



**USAA**  
9800 Fredericksburg Road  
San Antonio, Texas 78288

## MAINE AUTO POLICY

### READ YOUR POLICY, DECLARATIONS AND ENDORSEMENTS CAREFULLY

The automobile insurance contract between the named insured and the company shown on the Declarations page consists of this policy plus the Declarations page and any applicable endorsements. The Quick Reference section outlines essential information contained on the Declarations and the major parts of the policy.

**The policy provides the coverages and amounts of insurance shown on the Declarations for which a premium is shown.**

This is a participating policy. You are entitled to dividends as may be declared by the board of directors.

If this policy is issued by United Services Automobile Association ("USAA"), a reciprocal interinsurance exchange, the following apply:

- By purchasing this policy you are a member of USAA and are subject to its bylaws.
- This is a non-assessable policy. You are liable only for the amount of your premium as USAA has a free surplus in compliance with Article 19.03 of the Texas Insurance Code of 1951, as amended.
- The board of directors may annually allocate a portion of USAA's surplus to Subscriber's Accounts. Amounts allocated to such accounts remain a part of USAA's surplus and may be used as necessary to support the operations of the Association. A member shall have no right to any balance in the member's account except until following termination of membership, as provided in the bylaws.

## QUICK REFERENCE

<b>DECLARATIONS PAGE</b>	
	Named Insured and Address Policy Period Operators Description of Vehicle(s) Coverages, Amounts of Insurance and Premiums Endorsements
Beginning on Page <b>3</b>	<b>Agreement and Definitions</b>
<b>Part A 5</b>	<b>Liability Coverage</b>
	Definitions Insuring Agreement Bodily Injury Liability Coverage and Property Damage Liability Coverage Limit of Liability Supplementary Payments Exclusions Out of State Coverage Other Insurance
<b>Part B 8</b>	<b>Medical Payments Coverage</b>
	Definitions Insuring Agreement Medical Payments Coverage Extended Benefits Coverage Limit of Liability Exclusions Other Insurance Special Provisions
	(Quick Reference continued on Page 2)

<b>Part C 13</b>	<b>Uninsured Motorists Coverage</b>	<b>Part E 22</b>	<b>General Provisions</b>
	Definitions Insuring Agreement Limit of Liability Exclusions Other Insurance Non-Duplication		Bankruptcy Changes Conformity to Law Duties After an Accident or Loss Legal Action Against Us Misrepresentation Non-Duplication of Payment Our Right to Recover Payment Ownership Policy Period and Territory Spouse Access Termination Transfer of Your Interest in this Policy Two or More Auto Policies
<b>Part D 16</b>	<b>Physical Damage Coverage</b>		
	Definitions Insuring Agreement Comprehensive Coverage Collision Coverage Rental Reimbursement Coverage USAA Roadside Assistance Limit of Liability Payment of Loss Loss Payable Clause Waiver of Collision Deductible Exclusions No Benefit to Bailee Other Sources of Recovery Appraisal		

# MAINE AUTO POLICY

## AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, we will provide the coverages and limits of liability for which a premium is shown on the Declarations.

## DEFINITIONS

The words defined below are used throughout this policy. They are in **boldface** when used.

A. **"You"** and **"your"** refer to the "named insured" shown on the Declarations; and

1. Spouse; or
2. A party who has entered into a registered domestic partnership under Maine law with the "named insured";

if a resident of the same household.

Throughout this policy, when the word "spouse" is used, it also refers to a registered domestic partner under Maine law.

B. **"We," "us," and "our"** refer to the Company providing this insurance.

C. **"Auto business"** means the business of:

1. Altering;
2. Customizing;
3. Leasing;
4. Parking;
5. Repairing;
6. Road testing;
7. Delivering;
8. Selling;

9. Servicing;

10. Towing;

11. Repossessing; or

12. Storing;

vehicles.

D. **"Bodily injury"** (referred to as BI).

1. **"Bodily injury"** means bodily harm, sickness, disease or death.

2. **"Bodily injury"** does not include mental injuries such as:

- a. Emotional distress;
- b. Mental anguish;
- c. Humiliation;
- d. Mental distress; or
- e. Any similar injury;

unless it arises out of physical injury to some person.

E. **"Driving contest or challenge"** includes, but is not limited to:

1. A competition against other people, vehicles, or time; or
2. An activity that:

- a. Challenges the speed or handling characteristics of a vehicle; or
  - b. Improves or demonstrates driving skills.
- However, this (E.2.) applies only if the activity occurs on a track or course that is closed from non-participants.
- F. "**Family member**" means a person related to **you** by blood, marriage, registered domestic partnership under Maine law, or adoption who resides primarily in **your** household. This includes a ward or foster child.
- G. "**Fungi**" means any type or form of **fungi**, including mold or mildew, and includes any mycotoxins, spores, scents, or byproducts produced or released by **fungi**.
- H. "**Miscellaneous vehicle**" means the following motorized vehicles: motor home; golf cart; snowmobile; all-terrain vehicle; or dune buggy.
- I. "**Motorcycle**" means a two- or three-wheeled motor vehicle that is subject to motor vehicle licensing in the location where the **motorcycle** is principally garaged.
- J. "**Newly acquired vehicle.**"
  - 1. "**Newly acquired vehicle**" means a vehicle, not insured under another policy, that is acquired by **you** or any **family member** during the policy period and is:
    - a. A private passenger auto, pickup, **trailer**, or **van**;
    - b. A **miscellaneous vehicle** that is not used in any business or occupation; or
    - c. A **motorcycle**, but only if a **motorcycle** is shown on the current Declarations.
- K. "**Occupying**" means in, on, getting into or out of.
- L. "**Property damage**" (referred to as PD).
  - 1. "**Property damage**" means:
    - a. Physical injury to;
    - b. Destruction of; or
    - c. Loss of use of;  
tangible property.
  - 2. For purposes of this policy, electronic data is not tangible property. Electronic data means information, facts or programs:
    - a. Stored as or on;
    - b. Created or used on; or

- c. Transmitted to or from; computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- M. "Trailer" means a vehicle designed to be pulled by a private passenger auto, pickup, van, or **miscellaneous vehicle**. It also means a farm wagon or implement while towed by such vehicles.

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## PART A - LIABILITY COVERAGE

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### DEFINITIONS

"Covered person" as used in this Part means:

1. You or any **family member** for the ownership, maintenance or use of any auto or trailer.
2. Any person using **your covered auto**.
3. Any other person or organization, with the exception of a rental car company, but only with respect to legal liability imposed on them for the acts or omissions of a person for whom coverage is afforded in 1. or 2. above. With respect to an auto or **trailer** other than **your covered auto**, this provision only applies if the other person or organization does not own or hire the auto or **trailer**.

The following are not **covered persons** under Part A:

1. The United States of America or any of its agencies.
2. Any person with respect to BI or PD resulting from the operation of an auto by that person as an employee of the United States Government. This applies only if the provisions of Section 2679

- N. "Van" means a four-wheeled land motor vehicle of the van type with a load capacity of not more than 2,000 pounds.
- O. "Your covered auto" means:
  1. Any vehicle shown on the Declarations.
  2. Any **newly acquired vehicle**.
  3. Any **trailer you own**.

of Title 28, United States Code as amended, require the Attorney General of the United States to defend that person in any civil action which may be brought for the BI or PD.

### INSURING AGREEMENT

We will pay compensatory damages for BI or PD for which any **covered person** becomes legally liable because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. Our duty to settle or defend ends when our limit of liability for these coverages has been paid or tendered. We have no duty to defend any suit or settle any claim for BI or PD not covered under this policy.

### LIMIT OF LIABILITY

- A. For BI sustained by any one person in any one auto accident, our maximum limit of liability for all resulting damages is the limit of liability shown on the Declarations for "each person" for BI Liability.
- B. Subject to this limit for "each person," the limit of liability shown on the Declarations for "each accident" for BI Liability is our maximum limit of liability for all damages for BI resulting from any one auto accident.

## (PART A Cont'd.)

C. The limit of liability shown on the Declarations for "each accident" for PD Liability is our maximum limit of liability for all damages to all property resulting from any one auto accident.

D. "Damages" as used in this Limit of Liability, include, but are not limited to, all:

1. Direct damages;
2. Derivative damages; or
3. Consequential damages;

recoverable by any persons.

The limits described in Paragraphs A., B. and C. are the most we will pay regardless of the number of:

1. **Covered persons**;
2. Claims made;
3. Vehicles or premiums shown on the Declarations; or
4. Vehicles involved in the auto accident.

However, if a policy provision that would defeat coverage for a claim under this Part is declared to be unenforceable as a violation of the state's financial responsibility law, our limit of liability will be the minimum required by the state's financial responsibility law.

## SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of a **covered person**:

1. Premiums on appeal bonds and bonds to release attachments in any suit we defend. But we will not pay the premium for bonds with a face value over our limit of liability shown on the Declarations.
2. Prejudgment interest awarded against the **covered person** on that part of the

judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment interest based on that period of time after the offer.

3. We will pay post-judgment interest in accordance with Maine law. Our duty to pay interest ends when we offer to pay that part of the judgment that does not exceed our limit of liability.
4. Up to \$250 a day for loss of wages because of attendance at hearings or trials at our request.
5. The amount a **covered person** must pay to the United States Government because of damage to a government-owned private passenger auto, pickup, or van which occurs while the vehicle is in the care, custody, or control of a **covered person**. The most we will pay is an amount equal to one month of the basic salary of the **covered person** at the time of a loss. Only Exclusions A.1. and A.8. apply.
6. Other reasonable expenses incurred at our request.
7. All defense costs we incur.

## EXCLUSIONS

A. We do not provide Liability Coverage for any **covered person**:

1. Who intentionally acts or directs to cause BI or PD, or who acts or directs to cause with reasonable expectation of causing BI or PD.
2. For PD to property owned or being transported by a **covered person**.
3. For PD to property rented to, used by, or in the care of any **covered person**. This exclusion (A.3.) does not apply to damage to a residence or garage.

4. For BI to an employee of that person which occurs during the course of employment. This exclusion (A.4.) does not apply to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
  5. For that person's liability arising out of the ownership or operation of a vehicle while it is being used to carry persons for a fee. This exclusion (A.5.) does not apply to:
    - a. A share-the-expense car pool; or
    - b. Your covered auto used for volunteer work when reimbursement is limited to mileage expenses.
  6. While employed or otherwise engaged in the **auto business**. This exclusion (A.6.) does not apply to the ownership, maintenance, or use of your covered auto by:
    - a. You;
    - b. Any family member; or
    - c. Any partner, agent, or employee of you or any family member.
  7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation other than the **auto business**, farming, or ranching. This exclusion (A.7.) does not apply:
    - a. To the maintenance or use of a private passenger auto; a pickup or van owned by you or any family member; or a trailer used with these vehicles.
    - b. To the maintenance or use of a pickup or van not owned by you or any family member if the vehicle's owner has valid and collectible primary liability insurance or self-insurance in force at the time of the accident.
  8. Using a vehicle without expressed or implied permission.
  9. For BI or PD for which that person is an insured under any nuclear energy liability policy. This exclusion (A.9.) applies even if that policy is terminated due to exhaustion of its limit of liability.
  10. For BI or PD occurring while your covered auto is rented or leased to others, or shared as part of a personal vehicle sharing program.
  11. For punitive or exemplary damages.
  12. For BI sustained as a result of exposure to:
    - a. Fungi;
    - b. Wet or dry rot; or
    - c. Bacteria.
  13. For BI to a relative who resides primarily in that covered person's household. This exclusion (13.) applies only to the extent that the limits of liability for this coverage exceed \$50,000 for each person or \$100,000 for each accident.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:
1. Any vehicle that is not your covered auto unless that vehicle is:
    - a. A four- or six-wheel land motor vehicle designed for use on public roads;
    - b. A moving van for personal use;
    - c. A miscellaneous vehicle; or

## (PART A Cont'd.)

- d. A vehicle used in the business of farming or ranching.
  - 2. Any vehicle, other than **your covered auto**, that is owned by **you**, or furnished or available for **your regular use**. This exclusion (B.2.) does not apply to a vehicle not owned by **you** if the vehicle's owner has valid and collectible primary liability insurance or self-insurance in force at the time of the accident.
  - 3. Any vehicle, other than **your covered auto**, that is owned by or furnished or available for the regular use of, any **family member**. This exclusion (B.3.) does not apply:
    - a. To **your** maintenance or use of such vehicle; or
    - b. To a vehicle not owned by any **family member** if the vehicle's owner has valid and collectible primary liability insurance or self-insurance in force at the time of the accident.
  - 4. Any vehicle while being operated in, or in practice for, any **driving contest or challenge**.
- C. There is no coverage for liability assumed by any **covered person** under any contract or agreement.

## OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which **your covered auto** is principally garaged, **your policy** will provide at least the minimum amounts and types of liability coverages required by law. However, no one will be entitled to duplicate payments for the same elements of loss.

## OTHER INSURANCE

If there is other applicable liability insurance, **we** will pay only **our share** of the loss. **Our share** is the proportion that **our limit of liability** bears to the total of all applicable limits. However, any insurance **we** provide to a **covered person** for a vehicle **you** do not own shall be excess over:

- 1. Any other applicable liability insurance; or
- 2. Any self-insurance in compliance with a state's financial responsibility law or mandatory insurance law.

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## PART B - MEDICAL PAYMENTS COVERAGE

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### DEFINITIONS

- A. "**Beneficiary**" means (in order of priority of payment):
- 1. The surviving spouse if a resident in the same household as the deceased at the time of the accident; or
  - 2. If the deceased is an unmarried minor, either of the surviving parents who had legal custody at the time of the accident; or
  - 3. The estate of the deceased.

B. "**Covered person**" as used in this Part means:

- 1. **You** or any **family member** while **occupying** any auto.
- 2. Any other person while **occupying** **your covered auto**.
- 3. **You** or any **family member** while not **occupying** a motor vehicle if injured by:
  - a. A motor vehicle designed for use mainly on public roads;

- b. A **miscellaneous vehicle**; or
  - c. A trailer.
- C. "**Essential services**" means those household services that a **covered person** who is at least 18 years old would have performed without pay.
- D. "**Income actually lost**" means the difference between:
1. The total of gross salary, fees, commissions, and profits from a business that a **covered person** was earning at the time of the accident; and
  2. The total of gross salary, fees, commissions, profits from a business and payments from an income continuation or similar plan that the **covered person** received during the period of **total disability**.
- E. "**Medical payment fee**" is an amount, as determined by **us** or someone on **our** behalf, that **we** will pay for charges made by a licensed hospital, licensed physician, or other licensed medical provider for **medically necessary and appropriate medical services**. The amount that **we** will pay will be one of the following:
1. The amount provided by an applicable agreement with a Preferred Provider Organization, Preferred Provider Network, or other similar agreement; or
  2. The amount required, approved, or allowed by a fee schedule established by a state, federal, or other governmental entity in the relevant geographic area; or
  3. The amount negotiated with the provider; or
  4. The lesser of the following:
    - a. The actual amount billed; or
    - b. A reasonable fee for the service provided.
- F. "**Medically necessary and appropriate medical services**" are those services or supplies provided or prescribed by a licensed hospital, licensed physician, or other licensed medical provider that, as determined by **us** or someone on **our** behalf, are required to identify or treat **BI** caused by an auto accident and sustained by a **covered person** and that are:
1. Consistent with the symptoms, diagnosis, and treatment of the **covered person's** injury and appropriately documented in the **covered person's** medical records;
  2. Provided in accordance with recognized standards of care for the **covered person's** injury at the time the charge is incurred;
  3. Consistent with published practice guidelines and technology, and assessment standards of national organizations or multi-disciplinary medical groups;
  4. Not primarily for the convenience of the **covered person**, his or her physician, hospital, or other health care provider;
  5. The most appropriate supply or level of service that can be safely provided to the **covered person**; and
  6. Not excessive in terms of scope, duration, or intensity of care needed to provide safe, adequate, and appropriate diagnosis and treatment.
- However, "**medically necessary and appropriate medical services**" do not include the following:
1. Nutritional supplements or over-the-counter drugs;

2. Experimental services or supplies, which means services or supplies that **we** determine have not been accepted by the majority of the relevant medical specialty as safe and effective for treatment of the condition for which its use is proposed; or
  3. Inpatient services or supplies provided to the **covered person** when these could safely have been provided to the **covered person** as an outpatient.
- G. "**Total disability**" means disability which continuously prevents the **covered person** from performing the substantial duties of that person's usual occupation.
- INSURING AGREEMENT**
- A. Medical Payments Coverage.
    1. **We** will pay only the **medical payment fee** for **medically necessary and appropriate medical services** and the reasonable expense for funeral services. These fees and expenses must:
      - a. Result from **BI** sustained by a **covered person** in an auto accident; and
      - b. Be incurred for services rendered within one year from the date of the auto accident.
    2. **We** or someone on **our** behalf will review, by audit or otherwise, claims for benefits under this coverage to determine if the charges are:
      - a. **Medical payment fees** for **medically necessary and appropriate services**; or
      - b. Reasonable expenses for funeral services.

A provider of medical or funeral services may charge more than the amount **we** determine to be **medical payment fees** and reasonable expenses, but such additional charges are not covered.

3. **We** will not be liable for pending or subsequent benefits if a **covered person** or assignee of benefits under Medical Payments Coverage unreasonably refuses to submit to an examination as required in Part E – General Provisions, Duties After An Accident or Loss.
- B. Extended Benefits Coverage. **We** will pay the following benefits for **BI** caused by an auto accident and sustained by a **covered person**:
  1. Wage Earner Disability Benefit of 85% of **income actually lost** by an employed **covered person** during a period of **total disability**.
  2. Essential Services Disability Benefit for reasonable expenses incurred for **essential services** during the time the **covered person** is actually unable to perform the services. This benefit applies only if the services are performed by a non-**family member**.
  3. Death Benefit of \$5,000 to the **beneficiary** of a **covered person** who dies within one year from the date of the auto accident as a direct result of **BI** caused by that accident.

#### **LIMIT OF LIABILITY**

The following provisions represent the most **we** will pay regardless of the number of **covered persons** or **beneficiaries**, claims made, vehicles or premiums shown on the Declarations, or vehicles involved in an auto accident.

**(PART B Cont'd.)**

**A. Medical Payments.**

1. The limit of liability shown on the Declarations for Medical Payments Coverage is the maximum limit of liability for each **covered person** injured in any one accident.
2. However, if a policy provision that would defeat coverage for a claim under this Part is declared to be unenforceable as a violation of Maine's Financial Responsibility law, **our** limit of liability will be the minimum required by Maine's Financial Responsibility law.
3. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part C of this policy.

**B. Extended Benefits Coverage.**

The limit of liability for Wage Earner Disability Benefit and the limit of liability for Essential Services Disability Benefit, as stated on the Declarations, is the maximum limit of liability for each coverage for each **covered person** injured in any one accident, subject to the following conditions:

1. Payment of Wage Earner Disability Benefit to **you** or any **family member** will not exceed the amount shown on the Declarations per 30-day period.
2. Payment of Wage Earner Disability Benefit to a **covered person** other than **you** or any **family member** will not exceed \$1,000 per 30-day period.
3. Wage Earner Disability Benefit and Essential Services Disability Benefit begin on or after the eighth day after the accident, but no later than one year after the accident. **We** will pay these benefits for no more than one year to any one **covered person**. These benefits will not continue after the death of the **covered person**.

4. Any amounts otherwise payable as benefits under Wage Earner Disability Benefit shall be reduced by:
  - a. The amount of any similar benefits which are paid or payable under any workers' compensation law or policy, or under any disability or health and accident policy; and
  - b. The amount of any disability benefits provided by any governmental agency.

**EXCLUSIONS**

**We** do not provide benefits under this Part for any **covered person** for BI:

1. Sustained while **occupying** any vehicle that is not **your covered auto** unless that vehicle is:
  - a. A four- or six-wheel land motor vehicle designed for use on public roads;
  - b. A moving van for personal use;
  - c. A **miscellaneous vehicle**; or
  - d. A vehicle used in the business of farming or ranching.
2. Sustained while **occupying your covered auto** when it is being used to carry persons for a fee. This exclusion (2.) does not apply to:
  - a. A share-the-expense car pool; or
  - b. **Your covered auto** used for volunteer work when reimbursement is limited to mileage expenses.
3. Sustained while **occupying** any vehicle located for use as a residence.

4. Occurring during the course of employment if workers' compensation benefits are required or available. This exclusion (4.) does not apply to Extended Benefits Coverage.
5. Sustained while **occupying**, or when struck by, any vehicle, other than **your covered auto**, that is owned by **you**.
6. Sustained while **occupying**, or when struck by, any vehicle, other than **your covered auto**, that is owned by any **family member**. This exclusion (6.) does not apply to **you**.
7. Sustained while **occupying** a vehicle without expressed or implied permission.
8. Sustained while **occupying** a vehicle when it is being used in the business or occupation of a **covered person**. This exclusion (8.) does not apply to BI sustained while **occupying**:
  - a. A private passenger auto;
  - b. A pickup;
  - c. A **van**; or
  - d. A **trailer** used with these vehicles.
9. Caused by or as a consequence of:
  - a. War;
  - b. Insurrection;
  - c. Revolution;
  - d. Nuclear reaction; or
  - e. Radioactive contamination.
10. Sustained while **occupying your covered auto** while it is rented or leased to others, or shared as part of a personal vehicle sharing program.
11. Sustained while a participant in, or in practice for, any **driving contest or challenge**.
12. Sustained as a result of a **covered person's** exposure to:
  - a. **Fungi**;
  - b. Wet or dry rot; or
  - c. **Bacteria**.

## OTHER INSURANCE

If there is other applicable auto medical payments insurance, **we** will pay only **our share** of the loss. **Our share** is the proportion that **our limit of liability bears to the total of all applicable limits**. However, any insurance **we** provide with respect to a vehicle **you** do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

## SPECIAL PROVISIONS

- A. To establish Wage Earner Disability Benefits, any **covered person** making a claim for **income actually lost** must submit all income-related documents **we** may reasonably require.

Income will be computed using the monthly rate being earned on the date of the accident and will be paid monthly as loss accrues. If not a salary or fixed amount, the monthly rate will be the average monthly income actually earned during the 12 months preceding the accident, or during the period the **covered person** actually was employed if less than 12 months.

- B. If **your covered auto** and every other motor vehicle **you** own are within the policy territory referred to in Part E – General Provisions, then coverage under Part B – Medical Payments Coverage will apply to **you** and any **family member** anywhere in the world.

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## PART C – UNINSURED MOTORISTS COVERAGE

(referred to as UM Coverage)

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UM Coverage includes underinsured motorists coverage.

### DEFINITIONS

A. **"Covered person"** as used in this Part means:

1. You or any **family member**.
2. Any other person **occupying your covered auto**.
3. Any person for damages that person is entitled to recover because of BI to which this coverage applies sustained by a person described in 1. or 2. above.

However, "**covered person**" does not include the United States of America or any of its agencies.

B. **"Uninsured motor vehicle"** means a land motor vehicle or **trailer** of any type:

1. To which no liability bond or policy applies at the time of the accident.
2. To which a liability bond or policy applies at the time of the accident but its limit for bodily injury liability is less than the limit of liability for UM Coverage under this policy.
3. That is a hit-and-run motor vehicle. This means a motor vehicle whose owner or operator cannot be identified and that hits or that causes an accident resulting in BI without hitting:
  - a. You or any **family member**;
  - b. A vehicle you or any **family member** is **occupying**; or
  - c. Your **covered auto**.

If there is no physical contact with the hit-and-run vehicle, the facts of the accident must be proved. We will only accept competent evidence which may include the testimony, under oath, of a person making claim under this or any similar coverage.

4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
  - a. Denies coverage; or
  - b. Is or becomes insolvent.

C. **"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 **family member**.
2. Owned or operated by a self-insurer under any applicable motor vehicle law.
3. Operated on rails or crawler treads, except for a snowmobile.
4. Designed mainly for use off public roads while not on public roads.
5. While located for use as a residence or premises.

### INSURING AGREEMENT

- A. We will pay compensatory damages which a **covered person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of BI sustained by a **covered person** and caused by an auto accident.
- B. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured**

**motor vehicle.** Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- C. We will pay under this coverage only after the limits of liability under any applicable liability bonds or policies or deposits of cash or securities have been exhausted by payment of judgments or settlements. This provision applies only to Definition B.2. under this Part.

## LIMIT OF LIABILITY

A. For BI sustained by any one person in any one accident, our maximum limit of liability for all resulting damages, including, but not limited to, all direct, derivative, or consequential damages recoverable by any persons, is the limit of liability shown on the Declarations for "each person" for UM Coverage. Subject to this limit for "each person," the limit of liability shown on the Declarations for "each accident" for UM Coverage is our maximum limit of liability for all damages for BI resulting from any one accident. These limits are the most we will pay regardless of the number of:

1. **Covered persons;**
2. Claims made;
3. Vehicles or premiums shown on the Declarations;
4. Premiums paid; or
5. Vehicles involved in the accident.

B. Any amount otherwise payable for damages under UM Coverage shall be reduced by all sums paid because of the BI:

1. By or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A.
2. Under any workers' compensation law, disability benefits law, or similar law; or

3. Under any automobile medical expense coverage or motor vehicle liability insurance.

- C. When two or more persons are legally entitled to recover damages from a particular owner or operator of an underinsured motor vehicle, the amount of underinsured vehicle coverage applicable to each injured person is determined by subtracting any payments actually made to the injured person from any bodily injury liability insurance coverage applicable to the particular owner or operator of the underinsured motor vehicle from the injured person's, operator's, or owner's underinsured vehicle coverage policy limits if applicable to that person. The amount of underinsured motor vehicle coverage will further be reduced by the amount by which the bodily injury liability insurance coverage applicable to the particular owner or operator of the underinsured motor vehicle exceeds all payments from that coverage to all persons legally entitled to recover damages from that particular owner or operator of the underinsured motor vehicle.

- D. No one will be entitled to receive duplicate payments for the same elements of loss.
- E. Any payment under UM Coverage will reduce any amount that person is entitled to recover for the same damages under Part A.

## EXCLUSIONS

A. We do not provide UM Coverage for BI sustained by any **covered person**:

1. If that person or legal representative settles the BI claim without our written consent.
2. While **occupying**, or when struck by, any motor vehicle owned by you or any **family member** which is not insured for UM Coverage under this policy. As applied to this exclusion (A.2.), motor vehicle means a land motor vehicle, and includes a **trailer** of any type used with that vehicle.

(PART C Cont'd.)

3. While **occupying your covered auto** when it is being used to carry persons for a fee. This exclusion (A.3.) does not apply to:
    - a. A share-the-expense car pool; or
    - b. **Your covered auto** used for volunteer work when reimbursement is limited to mileage expenses.
  4. Using a vehicle without expressed or implied permission.
  5. While **your covered auto** is rented or leased to others, or shared as part of a personal vehicle sharing program.
  6. While **occupying** any vehicle when it is being operated in, or in practice for, any **driving contest or challenge**.
  7. While **occupying**, or when struck by, a land motor vehicle, including any vehicle designed to be pulled by a land motor vehicle, which is not the type of vehicle **we** will insure for UM Coverage.
- B. UM Coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any:
1. Workers' compensation law; or
  2. Disability benefits law.
- C. **We** do not provide UM Coverage for punitive or exemplary damages.

## OTHER INSURANCE

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

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

2. Any insurance **we** provide with respect to:
  - a. A vehicle **you** do not own; or
  - b. A person other than **you** or any **family member**;

will be excess over any collectible insurance.
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 for coverage provided 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.

## NON-DUPLICATION

No **covered person** will be entitled to receive duplicate payments under this coverage for the same elements of loss which were:

1. Paid because of the **BI** by or on behalf of persons or organizations who may be legally responsible.
2. Paid or payable under any workers' compensation law or similar disability benefits law.
3. Paid under another provision or coverage in this policy.
4. Paid under any auto policy medical expense coverage.

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## PART D – PHYSICAL DAMAGE COVERAGE

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### DEFINITIONS

A. "**Actual cash value**" means the amount that it would cost, at the time of **loss**, to buy a comparable vehicle. As applied to **your covered auto**, a comparable vehicle is one of the same:

1. Make;
2. Model;
3. Model year;
4. Body type; and
5. Options;

with substantially similar mileage and physical condition.

B. "**Collision**" means the impact with an object and includes upset of a vehicle. **Loss** caused by the following is covered under Comprehensive Coverage and is not considered **collision**:

1. Fire;
2. Missiles or falling objects;
3. Hail, water or flood;
4. Malicious mischief or vandalism;
5. Theft or larceny;
6. Riot or civil commotion;
7. Explosion;
8. Earthquake;
9. Contact with bird or animal;
10. Windstorm; or
11. Breakage of window glass.

However, if breakage of window glass is caused by a **collision**, **you** may elect to have it considered a **loss** caused by **collision**.

C. "**Custom equipment**" means equipment, furnishings and parts permanently installed in or upon **your covered auto**, other than:

1. Original manufacturer equipment, furnishings or parts;
2. Any replacement of original manufacturer equipment, furnishings or parts with other equipment, furnishings or parts of like kind and quality;
3. Equipment, furnishings or parts designed to assist disabled persons;
4. Anti-theft devices and devices intended to monitor or record driving activity; and
5. Tires of a substantially similar size as those installed by the manufacturer.

D. "**Covered rental vehicle**" means a motor vehicle of the private passenger, sedan, station wagon, or private passenger minivan type rented pursuant to a written rental agreement, regardless of where that rental vehicle is registered, rented, or operated. The agreement must set forth the terms and conditions governing the use of a vehicle and must have a term of 45 continuous days or fewer.

E. "**Loss**."

1. "**Loss**" means:

- a. Direct and accidental damage to the operational safety, function, or appearance of; or

b. Theft of;

**your covered auto** or personal property contained in **your covered auto**.

2. "**Loss**" includes a total loss, but does not include any damage other than the cost to **repair** or replace.
3. "**Loss**" does not include any loss of use, or diminution in value that would remain after **repair** or replacement of the damaged or stolen property.

**F. "Nonowned vehicle."**

1. "**Nonowned vehicle**" means any:

- a. Private passenger auto;
- b. Pickup;
- c. Van;
- d. **Miscellaneous vehicle**; or
- e. **Trailer**;

not owned by, or furnished or available for the regular use of, **you** or any **family member**. This applies only when the vehicle is in the custody of or being operated by **you** or any **family member**.

2. A **nonowned vehicle** does not include:

- a. A **covered rental vehicle**; or
- b. Any of the following vehicles used in any business or occupation other than farming or ranching:
  - (1) A pickup;
  - (2) A van; or
  - (3) A **miscellaneous vehicle**.

**G. "Repair."**

1. "**Repair**" means restoring the damaged property to its pre-loss operational safety, function, and appearance. This may include the replacement of component parts.
2. **Repair** does not require:
  - a. A return to the pre-loss market value of the property;
  - b. Restoration, alteration, or replacement of undamaged property, unless such is needed for the operational safety of the vehicle; or
  - c. Rekeying of locks following theft or misplacement of keys.

**H. "Your covered auto"** as used in this Part includes:

1. **Custom equipment**, up to a maximum of \$5,000, in or on **your covered auto**.
2. A **nonowned vehicle**. If there is a **loss** to a **nonowned vehicle**, we will provide the broadest coverage shown on the Declarations.

**INSURING AGREEMENT**

**A. Comprehensive Coverage (excluding collision).**

1. Physical damage.
  - a. We will pay for **loss** caused by other than **collision** to **your covered auto**, including its equipment, and personal property contained in **your covered auto**, minus any applicable deductible shown on the Declarations.

- b. The deductible will be waived for **loss** to window glass that can be repaired rather than replaced. In cases where the repair proves unsuccessful and the window glass must be replaced, the full amount of the deductible, if any, must be paid.
- 2. Transportation expenses. **We** will also pay:
  - a. Up to \$30 a day, to a maximum of \$900, for transportation expenses incurred by **you** or any **family member**. This applies only in the event of a total theft of **your covered auto**. **We** will pay only transportation expenses incurred during the period beginning 48 hours after the theft and ending:
    - (1) When **your covered auto** is returned to use; or
    - (2) If not recovered or not **repairable**, up to seven days after **we** have made a settlement offer.
  - b. If Rental Reimbursement Coverage is afforded, limits for transportation expenses are the limits of liability shown on the Declarations for Rental Reimbursement Coverage for that vehicle.

B. Collision Coverage.

- 1. **We** will pay for **loss** caused by **collision** to **your covered auto**, including its equipment, and personal property contained in **your covered auto**, minus any applicable deductible shown on the Declarations.
- 2. Damages to a **covered rental vehicle**. **We** will pay for the obligation of **you** or any **family member** for damages caused by **collision** to a **covered rental vehicle**, under a written agreement with a term of 45 continuous days or fewer. The damages include charges for verifiable and actual loss of

use not to exceed 30 days, but will be reduced by the lowest deductible shown on the Declarations.

- C. Rental Reimbursement Coverage (for **loss** other than total theft).
  - 1. **We** will reimburse **you** for expenses **you** or any **family member** incurs to rent a substitute for **your covered auto**. This coverage applies only if:
    - a. **Your covered auto** is withdrawn from use for more than 24 hours due to a **loss**, other than a total theft, to that auto; and
    - b. The **loss** is covered under Comprehensive Coverage or caused by **collision**, and the cause of **loss** is not otherwise excluded under Part D of this policy.
  - 2. **We** will reimburse **you** only for that period of time reasonably required to **repair** or replace **your covered auto**. If **we** determine **your covered auto** is a total loss, the rental period will end no later than seven days after **we** have made a settlement offer.
  - D. USAA Roadside Assistance. **We** will pay the reasonable costs **you** or any **family member** incurs for one of the following each time **your covered auto** is disabled:
    - 1. Mechanical labor up to one hour at the place of breakdown.
    - 2. Locksmith services to gain entry to **your covered auto**. This does not include the rekeying of locks following theft or misplacement of keys.
    - 3. Towing, to the nearest place where necessary repairs can be made during regular business hours, if the vehicle will not run or is stranded on or immediately next to a public road.
    - 4. Delivery of gas or oil to, or a change of tire on a disabled vehicle. However, **we** do not pay for the cost of these items.

## LIMIT OF LIABILITY

- A. Total loss to your covered auto. Our limit of liability under Comprehensive Coverage and Collision Coverage is the **actual cash value** of the vehicle, inclusive of any **custom equipment**.
1. The maximum amount **we** will include for **loss to custom equipment** in or on your covered auto is \$5,000.
  2. **We** will declare your covered auto to be a total loss if, in our judgment, the cost to repair it would be greater than its **actual cash value** minus its salvage value after the loss.
- B. Other than a total loss to your covered auto:
1. Our limit of liability under Comprehensive Coverage and Collision Coverage is the amount necessary to repair the loss based on:
    - a. Our estimate; or
    - b. An estimate that **we** approve, if submitted by **you** or a third party.
  - Upon request, **we** will identify at least one facility that is willing and able to complete the **repair** for the amount of the estimate.
  2. Our estimate may specify parts that are:
    - a. Used;
    - b. Rebuilt;
    - c. Remanufactured; or
    - d. Non-Original Equipment Manufacturer (non-OEM).
  3. You may request that damaged parts be replaced with new Original Equipment Manufacturer (OEM) parts. You will be responsible, however, for any cost

difference between the parts included in our estimate and the new OEM parts used in the **repair**.

4. **We** will not take a deduction for depreciation. **We** will take a deduction if prior damage has not been **repaired**. Prior damage does not include wear and tear.
- C. Personal property contained in your covered auto. The limits of liability described below are separate from the limits available for a **loss to your covered auto**.

  1. Our limit of liability under Comprehensive Coverage and Collision Coverage is the lesser of:
    - a. The amount necessary to replace the damaged or stolen property; or
    - b. \$250.
  2. **We** will not take a deduction for depreciation.

- D. Under Rental Reimbursement Coverage, our maximum limits of liability are the limits of liability shown on the Declarations for Rental Reimbursement Coverage for that vehicle.
- E. Under USAA Roadside Assistance, our limit of liability is the reasonable price for the covered service.

## PAYMENT OF LOSS

- A. **We** may:
1. Pay for **loss** in money; or
  2. Repair or replace the damaged or stolen property.
- B. **We** may, at our expense, return any stolen property:
1. To **you**; or

2. To the address shown on the Declarations.

If **we** return stolen property, **we** will pay for any damage resulting from the theft.

- C. **We** may keep all or part of the damaged or stolen property and pay **you** an agreed or appraised value for it.
- D. **We** cannot be required to assume the ownership of damaged property.
- E. **We** may settle a claim either with **you** or with the owner of the property.

#### LOSS PAYABLE CLAUSE

- A. **Loss** or damage under this policy will be paid, as interest may appear, to:
1. The named insured; and
  2. The loss payee shown on the Declarations.
- B. This insurance, with respect to the interest of the loss payee, will not become invalid because of **your** fraudulent acts or omissions unless the **loss** results from **your**:
1. Conversion;
  2. Secretion; or
  3. Embezzlement;
- of **your covered auto**.
- C. **We** may cancel the policy as permitted by policy terms and the cancellation will terminate this agreement as to the loss payee's interest.
- D. **We** will give the same advance notice of cancellation to the loss payee as **we** give to the named insured shown on the Declarations.

- E. **We** may send notices to the loss payee either by mail or by electronic means. However, if the loss payee requests in writing that **we** not send notices, including a notice of cancellation, **we** will abide by that request.
- F. When **we** pay the loss payee **we** will, to the extent of payment, be subrogated to the loss payee's rights of recovery.

#### WAIVER OF COLLISION DEDUCTIBLE

**We** will not apply the deductible to **loss** caused by **collision** with another vehicle if all of these conditions are met:

1. The **loss to your covered auto** is greater than the deductible amount; and
2. The owner and driver of the other vehicle are identified; and
3. The owner or driver of the other vehicle has a liability policy covering the **loss**; and
4. The driver of **your covered auto** is not legally responsible, in any way, for causing or contributing to the **loss**.

#### EXCLUSIONS

**We** will not pay for:

1. **Loss to your covered auto** which occurs while it is being used to carry persons for a fee. This exclusion (1.) does not apply to:
  - a. A share-the-expense car pool; or
  - b. **Your covered auto** used for volunteer work when reimbursement is limited to mileage expenses.
2. Damage due and confined to:
  - a. Road damage to tires;
  - b. Wear and tear;

- c. Freezing; or
- d. Mechanical or electrical breakdown or failure, including such damage resulting from negligent servicing or repair of **your covered auto** or its equipment. We will pay for ensuing damage only to the extent the damage occurs outside of the major component in which the initial mechanical or electrical breakdown or failure occurs. "Major component" includes, but is not limited to:
  - (1) Transmission/transaxle;
  - (2) Electrical system;
  - (3) Engine, including cooling and lubrication thereof;
  - (4) Air conditioning;
  - (5) Computer;
  - (6) Suspension;
  - (7) Braking;
  - (8) Drive assembly; and
  - (9) Steering.

This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto**, and it does not apply to USAA Roadside Assistance.

- 3. **Loss due to or as a consequence of:**
  - a. War;
  - b. Insurrection;
  - c. Revolution;
  - d. Nuclear reaction; or
  - e. Radioactive contamination.
- 4. **Loss to a camper body or trailer owned by you or any family member** that is not shown on the Declarations. This exclusion (4.) does not apply to one **you or any family member** acquires

during the policy period and asks **us** to insure within 30 days after **you** or any **family member** becomes the owner.

- 5. **Loss to any nonowned vehicle or covered rental vehicle** when used by **you** or any **family member** without a reasonable belief that **you** or that **family member** is entitled to do so.
- 6. **Loss to equipment designed or used to evade or avoid the enforcement of motor vehicle laws.**
- 7. **Loss to any nonowned vehicle or covered rental vehicle** arising out of its use by **you** or any **family member** while employed or otherwise engaged in **auto business** operations.
- 8. **Loss to your covered auto** while it is rented or leased to others, or shared as part of a personal vehicle sharing program.
- 9. **Loss to any vehicle** while it is being operated in, or in practice for, any **driving contest or challenge**.
- 10. **Loss resulting from:**
  - a. The acquisition of a stolen vehicle;
  - b. Any legal or governmental action to return a vehicle to its legal owner; or
  - c. Any confiscation or seizure of a vehicle by governmental authorities.
- 11. **Loss resulting from use in any illicit or prohibited trade or transportation.**
- 12. Any **loss** arising out of any act committed:

## (PART D Cont'd.)

- a. By or at the direction of **you** or any **family member**; and
- b. With the intent to cause a **loss**.

### 13. Loss caused by:

- a. **Fungi**;
- b. Wet or dry rot; or
- c. Bacteria.

This means the presence, growth, proliferation, spread, or any activity of **fungi**, wet or dry rot, or bacteria.

This exclusion (13.) does not apply to damage directly resulting from a **loss** covered under Comprehensive Coverage or Collision Coverage.

### 14. Damage to a **covered rental vehicle** unless Part A – Liability Coverage applies to at least one vehicle under this policy.

## NO BENEFIT TO BAILEE

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

## OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the **loss**, **we** will pay only **our share** of the **loss**.

**Our share** is the proportion that **our limit of liability** bears to the total of all applicable limits. However, any insurance **we** provide with respect to a **nonowned vehicle** or **covered rental vehicle** will be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **nonowned vehicle** or **covered rental vehicle**.
2. Any other applicable physical damage insurance.
3. Any other source of recovery applicable to the **loss**.

This provision does not apply to USAA Roadside Assistance.

## APPRAISAL

If **we** and **you** do not agree on the amount of **loss**, either may demand an appraisal. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will pay its chosen appraiser and share the expenses of the umpire equally. Neither **we** nor **you** waive any rights under this policy by agreeing to an appraisal.

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## PART E – GENERAL PROVISIONS

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## BANKRUPTCY

Bankruptcy or insolvency of the **covered person**, as defined in this policy, shall not relieve **us** of any obligations under this policy.

## CHANGES

- A. The premium is based on information **we** have received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct

and complete. **You** agree that if this information changes, or is incorrect or incomplete, **we** may adjust **your premiums** accordingly during the policy period.

- B. If, during the policy period, the risk exposure changes for any of the following reasons, **we** will make the necessary premium adjustments effective the date of change in exposure. Change in exposure means the occurrence of an event listed in B.1. through B.7. or in E. below, or a similar event that may increase or decrease the

policy premium. You agree to give us notice of any exposure change as soon as is reasonably possible. Changes that may result in a premium adjustment include, but are not limited to, the following:

1. Change in location where any vehicle is garaged.
2. Change in the following with regard to any vehicle:
  - a. Description;
  - b. Equipment;
  - c. Purchase date;
  - d. Registration;
  - e. Cost;
  - f. Usage;
  - g. Miles driven annually; or
  - h. Operators.
3. Replacement or addition of any vehicle. A replacement or additional vehicle is a **newly acquired vehicle**.
4. Deletion of a vehicle.
  - a. The named insured may request that a vehicle shown on the Declarations be deleted from this policy.
  - b. The effective date of this change cannot be earlier than the date of the named insured's request unless we agree to an earlier date.
5. Change in the following with regard to any operator:
  - a. Date of birth;
  - b. Marital status;
  - c. Driver's license information; or
  - d. Driving record.

6. Addition or deletion of an operator.
  7. Change, addition, or deletion of any coverage or limits.
- C. We will make any calculations or adjustments of your premium using the applicable rules, rates, and forms as of the effective date of the change.
- D. If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement that change in your location. This paragraph does not apply to changes implemented with a revision that includes both broadenings and restrictions in coverage. Otherwise, this policy includes all of the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- E. Deployment.
1. If, because of your active-duty deployment in one of the military services of the United States, you have reduced the coverage on your covered auto and placed the vehicle in storage, then, upon your return from the deployment, we will reinstate the coverage that was on the vehicle prior to the deployment-caused reduction beginning on the date the vehicle is removed from storage.
  2. Any reinstatement of coverage under E.1. will apply for up to 60 days after the date you returned from deployment. If you wish to continue the reinstated coverage beyond the 60-day period, you must request it during the 60-day period. If you request reinstated coverage after this 60-day period, any coverage we agree to provide will be effective at the date and time of your request unless we agree to an earlier date.

3. You must pay an additional premium, as set out in Part E, Changes, B.7., for the reinstated coverage. However, if you return from deployment on furlough or emergency leave for a period of 30 days or less, we will waive any increase in the premium for the period of time you are on furlough or emergency leave, provided that no claim for coverage under this policy is made for a loss that occurs during that time period. If a loss occurs we will, as of the date of the loss, reinstate the coverage that was on the vehicle prior to the deployment-caused reduction, and you must pay an additional premium for that coverage.

## CONFORMITY TO LAW

If any of the terms of this policy conflict with state or local law, state or local law will apply.

## DUTIES AFTER AN ACCIDENT OR LOSS

We will not be required to provide coverage under this policy unless there has been full compliance with the following duties:

- A. We must be notified promptly of how, when, and where an accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person or entity seeking any coverage or payment of any benefits except payment under Part A – Liability must:
  1. Cooperate with us in the investigation, settlement, or defense of any claim or suit.
  2. Promptly send us copies of any notices or legal papers received in connection with a suit, accident, or loss.
  3. Submit, as often as we reasonably require:
    - a. To physical exams by physicians we select. We will pay for these exams.

- b. To examination under oath. The examination must be signed.
  4. Authorize us to obtain medical reports and other pertinent records.
  5. Submit a proof of loss when required by us.
  6. Promptly notify the police if a hit-and-run driver is involved.
- C. A person seeking coverage under Part D – Physical Damage Coverage must also:
1. Take reasonable steps after loss to protect your covered auto and its equipment from further loss. We will pay reasonable expenses incurred to do this.
  2. Promptly notify the police if your covered auto is stolen.
  3. Permit us to inspect and appraise the damaged property before its repair or disposal.

## LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until we agree in writing that the covered person, as defined in Part A, has an obligation to pay, or the amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring us into any action to determine the liability of a covered person, as defined in this policy.
- C. Under Part C – Uninsured Motorists Coverage:

No action can be brought against us for any claim involving an uninsured motor vehicle unless the action is brought within:

1. Two years from the date of the accident; or
  2. One year from the date that the **covered person** is aware or should have been aware of a claim for which coverage would apply;
- whichever is later.
- D. Unless **we** agree otherwise, any legal action against **us** must be brought in a court of competent jurisdiction in the county and state where the **covered person** lived at the time of the accident.

#### MISREPRESENTATION

We do not provide any coverage under this policy to any person who has knowingly concealed or misrepresented any material fact or circumstance relating to this insurance:

1. At the time application was made; or
2. At any time during the policy period; or
3. In connection with the presentation or settlement of a claim.

#### NON-DUPLICATION OF PAYMENT

When a claim, or part of a claim, is payable under more than one provision of this policy, **we** will pay the claim only once under this policy.

#### OUR RIGHT TO RECOVER PAYMENT

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** will be subrogated to that right. The person to or for whom payment was made shall do whatever is necessary to enable us to exercise our rights, and shall do nothing after loss to prejudice them. However, **our** rights in this paragraph do not apply:

1. Under Part D, against any person using **your covered auto** with a reasonable belief that that person is entitled to do so; or
  2. Under Part B, Extended Benefits Death Benefit.
- B. If **we** make a payment under this policy and the person to or for whom payment was made recovers damages from another, the person to or for whom payment was made shall hold in trust for **us** the proceeds of the recovery and reimburse **us** to the extent of **our** payment. However, this paragraph does not apply to Part B, Extended Benefits Death Benefit.
- C. If the **covered person**, as defined in this policy, recovers from the party at fault and **we** share in the recovery, **we** will pay **our** share of the legal expenses. **Our** share is that percent of the legal expenses that the amount **we** recover bears to the total recovery. This does not apply to any amounts recovered or recoverable by **us** from any other insurer under any inter-insurer arbitration agreement.
- D. If **we** make payment for a claim under Part A, and the **covered person**, as defined in Part A:
1. Knowingly concealed or misrepresented any material fact or circumstance relating to this insurance; or
  2. Failed or refused to comply with the duties specified in this policy and prejudiced **our** defense of the liability claim by such failure or refusal;
- then, the **covered person** shall reimburse **us** to the extent of **our** payment and cost of defense.
- E. If **we** make payment for a claim under Part D and **you** or any **family member** has knowingly concealed or misrepresented any material fact or circumstance relating to this insurance, then **you** shall reimburse **us** to the extent of **our** payment.

## OWNERSHIP

For purposes of this policy, a vehicle is deemed to be owned by a person if leased under a written agreement to that person for a continuous period of at least six months.

## POLICY PERIOD AND TERRITORY

- A. This policy applies only to accidents and losses which occur during the policy period as shown on the Declarations and within the policy territory. The policy territory is the United States of America (USA), its territories and possessions, Puerto Rico, and Canada, including transportation of **your covered auto** between any ports of these locations.
- B. The policy territory also includes Mexico, subject to the following conditions:
  1. All coverages afforded by the policy are extended to include coverage during trips into Mexico. This applies only to loss or accident that occurs within 75 miles of the USA border.
  2. Any liability coverage afforded by the policy is extended to include the remainder of Mexico, but only if **you** have valid and collectible liability coverages from a licensed Mexican insurance company at the time of loss. This Paragraph (B.2.) applies only if the original liability suit for **BI** or **PD** is brought in the USA.
  3. Coverage under this policy does not extend:
    - a. To any **covered person**, as defined in this policy, who does not live in the USA.
    - b. To any **covered person**, as defined in this policy, **occupying** a vehicle which is not principally garaged and used in the USA.
    - c. To any vehicle which is not principally garaged and used in the USA.

4. The words "state or province" as used in the Out of State Coverage provision in Part A of the policy do not include a "state or province" of Mexico.
5. Losses payable under Part D of the policy will be paid in the USA. If the vehicle must be repaired in Mexico, **our** limit of liability will be determined at the nearest point in the USA where repairs can be made.
6. Any insurance **we** provide will be excess over any other similar valid and collectible insurance.

## SPOUSE ACCESS

- A. The named insured and **we** agree that the named insured and resident spouse are "customers" for purposes of state and federal privacy laws. The resident spouse will have access to the same information available to the named insured and may initiate the same transactions as the named insured.
- B. The named insured may notify **us** that he/she no longer agrees that the resident spouse shall be treated as a "customer" for purposes of state and federal privacy laws, and **we** will not permit the resident spouse to access policy information.

## TERMINATION

- A. Cancellation. This policy may be cancelled during the policy period as follows:
  1. **You** may cancel this policy at any time, but the effective date of cancellation cannot be earlier than the date of the request unless **we** agree to an earlier date.
  2. **We** may cancel this policy by mailing notice by United States Post Office certificate of mailing to the named insured shown on the Declarations at the most recent address **you** provided to **us**. **We** will give:

(PART E Cont'd.)

- a. At least 10 days notice if cancellation is for nonpayment of premium; or
    - b. At least 20 days notice in all other cases.
  3. After this policy is in effect for 60 days, or if this is a renewal policy, **we** will cancel only:
    - a. For nonpayment of premium; or
    - b. For fraud or material misrepresentation affecting the policy or the presentation of a claim; or
    - c. For a violation of the terms or conditions of the policy; or
    - d. If **your** driver's license or that of any driver who lives with **you** or customarily uses **your covered auto** has been suspended or revoked, except for those suspensions for which the law precludes cancellation. This must have occurred:
      - (1) During the policy period; or
      - (2) If the policy is a renewal, during the 180 days immediately preceding its effective date.
  - B. Nonrenewal. If **we** decide not to renew this policy, **we** will mail notice by United States Post Office certificate of mailing to the named insured shown on the Declarations at the most recent address **you** provided to **us**. Such notice will be provided at least 30 days before the end of the policy period.

If the policy period is other than one year, **we** will have the right not to renew it only at each anniversary of its original effective date.
- C. Automatic Termination.
1. If **we** offer to renew 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 premium when due will mean that **you** have not accepted our offer.
  2. If **you** obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance. This does not apply to liability coverage purchased for travel in Mexico.
- D. Other Termination Provisions.
1. Proof of mailing of any notice will be sufficient proof of notice.
  2. If this policy is cancelled, the named insured shown on the Declarations may be entitled to a premium 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.
  3. The effective date of cancellation stated in the notice will become the end of the policy period.

**TRANSFER OF YOUR INTEREST IN THIS POLICY**

**Your** rights and duties under this policy may not be assigned without **our** written consent. However, if the named insured shown on the Declarations dies, **we** will provide coverage until the end of the policy period for:

1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if the named insured shown on the Declarations; and

**(PART E Cont'd.)**

2. The legal representative of the deceased person as if the named insured shown on the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your **covered auto**.

**TWO OR MORE AUTO POLICIES**

If this policy and any other auto insurance policy **we** issued to **you** apply to the same accident, the maximum limit of **our** liability under all the policies will not exceed the highest applicable limit of liability under any one policy.

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