



NEVADA GENERAL INSURANCE COMPANY

ARIZONA VALU AUTO INSURANCE POLICY

These policy provisions, along with **your** insurance application, the **Declarations Page**, and any endorsements issued to form a part thereof, complete this policy.

IMPORTANT NOTICES AND WARNINGS

This policy does not provide coverage for damage to the **covered car** if such damage occurs while the **covered car** is driven by a person who resides with **you** (other than **your** spouse) but is not listed as a driver on the **Declarations Page**. If **you** desire coverage under this policy for drivers other than those shown on the **Declarations Page**, **you** must request **us** or the agent from whom **you** obtained **your** policy to have **your** policy amended to list the additional drivers.

This policy covers only the **covered car(s)** listed on the **Declarations Page**. This policy does not cover **you** if **you** have an accident while driving any other vehicle.

This policy does not provide coverage in Mexico. **You** may spend many hours or days in jail if **you** have an **accident** in Mexico without automobile insurance. Under the laws of Mexico, some other penalties are possible. This may include the impoundment of **your** automobile. If **you** drive in Mexico **you** should secure coverage from an insurance company licensed to do business in Mexico.

Underwritten by
Nevada General Insurance Company
5685 Spring Mountain Rd
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THIS IS A RESTRICTED POLICY.

PLEASE READ THIS POLICY CAREFULLY.

THE ATTACHED REDUCED COVERAGE DISCLOSURES ARE INCORPORATED HEREIN AND ARE MADE A PART OF THIS POLICY.

TO THE EXTENT THAT THIS POLICY HAS BEEN TRANSLATED FOR YOUR CONVENIENCE INTO A FOREIGN LANGUAGE, THE ENGLISH VERSION SHALL CONTROL IN ALL RESPECTS. TO THE EXTENT THAT ANY CONFLICT ARISES IN THE USE OF ANY TERM UNDER ARIZONA LAW, THE ENGLISH VERSION SHALL PREVAIL.

In consideration of the representations on **your** application, if **you** pay **your** premium, and if **your** payment is received within seven (7) days after the premium is due, **we** agree to provide **you** this insurance, subject to all the terms and provisions of this policy, and up to the Limits of Liability described in this policy and shown on the **Declarations Page**.

GLOBAL EXCLUSIONS AND LIMITATIONS:

THESE EXCLUSIONS AND LIMITATIONS APPLY TO THE ENTIRE POLICY.

LISTED VEHICLES ONLY FOR ALL COVERAGES EXCEPT UNINSURED AND UNDERINSURED MOTORIST COVERAGE.

THIS POLICY AND ALL OF ITS PARTS COVER ONLY VEHICLES THAT ARE LISTED ON THE DECLARATIONS PAGE. IF YOU ARE DRIVING ANY OTHER VEHICLE, THIS POLICY PROVIDES ONLY UNINSURED AND UNDERINSURED MOTORIST COVERAGE AND WILL NOT PROVIDE COVERAGE FOR LIABILITY TO OTHERS, MEDICAL PAYMENTS, OR DAMAGE TO A CAR. IN OTHER WORDS, IF YOU DRIVE ANOTHER VEHICLE (BORROWED, RENTED, OR OTHERWISE), THIS POLICY WILL PROVIDE ONLY UNINSURED AND UNDERINSURED MOTORIST COVERAGE.

However, for purposes of this policy's coverage under Part I - Liability to Others and Part III - Uninsured/Underinsured Motorist Coverage, this exclusion does not apply to the 96 hours immediately following the acquisition of a new or replacement vehicle, provided that **we** insure all of the cars **you** own. This exclusion does not apply to **cars** added to the policy. However, this exclusion does apply to any **temporary substitute car**.

NO PAYMENT FOR STORAGE OR TOWING OF YOUR COVERED CAR

We will not pay any storage or towing charges for your car or your personal property except as required by law. Any storage or towing charges you incur will be minimized if you cooperate with us in the prompt resolution of your claim.

NO COVERAGE FOR LIABILITY TO OTHERS, MEDICAL PAYMENTS, OR DAMAGE TO A CAR FOR ANY RENTED CAR

There is no coverage under this policy for any cost associated with any car rental. We will not pay the cost of renting any car used as a temporary substitute for your car, whether you rent such a car because you lost the use of your car after an accident or for any other reason. You will be responsible for all payments to a rental car agency. Further, if you are involved in an accident while driving a rented car, this policy will not cover your liability to others for bodily injury or property damage; will not cover you or any of your passengers for medical payments; and will not cover any physical damage to the rented car. Therefore, you must obtain all types of rental car coverage (except for uninsured and underinsured motorist coverage) from the rental car agency or another source.

NO DUPLICATE PAYMENT ON ANY COVERAGE

We do not provide duplicate payment for damage. If a damage may be covered by more than one coverage or policy issued by us, it will be paid from only one coverage, not each possible coverage of that damage.

YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS

Notice of Accident or Loss

If there is an accident or loss arising out of the ownership, maintenance, or use of a car, for which coverage is provided under this policy, you must follow the procedures set forth below. Your failure to follow these procedures may result in denial of your claim under this policy.

You must report any accident or loss to us within twenty-four (24) hours or as soon as practicable. Call us toll free at 1-800-234-2886.

You must report each accident or loss even if the insured person is not at fault. You must advise us of the

1. time;
2. place; and
3. circumstances of the **accident**.

You must report to **us** the following **accident** information:

1. names and addresses of the injured persons;
2. names and addresses of witnesses; and
3. the license plate numbers of the vehicles involved.

You must also notify the police within twenty-four (24) hours or as soon as practicable if:

1. **you** cannot identify the **owner** or **operator** of a vehicle involved in the **accident**; or
2. theft of or vandalism to the **covered car** or any covered equipment has occurred.

Other Duties in Case of Accident or Loss

A person claiming coverage under this policy must:

1. Cooperate with **us** in the investigation, settlement or defense of any claim or lawsuit.
2. Promptly send **us** copies of any notices or legal papers in connection with the **accident** or **loss**.
3. Provide any written proof of loss **we** may reasonably require.
4. Allow **us** to take signed or recorded statements, including statements under oath, and answer all reasonable questions **we** may ask, when and as often as **we** may reasonably require, at any reasonable time and place that **we** designate.
5. Attend hearings and trials as **we** require.

6. Take reasonable steps after **loss** to protect the **covered car** and its equipment from further **loss**. **We** will pay reasonable expenses incurred to provide such protection. However, **we** do not consider it reasonable to re-key an entire vehicle after a recovered theft. As such, **we** will not pay for any re-keying, new locks, or new ignition switch for a recovered theft unless authorized by **us**. If **you** fail to take reasonable steps to do so, any further damages will not be covered under the policy. However, **we** will not pay any storage or towing charges for **your covered car** or any of **your** personal property. Therefore, it is imperative that **you** work with **us** to quickly resolve any issues with **your** car so that any storage or towing charges **you** incur are minimized.
7. Permit **us** to inspect and appraise the damage to a **covered car** before its repair or disposal, and provide us with all pertinent records and invoices upon **our** request.
8. Provide **us** access, as **we** may reasonably require, to the recorded data contained within the **covered car's** event data recorder (EDR), global positioning system (GPS), or similar device, in connection with an **accident, loss, claim, or suit**.
9. Submit, as often as **we** reasonably require, to physical exams at **our** expense by physicians **we** select.
10. Authorize **us** to obtain medical and other pertinent records.
11. Sign an Authorization to Release Vehicles (a copy of which is attached to and is part of this policy) permitting **us** to release, move, and/or transfer **your covered car** after an accident without any further communication from **you**, if **your covered car** is a **total loss**.
12. Include in the notice of **accident or loss** a statement listing **your** interest and interests of all others in the **covered car**, any encumbrances on the **covered car** (such as a lien or mortgage) and a description (including amounts) of all other insurance covering the **covered car**.
13. Provide **us** truthful and accurate information.

If **you** fail to perform any of the duties required by this policy, **we** may refuse to provide any protection or coverage.

DEFINITIONS APPLICABLE THROUGHOUT ENTIRE POLICY

Throughout this policy, "**you**" and "**your**" refer to the named insured in the **Declarations Page** and the named insured's spouse if a **resident** of the named insured's household; and "**we**", "**us**", and "**our**" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. "**Accident**" means a sudden, unexpected, and unintentional occurrence. An intentional act, event, or happening is not an "**accident**".
2. "**Auto business**" means the **business** or occupation of selling, repairing, servicing, storing, parking, delivering, testing or road testing **motor vehicles**.
3. "**Bodily injury**" means bodily harm, sickness, or disease, including death resulting therefrom. **Bodily injury** does not include any sexually transmitted disease.
4. "**Business**" includes a trade, profession, or occupation.
5. "**Car**" means:
 - a. a self-propelled land motor vehicle:
 - i. of the private passenger, pickup body, van, or sedan delivery type;
 - ii. designed for use principally upon public roads;
 - iii. with four (4) or six (6) wheels and two (2) axles; and
 - iv. with a gross vehicle weight of 10,000 pounds or less and a rated load capacity of 2,000 pounds or less;
 - b. a **motor home** shown on the **Declarations Page**; or
 - c. a pickup camper or shell shown on the **Declarations Page**.
6. "**Contamination**" means any unclean or unsafe or damaging or injurious or unhealthy condition arising from the presence of **pollutants**, whether permanent or transient;
7. "**Covered car**" means:
 - a. any **car** shown on the **Declarations Page** unless **you** have asked **us** to delete that **car** from the policy; or
 - b. a **replacement car** as defined in definition 19 below; or
 - c. a **new car** as defined in definition 12 below; or
 - d. any **trailer you own** that is listed on the **Declarations Page** while such **trailer** is drawn by or attached to a **car** described in 7.a, 7.b or 7.c above.
8. "**Declarations Page**" means the page(s) attached to **your** policy listing:

- a. The named insured and his or her mailing address.
- b. The types of coverage you have elected.
- c. The limit for each coverage.
- d. The cost for each coverage.
- e. The **cars** covered by this policy.
- f. The types of coverage for each such **car**.
- g. The garaging zip code of each **covered car**.
- h. All other drivers who are covered by this policy.
- i. Other information applicable to this policy.

The **Declarations Page** is a complete document identifying all coverages provided by **us**, and will not be deemed modified by any other written or oral communications until the stated effective date and time on a new or amended **Declarations Page** prepared by us.

9. "**Loss**" means sudden, direct, and accidental loss or damage.
10. "**Motor home**" means a **motor vehicle** designed, reconstructed, or permanently altered to provide facilities for human habitation enclosed within a solid body shell and built into an integral part of, or permanently attached to, a self-propelled **motor vehicle** chassis or van.
11. "**Motor vehicle**" means any vehicle designed for use principally upon public streets and highways and subject to **motor vehicle** registration laws.
12. "**New car**" means any **car**, operable or inoperable, the **ownership** or lease-hold of which is acquired solely by **you**, provided the **car** meets these five conditions:
 - a. **you** acquire the **car** during the policy period shown on the **Declarations Page**; and
 - b. **we** insure all **cars owned** by **you** at the date and time **you** take delivery of such **car**; and
 - c. the **car** has never been **owned** by or registered to a **relative, your non-resident** spouse or ex-spouse, a person residing with **you**, a person listed by name as a driver on the **Declarations Page, your** employer, or any legal entity in which **your** and/or a relative's combined **ownership** interest exceeds twenty (20) percent; and
 - d. **you** apply to **us** for insurance on such acquired **car** within ninety-six (96) hours of such acquisition. Coverage is limited to the earlier of ninety-six (96) hours from the date and time of acquisition or the date and time the policy subsequently expires or is canceled, unless **we** agree, in writing, to a further extension of coverage; and

- e. no other insurance policy provides coverage for that **car**.

If **your** newly acquired **car** will not qualify as a **new car** under this definition, **your** newly acquired **car** may become a **covered car** if and when **you** request **us** to add the newly acquired **car** to this policy, allow **us** to inspect it, **we** agree to provide coverage, and **you** pay any additional premium within seven (7) days after the premium payment due date.

- 13. "**Occupying**" means being in a **car**, as an operator or passenger, or being engaged in the immediate acts of entering or exiting from a car.
- 14. "**Owned**", "**owns**", and "**ownership**" means the person or entity:
 - a. holds legal title to the **car**;
 - b. has legal possession of the **car** that is subject to a written security agreement with an original term of six (6) months; or
 - c. has legal possession of the **car** that is leased to a person or entity under a written agreement for a continuous period of six months or more.
- 15. "**Owner**" means any person who, with respect to a **car**, **owns** the **car**.
- 16. "**Pollutants**" means smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, solids, gasses, sounds, waste materials, thermal pollutants, all other irritants and contaminants.
- 17. "**Property damage**" means physical injury to, or destruction of tangible property including the loss of use.
- 18. "**Punitive damages**" means money that a judge or jury awards as a means of punishing a person, or setting an example. They include any damages which are awarded for any purpose other than as compensatory damages for **bodily injury** or **property damage**.
- 19. "**Replacement car**" means any **car**, operable or inoperable, the **ownership** or lease-hold of which is acquired solely by **you**, provided the **car** meets these five conditions:
 - a. **you** acquire the **car** during the policy period shown on the **Declarations Page**; and
 - b. it replaces a **car** listed on the **Declarations Page** and **you** have transferred title and possession of the replaced **car** on or prior to the date of acquisition of the **replacement car**; and
 - c. **we** insure all **cars owned** by **you** at the date and time **you** take delivery of such **car**; and

- d. the **car** has never been **owned** by or registered to a **relative, your non-resident spouse or ex-spouse**, a person residing with **you**, a person listed by name as a driver on the **Declarations Page, your employer**, or; and
 - e. no other insurance policy provides coverage for that **car**.
20. "**Temporary substitute car**" means any **car** which is used as a substitute for **your covered car** while **your covered car** is withdrawn from normal use because of its breakdown, repair, servicing, **loss**, or destruction or any lack of availability for use.
21. "**Total loss**" means **we** elect to pay the limit of liability shown on the **Declarations Page** or the agreed or **actual cash value** of the **covered car** for a covered comprehensive or collision loss rather than to repair or replace the **covered car**.
22. "**Trailer**" means a vehicle designed to be pulled on public roads by a **car**. It includes a farm wagon, or farm implement while being towed by a **car**. It does not include a mobile home, or a trailer used as an office, store, display, or a passenger conveyance, or used in the **auto business**.
23. "**Volunteer work**" means work performed without compensation other than:
- a. reimbursement of actual expenses incurred;
 - b. disbursements of meals; or
 - c. other similar incidental compensation.

PART I - LIABILITY TO OTHERS

Part I - Liability to Others: Insuring Agreement Bodily Injury Liability; Property Damage Liability

Subject to the Limits of Liability, **we** will pay damages, other than **punitive damages**, for **bodily injury** or **property damage** for which an **insured person** becomes legally responsible because of an **accident** arising out of the **ownership**, maintenance, or use of a **covered car**.

We will settle or defend, as **we** consider appropriate, any claim for damages covered by this Part I. **Our** agreement to settle or defend ends when **we** tender or pay **our** Limit of Liability for this coverage.

Part I - Liability to Others: Additional Definition

When used in this Part I, "**insured person**" or "**insured persons**" means:

1. **you** or **your** spouse living in **your** household with respect to an **accident** arising out of the **ownership**, maintenance, or use of a **covered car**;
2. any person with respect to an **accident** arising out of that person's use of a **covered car** with **your** express or implied permission.
3. a person listed as a driver on the **Declarations Page**, but only when such listed person is driving **your covered car**.
4. any person or organization with respect only to vicarious liability for an **accident** arising out of the use of a **covered car** by a person described in 1, 2, or 3 above, and
5. any Additional Interest Insured designated by **you** in your application or by a change request agreed to by **us**, with respect to liability for an **accident** arising out of the use of a **covered car** by a person described in 1, 2, or 3 above.

Part I - Liability to Others: Additional Payments

In addition to the applicable limits of liability, **we** will pay for an **insured person**:

1. all expenses **we** incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of a judgment, until **we** have paid or tendered that portion of the judgment that does not exceed **our** Limit of Liability. This does not apply if **we** have not been given notice of the suit or the opportunity to defend an **insured person**;
3. premiums on appeal bonds or attachment bonds required in any lawsuit **we** defend. **We** have no duty to:
 - a. purchase bonds in an amount exceeding our Limit of Liability; or
 - b. apply for or furnish these bonds;
4. up to \$100 for a bail bond required because of an **accident** or traffic law violation arising out of the **ownership**, maintenance, or use of a **covered car**. **We** have no duty to apply for or furnish this bond; and
5. all reasonable expenses, including loss of earnings, not to exceed \$50 a day, incurred at **our** request.

Part I - Liability to Others: Exclusions

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

Coverage under this Part I, including our duty to defend, does not apply to:

1. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance or use of a **car**, **trailer**, or any other vehicle when used to carry persons or property for a charge. This exclusion does not apply to:
 - a. shared-expense car pools; or
 - b. when the **covered car** is being used in the course of **volunteer work** for a corporation organized and operated exclusively for:
 - i. religious, charitable, scientific, literary, or educational purposes; or
 - ii. the prevention of cruelty to children or animals.
2. Any liability assumed by an **insured person** under any contract or bailment.
3. **Bodily injury** to an employee of an **insured person** arising out of or within the course of employment, except for domestic employees if benefits are neither paid nor required to be provided under workers compensation, disability benefits, or similar laws.
4. **Bodily injury** or **property damage** arising out of an **accident** involving a **car** while being used by a person while employed or engaged in the **auto business**.
5. **Bodily injury** or **property damage** due to nuclear reaction or radiation. This exclusion does not apply to the minimum liability limits as prescribed in A.R.S. § 28-4009.
6. **Bodily injury** or **property damage** for which insurance is afforded under a nuclear energy liability policy.
7. Any obligation for which the United States Government is liable for under the Federal Tort Claims Act.
8. **Bodily injury** or **property damage** caused intentionally by, or at the direction of an **insured person**.
9. Exemplary or **punitive damages** for which you or any other insured person is legally liable.
10. **Property damage** to any property **owned** by, rented to, being transported by, used by, or in the charge of an **insured person**.
11. **Property damage** to any **motor vehicle** or **trailer** not listed on the **Declarations Page**.
12. **Bodily injury** to any **insured person** in excess of the limits of liability required by the Arizona Financial Responsibility Act.
13. **Bodily injury** or **property damage** resulting from the use or operation of **your covered car** while committing or participating in a crime or illegal occupation.
14. **Bodily injury** or **property damage** resulting from **your** operation or use of any car other than a **covered car**.
15. **Bodily injury** or **property damage** resulting from, arising out of, or related to **pollutants** and/or contamination whether caused by a **car** or an **insured person**. This

exclusion does not apply to the minimum liability limits as prescribed in A.R.S. § 28-4009.

16. **Bodily injury or property damage** arising out of operation of farm machinery.
17. **Bodily injury or property damage** resulting from the **ownership**, maintenance, or use of any **car**, including a **covered car**, in the course of any **business**. This exclusion does not apply if **business** use of a **covered car** is disclosed to and accepted by us prior to the time of the **accident**, and such acceptance is reflected in a written endorsement attached to this policy.
18. **Bodily injury or property damage** arising out of the **ownership**, maintenance, or use of a **covered car** while it is being leased or rented to others.
19. **Bodily injury or property damage** arising out of an **insured person's ownership**, maintenance or use of any motorized vehicle with less than four (4) wheels.

Part I: Liability to Others: Limits of Liability

The Limits of Liability shown in the **Declarations Page** is the most **we** will pay regardless of the number of:

1. claims made;
2. **covered cars**;
3. **insured persons**;
4. lawsuits brought;
5. **cars** involved in an **accident**; or
6. premiums paid.

If the **Declarations Page** shows a split limit:

1. the amount shown for "each person" is the most **we** will pay for damages due to a **bodily injury** to one (1) person in any one (1) **accident**;
2. subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to a **bodily injury** to two (2) or more persons in any one (1) **accident**;
3. the amount shown for "**property damage**" is the most **we** will pay for the aggregate of all **property damage** for which an **insured person** becomes liable from any one (1) **accident**.

The **bodily injury** limit for "each person" includes the aggregate of claims made for such **bodily injury** and claims derived from such **bodily injury**, including, but not limited to, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

No one will be entitled to receive duplicate payments for the same elements of loss.

A **car** and attached **trailer** are considered one **car**. Therefore, the Limits of Liability will not be increased for an **accident** involving a **car** that has an attached **trailer**.

Part I - Liability to Others: Financial Responsibility Laws

When **we** certify this policy as Proof of Financial Responsibility, by filing a Financial Responsibility form in any state, this policy will comply with only the **MINIMUM** financial responsibility requirements in that state. **You** must reimburse **us** if **we** make a payment that **we** would not have made if this policy were not certified as Proof of Financial Responsibility. Any coverage provided under this provision which is broader than the coverage otherwise provided under this part will be excess over any other valid and collectible insurance.

Part I – Liability to Others: Other Insurance

If this policy and any other policy providing similar insurance apply to the same **accident** or **loss**, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** Limits of Liability bear to the total of all applicable limits.

Any insurance **we** provide for a **covered car** shall be excess to that of a person engaged in the **auto business**, if the **accident** occurs while the **car** is being operated by that person or that person's employee or agent with **your express or implied** permission and within the scope of that permission.

Part I - Liability to Others: Out of State Insurance

If an **accident** to which this policy applies occurs in any state or province other than Arizona, and the state or province has:

1. a compulsory insurance or similar law for non-residents, whenever the non-resident uses a **car** in that state or province, requiring minimum financial responsibility higher than the limits shown on the **Declarations Page**, or
2. a financial responsibility law requiring limits of liability for **bodily injury or property damage** higher than the limits shown on the **Declarations Page** then

this policy will provide the higher limits only if **we** have been granted a certificate of authority to transact insurance in that state or province.

We will not provide any coverage under the no-fault law or any other similar law of any other state or province.

PART II - MEDICAL PAYMENTS COVERAGE

Part II - Medical Payments: Insuring Agreement

Subject to the Limit of Liability shown on the **Declarations Page**, if **you** pay a premium for medical payments coverage, **we** will pay the **usual, customary, and reasonable charge** for expenses incurred within one year from the date of the accident for

necessary medical and funeral services because of **bodily injury** sustained by an **insured person**. Payment for expenses incurred for chiropractic treatment will be limited to expenses incurred within ninety (90) days from the date of the accident.

The coverage under this Part II applies to **Bodily Injury**:

1. caused by the **accident**; and
2. sustained by an **insured person** while **occupying a covered car**.

Part II Medical Payments: Additional Definitions

When used in this Part II:

1. "**Insured person**" and "**Insured persons**" mean **you**, **your** spouse if he/she is a resident of **your** household, and any other driver listed on the **Declarations Page**. A person is an **insured person** for this Part II only if **bodily injury** occurs while such person is **occupying a covered car**.
2. "**Usual, customary, and reasonable charge**" means an amount that **we** determine represents a usual, customary, and reasonable charge for services in the geographical area in which the service is rendered. **We** shall determine this amount through the use of independent sources of our choice. Any dispute as to this amount will be resolved between **us** and the service provider.

Part II - Medical Payments: Exclusions

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

Coverage under this Part II does not apply to **bodily injury**:

1. Sustained while **occupying** any **car** or other vehicle used to carry persons or property for a charge. This exclusion does not apply to:
 - a. shared-expense car pools; or
 - b. when the **covered car** is being used in the course of **volunteer work** for a corporation organized and operated exclusively for:
 - i. religious, charitable, scientific, literary, or educational purposes; or
 - ii. the prevention of cruelty to children or animals.
2. Sustained while **occupying** any **car** used as a residence.
3. If workers compensation benefits are available for **bodily injury**.

4. Sustained while **occupying** any vehicle with less than four (4) or more than six (6) wheels.
5. Arising out of an **accident** involving a **covered car** while being used by a person while employed or engaged in the **auto business**.
6. Resulting from any prearranged, organized, or spontaneous racing, speed, stunting, or demolition contest or activity or practicing or preparing for any such contest or activity, or sustained while driving on a permanent or temporary racetrack or racecourse.
7. Due to war.
8. Due to nuclear reaction or radiation.
9. For which insurance is afforded under a nuclear energy liability insurance contract.
10. For which the United States Government is liable for under the Federal Tort Claims Act.
11. Sustained by any person while **occupying a covered car** without **your** express or implied permission and within the scope of that permission.
12. Sustained by an **insured person** while **occupying** any **car** other than a **covered car**.
13. Sustained while **occupying** or through being struck by (1) a farm type tractor or other equipment designed for use principally off public roads or (2) a vehicle operated on rails or crawler-treads.
14. Sustained while **occupying** or through being struck by a **car owned** by any **insured person**, unless such **car** is a **covered car**.
15. Sustained while **occupying** any **car**, including a **covered car**, in the course of conducting any **business**. This exclusion does not apply if **business** use of a **covered car** is disclosed to and accepted by **us** prior to the time of the **accident**, and such acceptance is reflected in a written endorsement attached or added to this policy.
16. Sustained while **occupying a covered car** while it is being leased or rented to others.
17. Sustained while a **covered car** is being used to commit a felony or for any other purpose which is legally recognized to be criminal.
18. That is reasonably expected to arise out of an intentional act by a person seeking benefits under this Part II, whether or not that person intended or had the capacity to intend the harm.
19. Sustained by any person who is covered for medical payments under any private or governmental benefit,

service, or reimbursement plan, or any prepaid health plan.

Part II - Medical Payments Coverage: Limits of Liability

The Medical Payments Limit of Liability shown on the **Declarations Page** is the most **we** will pay for any one (1) **accident**, regardless of the number of:

1. claims made;
2. **covered cars**;
3. **insured persons**;
4. lawsuits brought;
5. **cars** involved in an accident; or
6. premiums paid.

No one will be entitled to receive duplicate payments for the same elements of **loss** under this coverage and:

1. Part I - Liability To Others; or
2. Part III - Uninsured/Underinsured Motorist Coverage.

Part II - Medical Payments Coverage: Other Insurance

Any medical payment insurance **we** provide will be excess over any other car medical payments or medical health insurance available to an **insured person**.

Part II – Medical Payments Coverage: Our Recovery Rights

When a person has been paid by **us** under this policy and recovers payment for the same expenses from another, the amount recovered from the other shall be held in trust for **us**, and reimbursed to **us** to the extent of **our** payment, and **we** shall have a lien on such recovery from another to the extent of our payments in excess of \$5,000.

PART III - UNINSURED/UNDERINSURED MOTORIST COVERAGE

Part III - Uninsured Motorist: Insuring Agreement

Subject to the Limits of Liability shown on the **Declarations Page**, if **you** pay a premium for Uninsured Motorist Coverage, **we** will pay for **damages**, other than **punitive damages**, which an **insured person** is entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by **accident**; and
3. arising out of the **ownership**, maintenance, or use of an **uninsured motor vehicle**.

Part III - Underinsured Motorist: Insuring Agreement

Subject to the Limits of Liability shown on the **Declarations Page**, if **you** pay a premium for Underinsured Motorist Coverage, **we** will pay for **net damages**, other than **punitive damages**, which an **insured person** is entitled to recover from the **owner** or operator of an **underinsured motor vehicle** because of **bodily injury**:

1. sustained by an **insured person**;
2. caused by **accident**; and
3. arising out of the **ownership**, maintenance, or use of an **underinsured motor vehicle**.

Part III - Uninsured/Underinsured Motorist: Insuring Agreement

We will pay under this Part III only after the limits of liability under all applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgments or settlements.

We will not pay damages to any **insured person** until there has been compliance with all policy provisions. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

If an **insured person** makes a **bodily injury** claim under this Part III because of an **accident** that involved an unidentified car and no physical contact with the car occurred, the **insured person** must provide additional and independent evidence that the unidentified car caused the **accident**.

Part III - Uninsured/Underinsured Motorist: Additional Definitions

When used in this Part III:

1. "**Insured person**" and "**insured persons**" mean:
 - a. **you** or **your** spouse living in **your** household;
 - b. any person with respect to an **accident** arising out of that person's use of a **covered car** with **your** express or implied permission.
 - c. any person listed as a driver on the **Declarations Page**.
 - d. any person who is entitled to recover damages covered by this Part III because of **bodily injury** sustained by a person described in a., b., or c. above.
2. "**Net damages**" means the amount by which the total damages for **bodily injury** resulting from an **accident** exceed the sum of the limits of liability under all applicable **bodily injury** liability bonds or policies.
3. "**Underinsured motor vehicle**" means a land **motor vehicle** or trailer of any type:

- a. to which a **bodily injury** liability bond or policy applies at the time of the **accident**, and
- b. the sum of the limits of liability under all applicable **bodily injury** liability, bonds or policies is less than the total damages for **bodily injury** resulting from the **accident**.

This does not include any motor vehicle or trailer that is an uninsured motor vehicle.

- 4. "**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** 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** required by section 28-4009 of the Arizona Revised Statutes, as amended; or
 - d. whose operator or **owner** cannot be identified and which causes an **accident** resulting in **bodily injury** to an **insured person**. The **insured person** or someone on his or her behalf must report the **accident** to the police or civil authority within twenty-four (24) hours or as soon as practicable after the **accident**. Failure to report the accident as required by this provision shall constitute a ground for **us** to deny the **insured person's** claim for benefits.
- 5. An **uninsured motor vehicle** or **underinsured motor vehicle** does not include any 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 used as a residence or
 - d. not required to be registered as a **motor vehicle**, except when used on public roads.

Part III - Uninsured/Underinsured Motorist: Exclusions

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

1. Coverage under this Part III is not provided for any **bodily injury** sustained by any person who (a) has received payment under this Policy's Part I - Liability to Others and (b) who does not qualify as an **insured person** under Definition 1 of this Part III.
2. Coverage under this Part III is not provided for any **bodily injury** sustained by any person while using or **occupying**:
 - a. a **covered car** or any other vehicle used to carry persons or property for a charge. This exclusion does not apply to:
 - i. shared-expense car pools; or
 - ii. when the **covered car** is being used in the course of **volunteer work** for a corporation organized and operated exclusively for:
 - (1) religious, charitable, scientific, literary, or educational purposes; or
 - (2) the prevention of cruelty to children or animals.
 - b. a **covered car** without **your** express or implied permission or outside the scope of **your** permission.
 - c. a non-owned car without the express or implied permission of the **owner** or outside the scope of the **owner's** permission.
3. Coverage under this Part III will not apply 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.
4. Coverage under this Part III will not apply to any person if that person or his/her legal representative settles a claim without our consent.

Part III: Uninsured/Underinsured Motorist: Limits of Liability

The Limit of Liability shown on the **Declarations Page** for coverages under Part III is the most **we** will pay for any one accident regardless of the number of:

1. claims made;
2. **covered cars**;
3. **insured persons**;
4. lawsuits brought;
5. **cars** involved in an **accident**; or
6. premiums paid.

If the **Declarations Page** 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 (1) person in anyone (1) **accident**; 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** to two (2) or more persons in any one (1) **accident**.

The **bodily injury** limit of liability under this Part III for "each person" includes the aggregate of claims made for such **bodily injury** and all claims derived from such **bodily injury**, including, but not limited to:

1. loss of society;
2. loss of companionship;
3. loss of services;
4. loss of consortium, and
5. wrongful death.

In determining the amount payable under Uninsured Motorist Coverage, the amount of damages which an **insured person** is entitled to recover from the **owner** or operator of an **uninsured motor vehicle**, shall be reduced by all sums paid because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible.

In determining the amount payable under Underinsured Motorist Coverage, the amount of damages which an **insured person** is entitled to recover from the **owner** or operator of an **underinsured motor vehicle** shall be reduced by the sum of the limits of liability under all applicable **bodily injury** liability bonds or policies. No one will be entitled to receive duplicate payments for the same elements of **loss** under this coverage and:

1. Part I - Liability To Others; or
2. Part II - Medical Payments Coverage.

We will not make a duplicate payment under this coverage for any element of **loss** for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

Part III - Uninsured/Underinsured Motorist: Other Insurance

If this policy and any other policy providing similar insurance apply to the same **accident** or **loss**, **we** will only pay **our** share of the damages. **Our** share is the proportion that **our** Limit of Liability bears to the total of all available coverage limits. Any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury** to **you** or any **insured person** when **occupying a covered car**.

We will not pay for any damages that would duplicate any payment made for damages under other insurance.

If any **insured person** other than **you** is injured while not **occupying a motor vehicle**, the coverages provided under this

policy shall be excess to any uninsured or underinsured motorist coverage provided by a policy under which that **insured person** is a named insured. If **you** are injured while not **occupying a motor vehicle**, and are also a **named insured** under any other policy, **our** coverage will pay the proportionate share that **our** limits bear to the total available uninsured or underinsured motorist coverage limits.

Notwithstanding any other provision in this policy, if **you** purchase multiple policies from **us**, or an affiliated company on different **cars**, **you** are entitled to uninsured or underinsured motorist benefits under only one (1) of those policies. The policy with the highest limit of liability shall apply unless **you** elect to apply a different policy.

Part III - Uninsured/Underinsured Motorist: Arbitration

Determination of whether an **insured person** is legally entitled to recover damages and the amount of the damages will be made by agreement between the **insured person** and **us**. If no agreement is reached, the decision may be made by arbitration, but both parties must agree to arbitrate. Disputes concerning coverage under this Part III may not be arbitrated. The **insured person** or **we** must make a written demand for arbitration within three years after the **insured person** knows or should know that the party who caused the harm does not have liability insurance nor has insufficient liability insurance.

If a written demand for arbitration has been made, then each party shall select an arbitrator within thirty (30) days. The two arbitrators will select a third. If the two arbitrators cannot agree on a third arbitrator within thirty (30) days, then on joint application by **us** and the **insured person**, the third arbitrator will be appointed by a court having jurisdiction.

Each party will pay the costs and fees of its arbitrator. The costs and fees of the third arbitrator will be shared equally. Each party will pay the expenses it incurs.

Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person** resides. Local rules of procedure and evidence will apply.

A decision agreed to by two of the arbitrators will be binding as to whether the **insured person** is legally entitled to recover damages payable under this Part III and the amount of the damages. The arbitrators shall have no authority to award an amount in excess of the Limit of Liability. The decision of the arbitrators is binding only if the amount of the award does not exceed the minimum limit of bodily injury liability specified by the financial responsibility laws of the state of Arizona. If the award is in an amount that exceeds this minimum limit, either party may demand the right to a trial. This demand must be made in writing within sixty (60) days of the

arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

PART IV - DAMAGE TO COVERED CAR

LISTED DRIVERS ONLY. This Damage to a Covered Car part of this policy covers only the named insured listed on the Declarations Page, the named insured's spouse if the spouse resides in the named insured's household, and other drivers listed on the Declarations Page. If any other person is involved in an accident while driving a covered car, there will be no coverage under this part.

LISTED VEHICLES ONLY. This policy applies only to the cars listed on the Declarations Page and any New Car as defined in Definition 12 of the Definitions Applicable Throughout the Entire Policy set forth above.

NO COVERAGE FOR ANY TEMPORARY SUBSTITUTE CAR. This policy does not cover any damage to any car that qualifies as a Temporary Substitute Car as defined in Definition 20 of the Definitions Applicable Throughout the Entire Policy set forth above.

NO PAYMENT FOR STORAGE OR TOWING OF YOUR COVERED CAR. We will not pay any storage or towing charges for your car or your personal property except as required by law. Any storage or towing charges you incur will be minimized if you cooperate with us in the prompt resolution of your claim.

Part IV - Damage to Covered Car: Insuring Agreement: Collision

If **you** pay a premium for collision coverage, **we** will pay for **loss** to a **covered car** when it collides with another vehicle or object, or overturns, subject to the Limits of Liability.

Part IV - Damage to Covered Car: Insuring Agreement: Comprehensive

If **you** pay a premium for comprehensive coverage, **we** will pay for comprehensive **loss** to a **covered car**, subject to the Limits of Liability.

A comprehensive **loss** is a **loss** to a **covered car**, caused by any event other than collision, including, but not limited to, any of the following:

1. contact with an animal (including a bird);

2. explosion or earthquake;
3. fire;
4. malicious mischief or vandalism;
5. missiles or falling objects;
6. riot or civil commotion;
7. theft or larceny; or
8. windstorm, hail, water, or flood.

Part IV - Damage to Covered Car: OPTIONAL Insuring Agreement: Full Comprehensive Safety Glass Coverage

If **you** pay premium for Full Comprehensive Safety Glass Coverage, **we** will pay under Comprehensive Coverage, without a deductible, for **loss** to:

1. glass used in the windshield, doors and windows of a **covered car**; and
2. the glass, plastic, or other materials used in the lights of a **covered car**.

Part IV - Damage to Covered Car: Additional Definitions

When used in this Part IV:

1. "**Actual cash value**" means the lesser of (1) the amount of money required to replace the damaged property with similar property in like condition or (2) the amount of money to restore the property by repairs to its pre-damaged condition, at current prices.
2. "**Insured person**" means **you**, **your** spouse if he/she is a resident of **your** household, and any other person listed as a driver on the **Declarations Page**.
3. "**Operator**" means the person sitting immediately behind the steering controls of a **car** and no other person.

Part IV: Damage to Covered Car: Exclusions

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

Coverage under this Part IV does not apply to loss:

1. To any **car**, **trailer**, or other **motor vehicle** not listed on the Declarations Page, unless the vehicle qualifies as a **new car** under Definition 12 of the General Definitions section of this Policy.
2. To any **covered car** while driven, operated, maintained, or used by any person not listed as a driver on the **Declarations Page**.

3. Sustained because of any need to rent a car after an **accident**. In other words, **this policy does not include car rental reimbursement coverage.**
4. To a **covered car** or **trailer** while used to carry persons or property for a charge. This exclusion does not apply to:
 - a. shared-expense car pools; or
 - b. when the **covered car** is being used in the course of **volunteer work** for a corporation organized and operated exclusively for:
 - i. religious, charitable, scientific, literary, or educational purposes; or
 - ii. the prevention of cruelty to children or animals.
5. Resulting from the **ownership**, maintenance, or use of a **covered car** or **trailer** in the course of any business. This exclusion does not apply if business use of a **covered car** is disclosed to and accepted by **us** prior to the time of **loss**; and such acceptance is reflected in a written endorsement attached or added to this policy.
6. To a **covered car** or **trailer**, while being used or driven by a person while employed or engaged in the **auto business**.
7. To a **car**, **trailer**, or other **motor vehicle** resulting from any prearranged, organized, or spontaneous racing, speed, stunting, or demolition contest or activity or practicing or preparing for any such contest or activity, or sustained while driving on a permanent or temporary racetrack or racecourse.
8. To a **car**, **trailer** or other **motor vehicle** resulting from any off-road recreational activity.
9. To any **car**, **trailer**, or other **motor vehicle** due to nuclear reaction or radiation.
10. To any **car**, **trailer**, or other **motor vehicle** for which insurance is or can be afforded under a nuclear energy liability policy.
11. Due to war.
12. Due to destruction or confiscation by government or civil authorities of any car, trailer, or other motor vehicle because you engaged in illegal activities.
13. To any **car**, **trailer**, or other **motor vehicle** caused by an intentional act by **you** or at **your** direction.
14. To any **car**, **trailer**, or other **motor vehicle** that is due and confined to
 - a. wear and tear;
 - b. freezing;

- c. mechanical or electrical breakdown or failure;
- d. road damage to tires; or
- e. faulty workmanship by **you** or by a facility or person chosen by **you**.

This exclusion does not apply if the damage results from the total theft of a **covered car**;

- 15. Due to theft or conversion of a **covered car** or **trailer**:
 - a. by **you**, a relative, or any resident of **your** household;
 - b. prior to its delivery to **you** or a relative, or
 - c. while in the care, custody, or control of anyone engaged in the **business** of selling the **car** or **trailer**.
- 16. To wearing apparel, personal effects, radar detectors or other speed measuring equipment, portable cellular phones, tapes, cassettes, compact discs, DVDs, portable compact disc or DVD players, or other media for audio or video reproduction or transmission.
- 17. To any case or other container designed for use in storing or carrying tapes, compact discs, DVDs, cassettes, or other recording media.
- 18. To a camper body, slide on camper, camper shell or van conversion either permanently installed or detachable. This exclusion shall not apply if such equipment is specifically listed on the **Declarations Page**.
- 19. In an aggregate amount in excess of \$500 to:
 - a. radios,
 - b. antennas,
 - c. tape recorders,
 - d. tape players;
 - e. DVD players;
 - f. speakers;
 - g. equalizers,
 - h. compact disc players, and
 - i. any other equipment used for the reproduction or transmission of sound or video unless installed by the car manufacturer. This exclusion shall not apply if such equipment is listed on the **Declarations Page**.
- 20. To phones, non-factory installed equipment, TV sets, winches, two-way radios and their antennas, nonstandard paint, wheels that are not of the type installed by the manufacturer, tires that are not of the type installed by the manufacturer. This exclusion shall not apply if such equipment or paint is listed in the **Declarations Page**.
- 21. To customization or modification of any **car**. This exclusion shall not apply if the customization or

modification is specifically listed on the **Declarations Page**.

22. To any **car, trailer, or other motor vehicle** for diminution of value. Diminution of value means any decrease in the property's value, however measured, resulting from **loss, repair or replacement**.
23. Due to illegal sale, or repossession of any **car** by the rightful **owner**.
24. Resulting from the purchase of any **car** from any person or organization, other than its rightful **owner**.
25. Or any expense resulting from the **loss** of use of a **car**; or to any **loss** whatsoever to the extent that the expense or **loss** arises by reason of the unavailability of stock repair parts or repair service in the vicinity of the place where the **loss** to the **car** occurs or the stolen **car** is recovered.
26. Resulting from lack of lubricant, coolant or **loss** resulting from seepage of water.
27. To any obligation assumed by **you**, or the registered **owner** or legal **owner** of a **car**, for any of the following costs: (1) estimating fees, (2) teardown charges, (3) handling fees, (4) negotiating charges, (5) administrative fees, (6) higher than reasonable (for the area) towing fees, or (7) any other charges which are not part of the necessary cost of repairing the **covered car**.
28. For any storage or towing charges for **your covered car** or any of **your** personal property, except as required by law. **Our** payment to the body shop will be reduced by the amount of storage and towing costs **we** pay, and **you** will be responsible for paying the amount deducted for storage and towing.
29. Occurring while a **covered car** is being used in any illegal trade or transportation, or to commit a felony, or for any other purpose which is legally recognized to be criminal.
30. To, or loss of use of, any **car** you rent or lease from a rental car **business**.
31. To, or loss of use of, any **Temporary Substitute Car**.

Part IV - Damage to Covered Car: Limits of Liability

1. The Limit of Liability for **loss** to a **covered car** will be the lowest of:
 - a. the **actual cash value** of the stolen or damaged property at the time of the **loss** (including, but not limited to, a **total loss**), reduced by the applicable deductible(s) shown on the **Declarations Page**, and by its salvage value (reduced by any applicable tax or DMV fees required by the State of Arizona) if you retain salvage. The **actual cash value** is determined

by the market value, age, and condition of the **car** at the time the **loss** occurs.

- b. the amount necessary to repair or replace the stolen or damaged property with parts or property of like kind and quality, reduced by the applicable deductible(s) shown on the **Declarations Page**; or
 - c. the Limit of Liability on the **Declarations Page**, if one is shown, reduced by the applicable deductible(s) shown on the **Declarations Page**, and by its salvage value (reduced by any applicable tax or DMV fees required by the State of Arizona) if you retain salvage.
2. If a Limit of Liability is shown on the **Declarations Page** for a **covered car**, that stated amount will be the total Limit of Liability applicable for **loss** to the **covered car**, including its special equipment. However, if the **loss** is a **total loss**, and if the **actual cash value** of the **covered car** is less than the Limit of Liability shown on the **Declarations Page**, **we** will pay the **actual cash value**.
 3. If more than one **car** is shown on the **Declarations Page**, coverage will be provided as specified on the **Declarations Page** as to each **car**.

Part IV - Damage to Covered Car: Adjustment and Payment of Loss

Adjustments of and payments for **loss** covered under Collision and Comprehensive are subject to the following provisions:

1. Provisions pertaining to deductible(s)
 - a. No more than one deductible shall be applied to any one (1) covered **loss**.
 - b. If the date of **loss** is within the first 60 days after (a) the date and time this policy first becomes effective or (b) the date and time a reinstatement or renewal of this policy becomes effective after a lapse, **you** will pay triple the deductible shown in the **Declarations Page**. (For example only, if the deductible shown on the **Declarations Page** is \$600 and the date of **loss** is within 60 days of the date and time this policy first becomes effective or the date and time the policy is reinstated or renewed after a lapse, **your** deductible will be \$1,800.) This provision applies to reinstatements and renewals after lapse regardless of whether the Company assigns a new policy number or retains the original policy number after the lapse. This provision does not apply to policies that are renewed or otherwise remain in force with no lapse in coverage.
 - c. If **you** have a covered **total loss**, and if **we** request the key(s) to your **covered car** and **your** signing over

the **covered car** title to **us**, and if **you** do not comply with our request within 72 hours, **your** deductible will increase by \$250 to cover the cost of properly documenting the disposition of the **covered car**.

2. Provisions pertaining to repairs

- a. This policy does not provide for replacement of **your covered car's** parts with original equipment manufactured ("OEM") parts. This means that the parts used to repair **your covered car** will be of like kind and quality to those parts that require replacement as the result of an **accident**, and like kind and quality parts will not necessarily consist of OEM parts. Instead, this policy allows **us** to use used or first use after-market parts, generic parts, used like kind and quality parts, and/or OEM parts, in **our** sole discretion. This provision eliminates any claim by **you** against **us** for any decrease in value of **your covered car** based on the use of non-OEM parts to repair **your covered car**.
- b. An adjustment for depreciation and physical condition will be made in determining the Limit of Liability at the time of **loss**. If new parts are used to replace parts normally subject to wear and tear, depreciation will be taken to the extent of the wear and tear. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.
- c. In determining the amount necessary to repair **your covered car** to its pre-**loss** condition, **our** estimate will be based on:
 - i. the prevailing competitive labor rates charged in the area where the property is to be repaired, as reasonably determined by **us**; and
 - ii. the cost of repair or replacement parts and equipment which may be new, refurbished, restored, or used, including but not limited to:
 - (1) original manufacturer parts or equipment; and
 - (2) non-original manufacturer parts or equipment; and
- d. **we** will pay only for repairs actually made to **your covered car**. **We** will not pay money to **you** instead of paying to repair **your covered car** unless **we** determine that **your covered car** is a **total loss**. In paying for repairs, **we** will pay the repair shop directly rather than paying **you**.
- e. This policy requires **you** to sign an Authorization to Release Vehicles (which is attached to and is a part of this policy) permitting **us** to release, move, and/or transfer **your covered car** after an **accident** without

any further communication from **you**, if **your covered car** is a **total loss**.

- f. **We** may keep all or part of the **covered car** upon payment to **you** of its agreed or appraised value. **We** may settle any **loss** with **you**, the **owner** or lienholder.
3. Provisions pertaining to loss payee
 - a. Payment for damage to a **covered car** will be made according to **your** interest and the interest of any Loss Payee or lienholder shown on the **Declarations Page** or designated by **you**. Payment will be made to both jointly, or separately, at our discretion.
 - b. **We** will be entitled to the Loss Payee or lienholder's rights of recovery, to the extent of **our** payment to the Loss Payee or lienholder.
 - c. If **we** are asked to pay the loss payee, **we** will apply the deductible shown on the **Declarations Page** for Part IV coverage or \$500, whichever is less. This loss payee deductible provision applies if, when a **loss** occurs, the loss payee shows:
 - i. the named insured has defaulted in payment; and
 - ii. the loss payee has made all reasonable efforts to collect overdue payments, and, failing to do so, has, after the **loss** occurs, repossessed the vehicle shown in the **Declarations Page**,
 - iii. Nothing in this provision changes the amount of the deductible(s) shown on the **Declarations Page** for the interest of the named insured.
 - d. The requirement of a triple deductible for losses within the first 60 days of the policy's inception date and time or the date and time of reinstatement or renewal after a lapse shall not apply to the loss payee.

Part IV - Damage to Covered Car: No Benefit to Bailee

Coverage under this Part IV will not directly or indirectly benefit any carrier or other bailee for hire.

Part IV - Damage to Covered Car: Other Insurance

If there is other applicable 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.

Part IV: Damage to Covered Car: Appraisal

If **we** cannot agree with **you** on the amount of **loss**, then **you** or **we** may demand an appraisal of the **loss**. If so, each party shall appoint a competent and impartial appraiser. The appraisers will

determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. A decision agreed to by any two will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and all other expenses of the appraisal will be shared equally between **you** and **us**. Neither **you** nor **we** waive any rights under this policy by agreeing to an appraisal.

GENERAL PROVISIONS APPLICABLE TO ENTIRE POLICY

General Provisions: Policy Period and Territory

This policy applies only to **accidents** and **losses** which occur during the policy period shown on the **Declarations Page** and:

1. within any state, territory or possession of the United States of America;
2. any province of Canada; or
3. while a **covered car** is being transported between their ports.

General Provisions: Policy Changes

This policy, **your** application for insurance (which is made a part of this policy and is attached thereto), the **Declarations Page**, and endorsements issued by **us** to this policy, contain all the agreements between **you** and **us** and its terms may not be changed or waived except by written endorsement issued by **us**.

The premium for each **car** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete and **you** will promptly notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust your premium during the policy period, or take other appropriate action. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of change. To properly insure **your car**, **you** must promptly notify **us** when:

1. **you** change **your** residence address or the address where the **covered car** is principally garaged;
2. **you** wish to add or delete covered drivers.
3. **you** acquire a **car** that **you** wish to add to the policy; or
4. the type of use changes for a **covered car**.

Changes that result in premium adjustment are contained in **our** rates and rules. These include, but are not limited to:

1. changes in the number, type, or use classification of **covered cars**;
2. changes in drivers using **covered cars**, their ages, driving, accident, or claim record, or marital status;

3. a relative or resident obtaining a driver's license or operators permit;
4. changes in the place of principal garaging of any **covered car**;
5. changes in coverage, deductibles, or limits of liability; or
6. changes in rating territory or discount or surcharge eligibility.

General Provisions: Coverage for a New Car or a Replacement Car

A **new car** or a **replacement car** will have the coverages and limits shown on the **Declarations Page** under Part I - Liability to Others, Part II – Medical Payments, and Part III - Uninsured/Underinsured Motorist.

However, any coverage for a **new car** or a **replacement car** under Part IV – Damage to **Covered Car** will be applicable as follows:

1. For a **replacement car**, the Comprehensive and/or Collision coverages, deductibles and limits of liability will be those provided for the replaced **car** for the earlier of ninety-six (96) hours after **you** become the owner of the car or the date and time the policy subsequently expires or is canceled, unless **we** agree, in writing, to a further extension of coverage. If **you** apply to **us** for insurance after this ninety-six (96) hour period, any Comprehensive or Collision coverage **we** provide will begin no earlier than the date and time **you** request the coverage provided the following four conditions are met:
 - a. **you** request **us** to add Comprehensive and/or Collision coverages to the **new car**; and
 - b. **you** allow **our** agent to photograph and inspect the vehicle; and
 - c. **we** agree to provide the Comprehensive and/or Collision coverage; and
 - d. **you** and **we** agree upon deductible(s) for the Comprehensive and/or Collision coverages.
2. For a **new car**, any Comprehensive or Collision coverage we provide will begin no earlier than the date and time **you** request the coverage provided the following four conditions are met:
 - a. **you** request **us** to add Comprehensive and/or Collision coverages to the **new car**; and
 - b. **you** allow **our** agent to photograph and inspect the vehicle; and
 - c. **we** agree to provide the Comprehensive and/or Collision coverage; and
 - d. **you** and **we** agree upon deductible(s) for the Comprehensive and/or Collision coverages.

When a revised **Declarations Page** is delivered to **you**, it will list the **new car** or **replacement car** with its applicable coverages.

General Provisions: Terms of Policy to Conform to Arizona Law

If any provision of this policy fails to conform to the legal requirement of the state of Arizona, the provisions shall be deemed amended to conform to such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state of Arizona.

General Provisions: No Transfer of Policy Without Our Consent

This policy may not be transferred to another person without **our** written consent. If **you** die, this policy will provide coverage for **your** legal representative, while acting such with respect to his/her legal responsibility to maintain or use a **covered car** through the end of the policy period.

General Provisions: Fraud or Misrepresentation

Misrepresent or misrepresentation means representation of information to **us** on **your** application for insurance, during the policy period, or in connection with the presentation or settlement of a claim that is known by **you** or an **insured person** to be false or misleading and affects either the eligibility for coverage and/or premium that is charged. This also includes concealment of such information relevant to **your** application for insurance, the maintenance of coverage, or the presentation or settlement of a claim once the policy is in force.

This policy was issued in reliance upon information provided on **your** insurance application. **We** may cancel this policy and deny coverage under this policy if **you** or an **insured person** have fraudulently misrepresented any material fact or circumstance at the time application was made or to obtain a renewal of this policy. This means that **we** will not be liable for any claims or damages which would otherwise be covered. **We** will not provide coverage under this policy if there has been fraud or misrepresentation even after the occurrence of an **accident** or **loss**. However, if **we** cancel this policy for fraud or misrepresentation, this shall not affect coverage under Part I – Liability to Others up to the limits of liability required by the Arizona Financial Responsibility Act if the **accident** occurs before **we** notify **you** that the policy is canceled.

We will not provide coverage under this policy to any person who 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.

We reserve all rights to indemnity against a person committing fraud or misrepresentation for all payments made and costs incurred. If **you** or an **insured person** commits fraud or misrepresentation and **we** are required to make payment because of the financial responsibility laws of any state, or because of **our** obligation to a lienholder, **we** have the right to recover all damages and expense from **you**.

General Provisions: Payment of Premium

If **you** tender a check, draft, electronic funds transfer, or other similar form of remittance to **us** for any full or partial payment of **your** premium, and the form of payment is not honored by the financial institution because of insufficient funds, a closed account, or stop payment, a service charge will be added to your account balance.

General Provisions: Cancellation and Non-Renewal

You may cancel this policy by mailing or faxing a written request for cancellation to **us** or **our** agent, stating the future date that **you** wish the cancellation to be effective. Coverage shall cease and the policy period shall end on the latest date listed below:

1. 12:01 am on the day specified by **you** in the request for cancellation; or
2. 12:01 am on the day the request is received by **us** or **our** agent.

We may cancel or refuse to renew this policy by mailing a notice of cancellation or non-renewal, by certified mail or United States Postal Office certification of mailing, to the named insured shown on the **Declarations Page** at the last known address appearing in **our** records. Except as otherwise stated in this provision, notice will be mailed at least ten (10) days before the effective date of cancellation or non-renewal.

If **you** do not pay the required premium for the policy within seven (7) days after the premium payment due date, **we** may cancel or refuse to renew this policy. For renewal premiums and premiums other than the first premium due under this policy, **you** will have a grace period of seven (7) days for the payment of the premium due. This policy continues in force during the grace period. Notice of cancellation for nonpayment of premium will be mailed no earlier than eight (8) days after the date the premium is due. Cancellation or non-renewal for non-payment of premium after a grace period is effective at 12:01 am on the date the notice is mailed.

We will not cancel this policy solely because of the location of residence, age, race, color, religion, sex, national origin, or ancestry of anyone who is insured. However, **we** may cancel this policy for underwriting reasons within the first fifty-nine (59) days of the initial policy period.

Once this policy is in effect for sixty (60) days, or if this is a renewal or continuation policy, **we** may cancel or refuse to renew this policy only for one or more of the following reasons:

1. non-payment of premium within seven (7) days after the premium payment due date;
2. the policy or a renewal of this policy was obtained through fraud or misrepresentation;
3. **you**, a person residing in **your** household, or any person who customarily or regularly and frequently operates a **covered car**:

- a. has had his or her driver's license suspended or revoked during the policy period;
- b. becomes permanently disabled, either physically or mentally, unless the person produces a certificate from a physician or registered nurse practitioner testifying to the person's ability to operate a **motor vehicle**.
- c. has within the thirty six (36) months prior to the effective date and time of the policy or during the policy period, been convicted of:
 - i. criminal negligence, resulting in death, arising out of the operation of a motor vehicle;
 - ii. homicide or assault arising out of the operation of a motor vehicle;
 - iii. driving while intoxicated or under the influence of drugs;
 - iv. leaving the scene of an accident;
 - v. making false statements in application for a driver's license; or
 - vi. reckless driving.
4. **we** have been placed in rehabilitation or receivership by the insurance officials of **our** state of domicile or by a court of competent jurisdiction; or
5. Arizona's Director of Insurance has suspended **our** authority because **our** financial condition is hazardous or has determined that the continuation of this policy would jeopardize **our** solvency or place **us** in violation of the laws of Arizona.

In addition to 1-5 above, **we** may refuse to renew this policy if either **you**, a person residing in **your** household, or any person who customarily or regularly and frequently operates a **covered car** has, within the thirty-six (36) months prior to the notice of non-renewal, **had** three (3) or more at-fault **accidents** in which the **property damage** paid for each accident exceeded the amount published annually by the Arizona Department of Insurance for accidents occurring after January 1, 2000. The property damage threshold amount for **accidents** that occur during 2010 is \$2,360, during 2011 is \$2,400 and during 2012 is \$2,480. For **accidents** occurring after 2012, the applicable threshold amount is the amount published by the Arizona Department of Insurance. This does not apply if **you** have been insured with **us** for standard automobile **bodily injury** coverage for at least ten (10) consecutive years prior to the most recent at-fault **accident**. As used in this provision, "at-fault" means the person is at least fifty percent (50%) responsible for the **accident**. Notice of **our** refusal to renew for three or more at-fault accidents shall be mailed at least forty-five (45) days before the effective date of non-renewal. If **you** believe **we** have made an incorrect determination of fault, **you** may file a written objection with the Arizona Director of Insurance within ten (10) days after **you** receive notice of non-renewal.

If this policy is subject to:

1. cancellation or non-renewal under reason three (3) above because of the wrongdoing or fault of a person other than **you**; or
2. non-renewal because a person other than **you**, has had three (3) or more at-fault accidents;

We will not terminate this policy if **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 the such excluded person.

We will mail notice of cancellation or non-renewal to the named insured shown on the **Declarations Page** at the last known address for the named insured appearing in our records.

Upon cancellation, **you** may be entitled to a premium refund or owe **us** for unpaid earned premium and/or fees. The premium refund or balance due, if any, will be calculated as follows:

1. If cancellation is initiated by **us** for underwriting reasons earned premium shall be computed pro rata;
2. If cancellation is for any other reason, including cancellation for non-payment of premium, the earned premium shall be computed pro rata and **we** shall retain a \$40.00 cancellation fee.

All fees are fully earned as soon as the event that triggers the fee occurs.

General Provisions: Proof of Mailing Notice of Cancellations or Refusal to Renewal

Proof of mailing a notice of cancellation or of **our** refusal to renew by certified mail or United States Post Office certificate of mailing is sufficient proof of such notice. Proof of mailing of any other notices will be sufficient proof of notice.

General Provisions: Coverage Changes

If **we** make a change that broadens coverage **you** have under this edition of **your** policy, without additional charge, **you** will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in **your** state. This provision does not apply to a general program revision or issuance of a subsequent edition of **your** policy. Otherwise, this policy can only be changed by endorsement issued by **us**.

General Provisions: Legal Action Against Us

We may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued for payment under Part 1- Liability to Others until the obligation of an **insured person** to pay is finally determined either by final judgment against that person or written agreement of the **insured person**, the claimant, and **us**. No one will have any right to make **us** a party to a lawsuit

to determine the liability of an **insured person**. If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

General Provisions: Our Right to Recover Payment

In the event of any payment under this policy, **we** are entitled to all the rights of recovery that the **insured person** to whom, or upon whose behalf, payment was made has against another, except that:

1. this does not apply to payment under Part III - Underinsured Motorist Coverage;
2. if **we** make a payment under Uninsured Motorist Coverage, **we** are subrogated to only those rights of recovery which the **insured person** has against the **owner** or operator of an **uninsured motor vehicle**; and

If **we** are entitled to recovery, the **insured person** to whom or upon whose behalf, payment was made must sign and deliver to **us** any legal papers relating to that recovery, do whatever else is necessary to help **us** exercise those rights, and do nothing after an **accident** or **loss** to prejudice **our** rights.

When an **insured person** or third-party claimant has been paid by **us** under this policy and also recovers from another person, entity, or organization, the amount recovered will be held by the **insured person** or third-party claimant in trust for **us** and reimbursed to **us** to the extent of **our** payment.

If the **insured person** makes a recovery from a responsible party without our written consent, the **insured person's** right to payment under any affected coverage, other than Part II - Medical Payments Coverage or Part III - Uninsured/Underinsured Motorist Coverage, will no longer exist.

General Provision: Bankruptcy or Insolvency of Insured Person

The bankruptcy or insolvency of **you** or any other person qualifying as an **insured person** under Parts I, II, III, or IV above will not relieve us of any obligation under this policy.

OPTIONAL NAMED DRIVER EXCLUSION

If **you** have asked **us** to exclude any person from coverage under this Policy, then **we** will not provide coverage under Part I, Part II, or Part IV for claims arising from an accident or loss while a covered car is operated by an excluded person. THIS INCLUDES ANY CLAIM FOR DAMAGES MADE AGAINST **YOU**, OR ANY OTHER PERSON OR ORGANIZATION FOR ANY NEGLIGENCE WHICH MAY BE IMPUTED BY LAW FOR AN **ACCIDENT** ARISING OUT OF THE OPERATION OF A **COVERED CAR** BY THE EXCLUDED DRIVER.

This exclusion from coverage applies to any use or operation of a **motor vehicle** including the negligent or alleged negligent entrustment of a **motor vehicle** to any designated excluded driver. This exclusion from coverage shall apply to excluded persons regardless of where they reside or whether they are licensed to drive, until they are added to the policy and **we** approve the addition in writing.

You agree to reimburse **us** for any payment made by **us** to a loss payee because of **loss** arising from the operation or use of a **motor vehicle** by an excluded person.

In witness whereof, Nevada General Insurance Company has caused this policy to be signed and attested by its President and countersigned on the **Declarations Page** by a duly authorized representative of the company.

OPTIONAL NAMED OPERATOR – NON-OWNED CAR COVERAGE

If **you** elect Named Operator – Non-Owned Car Coverage, **you** agree with **us** that this policy is amended as follows:

1. DEFINITIONS APPLICABLE THROUGHOUT ENTIRE POLICY:

- a. The first sentence after “DEFINITIONS APPLICABLE THROUGHOUT ENTIRE POLICY” is deleted and replaced by the following:

Throughout this policy, “**you**” and “**your**” refer to the first named insured in the Declarations Page; and “**we**”, “**us**”, and “**our**” refer to the Company providing this insurance.

- b. Definition 7, “**Covered car**” is deleted and replaced by the following:

7. “**Covered car**” means any **car** that is not owned by **you** if this policy is certified as proof of financial responsibility. If this policy is not certified as proof of financial responsibility, “**Covered car**” means any **car** that is not **owned** by or registered to:

- a. **you**,
- b. a relative,

- c. **your** employer,
- d. **your** spouse, or
- e. any other person who resides in **your** household.

2. **Part I – Liability to Others: Additional Definition**

When used in this Part I, the additional definition of “**insured person**” and “**insured persons**” is deleted and replaced by the following:

“**Insured person**” and “**insured persons**” means:

1. **you**, with respect to an accident arising out of the use of a **covered car** with the express or implied permission of the **owner**; and
2. any person or organization with respect only to vicarious liability for an **accident** arising out of the use of a **covered car** by **you** with the express or implied permission of the **owner**.

3. **Part I – Liability to Others: Other Insurance**

The Other Insurance provision of Part I – Liability to Others is deleted and replaced by the following:

The insurance **we** provide for a **covered car** under this Part I is excess over any other collectible auto liability insurance.

4. **Part II – Medical Payments: Additional Definitions**

When used in this Part II, the additional definition of “**insured person**” and “**insured persons**” is deleted and replaced by the following:

“**Insured person**” and “**insured persons**” means **you**, but only if **bodily injury** occurs while **you** are occupying a **covered car**.

5. **Part III – Uninsured/Underinsured Motorist: Additional Definitions**

When used in this Part III, the additional definition of “**insured person**” and “**insured persons**” is deleted and replaced by the following:

1. “**Insured person**” and “**insured persons**” mean:
 - a. **you**;
 - b. any person **occupying** a **covered car** operated by **you**; and
 - c. any person who is entitled to recover damages covered by this Part III because of **bodily injury** to **you**.

6. **Part III – Uninsured/Underinsured Motorist: Other Insurance**

The Other Insurance provision under Part III is deleted and replaced by the following:

If this policy and any other policy providing similar insurance apply to the same **accident** or **loss**, any insurance **we** provide with respect to a **car you** do not **own** shall be excess over any other collectible insurance.

We will not pay for any damages that would duplicate any payment made for damages under other insurance.

If **you** are injured while not **occupying a motor vehicle**, the coverage provided under this policy shall be excess to any uninsured or underinsured motorist coverage provided by a policy under which **you** are named as an insured.

Notwithstanding any other provision in this policy, if **you** purchase multiple policies from **us**, or an affiliated company on different **cars**, **you** are entitled to uninsured or underinsured motorist benefits under only one (1) of these policies. The policy with the highest limits of liability shall apply unless **you** elect to apply a different policy.

7. No coverage applies under **Part IV – Damage to Covered Car** of this policy.

All other terms, limits, and provisions of this policy remain unchanged.

In witness whereof, Nevada General Insurance Company has caused this policy to be signed and attested by its President and countersigned on the **Declarations Page** by a duly authorized representative of the company.

A handwritten signature in black ink, appearing to read "Sam B. Meyer", is written over a light blue rectangular background.

President