS

A. Medical Reports; Proof and Payment of Claim

As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical records and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

B. Excess insurance

Except with respect to an owned automobile, the insurance under Division 1 shall be excess insurance over any other valid and collectible automobile medical payments or automobile medical expense insurance. The insurance under Division 2 shall be excess insurance over any other valid and collectible automobile medical payments or automobile medical expense insurance available to the **insured** under any other policy.

Our Recovery Rights

When a person has been paid by us under this policy and recovers payment for the same expenses from another, the amount recovered from the other shall be held in trust for us, and reimbursed to us to the extent of our payment, and we shall have a lien on such recovery from another.

SECTION C - UNINSURED MOTORISTS INSURANCE

Coverage C - Uninsured Motorists and Underinsured Motorists Coverage

We will pay compensatory damages which an **Insured Person** is legally entitled to recover from the owner or operator of an **Uninsured Motor Vehicle** or an **Underinsured Motor Vehicle** because of:

- Bodily Injury**; and
- Property Damage** (if indicated in the Declarations as applicable), caused by **accident** and resulting from the ownership, maintenance or use of the **Uninsured Motor Vehicle** or **Underinsured Motor Vehicle**. The coverage For Property Damage does not apply as respects an **Underinsured Motor Vehicle**.

Determination whether an **Insured Person** is legally entitled to recover damages, or the amount of damages, shall be made by agreement between the Insured Person and us. If no agreement is reached, the decision will be made by arbitration.

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

Additional Definitions Used In This Part Only

As used in this Part

- Insured Person** means:
 - You or a **relative**
 - Any other person **occupying your owned automobile**
 - Any person for damages that person is entitled to recover

because of **bodily injury** to you, a relative, or another occupant of your owned automobile.

But no person shall be considered an **insured person** unless that person's **use** or occupancy is with **your** express permission.

- Property Damage** means injury to or destruction of **your owned automobile**, not including loss of use, towing, storage or damage to personal property contained in your owned automobile.
- Underinsured Motor Vehicle** means a motor vehicle which is insured for **Bodily Injury** by a liability bond or policy at the time of the accident providing **Bodily Injury** limits of liability less than the **Uninsured Motor Vehicle Bodily Injury** liability limits of this coverage.
- Uninsured Motor Vehicle** means a motor vehicle for which there is:
 - no liability bond or policy applicable at the time of the accident;
 - a liability bond or policy applicable at the time of the accident but its limits of liability are less than the minimum limits of liability specified in the California financial responsibility law;
 - a liability bond or policy applicable at the time of the accident but the insuring company denies coverage or refuses to admit coverage except conditionally or with reservation or is or becomes insolvent within one year of the date of accident.

- d. for **bodily injury** only, a hit-and-run vehicle whose operator or owner is unknown and which there is evidence of direct physical contact with
- (1) you or a **relative**; or
 - (2) a vehicle which **you** or a **relative** are **occupying**, or
 - (3) your **owned automobile**; and for all above

The Insured Persons or someone on their behalf shall have reported the accident within 24 hours to a police, peace or judicial officer, and shall have filed with the company within 30 days thereafter a statement under oath that the insured person(s) has a cause of action arising out of such accident for damages against a person or persons whose identity is unknown, and the set forth facts in support thereof.

- e. for **Property Damage** only, direct physical contact between your owned automobile and the **uninsured motor** vehicle and:
- (1) the owner or operator of the **Uninsured Motor Vehicle** is identified; or
 - (2) the **Uninsured Motor Vehicle** is identified by its license number.

However, **Uninsured Motor Vehicle** does not include any vehicle or equipment:

- (1) owned by or furnished or available for the regular use of you or any **relative**;
- (2) owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent;
- (3) owned by any governmental unit or agency;
- (4) operated on rails or crawler-treads;
- (5) designed mainly for use off public roads while not on public roads;
- (6) while located for use as a residence or premises.

Exclusions

1. We do not provide **Uninsured Motorists Coverage** for **Bodily Injury** sustained by any person:
 - a. while occupying, or when struck by, any motor vehicle owned by you or any **relative**, which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle;
 - b. if that person or the legal representative of that person settles or prosecutes to judgment the **Bodily Injury** claim without our consent;
 - c. while **occupying** your **owned automobile** when it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool;
 - d. using a **vehicle** without a reasonable belief that that person is entitled to do so.
2. We do not provide Uninsured Motorists Coverage for **Property Damage** to a motor vehicle owned by **you** or a **relative** to which **Collision coverage** applies under any policy.
3. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
 - a. workers compensation law; or
 - b. disability benefits law; or
 - c. to any insurer of property, or directly to the benefit of the United States or any state or political subdivision of the United States or any state.
4. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

Limits of Liability

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

1. The **Bodily Injury** liability limit for each person is the maximum we will pay for all damages from **Bodily Injury** sustained by any one person in any one accident. **Bodily Injury** sustained by one person includes all injury, loss, and damage sustained by others as consequence. This is the maximum we will pay regardless of the number of vehicles described in the Declarations, **Insured Persons**, claims, claimants, policies, or vehicles involved in the accident. the

2. Subject to the limits for each person, the **Bodily Injury** liability limits for each accident are the maximum limits of liability we will pay as damages from **Bodily Injury** to two or more persons in one accident.
3. Our maximum **Property Damage** liability limit for Uninsured Motorists coverage is the lesser of:
 - a. the **property damage** limit shown in the Declarations; or
 - b. the actual cash value of your **owned automobile** subject to adjustment for depreciation of physical condition.

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

Any amounts payable will be reduced by:

1. a payment made by the owner or operator or the **Uninsured Motor Vehicle** or **Underinsured Motor Vehicle** or organization which may be legally liable;
2. amounts paid or payable under PART A-Liability or PART B-Medical Payments coverage of this policy;
3. a payment made or amount payable because of **Bodily Injury** under any worker's compensation law, disability benefits law or similar law; and
4. a payment under any other insurance policy.

Other Insurance

If there is other similar applicable insurance on a loss covered by this Part, we will pay our share in the same proportion as our limits of liability bear to the total limits of all applicable similar insurance. If this policy and any other policy providing similar insurance apply to the same accident, the maximum limits of liability under all policies shall be the highest applicable limit of liability under any one policy. Any insurance for a vehicle you do not own is excess over any other similar insurance

Arbitration

1. If we and an **Insured Person** do not agree:
 - a. whether that person is legally entitled to recover damages under this Part; or
 - b. as to the amount of damages: either party may make a written demand for arbitration. In this event, the disagreement shall be submitted to a single neutral arbitrator. If they cannot agree within thirty (30) days, either may request that the arbitrator selection be made by a judge of a court having jurisdiction.
2. Each party will:
 - a. pay the expenses it incurs; and
 - b. bear the expenses of the arbitrator equally.
3. Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** lives. Local rules of law as to procedure and evidence will apply. The arbitrator's decision will be binding as to:
 - a. whether the **insured person** is legally entitled to recover damages; and
 - b. the amount of damages. The arbitrator shall have no jurisdiction to make an award in excess of the limits shown in the declarations.
4. As respects **Property Damage**, arbitration proceedings must be formally instituted by the **Insured Person** within one (1) year from the date of the accident.

Waiver of Collision Deductible Coverage

We will waive the deductible when a loss to your **owned automobile** for **Collision** insurance is caused by an **Uninsured Motor Vehicle**, and a specific premium charge is shown on the Declarations for the Waiver of Collision Deductible.

You must be legally entitled to recover the full amount of the loss from the owner or operator of the **Uninsured Motor Vehicle**.

If you are legally entitled to recover only a percentage of the loss, we will pay that percentage of your deductible. However, if the amount of the loss is less than your deductible, we will pay the percentage of the loss you are legally entitled to recover

In no event will we pay more than the amount of the loss. **Uninsured Motor Vehicle** means a motor vehicle for which there is:

1. no liability bond or policy applicable at the time of the accident;
2. a liability bond or policy applicable at the time of the accident but its limits of liability are less than the minimum limits of liability specified in the California financial responsibility law;
3. a liability bond or policy applicable at the time of the accident but the insuring company denies coverage or refuses to admit coverage except conditionally or with reservation or is or becomes insolvent, within one year of the date of accident
4. for Property Damage, direct physical contact between your owned automobile and the Uninsured Motor Vehicle and
 - a. the owner or operator of the Uninsured Motor Vehicle is identified; or
 - b. the Uninsured Motor Vehicle is identified by its license number.

Arbitration

If an Insured and we do not agree:

1. that person is legally entitled to recover damages from the owner or operator of an Uninsured Motor Vehicle; or

2. as to the amount of the payment under this part, either party may demand in writing that the issue be equally.

As respects to Property Damage, arbitration proceedings must be formally instituted by the Insured within one (1) year from the date of the accident.

The decision of the arbitrator will be binding as to:

1. whether the Insured is legally entitled to recover damages; and
2. the amount of damages, but this applies only if the amount does not exceed the minimum limits of liability specified in the California financial responsibility law. If the amount exceeds those limits, either party may demand the right to a trial. The demand must be made within sixty (60) days from the arbitrator's decision. If a demand is not made, the arbitrator's decision as to the amount of damages is binding.

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

SECTION D - AUTOMOBILE PHYSICAL DAMAGE INSURANCE

I. COVERAGE AGREEMENTS

The company will pay for loss to covered automobiles under coverage:

1.
 - (a) **COMPREHENSIVE** - from any cause except collision; but, for the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft or larceny, windstorm, hail, earthquake, explosion, riot or civil commotion, malicious mischief or vandalism, water, flood, or colliding with a bird or animal, shall not be deemed loss caused by collision;
 - (b) **COLLISION** - caused by collision;
 - (c) **FIRE, LIGHTNING or TRANSPORTION** -
 - (1) fire or lightning,
 - (2) smoke or smudge due to sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the covered automobile is located, or
 - (3) the stranding, sinking, burning, collision or derailment of any conveyance in or upon which the covered automobile is being transported;
 - (d) **THEFT** - caused by theft or larceny;
 - (e) **COMBINED ADDITIONAL** - caused by
 - (1) windstorm, hail, earthquake or explosion
 - (2) riot or civil commotion,
 - (3) the forced landing or falling of any aircraft or its parts or equipment
 - (4) malicious mischief or vandalism,
 - (5) flood or rising waters, or
 - (6) external discharge or leakage of water; provided that, with respect to each covered automobile
 - (i) under the **Comprehensive** coverage (except as to Loss from any of the causes described in the Fire, Lightning or Transportation coverage) and under the Collision coverage, such payment shall be only for the amount of each loss in excess of the deductible amount, if any, stated in the declarations as applicable thereto;
 - (ii) under the **Combined Additional** coverage, \$25 shall be deducted from the amount of each Loss caused by malicious mischief or vandalism

The company will pay, under:

2. **TOWING COVERAGE**- for towing and labor costs necessitated by the disablement of covered automobiles, provided the labor is performed at the place of disablement

3. SUPPLEMENTARY PAYMENTS

In addition to the applicable limits of liability, the company will:

- (a) with respect to such transportation insurance as is afforded herein, pay general average and salvage charges for which the named insured becomes legally liable;
- (b) reimburse the named insured, in the event of a theft covered by this insurance of an entire covered automobile of the private passenger type (not used as a public or livery conveyance and not, at the time of theft, being held for sale by an auto mobile

dealer), for expense incurred for the rental of a substitute for such covered automobile during the period commencing 72 hours after such theft has been reported to the company and the police and terminating, regardless of expiration of the policy period, when such covered automobile is returned to use or the company pays for the loss; but, as to anyone such theft, such reimbursement shall not exceed \$20 for anyone day nor \$450 total.

Such insurance as is afforded under each coverage applies separately each covered automobile, and a land motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate covered automobiles as respects limits of liability and any deductible provisions applicable thereto.

Exclusions

This insurance does not apply:

- (a) to any covered automobile while used as a public or livery conveyance, unless such use is specifically declared and described in the declarations
- (b) to damage which is due and confined to:
 - (i) wear and tear, or
 - (ii) freezing, or
 - (iii) mechanical or electrical breakdown or failure.
 unless such damage is the result of other loss covered by this insurance;
- (c) to tires, unless
 - (i) loss be coincident with and from the same cause as other loss covered by this insurance; or
 - (ii) damaged by fire, by malicious mischief or vandalism or stolen and, as to the covered automobile, loss caused by such damage or theft is covered by this insurance;
- (d) to loss due to
 - (i) war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
 - (ii) radioactive contamination;
- (e) to loss to
 - (i) any device or instrument designed for the recording, reproduction, or recording or playback of music, sound or video, whether or not the device is permanently attached to the covered automobile or installed by the vehicle manufacturer;
 - (ii) any device used to view video of any type, including but not limited to, DVD players, DVD changers, television monitors, televisions sets, camcorders, video cameras, web cameras and video camcorders. This exclusion applies whether or not the device is permanently attached to the covered auto. mobile or installed by the vehicle manufacturer;
- (f) to loss to a camper body designed for use with a covered automobile and not designated in the declarations and for which no premium has been charged if such camper body was owned at

- the inception of the policy period or the inception of any renewal or extension period thereof;
- (g) under the **Comprehensive** and Theft coverages, to **loss** or damage due to conversion, embezzlement or secretion by any person in possession of a covered automobile under a bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance
 - (h) under the **Collision** coverage, to breakage of glass if insurance with respect to such breakage is otherwise afforded herein;
 - (i) under the Windstorm, Hail, Earthquake or Explosion and Combined Additional coverages, to loss resulting from rain, snow or sleet, whether or not wind-driven.
- U) for **loss** or damage to
- (i) customized or altered suspension of any kind. This includes but is not limited to hydraulic lift systems, non-factory air ride systems, air bag systems and/or any non-factory suspension component intended to raise or lower the ride height of **covered automobile**.
- (k) to any **covered automobile** for diminution of value
- (l) Due to confiscation by a duly constituted governmental or civil authority
 - (m) loss resulting from a lack of lubricant, coolant or loss resulting from seepage of water
 - (n) to any obligation assumed by the insured, registered owner, or legal owner, for any of the following costs:
 - (1) estimating fees, (2) teardown charges, (3) handling fees
 - (4) negotiating charges, (5) administrative fees, (6) higher than reasonable (for the area) storage or towing fees or (7) any other charges which are not part of the necessary cost of repairing the vehicle
 - (o) to loss occurring while a covered automobile is being used in any illegal trade or transportation, or to commit a felony, or for any other purpose which is legally recognized to be criminal.

II. LIMIT OF LIABILITY

SUBJECT TO THE APPLICABLE DEDUCTIBLES

The limit of the company's liability for loss to any one **covered automobile** shall not exceed the least of the following amounts:

- (a) the actual cash value of such **covered automobile**, or if the loss is to a part thereof the actual cash value of such part, at the time of loss which may require betterment/depreciation on said part(s) and labor to calculate the actual cash value; or
- (b) what it would then cost to repair or replace such covered automobile or part thereof with another of like kind and quality, with deduction for depreciation/betterment on parts and labor; or
- (c) if the Company's **Limit of Liability** for physical damage is stated in the policy declarations for each **covered automobile**, the Company's **Limit of Liability** for loss to any one **covered automobile** shall not exceed the lesser of the **Limit of Liability** specified in the declarations or the actual cash value as described in letter (a) of this part.

III. POLICY PERIOD; TERRITORY; PURPOSES OF USE

This insurance applies only to loss which occurs during the policy period, while the **covered automobile** is within the United States of America, its territories or possessions, or Canada, or is being transported between ports thereof and, if a covered automobile described in the declarations, is maintained and used for the purposes stated therein as applicable thereto.

IV. DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"camper body" means a body designed to be mounted upon a covered automobile and equipped as sleeping or living quarters; **"collision"** means (i) **collision** of a **covered automobile** with another object or with a vehicle to which it is attached, or (ii) upset of such covered automobile

"covered automobile" means a land motor vehicle, trailer or semi-trailer, including its equipment and other equipment permanently attached thereto (but not including

robes, wearing apparel or personal effects), which is either

- (a) designated in the declarations, by description, as a **covered automobile** to which this insurance applies and is owned by the **named insured**; or
- (b) if not so designated, such vehicle is newly acquired by the named insured during the policy period provided, however, that:

- (i) it replaces a described **covered automobile**, or as of the date of its delivery this insurance applies to all **covered automobiles**, and

- (ii) the named insured notifies the company within 30 days following such delivery date;

but **"covered automobile"** does not include a vehicle owned or registered in the name of any individual partner or executive officer of the named insured, unless specifically stated otherwise by endorsement forming a part of the policy;

"loss" means accidental **loss** or damage;

"named insured" means the person or organization named in Item 1 of the declarations of this policy;

"private passenger type" means a 4-wheel motor vehicle of the passenger or station wagon type;

as to **"purposes of use"**:

"commercial" means use principally in the business occupation of the **named insured** as stated in the declarations, including occasional use for personal, pleasure, family and other business purposes;

"pleasure and business" means personal, pleasure, family and business use.

V. CONDITIONS

None of the Conditions of the policy shall apply to this insurance except "Premium", "Subrogation", "Changes", "Assignment", "Cancellation", and "Declarations". This insurance shall also be subject to the following additional Conditions:

1. Named Insured's Duties in Event of Loss

In the event of loss the named insured shall:

- (a) protect the covered automobile, whether or not this insurance applies to the loss, and any further loss or damage due to the named insured's failure to protect shall not be recoverable under this insurance; reasonable expenses incurred in affording such protection shall be deemed incurred at the company's request;
- (b) give notice thereof as soon as practicable to the company or any of its authorized agents and also; in the event of theft or larceny, to the police;
- (c) file with the company within 91 days after loss, his sworn proof of loss in such form and including such information as the company may reasonably require and, upon the company's request, shall exhibit the damaged property and submit to examination under oath;
- (d) cooperate with the company and, upon the company's request, shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the named insured because of loss with respect to which this insurance applies; and shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses;

but the named insured shall not, except at his own cost, voluntarily make any payment, assume any obligation, offer or pay any reward for recovery of stolen property or incur any expense other than as specifically provided in this insurance.

2. Payment for Loss

Subject to the Applicable Deductibles

With respect to any loss covered by this insurance, the company may pay for said loss in money or may:

- (a) repair or replace the damaged or stolen property, or
- (b) return at its expense any stolen property to the named insured, with payment for any resultant damage thereto, at any time before the loss is so paid or the property is so replaced, or
- (c) take all or any part of the damaged or stolen property at the agreed or appraised value, but there shall be no abandonment to the company.

3. Appraisal

If the named insured and the company fail to agree as to the amount of loss, either may, within 60 days after proof of loss is filed, demand an appraisal of the loss. In such event the named insured and the company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraiser shall state separately the actual cash value and the amount of loss and failing to agree shall submit their differences to the umpire. An award in

writing of any two shall determine the amount of loss. The named insured and the company shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The company shall not be held to have waived any of its rights by an act relating to appraisal.

4. Action Against Company

No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this insurance nor until 30 days after proof of loss is filed and the amount of loss is determined as provided in this insurance.

5. Other Insurance

If the **named insured** has other insurance against a loss covered by this insurance, the company shall not be liable under this insurance for a greater proportion of such loss than the applicable limit of liability stated in the declarations bears to the total applicable limit of liability of

all valid and collectible insurance against such **loss**; provided, however, with respect to any **covered automobile** newly acquired during the policy period and not described in the declarations, this insurance shall not apply to any **loss** against which the named insured has other valid and collectible insurance.

6. No Benefit to Bailee

None of the provisions of this insurance shall inure directly or indirectly to the benefit of any carrier of other bailee for hire.

CONDITIONS

1. Premium

All premiums for this policy shall be computed in accordance with the company's rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein. Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the named insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the company shall return to the named insured the unearned portion paid by the named insured.

The **named insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the company at the end of the policy period and at such times during the policy period as the company may direct.

2. Inspection and Audit

The company shall be permitted but not obligated to inspect the named insured's property and operations at any time. Neither the company's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the named insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation. The company may examine and audit the named insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Financial Responsibility Laws

When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for **bodily injury** liability or for **property damage** liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The **insured** agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph

4. Insured's Duties in the Event of Occurrence, Claim or Suit

- (a) In the event of an occurrence, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the insured to the company or any of its authorized agents as soon as practicable.
- (b) If claim is made or suit is brought against the insured, the insured shall immediately forward to the company every demand, notice, summons or other process received by him or his representative.

(c) The insured shall cooperate with the company and, upon the company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the insured because of injury or damage with respect to which insurance is afforded under this policy; and the insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

Upon the company's request, an insured shall submit to an examination under oath.

5. Action Against Company

No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of insurance afforded by this policy. No person or organization shall have any right under this policy to join the company as a party to any action against the insured to determine the insured's liability, nor shall the company be impeded by the insured or his legal representative. Bankruptcy or insolvency of the insured or of the insured's estate shall not relieve the company of any of its obligations hereunder.

6. Other Insurance

The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the **insured** has other insurance which is stated to be applicable to the **loss** on an excess or contingent basis, the amount of the company's liability under this policy shall not be reduced by the existence of such other insurance. When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the company shall not be liable under this policy for a greater proportion of the **loss** than that stated in the applicable contribution provision below:

- (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the company shall not be liable for a greater proportion of such **loss** than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the **loss** is paid, and with respect to any amount of **loss** not so paid the remaining insurers then continue to contribute equal shares of the remaining amount of the **loss** until each such insurer has paid its limit in full or the full amount of the **loss** is paid.

- (b) **Contribution by limits.** If any of such other insurance does not provide for contribution by equal shares, the company shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such **loss**

7. Subrogation

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefore against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

8. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

- (a) This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- (b) If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
- (i) the number, type or use classification of your **owned automobile**;
 - (ii) operators using your owned automobile;
 - (iii) the place of principal garaging of your **owned automobile**
 - (iv) coverage, deductible or limits
- If a change resulting from (a) or (b) requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.
- (c) If we make a change which broadens coverage under the edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (3) does not apply to changes implemented with a general program revision that include both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
- (i) a subsequent edition of your policy; or (ii) an Amendatory Endorsement
 - (ii) an Amendatory Endorsement

9. Assignment

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the **named insured** shall die, such insurance as is afforded by this policy shall apply (1) to the **named insured's** legal representative, as the **named insured**, but only while acting within the scope of his duties as such, and (2) with respect to the property of the **named insured**, to the person having proper temporary custody thereof, as insured, but only until the appointment and qualification of the legal representative.

10. Cancellation

This policy may be cancelled by the **named insured** by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the company by mailing to the **named insured** at the last mailing address known to the company, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.

If the **named insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the company cancels, earned premium shall be computed pro rata.

Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

We may cancel by mailing to the **named insured** shown in the Declarations at the address shown in this policy:

- (a) at least ten (10) day's notice:
- (i) if cancellation is for nonpayment of premium; or
 - (ii) if notice is mailed during the first sixty (60) days this policy is in effect and this is not a renewal or continuation policy; or (b) at least twenty (20) days notice in all other cases.

After this policy is in effect for sixty (60) days, or if this is a renewal or continuation policy, we will cancel only:

- (a) for nonpayment of premium; or
- (b) if your driver's license or that of:
- (i) any driver who lives with you; or
 - (ii) any driver who customarily uses your automobile has been suspended or revoked. This must have occurred:
- (i) during the policy period; or
 - (ii) since the last anniversary of the original effective date of the policy period is other than one (1) year; or
- (c) if the policy was obtained through fraud or material misrepresentation; or
- (d) because of substantial increase in the hazard insured against.

11. Nonrenewal

If we decide not to renew or continue this policy, we will mail notice to the **named insured** shown in the Declarations at the address shown in this policy. Notice will be mailed at least thirty (30) days before the end of the policy period.

The reasons for non-renewal or premium increase for the same coverage shall include, if applicable but not limited to, the following:

- (a) involvement by an **Insured** and whether the insured is at fault in, an accident;
- (b) a change in, or addition of, your **automobile**;
- (c) a change in, or addition of an **Insured** under the policy; (d) a change in the location of garaging of your **automobile**; (e) a change in the use of your **automobile**;
- (f) convictions for violating any provisions of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle;
- (g) the payment by an insurer due to a claim filed by an **Insured** or a third party.

Some non-renewals and premium increases may result from reasons that are not specified above, that are both lawful and not unfairly discriminatory.

Automatic Termination

If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

12. Other Termination Provisions

- (a) If the law in effect in your state at the time this policy is issued, renewed or continued:
- (i) requires a longer notice period;
 - (ii) requires a special form of or procedure for giving notice; or
 - (iii) modifies any of the stated termination reasons we will comply with those requirements.
- (b) We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
- (c) If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.

13. Declarations

By acceptance of this policy, the named insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the company or any of its agents relating to this insurance.

14. Reimbursement Agreement- Offset Provision- Coverage C: if payment is made under this coverage, to or on behalf of any person, such person agrees to reimburse the company to the extent of such payment from the proceeds of

- (a) any settlement or judgment that may result from the exercise of any rights of recovery of such person against any party that such person claims is responsible for bodily injury to the person for which payment under medical expense coverage has been made.

- (b) any payment received, or to be received, by or on behalf of an injured person under the provisions of any (1) automobile or premises insurance affording benefits for medical expenses, (2) individual blanket or group accident, disability or hospitalization insurance, (3) medical, surgical, hospital or funeral service, benefits or reimbursement plan, (4) workers' compensation or disability benefits law or any similar law.

The party, or his representative, whose act allegedly cause the injuries may be notified of this reimbursement agreement. If a judgment against, or settlement with, any party that the insured claimed was responsible for the bodily injury, has been concluded, then the amount otherwise payable under this coverage shall be reduced by the amount of such judgment or settlement. Insured, as used in this condition, means the person claiming benefits under Coverage C

MEXICO COVERAGE-LIMITED: It is agreed that the coverage provided by the policy is extended to apply while the automobile insured is being used for occasional trips into the part of the Republic of Mexico lying not more than 25 miles from the boundary line of the United States of America for a period not exceeding 10 days at any one time.

It is agreed that any claim payable under the coverages of Comprehensive, Collision, Fire, Theft and Combined Additional Coverage of the policy arising or resulting from any loss or damage occurring in such Mexican territory shall be payable in the United States of America, and that in the event of loss or damage which may make necessary the repair of the automobile or replacement of any part or parts thereof, while said automobile is in such Mexican territory, the basis of adjustment of claim for such repairs and/or replacement shall not exceed the cost of such repairs and/or replacement at the nearest point in the United States where such repairs and/or replacement can be made.

It is agreed that the coverages, other than Medical Payments, shall be excess insurance over any other valid and collectible insurance available to the insured, either as an insured under a policy applicable with respect to the automobile or otherwise, against a loss covered hereunder. The insurance for medical payments shall be excess insurance over any other valid and collectible Medical Payments insurance applicable with respect to the automobile.

It is agreed that the extended coverage provided herein shall be void unless the insured's place of residence is within the United States of America and the automobile covered by this policy is principally garaged, maintained and used within the United States of America.

Consumer Assistance

If you are unable to satisfactorily resolve a problem after contacting your broker or our customer service representatives, you may wish to notify the Department of Insurance, Consumer Services Division 600 South Commonwealth Avenue, Los Angeles, CA 90005 at 1-800-921-4357.

IN WITNESS WHEREOF, we have cause this policy to be signed by its secretary and its president

Incline National Insurance Company

, Secretary

, President