

Bankers Insurance Company

Arizona Personal Auto Policy

This Policy is a legal contract between you and us. This Policy, declarations Page, Application (if attached) and Endorsements contains the full terms of the agreement.

Bankers Insurance Group

Home Office – St. Petersburg, Florida

This is your new Personal Auto Insurance Policy. The policy is written in simplified language you can understand. PLEASE READ YOUR POLICY CAREFULLY – it contains the full terms of our agreements. If there is any question concerning your policy, please call your producer or Company.

THESE POLICY PROVISIONS WITH THE DECLARATIONS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

IMPORTANT NOTICE

The insured has made Bankers Insurance Company (hereinafter called the Company) a written application incorporated by reference. Each and every statement of fact contained in the application, or any subsequent application or endorsement, is hereby represented by the insured to be true. The application and the particulars and statements contained therein are hereby agreed to be the basis of this policy, and any renewals of this policy, and shall any of these statements be - 1. fraudulent and 2. material either to the acceptance of the risk, or to the hazard assumed by the Company and 3. such that the Company in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the Company as required either by the application for the policy or otherwise - this policy may be declared void from its inception date by the Company. However, Liability coverage equal to the Financial Responsibility minimums of the State of Arizona shall not be cancelled by any agreement between the insurer and the insured after the occurrence of any injury, death or damage for which the insured may be liable. This policy does not provide any coverage for any loss that occurs within the Republic of Mexico. Please refer to the "Mexico Warning" in this policy.

Arizona Auto Policy

AGREEMENT

In reliance upon the statements of fact made in the application for this insurance, which statements of fact "you" represent are absolutely true, in return for the payment of premium, and subject to all the terms and conditions of the policy, "we" agree with "you" as follows:

DEFINITIONS

Certain words and phrases are defined. They are in quotation marks when used. Throughout this policy:

- A. "You" and "your" refer to:
1. The "named insured"; and
 2. The spouse of the "named insured" shown in the Declarations if a resident of the same household.
- B. "We", "us" and "our" refer to the Company providing this insurance.
- C. "Accident" means a sudden, unexpected and unintended occurrence arising out of the ownership, maintenance, or use of an "auto" as an "auto".
- D. "Auto" means a self-propelled private passenger motor vehicle with not less than four wheels designed principally for and licensed or registered for use on paved public streets and highways; a pickup, panel truck, or van with a rated load capacity not exceeding 2,000 pounds. For purposes of this policy, an "auto" shall be deemed to be owned by a person if leased under a written agreement to that person or that person's spouse if a resident of the same household or "family member" for a period of at least six months.
- E. "Betterment" is defined as an improvement that increases the value of the covered "auto" to a condition that was better than it was prior to the covered loss.
- F. "Bodily injury" means bodily harm, sickness or disease, including death resulting from injury.
- G. "Business" means any full or part-time profession, occupation, trade, or commercial enterprise.
- H. "Collision" means the upset of "your covered auto" or its impact with another motor vehicle or object.
- I. "Family member" 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.
- J. "Insured" means:
1. "You", and any "family member" and any other person when using "your covered auto";
 2. "You", and any "family member" while using a "non-owned auto" with the permission of its owner; and
 3. Any person using "your covered auto" with "your" permission, express or implied.
- K. "Named insured" means the person or persons listed or identified in the Declarations as the named insured.
- L. "Non-owned auto" means any "auto" not owned, rented, or used regularly by "you", any "family member", or any driver listed in the Declarations, providing that the "non-owned auto" is in "your" custody or being operated by "you", any "family member", or any driver listed in the Declarations. However, "non-owned auto" does not include any motor vehicle leased by "you" or any "family member" that is not in the lawful possession of the person operating it; or used as a temporary substitute for an "auto" "you" own which is out of normal use because of its:
1. Breakdown;
 2. Repair;
 3. Servicing;
 4. Loss; or
 5. Destruction.
- "Non-owned auto" does not include a motor vehicle that is not in the lawful possession of the person operating it.
- M. "Occupying" means in, upon, getting in, on, out of or off.
- N. "Other Than Collision" means loss or damage to "your covered auto" caused by:
1. Theft or larceny;
 2. Direct or accidental damage other than by "collision";
 3. Missiles or falling objects;
 4. Fire;
 5. Explosion or earthquake;
 6. Windstorm;
 7. Hail, water or flood;
 8. Malicious mischief or vandalism;
 9. Riot or civil commotion;
 10. Contact with bird or animal;
 11. Breakage of glass. If breakage of glass is caused by "collision", "you" may elect to have it considered a loss caused by "collision".
- O. "Property damage" means physical injury to or destruction of tangible property, including any loss of use.
- P. "Trailer" means a vehicle designed to be pulled by a:
1. Private passenger "auto"; or
 2. Pickup, van or panel truck.
- Q. It also means a farm wagon or farm implement while being towed by a vehicle listed in 1. or 2. above.
- R. "Your covered auto" means:
1. Any "auto" or "trailer" shown in the Declarations;
 2. If acquired during the policy term and while the policy is in effect, an "auto" or "trailer" on the date "you" become the owner providing:
 - a. No other insurance policy affords coverage for the "auto" or "trailer";
 - b. Under Part D, "You" ask "us" to insure the "auto" or "trailer" within 30 days of the date "you" become the owner; and

- c. If the "auto" or "trailer" is in addition to the "autos" or "trailers" shown in the Declarations, "we" insure all the "autos" or "trailers" "you" own;
 - d. If the "auto" or "trailer" described in R.2.b replaces one shown in the Declarations, then it will have the same coverage as the "auto" or "trailer" it replaced. If the "auto" or "trailer" described in R.2.b is in addition to the "autos" or "trailers" shown in the Declarations, then it will have the broadest coverage "we" provide for an "auto" or "trailer" shown in the Declarations under Part A, Part B and Part C. For any "auto" or "trailer" described in R.2., "you" agree to pay "us" any additional premium that is due.
3. Any "auto" or "trailer" "you" do not own, while used as a temporary substitute for "your covered auto" or any motor vehicle described above which is out of normal use because of its:
- a. Breakdown; d. Loss; or
 - b. Repair; e. Destruction.
 - c. Servicing;
 - d. Loss; or
 - e. Destruction.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

- A. "We" will pay damages for "bodily injury" or "property damage" for which an "insured" becomes legally obligated to pay because of an "accident" and for which coverage is afforded under this policy. "We" will settle any claim or lawsuit as "we" consider appropriate. At "our" expense, "we" will defend any lawsuit asking for these damages. The defense will be provided through attorneys selected by "us" after the lawsuit is tendered to "us". "Our" duty to defend a lawsuit or settle a claim ends when the limit of liability for this coverage has been exhausted by payment of a settlement or judgment. "We" have no duty to defend any lawsuit or settle any claim not covered under this policy. Further, "we" may recover from an "insured" any amounts "we" have paid to defend the "insured" in a lawsuit if it is determined that "we" had no duty to defend the "insured".
- B. "Insured" as used in this Part means:
- 1. "You", and any "family member" and any other person for "your covered auto";
 - 2. "You", and any "family member" using "your covered auto" or a "non-owned auto" with the permission of its owner; and
 - 3. Any person using "your covered auto" with "your" permission, express or implied.

SUPPLEMENTARY PAYMENTS

In addition to the limit of liability, "we" will pay on behalf of an "insured":

- A. Up to \$250 for the cost of bail bonds required because of an "accident", including related traffic law violations. The "accident" must result in "bodily injury" or "property damage" covered under this policy.
- B. Premiums on appeal bonds or attachment bonds required in any lawsuit "we" defend. "We" have no duty to purchase bonds in an amount exceeding the limit of liability, and "we" have no duty to apply for or furnish these bonds.
- C. Interest accruing after a judgment is entered in any suit "we" defend. "Our" duty to pay interest ends when "we" offer to pay that part of the judgment which does not exceed "our" limit of liability for this coverage.
- D. Up to \$50 per day for loss of earnings, but not other income, because of attendance at hearings or trials at "our" request.
- E. Other reasonable expenses incurred at "our" request.

EXCLUSIONS

- A. "We" do not provide Liability Coverage for any "insured" and "we" have no duty to settle or defend any claim or lawsuit:
- 1. For "bodily injury" or "property damage" caused intentionally by, or at the direction of an "insured"; or arising out of an intentional act of an "insured".
 - 2. For damage to property owned by, or being transported by an "insured".
 - 3. For damage to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care, custody or control of an "insured". This exclusion (A.3.) does not apply to damage to a residence or private garage.
 - 4. For "bodily injury" to an employee of an "insured" during the course of employment. This exclusion (A.4.) does not apply to "bodily injury" to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 - 5. For the "insured's" liability arising out of the ownership or operation of a vehicle while it is being used to carry persons or property for a fee. This exclusion (A.5.) does not apply to a share-the-expense car pool or use of a vehicle by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law.
 - 6. For "bodily injury" or "property damage" caused by any person while employed or otherwise engaged in the "business" of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing;
 - e. Parking;
 - f. Delivering;
 - g. Cleaning;

- h. Waxing;
- i. Detailing;
- j. Testing;
- k. Road testing; or
- l. Leasing

vehicles designed for use mainly on public highways. 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. For liability arising out of the ownership, maintenance or use of any motor vehicle while being used in any trade, profession, occupation, employment or commercial enterprise to pick up, deliver, or return from a pick-up or delivery of newspapers, products, food, pizza, documents, or any other items by an "insured" or any other person. This exclusion (A.7.) does not apply to a share-the-expense car pool or use of a vehicle by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law.
8. For "bodily injury" or "property damage" caused by any person while using a vehicle without a reasonable belief that the "insured" is entitled to do so.
- a. This exclusion (8) does not apply to "you" or any "family member."
9. For "bodily injury" or "property damage" for which the "insured":
- a. Is an "insured" under a nuclear energy liability policy; or
 - b. Would be an "insured" under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- A nuclear energy liability policy is a policy issued by any of the following or their successors:
- A. American Nuclear Insurers;
 - B. Mutual Atomic Energy Liability Underwriters; or
 - C. Nuclear Insurance Association of Canada.
10. For liability assumed by an "insured" under contract for any motor vehicle:
- a. Rented to;
 - b. Used by; or
 - c. In the care, custody, or control of that person.
11. For "bodily injury" to "you", a "family member" and/or any "insured person", including whenever, the ultimate benefits of that indemnification accrue directly or indirectly to "you", a "family member" and/or any "insured person". However, this exclusion shall apply only to the damages that are in excess of the minimum Liability
- a. Coverage limits required by the Arizona Financial Responsibility Law.
12. For exemplary or punitive damages, fines, penalties, or restitution.
- B. "We" do not provide Liability Coverage to any "insured" for the ownership, maintenance or use of:
- 1. Any motor vehicle having fewer than four wheels.
 - 2. Any motor vehicle, other than "your covered auto" which is:
 - a. Owned by "you"; or
 - b. Furnished or available for "your" regular use.
 - 3. Any motor vehicle while it is being used in any pre-arranged or organized racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity.
 - a. This exclusion (B.3) does not apply when the "your covered auto" is being operated on a public highway.
 - 4. Any vehicle while being used to flee a law enforcement agent or a crime scene.
 - a. This exclusion (B.4) does not apply when the "your covered auto" is being operated on a public highway.

LIMIT OF LIABILITY

Regardless of the number of vehicles involved in the "accident", persons insured, claims made, premiums paid, or the number of vehicles or premiums shown in the Declarations:

- A. The "bodily injury" liability limit for each person as shown in the Declarations is the maximum "we" will pay for "bodily injury" sustained by any one person in any one "accident", including all claims derived from such "bodily injury" including, but not limited to, wrongful death, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship.
- B. Subject to the "bodily injury" liability limit for each person, the "bodily injury" liability limit for each "accident" as stated in the Declarations is the maximum "we" will pay for "bodily injury" sustained by two or more persons in any one "accident", derived from such "bodily injury" including, but not limited to, wrongful death, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship.
- C. The "property damage" liability limit for each "accident" as stated in the Declarations is the maximum "we" will pay for all "property damage" arising out of any one "accident".

OUT OF STATE COVERAGE

If an "accident" to which this policy applies occurs in any state or province other than the one in which "your covered auto" is principally garaged, "we" will interpret "your" policy for that "accident" as follows:

- A. If the state or province has a financial responsibility or similar law specifying limits of liability for "bodily injury" or "property damage" higher than the limit shown in the Declarations, "your" policy will provide the higher specified limit.
- B. No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required. If, due to such certification, "we" are required to pay a claim, which would otherwise have not been covered under this Part, "you" agree to reimburse "us" for that payment.

OTHER INSURANCE

If there is other applicable liability insurance:

- A. Any insurance "we" provide for a vehicle "you" do not own shall be excess over any other applicable insurance or bond. However, any insurance "we" provide for a vehicle "you" do not own will be primary insurance if the vehicle is insured under a policy affording coverage to a "named insured" engaged in the "business" of:

1. Selling;
2. Repairing;
3. Servicing;
4. Delivering;
5. Testing;
6. Road testing;
7. Parking;
8. Storing;
9. Cleaning;
10. Waxing;
11. Detailing; or
12. Leasing

motor vehicles. This applies only if an "insured":

1. is operating the vehicle; and
2. is neither the person engaged in such "business" nor that person's employee or agent.

- B. Any liability insurance "we" provide for a vehicle "you" own shall be excess to that insurance, bond, depositor **financial** responsibility, or self-insurance of:

Any person engaged in the "business" of:

3. Selling;
4. Repairing;
5. Servicing;
6. Delivering;
7. Testing;
8. Road testing;
9. Parking;
10. Storing;
11. Cleaning;
12. Waxing;
13. Detailing; or
14. Leasing

motor vehicles, if the "accident" occurs while the vehicle is being operated by that person or that person's employee or agent; or an owner, tenant or lessee of premises on which loss arising out of the loading or unloading of the vehicle occurs.

- C. Except where this policy is excess over another policy, "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.

PART B – MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

If "you" have paid a premium for Medical Payments Coverage.

- A. "We" will pay any reasonable expenses incurred for necessary medical and funeral services because of "bodily injury":
1. Caused by an "accident"; and
 2. Sustained by an "insured".

"We" will pay only those expenses incurred within two years from the date of the "accident".

B. "Insured" as used in this Part means:

- B. "You" or any "family member" or any driver listed in the Declarations:
1. While "occupying"; or
 2. As a pedestrian when struck by a motor vehicle designed for use mainly on public roads, or a "trailer" of any type. Any other person while "occupying" "your covered auto".

EXCLUSIONS

"We" do not provide Medical Payments Coverage for any "insured" for "bodily injury":

- A. Sustained while "occupying" any motor vehicle having fewer than four wheels.

- B. Sustained while “occupying” “your covered auto” while it is being used to carry persons or property for a fee or compensation. This exclusion (B.) does not apply to a share-the-expense car pool or use of a vehicle by an “insured” in the course of that person’s volunteer work for an organization that is tax-exempt under Arizona law.
- C. Occurring during the course and scope of employment if workers’ compensation or disability benefits are required or available for the “bodily injury”.
- D. Sustained while “occupying” or when struck by any motor vehicle other than “your covered auto” which is:
 - 1. Owned by “you”; or
 - 2. Furnished or available for “your” regular use.
- E. Sustained while “occupying” or when struck by any motor vehicle other than “your covered auto” which is:
 - 1. Owned by any “family member”; or
 - 2. Furnished or available for the regular use of any “family member” or any driver listed in the Declarations.
- F. Sustained while “occupying” a motor vehicle without a reasonable belief that an “insured” is entitled to do so.
 - 1. This exclusion (F) does not apply to a “family member.”
- G. For liability arising out of the ownership, maintenance or use of any motor vehicle while being used in any trade, profession, occupation, employment or commercial enterprise, to pick up, deliver, or return from a pick-up or delivery of newspapers, products, food, pizza, documents, or any other items by an “insured” or any other person. This exclusion (G.) does not apply to a share-the-expense car pool or use of a vehicle by an “insured” in the course of that person’s volunteer work for an organization that is tax-exempt under Arizona law.
- H. Caused by or as a consequence of:
 - 1. Discharge of a nuclear weapon (even if accidental);
 - 2. War (declared or undeclared);
 - 3. Civil war;
 - 4. Insurrection; or
 - 5. Rebellion or revolution.
- I. From, or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - 1. Nuclear reaction;
 - 2. Radiation; or
 - 3. Radioactive contamination.
- J. Any motor vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity. This exclusion (J.) applies regardless of whether the event, contest, or activity is pre-arranged or not.
- K. Any vehicle while being used to flee a law enforcement agent or a crime scene.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for this coverage is the most “we” will pay for each “insured” injured in any one “accident”. This is the most “we” will pay regardless of the number of:
 - 1. “Insureds”;
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the “accident”.
- B. Any amounts payable to an “insured” under this coverage shall be reduced by any amounts paid or payable under Part A or Part C, provided that the “insured” has been fully reimbursed for all expenses and loss.

OTHER INSURANCE

- A. If there is other applicable insurance subject to Paragraph B. below, “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.
- B. Any insurance “we” provide under Part B shall be excess to any insurance, other than medical payments insurance, which applies to a loss covered by Part B.

PART C – UNINSURED AND UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT – UNINSURED MOTORIST COVERAGE

If “you” pay the premium for this coverage, “we” will pay for damages that an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” because of “bodily injury”:

- 1. Sustained by an “insured”;
- 2. Caused by an “accident”; and
- 3. Arising out of the ownership, maintenance, or use of an “uninsured motor vehicle”.

INSURING AGREEMENT – UNDERINSURED MOTORIST COVERAGE

If “you” pay the premium for this coverage, “we” will pay for damages that an “insured” is legally entitled to recover from the owner or operator of an “underinsured motor vehicle” because of “bodily injury”:

- 1. Sustained by an “insured”;
- 2. Caused by an “accident”; and
- 3. Arising out of the ownership, maintenance, or use of an “underinsured motor vehicle”. “We” will pay under this Part C only after the limits of liability under all applicable bodily injury liability bonds and policies have been exhausted by payment of judgments or settlements. Any judgment or settlement for damages against an owner or operator of an

"uninsured motor vehicle" or "underinsured motor vehicle" that arises out of a lawsuit brought without "our" written consent is not binding on "us".

ADDITIONAL DEFINITIONS

When used in this Part C:

1. "insured" means:
 - a. "You" or a "family member";
 - b. Any person while operating "your covered auto" with the permission of "you" or a "family member";
 - c. Any person "occupying", but not operating, "your covered auto" with "your" permission; and
 - d. Any person who is entitled to recover damages covered by this Part C because of "bodily injury" sustained by a person described in a., b., or c. above.
2. "Underinsured motor vehicle" means a land motor vehicle or "trailer" of any type to which a bodily injury liability bond or policy applies at the time of the "accident", but the sum of all applicable limits of liability for "bodily injury" is less than the total damages for "bodily injury" resulting from the "accident".

An "underinsured motor vehicle" does not include any motorized vehicle or equipment:

- a. Operated on rails or crawler treads;
 - b. Designed mainly for use off public roads, while not on public roads;
 - c. While located for use as a residence or premises; or
 - d. That is an "uninsured motor vehicle".
3. "Uninsured motor vehicle" means a land motor vehicle or "trailer" of any type:
 - a. To which no bodily injury liability bond or policy applies at the time of the "accident";
 - b. To which a bodily injury liability bond or policy applies at the time of the "accident", but the bonding or insuring company:
 - (i) Denies coverage; or
 - (ii) Is or becomes insolvent;
 - c. To which a bodily injury liability bond or policy applies at the time of the "accident", but its limit of liability for "bodily injury" is less than the minimum limit of liability for "bodily injury" specified by the financial responsibility law of the state of Arizona; or
 - d. Whose owner or operator cannot be identified and which causes an "accident" resulting in "bodily injury" to an "insured", provided that:
 - (iii) The "insured", or someone on his or her behalf, reports the "accident" to the police or civil authority within 24 hours or as soon as practicable after the "accident"; and
 - (iv) Independent corroborative evidence exists to prove that the "bodily injury" was caused by the unidentified operator of the motor vehicle. The testimony of an "insured" seeking payment under this Part C shall not constitute independent corroborative evidence unless the testimony is supported by additional evidence.

An "uninsured motor vehicle" does not include any vehicle or equipment:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent;
- b. Operated on rails or crawler treads;
- c. Designed mainly for use off public roads, while not on public roads;
- d. While located for use as a residence or premises;
- e. Shown on the Declarations of this policy; or
- f. That is an "underinsured motor vehicle".

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART C.

Coverage under this Part C will not apply:

1. To "bodily injury" sustained by any person while using or "occupying" "your covered auto" while being used to carry persons or property for compensation or a fee, including, but not limited to, pickup or delivery of magazines, newspapers, food, or any other products. This exclusion does not apply to shared-expense car pools or use of an "auto" by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law;
2. To "bodily injury" sustained by "you" or a "family member" while using any vehicle, other than "your covered auto", without the permission of the owner of the vehicle or the person in possession of the vehicle;
3. Directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
 - a. Workers' compensation law; or
 - b. Disability benefits law; or
4. To any punitive or exemplary damages.

LIMITS OF LIABILITY

The limit of liability shown on the Declarations for Uninsured Motorist Coverage and Underinsured Motorist Coverage is the most "we" will pay regardless of the number of:

1. Claims made;
2. Covered autos;
3. "Insureds";

4. Lawsuits brought;
5. Vehicles involved in the "accident"; or
6. Premiums paid.

If "your" Declarations shows a split limit:

1. The amount shown for "each person" is the most "we" will pay for all damages due to "bodily injury" to one person; and
2. Subject to the "each person" limit, the amount shown for "each accident" is the most "we" will pay for all damages due to "bodily injury" sustained by two or more persons in any one "accident". The "each person" limit of liability includes the total of all claims made for "bodily injury" to an "insured" and all claims of others derived from such "bodily injury", including, but not limited to, emotional injury or mental anguish resulting from the "bodily injury" of another or from witnessing the "bodily injury" to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

If the Declarations shows that "combined single limit" or "CSL" applies, the amount shown is the most "we" will pay for the total of all damages resulting from any one "accident". However, without changing this total limit of liability, "we" will comply with any law that requires "us" to provide any separate limits.

The damages recoverable under this Part C will be reduced by:

1. All sums paid because of "bodily injury" by or on behalf of any persons or organizations that may be legally responsible;
2. The difference between the "bodily injury" limits of the applicable liability policies and bonds and any amounts paid to the "insured" under those policies and bonds, if an "insured" enters into a settlement agreement for an amount less than the sum of the available limits of liability under all applicable bodily injury liability bonds and policies.

"We" will not pay under this Part C any expenses paid or payable under Part B – Medical Payments Coverages, provided that the "insured" has been fully reimbursed for all expenses and loss.

No one will be entitled to duplicate payments for the same elements of damages. If multiple policies or coverages purchased from "us" or an affiliated company by an "insured" on different vehicles provide Uninsured Motorist Coverage or Underinsured Motorist Coverage which applies to the same "accident", the "insured" shall select one of these policies or coverages to apply to the "accident". Only the one policy or coverage selected by the "insured" shall apply and no coverage will be provided by any of the other policies or coverages.

OTHER INSURANCE

If there is other applicable Uninsured or Underinsured Motorist Coverage, "we" will pay only "our" share of the damages. "Our" share is the proportion that "our" limit of liability bears to the total of all available coverage limits. However, any insurance "we" provide with respect to a vehicle that is not "your covered auto" will be excess over any other Uninsured or Underinsured Motorist Coverage.

If an "auto" to which Uninsured Motorist Coverage applies under this Part C is in an "accident" while being used by a person employed by or engaged in the "business" of:

1. Selling;
2. Repairing;
3. Servicing;
4. Delivering;
5. Testing;
6. Road testing;
7. Parking;
8. Storing;
9. Cleaning;
10. Waxing;
11. Detailing; or
12. Leasing

motor vehicles, and there is an applicable liability insurance policy or bond issued to or for that "business", its employees, officers or agents, then "our" Uninsured Motorist Coverage shall be excess to that insurance. If "you" or a "family member" are operating an "auto" "you" do not own that is used in the "business" of:

1. Selling;
2. Repairing;
3. Servicing;
4. Delivering;
5. Testing;
6. Road testing;
7. Parking;
8. Storing;
9. Cleaning;
10. Waxing;
11. Detailing; or
12. Leasing

motor vehicles, any Uninsured Motorist Coverage issued to or for that "business" for that "auto" shall be excess to the Uninsured Motorist Coverage provided under this Part C.

ARBITRATION

If “we” and an “insured” cannot agree on:

1. The legal liability of the operator or owner of an “uninsured motor vehicle” or “underinsured motor vehicle”; or
2. The amount of the damages sustained by the “insured”;

this will be determined by arbitration if “we” or the “insured” make a written demand for arbitration.

For claims involving an “uninsured motor vehicle”, the written demand must be made within three years after the date of the “accident”, except that an “insured” may make a claim within three years after the earliest of the date the “insured”:

1. Knew the tortfeasor was uninsured;
2. Knows or should have known that coverage was denied by the tortfeasor’s insurer; or
3. Knows or should have known of the insolvency of the tortfeasor’s insurer.

For claims involving an “underinsured motor vehicle”, the written demand must be made within three years after the date:

1. The “insured” knows or should have known that the tortfeasor had insufficient liability insurance to cover the “insured” injuries; or
2. Of the “accident”. However, the “insured” must have made a claim with the tortfeasor’s insurer or filed an action against the tortfeasor within two years of the date of the “accident” or within the “bodily injury” statute of limitations in the state in which the “accident” occurred.

In the event of arbitration, each party will select an arbitrator. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within 30 days, then on joint application by the “insured” and “us”, the third arbitrator will be appointed by a court having jurisdiction. Each party will pay the costs and fees of its arbitrator and any other expenses it incurs. The costs and fees of the third arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the “insured” resides. Local rules of procedure and evidence will apply. However, no attorney fees or costs may be awarded or recovered in any claim submitted to arbitration.

A decision agreed to by two of the arbitrators will be binding with respect to a determination of:

- A. The legal liability of the operator or owner of an “uninsured motor vehicle” or “underinsured motor vehicle”; and
- B. The amount of the damages sustained by the “insured”.

The arbitrators will have no authority to award an amount in excess of the limit of liability. “We” and an “insured” may agree to an alternate form of arbitration.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

- A. “We” will pay for “collision” only if the Declarations indicate that “Collision” Coverage is provided. “We” will pay for loss caused by “collision” to “your covered auto” as listed in the Declarations of “your” policy, or any “auto” used as a temporary substitute but only for the amount of each loss in excess of the deductible amount stated in the Declarations. Coverage is provided only for the original equipment as available and installed by the manufacturer or its authorized dealer at time of original purchase. In addition, “we” will pay the reasonable cost to replace any child safety seat damaged in an “accident” to which this coverage applies. “Collision” means the upset of a motor vehicle or its impact with another motor vehicle or object.
- B. “We” will pay for “other than collision” only if the Declarations indicate that “Other Than Collision” Coverage is provided. “We” will pay for loss caused by theft occurring during the policy period, of “your covered auto”, or part thereof, and for sudden and accidental damage to “your covered auto” other than damage caused by “collision”. Coverage is provided only for the original equipment as available and installed by the manufacturer or its authorized dealer at time of original purchase. “We” will pay only for the amount of each loss in excess of the deductible stated in the Declarations.

Loss caused by the following is considered “Other Than Collision”:

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

If breakage of glass is caused by a “collision”, “you” may elect to have it considered a loss caused by “collision”.

- C. “Non-owned auto” means any private passenger “auto”, pickup, van or “trailer” not owned or rented by “you” or any “family member”. “Non-owned auto” does not include any vehicle used as a “temporary substitute”. A “temporary substitute” vehicle is

any vehicle used as a temporary replacement for a vehicle listed with a "collision" premium on the Declarations which is out of normal use because of its:

1. Breakdown;
2. Loss; or
3. Repair;
4. Destruction.
5. Servicing;

"Non-owned auto" does not include a vehicle that is not in the lawful possession of the person operating it.

- D. "Your covered auto" as used in this Part, also includes any vehicle rented by and in the custody of or being operated by "you" or any "family member" provided:

1. The rental vehicle is not owned by or furnished or available for the regular use of "you" or any "family member";
2. The rental vehicle is operated within the United States, its territories or possessions, and Canada;
3. The rental vehicle is operated only for pleasure, and not for "business" use;
4. The rental vehicle is rented or operated at least 30 miles from the garaging address of "your covered auto" as listed in "your" Declarations;
5. The rental vehicle is owned by a person engaged in "business" of renting or leasing vehicles rented or leased without a driver to persons other than the owner and is registered in the name of such owner;
6. The rental vehicle is rented under a rental agreement with a term no longer than thirty consecutive days.

However, "we" will not pay for loss to, or use of, a "covered auto" as defined under this definition (D.), if a rental vehicle company is precluded from recovering such loss or loss of use, from "you" or that "family member" pursuant to the provisions of any applicable rental agreement or state law.

TRANSPORTATION EXPENSES

In addition, "we" will pay up to \$20 per day, to a maximum of \$600 for transportation expenses incurred by "you". This applies only in the event of the total theft of "your covered auto". "We" will pay only transportation expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when "your covered auto" is returned to use or "we" pay for its loss.

"We" will not pay for the cost of renting an "auto" from an individual. The "auto" must be rented from a "business" whose day-to-day operations involve "auto" rental.

"We" will not pay for insurance, or self-insurance of any type, rental vehicle damage liability waivers, fuel, or any other charges other than the cost of the rental of the vehicle and applicable taxes, subject to the limit of coverage.

EXCLUSIONS

- A. "We" do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. "We" will, therefore, not pay for:
1. Loss to "your covered auto" which occurs while it is used to carry persons or property for a fee or compensation. This exclusion (A.1.) does not apply to a share-the-expense car pool or use of a vehicle by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law.
 2. Loss occurring to "your covered auto" while it is being rented or hired for a fee or compensation or use of a vehicle by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law.
 3. Damage due and confined to:
 - a. Wear and tear;
 - b. Deterioration;
 - c. Latent or inherent defects;
 - d. Freezing;
 - e. Mechanical or electrical breakdown or failure; or
 - f. Road damage to tires.This exclusion (A.3.) does not apply if the damage results from the total theft of "your covered auto".
 4. Loss due to or as a consequence of:
 - a. Radioactive contamination;
 - b. Discharge of any nuclear weapon (even if accidental);
 - c. War (declared or undeclared);
 - d. Civil war;
 - e. Insurrection; or
 - f. Rebellion or revolution.
 5. Loss or damage to sound or video producing or recording equipment or navigation equipment for amounts in excess of \$1,000 over the applicable deductible even though factory or dealer installed, and then only for the amount in excess of the deductible on the applicable coverage.
 6. Loss to tapes, CDs, DVDs, MP3s or other devices for use with equipment designed for the reproduction of sound or video, or for use with navigation equipment.
 7. Loss to a camper body or "trailer" "you" own which is not shown in the Declarations. This exclusion (A.7.) does not apply to a camper body or "trailer" "you":
 - a. Acquire during the policy period; and

- b. Ask "us" to insure within 30 days after "you" become the owner.
8. Loss to any "non-owned auto".
9. Loss to any vehicle used as a "temporary substitute" for a vehicle "you" own, when used by "you" or any "family member" without a reasonable belief that "you" or that "family member" are entitled to do so.
10. Physical damage to any vehicle other than "your covered auto" rented, hired, borrowed or leased for a period of less than 6 months, by "you" or any "family member".
11. Loss to:
 - a. TV antennas;
 - b. Awnings or cabanas; or
 - c. Equipment designed to create additional living facilities.
12. Loss to any of the following or the accessories:
 - d. Citizen band radio;
 - e. Two-way mobile radio;
 - f. Telephone; or
 - g. Scanning monitor receiver.
13. Loss to any custom furnishings or equipment in or upon any vehicle unless such equipment was factory-installed by the original manufacturer or authorized dealer at the time of purchase. Custom furnishings or equipment include but are not limited to:
 - a. Special carpeting and insulation, furniture, bars or television receivers;
 - b. Facilities for cooking and sleeping;
 - c. Height-extending roofs;
 - d. Equipment designed or used for the detection or location of radar;
 - e. Custom car kits;
 - f. Custom grills, louvers, scoops, continental kits, custom spoilers;
 - g. Custom paint, including but not limited to lacquer paint, and upholstery, other than that installed by the original manufacturer, or objects including but not limited to murals, paintings or other decals or graphics;
 - h. Custom wheels, other than factory installed;
 - i. Custom chrome parts;
 - j. Ground effects, running boards, or mud flaps;
 - k. Bed liners;
 - l. Camper shells or custom enclosures for pickups;
 - m. Any other equipment, device, accessory, or enhancement which alters the appearance or performance of a vehicle and is not factory installed; or
 - n. Global positioning systems (GPS).
14. Loss to any part of "your covered auto" or its equipment that is not permanently attached to the vehicle at the time of loss.
15. Loss arising out of the ownership, maintenance or use of any motor vehicle while being used in any trade, profession, occupation, employment or commercial enterprise, to pick up, deliver, or return from a pick-up or delivery of newspapers, products, food, pizza, documents, or any other items by an "insured" or any other person. This exclusion does not apply to a share-the-expense car pool or use of a vehicle by an "insured" in the course of that person's volunteer work for an organization that is tax-exempt under Arizona law.
16. Loss or damage to a vehicle being towed by "your covered auto", which is not shown on the Declarations and for which premium has not been paid. This provision does not pertain to any "trailer".
17. The cost of delay in repair.
18. Loss or damage to any specially built body, food vending equipment, catering equipment, or refrigeration equipment, nor to travel trailers, unless such equipment is described in the application and a premium charged therefore.
19. Loss to "your covered auto" while it is being used in any racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity. This exclusion applies regardless of whether the event, contest, or activity is prearranged or not.
20. Any loss to "your covered auto" arising out of or during its commercial use for the transportation of any explosive substance, flammable liquid, or similar hazardous material, except transportation incidental to "your" ordinary household or farm activities.
21. Any loss resulting from lack of lubricants, oil, transmission fluid, coolant, or loss resulting from seepage of water.
22. Any loss due to taking or confiscation by governmental or civil authority, for any purpose including temporary taking or temporary confiscation.
23. Any loss due to illegal sale, or repossession of a motor vehicle by the rightful owner.
24. Any loss due to theft, embezzlement or other unlawful conversion of "your covered auto" after custody of "your covered auto" has been entrusted to another person for any reason, including but not limited to, for the purpose of subleasing, leasing or selling "your covered auto", whether under consignment or not. This exclusion will apply whether the theft, embezzlement or unlawful conversion of the automobile was committed by the person to whom the vehicle was entrusted or by any other person.
25. Any loss of, or to, or destruction of any vehicle, in whole or in part, intentionally caused by, or at the direction of "you", any "insured", a "family member", or any person listed as a driver in the Declarations. This exclusion shall not deny an "insured's" otherwise covered property loss if the property loss is caused by an act of domestic violence by another "insured" under the policy and the "insured" who claims the property loss cooperates in any investigation relating to the loss and did not cooperate in or contribute to the creation of the property loss. However, payment will be limited to that "insured's" insurable interest in the property minus any payment made to any mortgagee or other party with a secured interest in the property. "We" retain "our" right of subrogation against any person except the victim of the domestic violence.
26. Any diminution of value, caused by "collision" to "your covered auto".
27. Any diminution of value, caused by "other than collision" to "your covered auto".

28. Covered by "collision" under this policy if any vehicle is being operated by any person:
- a) Who is a disputed driver, not listed on the application, Declarations or policy, and is subsequently determined by "us" to be a resident of "your" household or a regular operator of "your covered auto"; or
 - b) Not listed on the application, Declarations or policy, who has either a suspended or revoked drivers license, regardless of where that person resides.

For purposes of this exclusion, a disputed driver is a driver identified by "us" through "our" underwriting process and disclosed to "you", and "you" dispute that they are a resident of "your" household or a regular operator of "your covered auto". A regular operator is one that drives "your covered auto" more than 60 days per year.

LIMIT OF LIABILITY

- A. "Our" limit of liability for loss will be the lesser of:
1. The actual cash value of the stolen or damaged property, reduced by the applicable deductible shown in the Declarations and by the salvage value if "you" retain the salvage;
 2. The amount necessary to repair or replace the stolen or damaged property, reduced by the applicable deductible shown in the Declarations;
 3. \$70,000, unless the policy is specifically endorsed for a greater amount;
 4. If the policy is specifically endorsed for an amount greater than \$70,000, then the amount specifically endorsed on the Declarations;
- However, the most "we" will pay for loss to any "non-owned auto" which is a "trailer" is \$500.
- B. Actual cash value means fair market value.
- C. "We" reserve the right to make payment for repairs or replacement of property with other property of like kind and quality specifically including the vehicle age, use and condition, and/or parts supplied by a source other than the manufacturer of "your" vehicle such as aftermarket, used, recycled, rebuilt, restored, recovered or exchanged parts.
- D. "We" reserve the right to take any appropriate deductions from settlement due to "betterment".

TOTAL LOSS

In the event that "we" determine "your" vehicle to be a total loss, "you" must allow "us" to move "your" vehicle to a storage free location of "our" choice. "We" reserve the right to retain "your" vehicle and/or its salvage property after "we" determine that "your" vehicle is a total loss.

PAYMENT OF LOSS

"We" may pay for loss in money or repair or replace the damaged or stolen property. "We" may make this payment to "you" or any "loss payee" as the person or entity's interest appears. "We" may, at "our" expense, return any stolen property to:

- A. "You"; or
- B. The address shown in this policy.

If "we" return stolen property, "we" will pay for any damage resulting from the theft. "We" may keep all or part of the property at an agreed or appraised value.

NO BENEFIT TO BAILEE

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

OTHER INSURANCE

If other insurance also covers 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 "non-owned auto" or any vehicle used as a "temporary substitute" for a vehicle "you" own shall be excess over any other applicable insurance, self-insurance, bond or depositor financial responsibility.

APPRAISAL

- A. If "we" and "you" do not agree on the amount of loss, either may demand an appraisal of the loss. In that event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately 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:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- B. "We" do not waive any of "our" rights under this policy by agreeing to an appraisal.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

1. "We" must be notified promptly in writing of how, when and where the "accident" or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
2. A person seeking any coverage 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 the "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 examinations under oath, and correct and sign under oath the transcript of the examination(s) under oath.
- c. Any documents "we" indicate are necessary to investigate and process "your" claim.
- 4. Authorize "us" to obtain:
 - a. Medical reports;
 - b. Any documents "we" or "our" designated representative request, including, but not limited to, all documents concerning "your" income (payroll records, profit and loss statements, etc.), finances, credit, and any other documents "we" determine are reasonable and necessary to investigate and process "your" claim and before an examination under oath, if requested. Such documents must be provided to "us" or "our" designated representative in a timely manner; and
 - c. Event data recorders and/or sensing and diagnostic modules or any other recording device for the purpose of retrieving data following an "accident" or loss.
- 5. Submit a proof of loss when required by "us".
- 6. Provide any statements to "us" when "we" request them, whether in writing, oral, or recorded form, or in person, at "our" option.
- C. A person seeking Uninsured Motorist Coverage must also:
 - 1. Report the "accident" to the police department, sheriff's office or Arizona Highway Patrol office where the "accident" occurred within 24 hours or as soon as practicable if a hit and run driver is involved.
 - 2. Promptly send "us" copies of the legal papers if the suit is brought.
 - 3. Within a reasonable time, make available at "our" expense all pleadings and depositions, if an "insured" brings an action against an owner or operator of an "uninsured motor vehicle".
 - 4. Provide "us" with proof that the limits of liability under any applicable liability bond or policies have been exhausted by payment of judgments or settlements.
- D. A person seeking Coverage for Damage to Your Auto must also:
 - 1. Take reasonable steps after a loss, at "your" expense, to protect "your covered auto" or a "temporary substitute vehicle" and its equipment from further loss. If "your covered auto" or a "temporary substitute vehicle" is disabled due to a loss insured under this policy, "we" will pay reasonable charges to transport it from the place of loss to a repair storage facility. "We" will also pay reasonable storage and related charges for a period of up to five days associated with a loss insured under this policy.
 - 2. Notify the police, within 48 hours of discovery of the event, if "your covered auto" is stolen.
 - 3. Permit "us" to inspect and appraise the damaged property as often as "we" reasonably require before its repair or disposal.
 - 4. Cooperate with the activation of any vehicle recovery system.
 - 5. Send "us", within 30 days of the loss, "your" signed sworn statement in proof of loss in the form provided to "you"; or, if no form is provided to "you", a form of "your" own creation, sworn to under oath, and showing the date and time of loss, the cause of loss, the actual cash value and amount of loss to "your covered auto", and attaching detailed repair estimates.

PART F – GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of the "insured" shall not relieve "us" of any obligations under this policy.

CHANGES

This policy contains all the agreements between "you" and "us". Its terms may not be changed or waived except by endorsement issued by "us". If a change requires a premium adjustment, "we" will adjust the premium as of the effective date of change. "We" may revise this policy form to provide more coverage without additional premium charge. If "we" do this, "your" policy will automatically provide the additional coverage as of the date the revision is effective in "your" state. The premium for this policy is based on the information "you" provided to "us" or other sources "we" use. "You" agree to cooperate with "us" in determining if this information is accurate and complete. "You" agree to notify "us" of any changes during the policy period. If this information is incomplete, incorrect, or changes during the policy period, "we" may adjust "your" premium, or take other legally permissible action. "You" must notify "us" when "you" change "your" address, add or delete resident drivers and additional frequent drivers, or "you" add or delete or replace "your covered autos".

MISREPRESENTATION OR FRAUD

The statements made by "you" in the application are deemed to be representations. "We" may void this policy at any time, including after the occurrence of an "accident" or loss, if the statements made by "you" are: 1. fraudulent; and 2. material either to the acceptance of the risk or to the hazard assumed by the Company; and 3. such that the Company in good faith would either not have issued the policy, or would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the Company as required either by the application for the policy or otherwise.

However, if "we" void this policy and it has been certified as proof of financial responsibility, the voiding of this policy shall not affect coverage under Part A – Liability Coverage up to the minimum limits required by the Arizona Financial Responsibility Law if the "accident" occurs before "we" notify the "named insured" that the policy is void. If "we" void this policy or deny coverage due to fraudulent conduct, "you" must reimburse "us" if "we" make a payment for any payment "we" make and "our" investigation and claims handling costs, and attorney fees.

"We" may deny coverage for an "accident" or loss if "you" or a person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim. However, this will not apply to:

- A. Any property interest of "you" that is impaired as the result of an act of domestic violence as defined by Arizona law, provided the person claiming the property interest:
 - 1. Cooperates in any investigation relating to the "accident" or loss; and
 - 2. Did not cooperate in, direct, or contribute or consent to the concealment, misrepresentation, or fraudulent conduct; and
- B. Liability Coverage to the extent required by the financial responsibility law of the State of Arizona for "bodily injury" or "property damage" sustained by persons who did not participate in the concealment or misrepresentation of a material fact or circumstance, or fraudulent conduct.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against "us" until there has been full compliance with all the terms and conditions of this policy. In addition, under Part A, no legal action may be brought against "us" until:
 - 1. "We" agree in writing that the "insured" has an obligation to pay; or
 - 2. 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 brought to determine the liability of an "insured".
- C. Under Part B and Part D, no legal action may be brought against "us" on or upon this policy, or arising out of any activities of the Company in any way related to this policy, or claims "you" have presented, unless filed within one year of the "accident" or loss.
- D. "We" are not liable for Uninsured Motorist Coverage unless the person making the claim gives written notice to the insurer of the person's intent to pursue the claim against the uninsured motorist portion of a motor vehicle policy within three years after the date of the "accident" that caused the "bodily injury", except that a person may make an uninsured motorist claim within three years after the earliest of the following:
 - 1. The date the person knew that the tortfeasor was uninsured;
 - 2. The date the person knows or should have known that coverage was denied by the tortfeasor's insurer; or
 - 3. The date the person knows or should have known of the insolvency of the tortfeasor's insurer.
- E. "We" are not liable Underinsured Motorist Coverage unless the person making the claim gives written notice to "us" of the person's intent to pursue the claim against the underinsured motorist portion of a motor vehicle policy within three years after the date of the "accident" that caused the "bodily injury" and the person has made a claim with the tortfeasor's insurer or filed an action against the tortfeasor within the time limits prescribed by § 12-542 or within the corresponding limitation period provided under the law of the location where the "accident" occurred.

If settlement of an uninsured or underinsured motorist claim is not reached, "we" must then provide written notice to the person at the last known address on record with "us" by first class mail, within two years after receiving the aforementioned written notice, that the person must request arbitration or file suit pursuant to the terms of the insurance contract within three years after providing the written notice prescribed above.

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" shall be subrogated to that right. That person shall do:
 - 1. Whatever is necessary to enable "us" to exercise "our" rights; and
 - 2. Nothing after loss to prejudice them. However, "our" rights in this paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so, except when payment has been made under the Loss Payable Clause.
- B. If "we" make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for "us" the proceeds of the recovery; and
 - 2. Reimburse "us" to the extent of "our" payment.The above does not apply to Medical Payments. However, with regard to any Medical Payments made, "we" will have a lien against any amount in excess of \$5,000 that is paid to or on behalf of the "insured" under the Medical Payments Coverage of this policy for that "accident".
- C. If an "insured" under this policy makes recovery from a responsible party, other than the owner or operator of an underinsured motor vehicle, without "our" written consent, the insured person's right to payment under any affected coverage will no longer exist.

PERSONS EXCLUDED

All coverages except for Uninsured/Underinsured Motorist Coverage and including "our" obligation to defend under the policy shall not apply, nor shall they accrue to the benefit of "you" or any third party claimant, while any "auto" is being operated by any "Persons Excluded" (listed on the Application and/or Declarations and/or "NAMED DRIVER EXCLUSION ENDORSEMENT ACKNOWLEDGEMENT" of this policy), regardless of where the person resides or whether the person is licensed to drive. Further, "we" exclude coverage to the "named insured" for any negligence which may be imputed by law to the "named insured" arising out of the maintenance, operation or use of a motor vehicle by the excluded person.

This exclusion applies to the policy, or any continuation, renewal or replacement of the policy by the "named insured", or reinstatement within 30 days of any lapse thereof.

POLICY PERIOD AND TERRITORY

- A. This policy applies only to "accidents" and losses which occur:

1. During the policy period as shown in the Declarations, providing the policy is in force at the time the loss or "accident" occurs; and
 2. Within the policy territory.
- B. The policy territory is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.
- This policy also applies to loss to "accidents" involving "your covered auto" while being transported between their ports.

MEXICO WARNING

Unless "you" have automobile insurance written by a Mexican insurance company, "you" may spend many hours or days in jail, if "you" have an "accident" in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of "your" automobile.

CHOICE OF LAW

Any dispute over the terms of this policy will be decided based on Arizona law.

TERMINATION

A. Cancellation

This policy may be cancelled during the policy period as follows:

1. The "named insured" shown in the Declarations may cancel by:
 - a) Returning this policy to "us"; or
 - b) Giving "us" advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing notice of cancellation by certified mail or United States post office certificate of mailing to the "named insured" at the address shown in the policy. The "named insured" is entitled to a minimum grace period of seven days for the payment of any premium due except the first payment, during which grace period the policy shall continue in full force. Notice shall be mailed:
 - a) At least eight days after the premium due date if cancellation is for nonpayment of premium. Cancellation is to take effect as of the date of the mailing of the notice.
 - b) At least 10 days prior to the date cancellation is to take effect in all other cases.
3. After this policy is in effect for 60 days or if this is a renewal or continuation policy, this policy can be cancelled only if:
 - a) The "named insured" shown in the Declarations fails to pay the premium for this policy or any installment thereof.
 - b) The insurance was obtained through fraudulent misrepresentation.
 - c) "You", any other driver who lives with "you" and who customarily uses "your covered auto", or any other driver who regularly and frequently uses "your covered auto":
 - (1) Has had his/her driver's license suspended or revoked during the policy period.
 - (2) Becomes permanently disabled either physically or mentally and that individual does not produce a certificate from a physician testifying to that individual's ability to operate a motor vehicle.
 - (3) Is or has been convicted during the 36 months immediately preceding the effective date of the policy or during the policy period for:
 - (a) Criminal negligence resulting in death, homicide or assault, and arising out of the operation of a motor vehicle.
 - (b) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs.
 - (c) Leaving the scene of the "accident".
 - (d) Making false statements in an application for a driver's license.
 - (e) Reckless driving.
 unless "you" agree in writing to exclude as insured such person by name when operating a motor vehicle and also agree to exclude coverage to the "named insured" for any negligence which may be imputed by law to the "named insured" arising out of the maintenance, operation or use of a motor vehicle by such excluded person.
 - d) "We" are placed in rehabilitation or receivership by the Insurance Supervisory Official in "our" state of domicile or by a court of competent jurisdiction or the Director of Insurance has suspended "our" Certificate of Authority based on "our" financially hazardous condition.
 - e) "Your covered auto" is used regularly and frequently for commercial purposes by:
 - (1) "You";
 - (2) Any other driver who lives with "you" and who customarily uses "your covered auto"; or
 - (3) Any other driver who regularly and frequently uses "your covered auto".
 - f) The Director of Insurance determines that the continuation of this policy would place "us" in violation of the laws of Arizona or would jeopardize "our" solvency.

B. Nonrenewal

If "we" decide not to renew or continue this policy "we" will mail notice by certified mail or United States post office certificate of mailing to the "named insured" shown in the Declarations at the address shown in this policy. Notice will be mailed:

At least 45 days before the end of the policy period if the reason described in Paragraph 2. below exists.

"We" will only nonrenew or refuse to continue this policy if:

1. One of the reasons as listed in Paragraph 3. Cancellation exists; or
2. Subject to the conditions described in a., b. and c. below, "you", any other driver who lives with "you" and who customarily uses "your covered auto", or any other driver who regularly and frequently uses "your covered auto" have had at any time during the 36 months immediately before the notice of nonrenewal, but on or after December 8, 2008, three or more accidents in which that person was at least 50 percent responsible, and where the "property damage" paid by "us" for each "accident" that occurs on:
 - a. Calendar Year 2009 and is more than \$2,370, or
 - b. Calendar Year 2010 and is more than \$2,360, or
 - c. Calendar Year 2011 and is more than \$2,400, or
 - d. the amount published annually by the Arizona Department of Insurance for accidents occurring after December 2008.

However, "we" will not refuse to renew or continue this policy for the reason described in this Paragraph (2.):

- a. Unless the same person has had all the accidents that make the policy subject to nonrenewal;
- b. Due to the "accident" record of the "named insured", if that "named insured" has been insured with "us" for at least 10 consecutive years for standard automobile Bodily Injury Liability Coverage prior to the most recent "accident" that makes the policy subject to nonrenewal; or
- c. If the reason "we" would refuse to renew or continue is due to the "accident" record of a person other than "you" and "you" agree in writing to exclude such person, by name, as insured when operating a motor vehicle and also agree to exclude coverage to the "named insured" for any negligence which may be imputed by law to the "named insured" arising out of the maintenance, operation or use of a motor vehicle by such excluded person.

C. Offer to Renew

"You" or "your" representative are entitled to a minimum grace period of seven days for the payment of any premium due except the first payment, during which grace period the policy shall continue in full force. If "we" offer to renew or continue this policy and "you" or "your" representative do not pay the required renewal or continuation premium when due, thereby not accepting "our" offer, "we" may terminate this policy by mailing notice of termination by certified mail or United States post office certificate of mailing to the "named insured" at the address shown in the policy at least eight days after the end of the current policy period. Termination is to take effect on the earlier of the following dates:

1. The date of the mailing of the notice; or
2. The effective date of any other insurance "you" have obtained on "your covered auto".

However, if "you" or "your" representative notify "us" in writing that "you":

1. Have obtained other insurance on "your covered auto"; or
2. Do not wish to renew or continue this policy.

the above provision does not apply and any insurance provided by this policy will terminate in accordance with the Automatic Termination Provision below.

D. Automatic Termination

1. 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.
2. If "you" notify "us" in writing that "you" do not wish to renew or continue, any insurance provided by this policy will automatically terminate at the end of the current policy period.

We will mail "you" a notice of cancellation if you cancel this policy based on either paragraph (1) or (2) above.

E. Other Termination Provisions

1. If this policy is cancelled, "you" may be entitled to a premium refund. If so, "we" will send "you" the refund. If "we" cancel, "we" will refund "you" the pro rata unearned premium. If "you" cancel, "we" will refund "you" the pro rata unearned premium less any applicable cancellation fee.
2. The effective date of cancellation stated in the notice shall 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 a "named insured" shown in the Declarations dies, coverage will be provided for:

1. The surviving spouse, if a resident in the same household at the time of death. Coverage applies to the spouse as if a "named insured" shown in the Declarations, subject to all terms and conditions of the policy; and
2. The legal representative of the deceased person as if a "named insured" shown in 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 automobile insurance policy issued to "you" by "us" apply to the same "accident", the maximum limit of "our" liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

POLICY FEE

A Policy Fee, if any, as set forth under the Declarations of this policy, and all other fees, including but not limited to the Late Fee, Rewrite Fee, Cancel Fee, Reinstatement Fee, Non-Sufficient Funds Fee, Fraud Fee, Endorsement Fee, and SR22 Fee, are fully earned upon issuance of the policy and are not refundable.

RIGHT TO RECOMPUTE PREMIUM

"We" established the premium for this policy based on "your" statements. "We" have the right to recomputed the premium if "we" later obtain information which affects the premium "we" have charged, unless "our" representative made a mistake when quoting the premium.

LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid as interest may appear to "you" and the loss payee shown in the Declarations. If "you" surrender possession of the covered "auto" to the loss payee or the loss payee repossesses the covered "auto", "we" will not pay the loss payee for loss occurring after the date the loss payee or its agents takes possession of the "auto". "We" will not pay the loss payee more than the repair costs of "your covered auto", Actual Cash Value of "your covered auto" or the existing loan balance as of the date of loss, whichever is less and minus any applicable deductible. This insurance covering the interest of loss payee shall become invalid because of "your" illegal or fraudulent acts and/or omissions. "We" will not pay for any loss caused by conversion, embezzlement, or concealment by "you" or anyone acting on "your" direction or behalf. "We" will not pay for any destruction or damage and/or loss caused to "your covered auto" by any intentional act done at the direction of, by or on behalf of any "insured". This exclusion shall not deny an "insured's" otherwise covered property loss if the property loss is caused by an act of domestic violence by another "insured" under the policy and the "insured" who claims the property loss cooperates in any investigation relating to the loss and did not cooperate in or contribute to the creation of the property loss. However, payment will be limited to that "insured's" insurable interest in the property minus any payment made to any mortgagee or other party with a secured interest in the property. "We" retain "our" right of subrogation against any person except the victim of the domestic violence. If "we" pay the loss payee for any loss for which "you" are not covered, "we" shall, to the extent of any payment, be subrogated to the loss payee's rights to recovery against an "insured". If the loss is not covered under the policy, "we" are subrogated to the loss payee's rights against "you", up to the amount of "our" payment.

"We" reserve the right to cancel the policy as permitted by the policy terms, and the cancellation shall terminate the policy and this agreement as to the loss payee's interest. "We" will give the same notice of cancellation to the loss payee and the "named insured" as required under the law.

NOTIFICATION OF UNDERWRITING INFORMATION

"Your" premium rate may be based in part on information obtained from persons other than the individual(s) proposed for coverage, including the sources listed below. This information, as well as other personal or privileged information that "we" have collected may, in certain circumstances, be disclosed to third parties without "your" authorization.

Any rate changes or underwriting decisions may be attributable to use of this information. At "your" request, "we" will provide the specific reasons for any change to "your" policy and the related information "we" obtained from these reports.

DRIVER HISTORY REPORT

Motor vehicle reports are provided by the state(s) where "you" are licensed and may be used to verify driving history. "You" may request the information obtained by "us" from these reports by calling "our" Policy Services associates at 1-949-768-1180.

CLAIM/ACCIDENT REPORT

The following database may be used to verify claims loss histories. "You" may request information by contacting: ChoicePoint National Disclosure Center

PO Box 105108
Atlanta, GA 30348-5108
1-800-456-6004

DRIVER INFORMATION

"We" may use the following source to identify undisclosed drivers in the household. "You" may obtain information by contacting:

ChoicePoint National Disclosure Center
PO Box 105108
Atlanta, GA 30348-5108
1-800-456-6004

"You" have the right to:

4. Obtain information regarding the nature and substance of recorded personal information about "you"; and
5. Access and request the correction of recorded personal information about "you"; and
6. File a statement setting forth what "you" think is the correct information; and
7. File a statement of why "you" disagree with any refusal to correct the information. If "you" have questions or require additional information from "us", you can contact "us" at 1-949-768-1180

FINANCIAL RESPONSIBILITY INFORMATION

The following source may be used to obtain an insurance credit score. If "you" have any questions regarding "your" credit report please contact:

Equifax Information Services

PO Box 1000
2 Baldwin Place
Chester, PA 19022
1-800-888-4213

TransUnion Consumer Division
PO Box 1000
2 Baldwin Place
Chester, PA 19022
1-800-888-4213

Once "you" receive "your" file, "you" will have an opportunity to dispute any information "you" feel is incorrect by calling the number mentioned above. If "you" have questions or require additional information from "us", "you" can contact "us" at 1-888-888-0080.

In Witness Whereof, the company has caused this policy to be executed and attested.



Wilber Martin IV
President
Bankers Insurance Company

Deductible Rewards Endorsement

If “you” have paid the surcharge for Deductible Rewards as shown on the Declarations, then “your” deductible under this Part D – Coverage for Damage to Your Auto shall be reduced by \$50 each time “your” policy renews if it is a 6-month policy. If “your” policy is a 12-month policy, “your” deductible will be reduced by \$100 each time “your” policy renews.

The reductions shall continue with each subsequent renewal until “your” deductible reaches \$0. “Your” deductible will remain at \$0 as long as “your” policy continues to renew with “us”.