

# CALIFORNIA

## PERSONAL AUTO POLICY



**This policy may have restrictive endorsements attached. If so, please read them carefully. If you have any questions regarding their effect on your coverage, contact us for further explanation. These policy provisions along with the Declarations Page, completed Application, and listed Endorsements complete the terms and conditions of this policy.**

**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 insurance in order to avoid compliances and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile.

**Stonewood Insurance Services, Inc.  
P.O. Box 2528  
Rancho Cordova, CA 95741-2528  
800-396-1485  
[www.stonewoodinsurance.com](http://www.stonewoodinsurance.com)  
License No. OE52060**

**UNDERWRITTEN BY WESTERN GENERAL INSURANCE COMPANY**

**TABLE OF CONTENTS**

RESTRICTED POLICY DISCLOSURE ..... 4  
AGREEMENT ..... 4  
DEFINITIONS USED THROUGHOUT THIS POLICY ..... 5

PART I – LIABILITY ..... 6  
    COVERAGE A – LIABILITY COVERAGE ..... 6  
    ADDITIONAL DEFINITIONS..... 7  
    ADDITIONAL PAYMENTS ..... 7  
    EXCLUSIONS..... 8  
    CONFORMITY WITH FINANCIAL RESPONSIBILITY LAWS ..... 9  
    POLICY LIMITS..... 9  
    PERMISSIVE USER LIMIT OF LIABILITY ..... 10  
    OTHER INSURANCE ..... 10  
    BANKRUPTCY OR INSOLVENCY OF INSURED PERSON ..... 10

PART II – EXPENSES FOR MEDICAL SERVICES ..... 10  
    COVERAGE B – MEDICAL PAYMENTS COVERAGE ..... 10  
    ADDITIONAL DEFINITIONS USED IN THIS MEDICAL PAYMENTS COVERAGE PART  
    ONLY ..... 10  
    EXCLUSIONS..... 11  
    POLICY LIMITS FOR THIS MEDICAL PAYMENTS COVERAGE PART ..... 11  
    OTHER INSURANCE ..... 12  
    OUR RECOVERY RIGHTS..... 12

PART III – UNINSURED MOTORIST/UNDERINSURED MOTORIST COVERAGE ..... 12  
    COVERAGE C – UNINSURED MOTORIST/UNDERINSURED MOTORIST COVERAGE 12  
    ADDITIONAL DEFINITIONS..... 13  
    EXCLUSIONS..... 16  
    POLICY LIMITS..... 17  
    OTHER INSURANCE ..... 18  
    ARBITRATION ..... 18

PART IV – CAR DAMAGE ..... 19  
    COVERAGE D – CAR DAMAGE COVERAGE ..... 19  
    NAMED DRIVERS ONLY..... 19  
    NAMED VEHICLE ONLY..... 19  
    NO COVERAGE FOR TEMPORARY SUBSTITUTE CAR. .... 19  
    TRIPLE DEDUCTIBLE..... 19  
    NO CASH OUT ALLOWED. .... 20  
    NO PAYMENT FOR STORAGE OF YOUR INSURED CAR ..... 20  
    NO RENTAL CAR COVERAGE/REIMBURSEMENT..... 20  
    POWER OF ATTORNEY..... 20  
    OEM PARTS..... 20  
    RETAINED/NON-DELIVERED KEY DEDUCTIBLE..... 20  
    ADDITIONAL DEFINITIONS..... 20

SOUND SYSTEM COVERAGE.....	21
EXCLUSIONS.....	21
POLICY LIMITS.....	23
NO BENEFIT TO BAILEE.....	23
OTHER INSURANCE.....	23
LOSS PAYABLE DEDUCTIBLE PROVISION.....	23
PART V – WAIVER OF COLLISION DEDUCTIBLE.....	24
COVERAGE E – WAIVER OF COLLISION DEDUCTIBLE COVERAGE.....	24
ADDITIONAL DEFINITIONS USED IN THIS PART ONLY.....	24
PART VI - IN CASE OF ACCIDENT.....	24
PART VII – GENERAL PROVISIONS.....	25
POLICY PERIOD, TERRITORY.....	25
CHANGES.....	25
MISREPRESENTATION OR FRAUD.....	26
TWO OR MORE CARS INSURED.....	26
SUIT AGAINST US.....	26
OUR RECOVERY RIGHTS.....	26
FINANCIAL RESPONSIBILITY FILING.....	27
ASSIGNMENT.....	27
DEATH OF POLICYHOLDER OR RESIDENT SPOUSE.....	27
CANCELLATION OF THIS POLICY.....	27
NON-RENEWAL.....	29
PREMIUM INCREASES.....	29
CONSUMER ASSISTANCE.....	30

THIS IS A RESTRICTED POLICY.

PLEASE READ THIS POLICY CAREFULLY.

THE 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, THIS ENGLISH LANGUAGE VERSION SHALL CONTROL IN ALL RESPECTS. TO THE EXTENT THAT ANY CONFLICT ARISES IN THE USE OF ANY TERM UNDER CALIFORNIA LAW, THE ENGLISH VERSION SHALL PREVAIL.

AGREEMENT

We agree with **you** in return for **your** premium payment, to insure **you** subject to all the terms of this **policy**. We will insure **you** for the coverages and the limits for which premium is shown in the **Declarations** of this **policy**.

GLOBAL EXCLUSION – THIS EXCLUSION APPLIES TO THE ENTIRE POLICY

**NAMED VEHICLES ONLY. THIS POLICY AND ALL OF ITS PARTS COVER ONLY VEHICLES THAT ARE LISTED IN THE DECLARATIONS. THERE IS NO COVERAGE UNDER THIS POLICY IF YOU ARE DRIVING ANY OTHER VEHICLE. IN OTHER WORDS, IF YOU DRIVE ANOTHER VEHICLE (BORROWED, RENTED OR OTHERWISE) THIS POLICY WILL PROVIDE NO INSURANCE OF ANY KIND.**

This exclusion does not apply to the 72 hours immediately following acquisition of a new or replacement vehicle, and does not apply to cars added to the **policy**. However, it does apply to a **temporary substitute car**.

**PERMISSIVE USER LIMIT OF LIABILITY**

If this **policy** provides coverage that exceeds the minimum limits required by the applicable financial responsibility law of the **state** of California, then such coverage in excess of the minimum shall not apply to the operation, maintenance or use of **your insured car** by any person other than **you** or a person named in the **Declarations**. At the time this policy was drafted, the financial responsibility laws in California state **Bodily Injury** Liability limits must meet the minimum of \$15,000 per person and \$30,000 for all persons per accident and **Property Damage** Liability limits must meet the minimum of \$5,000 per accident.

## DEFINITIONS USED THROUGHOUT THIS POLICY

As used throughout this **policy** and shown in bold print:

1. **“We”**, **“us”** and **“our”** mean the Company providing this insurance.
  2. **“You”** and **“your”** mean the policyholder named in the **Declarations**.
  3. **“Bodily injury”** means **bodily injury** to or sickness, disease or death of any person. **Bodily injury** does not include any sexually transmitted disease.
  4. **“Declarations”** means the document showing **your** coverages, limits, covered cars, premium, and other **policy**-related information. The **Declarations** may also be referred to as **“Declarations page”**.
  5. **Insured car”** means:
    - a. Any vehicle shown in the **Declarations**.
    - b. Any additional **private passenger car** or **utility car** on the date **you** became an owner. This provision applies only if **you**:
      1. acquire the vehicle during the **policy** period; and
      2. **notify us** to insure it within 72 hours after **you** become the owner. If the vehicle **you** acquire replaces one shown in the **Declarations**, it will have the same coverage as the vehicle it replaced. If **you** do not **notify us** until after the 72 hour period **we** will add **your** car to the **policy** as of the date **we** are **notified**.

If the vehicle **you** acquire is in addition to any shown in the **Declarations**, Car Damage Coverage will not apply automatically unless all other vehicles shown in the **Declarations** are afforded Car Damage Coverage under this **policy**. If you wish to add Car Damage Coverage to your newly acquired vehicle, **you** must **notify us** within 72 hours if **you** wish to add Car Damage Coverage.

A **temporary substitute car** is excluded from the definition of **your insured car** and shall not be provided any coverage.
  - c. Any **utility trailer you** own while attached to **your insured car** and in lawful use.
6. **“Notification”** or **“notify”** means, with respect to the 72 hour replacement vehicle provisions, that **you** must tell **us** of your acquisition of the new vehicle, request addition of the new vehicle or replacement vehicle to the **policy**, and pay the premium for coverage for such additional or replacement vehicle. If the vehicle is added after the 72 hour period, the effective date of the addition shall be the date it is added to the **policy**.

7. **“Occupy,” “occupying,” and “occupied”** means a person’s location inside of a motor vehicle.
8. **“Policy”** means this **policy** contract, your insurance application, the **Declarations**, the restricted **policy** disclosures, and all endorsements.
9. **Private passenger car**” means a four-wheel vehicle of the private passenger type.
10. **“Property damage”** means physical damage to or destruction of tangible property, including loss of its use.
11. **“Resident relative”** means a person living in **your** household, related to **you** or **your** spouse by blood, marriage, registered domestic partnership under California law Family Code 297 and 298, or adoption, including a ward or foster child. **Resident relative** includes **your** spouse if he/she lives in **your** household. **Resident relative** does not include a roommate, housemate, or unmarried cohabitate.
12. **“State”** means the District of Columbia, and any state, territory or possession of the United States and any province of Canada.
13. **“Temporary substitute car”** means any car which is used as a substitute for **your insured car** while **your insured** car is withdrawn from normal use because of its breakdown, repair, servicing, **loss**, or destruction or any lack of availability for use.
14. **“Utility car”** means a car with a rated load capacity of 2,000 pounds or less, of the pick-up, sedan delivery or panel truck type not used in the business or occupation other than farming or ranching of **you** or a **resident relative**. **Utility car** shall not include pickup trucks with a GVWR of 11,500 pounds or more, an unladen weight of 8,001 or more pounds, or equipped with a box-type bed exceeding 9 feet in length or any **utility car** used in a commercial manner.
15. **“Utility trailer”** means a vehicle less than 1,500 lbs designed to be towed by a **private passenger car** or **utility car** if not used as a home, office, store, display trailer, passenger trailer, or for business purposes.

## PART I – LIABILITY

### COVERAGE A – LIABILITY COVERAGE

**We** will pay damages for which any **insured person** is legally liable because of **bodily injury** and **property damage** sustained in an accident arising out of the ownership, maintenance or use of a **private passenger car** that is an **insured car**, a **utility car** that is an **insured car** or a **utility trailer** while attached to an **insured car**.

**We** will defend any suit seeking damages covered by this **policy**. We may settle any claim as we deem appropriate for these damages. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this **policy**. **Our** agreement to settle or defend ends when **our** limits under this Liability Coverage Part have been paid in settlement or to satisfy a judgment.

#### ADDITIONAL DEFINITIONS USED IN THIS LIABILITY COVERAGE PART ONLY

As used in this Part:

1. “**insured person**” or “**insured persons**” mean:
  - a. **You**.
  - b. Any **resident relative**;
  - c. Any other person listed as an insured or an authorized driver on the **policy’s Declarations**;
  - d. Any other person or organization with respect only to legal liability for acts or omissions of any person covered under this Liability Coverage Part while using **your insured car** with **your** permission and while in the scope of that permission.
2. “**auto business**” means a business or occupation of selling, repairing, servicing, storing or parking automobiles for use mainly on public highways. This includes road testing and delivery.

#### ADDITIONAL PAYMENTS

As respects an **insured person**, **we** will pay, in addition to **our** limits for this Liability Coverage Part:

1. All costs **we** incur in the settlement of any claim or defense of any suit.
2. Interest on any judgment, including pre-judgment interest, in any suit **we** defend, which accrues before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** limit for this Liability Coverage Part as shown in the Declarations.
3. Premiums on appeal bonds and attachment bonds required in any suit **we** defend. But **we** will not pay the premium for attachment bonds for an amount in excess of **our** limits for this Liability Coverage Part as shown in the Declarations. **We** have no obligation to apply for or to furnish such a bond.
4. Any charge not exceeding \$100 for a bail bond required due to a traffic law violation or auto accident causing **bodily injury** or **property damage** covered by this Liability Coverage Part. **We** have no obligation to apply for or furnish such a bond.
5. Any other reasonable expenses incurred at **our** request.

## EXCLUSIONS

The insurance in this Liability Coverage Part does not apply to:

1. **Bodily injury or property damage** arising out of the ownership, maintenance or use of a vehicle when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. **Bodily injury or property damage** caused intentionally by or at the direction of an **insured person**.
3. Punitive or exemplary damages for which any **insured person** is legally liable.
4. **Bodily injury or property damage** with respect to which any person is an insured under nuclear energy liability insurance. This exclusion applies even if the limits of that insurance are exhausted.
5. Liability imposed upon or assumed by any **insured person** under any workers' compensation law.
6. **Bodily injury or property damage** caused by or sustained by any person while employed or otherwise engaged in the **auto business** and arising out of **auto business** operations. This exclusion does not apply to **you**.
7. **Bodily injury or property damage** caused by or sustained by any person arising out of the maintenance or use of any vehicle while that person is employed or otherwise engaged in any business or occupation. This exclusion does not apply to third parties engaged in their occupation. This exclusion does not apply to the ownership, maintenance, or use of **your insured car** provided that: (a) the use of **your insured car** is rated as a business or artisan as set forth in the **Declarations**; and (b) **your insured car** is not used in wholesale or retail delivery. "Delivery" includes the transportation of any materials for the purpose of any wholesale or retail business unless the materials are to be used on the job site.
8. **Property damage to:**
  - a. property owned or transported by an **insured person**;
  - b. property rented to or in charge of an **insured person**.
  - c. a motor vehicle or trailer operated or towed by any **insured person**.
9. **Bodily injury or property damage** arising out of the ownership, maintenance or use by an **insured person** of any motorized vehicle with less than four (4) wheels.
10. **Bodily injury** to any **insured person**.
11. Liability assumed by an **insured person** in any contract.
12. To any automobile while operated in any race or speed contest or practicing for such contest.
13. **Bodily injury** to an employee, or **property damage** to property of an employee, caused by a fellow employee if the injury occurs in the course and scope of



employment. This exclusion does not apply if the bodily injury was caused by **your** operation, maintenance, or use of **your insured car**.

14. **Bodily injury** or **property damage** arising out of the loading or unloading of any motor vehicle unless the loading or unloading is by **you**, a **resident relative**, a person leasing **your insured car** from **you**, or a person or organization to whom **you** temporarily entrust **your insured car**.
15. Charges, fees and administrative expenses for services performed by law enforcement and municipal personnel when responding to a motor vehicle accident or loss.

## CONFORMITY WITH FINANCIAL RESPONSIBILITY LAWS

When **we** certify **this policy** as proof under any financial responsibility law, it will comply with the law to the extent of the coverage required by the law.

## POLICY LIMITS FOR THIS LIABILITY COVERAGE PART

The limits shown in the **Declarations** for this Liability Coverage Part apply subject to the following:

1. The **bodily injury** limit for “each person” under this Liability Coverage Part is the maximum **we** will pay for injury to one person under this Liability Coverage Part for all damages from **bodily injury** sustained by one person in any one accident. Any claims for care, loss of services, and loss of consortium or injury to the relationship shall be included in this limit. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons, claims, claimants, policies, or vehicles involved in the accident**.
2. Subject to the **bodily injury** limit for “each person” described in item 1 above, the **bodily injury** limit for “each accident” is the maximum **we** will pay under this Liability Coverage Part for **bodily injury** sustained by two or more persons in any one accident. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons, claims, claimants, policies, or vehicles involved in the accident**.
3. The **property damage** limit for “each accident” under this Liability Coverage Part is the maximum **we** will pay under this Liability Coverage Part for all damages to all property in any one accident. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons, claims, claimants, policies, or vehicles involved in the accident**.

## PERMISSIVE USER LIMIT OF LIABILITY

**If this policy provides coverage that exceeds the minimum limits required by the applicable financial responsibility law of the state of California, then such coverage in excess of the minimum shall not apply to the operation, maintenance or use of your insured car by any person other than you or a person named in the Declarations. At the time this policy was drafted, the financial responsibility laws in California state Bodily Injury Liability limits must meet the minimum of \$15,000 per person and \$30,000 for all persons per accident and Property Damage Liability limits must meet the minimum of \$5,000 per accident.**

## OTHER INSURANCE

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

## BANKRUPTCY OR INSOLVENCY OF INSURED PERSON

The bankruptcy or insolvency of any **insured person** does not relieve **us** of any obligation under this Liability Coverage Part.

## PART II – EXPENSES FOR MEDICAL SERVICES

### COVERAGE B – MEDICAL PAYMENTS COVERAGE

If **you** pay the premium for this Medical Payments Coverage and the premium for this coverage is shown in the **Declarations**, **we** will pay reasonable expenses incurred within 1 year from the date of the accident for necessary medical and funeral services because of **bodily injury** sustained by an **insured person** while **occupying** an **insured car**.

### ADDITIONAL DEFINITIONS USED IN THIS MEDICAL PAYMENTS COVERAGE PART ONLY

As used in this Medical Payments Coverage Part, “**insured person**” or “**insured persons**” means:

1. **You** or any **resident relative** while **occupying your insured car** or through being struck by a highway vehicle or trailer while occupying **your insured car**.
2. Any other person while **occupying your insured car** while the vehicle is being used by **you**.

## EXCLUSIONS

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

1. Sustained while **occupying your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. Sustained while **occupying** any vehicle while located for use as a residence or premises.
3. Sustained while **occupying** a motorized vehicle with less than four (4) wheels or more than six (6) wheels.
4. Sustained while **occupying** a vehicle other than a **private passenger car** while the vehicle is being used in the business or occupation of an **insured person**. This exclusion does not apply to the ownership, maintenance or use of **your insured car** provided that:
  - a. The use of **your insured car** is rated as business or artisan as set forth in the **Declarations**; and
  - b. **Your insured car** is not used in wholesale or retail delivery. "Delivery" includes the transportation of any materials for the purpose of any wholesale or retail business unless the materials are to be used on the job site.
5. Occurring during the course of employment if benefits are payable or must be provided under a workers' compensation law or similar law.
6. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of these.

## POLICY LIMITS FOR THIS MEDICAL PAYMENTS COVERAGE PART

The limit shown in the **Declarations** for this Medical Payments Coverage Part is the most we will pay under this part for each person, regardless of the number of vehicles described in the **Declarations, insured persons**, claims or policies, or vehicles involved in the accident.

If there is valid and collectible automobile medical payments insurance available to an **insured person**, the damages which the **insured person** shall be entitled to recover from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** shall be reduced for purposes of uninsured motorist coverage by the amounts paid or payable under the automobile medical payments insurance.

## OTHER INSURANCE

Any auto medical payments insurance provided by this **policy** is excess over any other applicable auto liability, health insurance, or other medical payments insurance.

## 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.

## PART III – UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE

**NAMED VEHICLE. THIS PART APPLIES ONLY TO INSURED CARS LISTED ON THE DECLARATION PAGE. IF YOU ARE DRIVING, STRUCK BY, OCCUPYING OR IN ANY WAY INVOLVED IN A LOSS BY A VEHICLE NOT LISTED IN THE DECLARATIONS THERE IS NO COVERAGE.**

### COVERAGE C – UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE

If **you** pay the premium for this Uninsured and Underinsured Motorist Coverage and the premium for this coverage is listed in the **Declarations**, **we** will pay damages which an **insured person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** or an **underinsured motor vehicle** because of:

1. **Bodily injury**; and
2. **Property damage**;

If indicated in the **Declarations** as applicable, caused by an accident and resulting from the negligent ownership, maintenance or use of the **uninsured motor vehicle** or **underinsured motor vehicle**. But, the coverage for **property damage** does not apply as respects an underinsured motor vehicle.

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

If suit is brought to determine the legal liability of an **insured person** for damages without **our** written consent, **we** are not bound by any resulting judgment or judicial finding of fault against any party. **We** reserve the right to re-litigate any such judgment or finding.

#### ADDITIONAL DEFINITIONS USED IN THIS UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE PART III ONLY

As used in this part

1. **“Insured person”** means:

- a. **You;**
- b. **Your spouse;**
- c. Any **resident relative**, even if such **resident relative** is identified by name as an excluded driver on the **policy’s declarations**;
- d. Any other person **occupying**, upon, or getting in and out of **your insured car**, even if such person is identified by name as an excluded driver on the **policy’s declarations**;
- e. Any person for damages that person is entitled to recover because of **bodily injury to you**, a **resident relative**, or another person **occupying your insured car**.
- f. Any person identified as an **insured person** or a listed driver in the **policy’s Declarations**.

But **insured person** under this Uninsured Motorist and Underinsured Motorist Coverage Part does not include any person other than **your spouse** or a **resident relative** for using **your insured car** without **your** express or implied permission, or using **your insured car** for a purpose beyond the scope of **your** permission.

2. **“Insured motor vehicle”** means:

- a. **your insured car** listed in the **Declarations but does not include a land motor vehicle or trailer**;
- b. operated on rails or crawler-treads;
- c. which is a farm type tractor or equipment designed for use principally off public roads, while not on public roads;
- d. located for use as a residence or premises;
- e. owned or furnished or available for **your** regular use or that of a **relative**;
- f. owned or operated by a self-insurer under any motor vehicle law; or
- g. owned by a government unit or agency.

- h. Any motor vehicle **you** acquire during the **policy** period, for the 72 hours after **you** acquire such vehicle, provided that the newly acquired motor vehicle is driven by **you**, a **resident relative**, or any other person with **your** express or implied permission.
- i. A **temporary substitute car** if it is used by **you**, **your** spouse, or a **resident relative** or with **your** express or implied permission.
- j. Any other motor vehicle not owned by or furnished for **your** regular use or the regular use of any **resident relative**, while being operated by **you** or **your** spouse if he/she is a resident of **your** household.
- k. Any motor vehicle not owned by or furnished for regular use of any natural person identified by name as excluded from coverage under this Uninsured Motorist and Underinsured Motorist Coverage Part, when such motor vehicle is operated by **you** or **your** spouse if he/she is a resident of **your** household.

**Insured motor vehicle** does not include:

- a. Any moped, motorized bicycle, or any other device that may be propelled by pedaling.
  - b. Any vehicle while used as a public livery or conveyance. However, this paragraph does not apply to **your** operation of a motor vehicle in the performance of volunteer services for a nonprofit charitable organization or government agency, if, at the time of the accident **you** were providing social service transportation.
3. “**Property damage**” means physical damage to or destruction of **your insured car**, and does not include loss of use. Loss of use is excluded from the definition of **property damage** only for this Uninsured Motorist and Underinsured Motorist Coverage Part.
4. “**Underinsured Motor Vehicle**” means a motor vehicle which is insured for **bodily injury** by a liability bond or liability insurance policy at the time of the accident, but such liability bond or liability insurance policy has **bodily injury** limits that are lower than the **uninsured motor vehicle bodily injury** limits of this Uninsured Motorist and Underinsured Motorist Coverage Part.
5. “**Uninsured Motor Vehicle**” means:
- a. a motor vehicle for which there is no liability bond or liability insurance policy applicable at the time of the accident;
  - b. a motor vehicle for which there is a liability bond or liability insurance policy applicable at the time of the accident but the insurer or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation;
  - c. a motor vehicle for which there is a liability bond or liability insurance policy is applicable at the time of the accident but the insurer or bonding company becomes insolvent within one (1) year of the accident;

- d. a motor vehicle other than **your insured car** if used with the owner's permission and there is no liability insurance policy or liability bond covering the owner or operator of that motor vehicle at the time of the accident.
- e. any motorcycle or private passenger-type four-wheel drive motor vehicle if that vehicle was subject to and failed to comply with the Financial Responsibility Law of California.
- f. an **insured motor vehicle** when driven with or by a criminal without **you, your spouse's** or a **resident relative's** consent in connection with criminal activity to which neither **you, your spouse,** nor a **resident relative** is a party, provided that the criminal activity is documented in a law enforcement report.
- g. for **bodily injury** only, a motor vehicle that is a hit-and-run vehicle whose operator and owner are unknown, if:
  - i. the motor vehicle owned by the unknown owner and driven by the unknown operator made physical contact with:
    - a) an **insured motor vehicle** occupied by **you, your spouse,** any **resident relative,** and/or any other person; or
    - b) **you, your spouse,** or a **resident relative,**
  - ii. **you, your spouse, a resident relative,** any person occupying the **insured motor vehicle,** or anyone acting on behalf of one or more of these persons does both of the following:
    - a) within 24 hours of the accident, reports the accident to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory, to either the sheriff of the county where the accident occurred or to the local headquarters of the California Highway Patrol; and
    - b) within 30 days of the accident **you, your spouse, a resident relative,** any person occupying the **insured motor vehicle,** or the legal representative of any of these persons or heirs files a statement with **us** stating under oath that any of the above-described persons has a cause of action (including a statement of the facts supporting the cause of action), against the person or persons whose identity is not ascertainable.
- h. for **property damage** only, an **uninsured motor vehicle** as defined above, if:
  - i. the **property damage** is the result of direct physical contact between **your insured car** and the **uninsured motor vehicle,** and

- ii. either the owner or operator of the **uninsured motor vehicle** is identified; or the **uninsured motor vehicle** is identified by its license number.

**Uninsured motor vehicle** does not include:

- a. The motor vehicle identified as **your insured car** in this **policy's declarations**;
- b. Any motor vehicle owned or operated by **you** or any **resident relative**.
- c. Any motor vehicle that is self-insured under the Financial Responsibility Law of the state in which the motor vehicle is registered.
- d. Any motor vehicle owned by the United States of America or Canada, or any state or political division of either of these governments, or any agency of any of these entities.
- e. Any land motor vehicle or trailer while used as a residence or premises and not as a vehicle.
- f. Any equipment or vehicle designed or modified for use primarily off public roads, except when such vehicle is actually upon public roads.

## EXCLUSIONS

This coverage does not apply:

- 1. To a person if that person or his or her legal representative person makes a settlement of a claim without **our** written consent.
- 2. To any person while **your insured car** is being used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
- 3. To **bodily injury** to any **insured person** (as defined in this Uninsured Motorist and Underinsured Motorist Coverage Part) while **occupying**, upon, or getting in or out of a motor vehicle other than the motor vehicle listed in the Declarations if the owner of the unlisted vehicle has uninsured motorist coverage for the non-listed motor vehicle
- 4. To **bodily injury** sustained by a person while **occupying** a motor vehicle rented or leased by **you**.
- 5. To **property damage** to a motor vehicle owned or operated by **you, your spouse, or a resident relative** to which **collision** coverage (as defined below in Part IV Car Damage Coverage) applies under any policy.
- 6. To the benefit of any insurer or self-insurer under any workers' compensation or disability benefits law or any similar law, or to any insurer of property.
- 7. Directly to the benefit of the United States or any **state** or political subdivision of the United States or any **state**.



## POLICY LIMITS FOR THIS UNINSURED AND UNDERINSURED MOTORIST COVERAGE PART

The limit shown in the **Declarations** is the most we will pay for each person under this Uninsured Motorist and Underinsured Motorist Coverage Part, regardless of the number of vehicles described in the **Declarations, insured persons**, claims, policies, or vehicles involved in the accident.

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

1. The Uninsured Motorist and Underinsured Motorist **bodily injury** limit for “each person” is the maximum **we** will pay under this Uninsured Motorist and Underinsured Motorist Coverage Part for all damages from **bodily injury** sustained by one person in any one accident. Any claims for care, loss of services, and loss of consortium or injury to the relationship shall be included in this limit. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons**, claims, claimants, policies or vehicles involved in the accident.
2. Subject to the limits for “each person”, the Uninsured Motorist and Underinsured Motorist **bodily injury** limit for “each accident” is the maximum limit **we** will pay under this Uninsured Motorist and Underinsured Motorist Part for all damages from **bodily injury** to two or more persons in one accident. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons**, claims, claimants, policies, or vehicles involved in the accident.
3. **Our** maximum **property damage** liability limit for uninsured motorist coverage is the lesser of:
  - a. the **property damage** liability limit shown in the **Declarations**; or
  - b. the actual cash value of **your insured car** subject to adjustment for depreciation of physical condition. This is the maximum **we** will pay regardless of the number of vehicles described in the **Declarations, insured persons**, claims, claimants, policies or vehicles involved in the accident.

Any amounts payable will be reduced by:

1. A payment made by the owner or operator of the **uninsured motor vehicle** or **underinsured motor vehicle** or the organization which may be legally liable;
2. Amounts paid or payable under the Liability Coverage Part of this **policy**;
3. A payment made or amount payable because of the **bodily injury** under any worker’s compensation law or disability benefits law or similar law; and
4. A payment under any property insurance policy.

## OTHER INSURANCE

If there is other insurance on a loss covered by this Uninsured Motorist and Underinsured Motorist Coverage Part, **we** will pay **our** proportionate share as **our** limits bear to the total limits of all applicable insurance. If this **policy** and any other policy providing insurance apply to the same accident, the maximum limits under all the policies shall be the highest applicable limits under any one policy. But, any insurance we provide for a vehicle **you** do not own is excess over any other insurance.

If there is valid and collectible automobile medical payments insurance available to an **insured person**, the damages which the **insured person** shall be entitled to recover from the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** shall be reduced for purposes of uninsured motorist coverage by the amounts paid or payable under the automobile medical payments insurance.

## ARBITRATION

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

1. That the person is legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle**; or
2. As to the amount of payment under this Uninsured Motorist and Underinsured Motorist Coverage Part, both we and the insured may demand in writing that the issue be determined by arbitration. In that event, the matter or matters upon which the parties do not agree shall be settled by a single neutral arbitrator. The arbitrator's decision shall be entered in a court having jurisdiction and shall have the same effect as a final judgment. Each party will pay the expenses incurred by that party and will bear the expenses of the arbitrator equally.
3. As respects **property damage**, arbitration proceedings must be formally instituted by the **insured person** within 1 year from the date of the accident.

The decision of the arbitrator will be binding as to:

1. Whether the **insured person** is legally entitled to recover damages; and
2. The amount of damages, but this applies only if the amount does not exceed the minimum limits of liability specified in the California Financial Responsibility Law. If the amount exceeds those limits, either party may demand the right to a trial after the arbitration is completed. The demand must be made within 60 days from the arbitrator's decision or within the time allowed under California law, whichever is less. If a demand is not made, the arbitrator's decision as to the amount of damages is binding. The decision of the arbitrator may be entered in any court having jurisdiction and shall have the same effect as a final judgment.

## PART IV – CAR DAMAGE

### COVERAGE D – CAR DAMAGE COVERAGE

If you pay the premium for this Car Damage Coverage and the premium is set forth in the **Declarations**, we will pay for **loss** to **your insured car**:

1. not caused by **collision** (Coverage D – 1); or
2. caused by **collision** (Coverage D – 2);

Less any applicable deductibles.

**We** may keep all or part of the damaged property at the agreed or appraised value.

**You** or **we** may demand appraisal of the **loss**. Each will appoint and pay a competent and disinterested appraiser and will equally share other appraisal expenses. The appraisers, or a judge of a court having jurisdiction, will select a third appraiser to act as an umpire. Each appraiser will state separately the actual cash value and the amount of **loss**. An award in writing by any two appraisers will determine the amount payable.

#### NAMED DRIVERS ONLY.

**THIS PART OF THIS POLICY ONLY COVERS DRIVERS THAT ARE LISTED IN THE DECLARATIONS. IF ANY PERSON DRIVES YOUR VEHICLE AND IS NOT LISTED IN THE DECLARATIONS, THERE WILL BE NO COVERAGE UNDER THIS PART.**

#### YOUR INSURED CAR – NAMED VEHICLE ONLY

**WE INSURE EACH CAR DESCRIBED IN THE DECLARATIONS AND ANY CAR YOU REPLACE IT WITH (SUBJECT TO THE DEFINITION OF INSURED CAR USED THROUGHOUT THIS POLICY) AND NONE OTHER, EXCEPT AS SET FORTH BELOW. THEREFORE, IF YOU RENT, BORROW A CAR OR OTHERWISE DRIVE A CAR THAT IS NOT LISTED IN THE DECLARATIONS AND THAT IS NOT AN INSURED CAR, THERE IS NO COVERAGE PROVIDED UNDER THIS CAR DAMAGE COVERAGE PART.**

**WE DO NOT INSURE, UNDER THIS CAR DAMAGE COVERAGE PART, ANY TEMPORARY SUBSTITUTE CAR.**

**TRIPLE DEDUCTIBLE DURING FIRST 60 DAYS AFTER POLICY INCEPTION OR REINSTATEMENT WITH LAPSE, REWRITE WITH LAPSE OR RENEWAL WITH LAPSE OR GAP IN COVERAGE. During the first 60 days after the inception date of this policy and the first 60 days after the effective date of any reinstatement, rewrite or renewal with a lapse or gap in coverage, the deductible listed on the Declarations is tripled. For**

example, this means if **you** have a \$600 deductible listed and **you** have a claim within 60 days of any of these events the deductible will be \$1,800.

**NO CASH OUT ALLOWED.** Unless your car is determined to be a total **loss** by **us**, if **you** have a covered **loss** under this part, **we** will only pay for repairs made to **your insured car** and **we** will not issue **you** a check in lieu of such actual repairs.

**NO PAYMENT FOR STORAGE OF YOUR INSURED CAR.** Except as required by law, in the event **you** have a covered **loss** under this Car Damage Coverage Part **we** will not pay for storage and **our** payment to the body shop or tow yard will be reduced by the amount of the storage cost. Therefore, it imperative that **you** work with **us** to quickly resolve any issues with **your** car so that storage costs are minimized.

**NO RENTAL CAR COVERAGE/REIMBURSEMENT.** This **policy** does not provide reimbursement for a rental car in any form for any reason. This **policy** also does not cover **you** in the event **you** drive any vehicle other than an **insured car**, including a rental car.

**POWER OF ATTORNEY.** This **policy** contains a special power of attorney that, in the event **your** vehicle is deemed a total **loss** by **us**, allows **us** to move **your** vehicle from a body shop after 72 hours in the event **we** cannot contact **you**. Therefore, after 72 hours **we** will have **your** vehicle towed, at **your** expense, to a salvage yard or other facility that **we** do business with.

**OEM PARTS.** This **policy** provides for original equipment manufactured (“OEM”) parts. We can choose to use used parts, first use after-market parts, or generic parts or **we** elect, in **our** sole discretion, to use OEM parts. We warrant that the parts used to repair **your** vehicle will be of like kind, quality, safety, fit, and performance as OEM replacement parts. **We** will pay the cost of modifying non-OEM parts if such modification is necessary to complete the repair.

**RETAINED/NON-DELIVERED KEY DEDUCTIBLE.** In the event of a covered **loss** and **you** do not give **us your** key and signed over title to the car, whichever is requested, within 72 hours, we will increase **your** deductible by \$250 to properly document the disposition of the **insured car**.

#### **ADDITIONAL DEFINITIONS USED IN THIS PART ONLY**

As used in this Part:

1. “**Collision**” means **collision** of **your insured car** with another object (including, but not limited to, another motor vehicle) or upset of **your insured car**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by

“**collision**”. If breakage of glass results from a **collision** however, **you** may elect to have it treated as **loss** caused by **collision**.

2. “**Diminution of value**” means the actual or perceived loss in market or resale value which results from a direct and accidental loss
3. “**Loss**” means direct and accidental loss of or damage to **your insured car**, including its equipment.

#### SOUND SYSTEM COVERAGE.

**We** will pay for **loss** to a sound system, its antenna, speakers, and any other apparatus specifically used with the sound system provided the sound system was installed by the original manufacturer of the **insured car**. The maximum limit for this Sound System Coverage is \$500.

#### EXCLUSIONS

The insurance in this Car Damage Coverage Part does not apply to **loss**:

1. While an **insured car** is being operated by anyone other than **you**, unless such other person has been identified to **us**, the necessary driver information supplied to **us**, and **we** have accepted and added the individual as an additional driver by showing the driver in the **Declarations** or on a separate endorsement to **your policy**.
2. To any car other than those listed in the **Declarations** (including those borrowed, rented or otherwise driven) unless the car qualifies as a replacement or additional car under definition 8 (c.) of the **DEFINITIONS USED THROUGHOUT THIS POLICY** section of this policy.
3. To **your insured car** while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
4. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of these.
5. To any of the following items, their accessories, or antennas:
  - a. Awnings, cabanas or equipment designed to provide additional space;
  - b. Camper shells and custom enclosures for pickup trucks;
  - c. Chrome, alloy or magnesium wheels;
  - d. Citizens band or two-way radios;
  - e. Custom bodywork;
  - f. Custom chroming;
  - g. Custom interiors;

- h. Custom paint;
  - i. Custom wide-tread tires or racing slicks;
  - j. Scanning monitor receivers;
  - k. Telephones;
  - l. Television sets.
6. To any sound reproducing, recording, transmitting or receiving systems located in **your insured car** unless the system was permanently installed by the manufacturer of the **insured car**.
  7. To any tapes, compact discs, or similar items used with sound equipment.
  8. To any item not permanently attached to **your insured car**.
  9. To any camper body, **utility trailer** or **personal property** contained on or in your **insured car**.
  10. Due to wear and tear, freezing or mechanical or electrical breakdown or failure. But, coverage does apply if the **loss** results from the total theft of **your insured car**.
  11. To tires. But, coverage does apply to tires if the **loss** results from fire, theft, malicious mischief or vandalism, or if the **loss** to tires occurs together with other **loss to your insured car**.
  12. To a vehicle not owned by **you** when used in **auto business** operations.
  13. To **your insured car** caused intentionally by or at the direction of **you** or a **resident relative**.
  14. Due to destruction or confiscation by government or civil authorities.
  15. To any automobile damaged while operated in any race or speed contest.
  16. If there is a total theft of **your insured car** we do not cover transportation **you** incur.
  17. We will not pay for a **loss to your insured car** due to **diminution of value**
  18. To loss due to theft or larceny of **your insured car** or its equipment where there is no visible sign of forced entry into the **auto**.

## POLICY LIMITS FOR THIS CAR DAMAGE COVERAGE PART

The limits shown in the **Declarations** for **loss** under this Car Damage Coverage Part shall not exceed the lesser of:

- a. the actual cash value of the stolen or damaged property; or
- b. the amount necessary to repair or replace the property.

However, if **loss** to **your insured car** is the result of more than one accident, a separate deductible shall be applied to each accident, thereby reducing the **policy** limit for **loss** resulting from each accident.

## NO BENEFIT TO BAILEE

This coverage shall not directly or indirectly benefit any carrier or other Bailee for hire liable for **loss** to **your insured car**.

## OTHER INSURANCE

If there is other insurance on a **loss** covered by this Car Damage Coverage Part, **we** will pay only that proportion of the **loss** that **our** limit bears to the total limit of all applicable insurance. If we do not insure all vehicles you own under this **policy**, this **policy** shall not provide any coverage to the extent such other cars have insurance that would apply.

## LOSS PAYABLE DEDUCTIBLE PROVISION

If we are asked to pay a loss payee, we will apply the deductible shown in the **Declarations**. **However, any deductible as applied our payment to the loss payee shall not exceed \$500** for this Car Damage Coverage Part.

This loss payee deductible provision is executable provided that when a **loss** occurs, the loss payee can show:

1. The named insured has defaulted in payment, and
2. 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**, and;
3. The interest of the loss payee has become impaired.

Nothing in this provision changes the amount of the deductible in the **Declarations** for the interest of the named insured.

The triple deductible provision during the first 60 days of the inception of the **policy** or reinstatement, rewrite or renewal with lapse of the **policy** shall not apply to a loss payee.

## PART V – WAIVER OF COLLISION DEDUCTIBLE

### COVERAGE E – WAIVER OF COLLISION DEDUCTIBLE COVERAGE

If **you** pay the premium for this Waiver of Collision Deductible and the premium is listed in the **Declarations**, **we** will waive the deductible when a **loss** to **your insured car** for **collision** insurance is caused by an **uninsured motor vehicle**.

To recover the full amount of the deductible, **you** must be legally entitled to recover the full amount of the loss from the owner or operator of the **uninsured motor vehicle**.

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

In no event shall **we** pay more than the amount of the loss.

### ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

“**Uninsured motor vehicle**” means “**uninsured motor vehicle**” as defined in Part III Uninsured Motorist Coverage and Underinsured Motorist Coverage.

## PART VI - IN CASE OF ACCIDENT

### NOTICE OF ACCIDENT OR LOSS

In the event of an accident or **loss**, notice must be given to **us** promptly. The notice must give the time, place, and circumstances of the accident or loss, including the names and addresses of injured persons and witnesses.

### OTHER DUTIES

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

1. Cooperate with **us** and assist **us** in any matter concerning a claim or suit.
2. Send **us** promptly any legal papers received relating to any claim or suit.
3. Submit to physical examinations at **our** expense by doctors **we** select as often as **we** may reasonably require.
4. Authorize **us** to obtain medical and other records.
5. Provide any written proofs of loss **we** require.
6. Submit to examinations under oath by any person named by **us**, as often as may reasonably be required, at any reasonable time and place that **we** so designate.



7. A person claiming Uninsured or Underinsured Motorist Coverage must also notify the police within 24 hours if a hit-and-run driver is involved, and file with **us** within thirty (10) days.

If **you** claim **Uninsured Motorist Property Damage** coverage **you** or someone on **your** behalf must report the accident within 10 business days to **us**.

A person or organization claiming Car Damage Coverage must also:

1. Take reasonable steps after loss to protect the vehicle and its equipment from further loss.
2. Report the theft of the vehicle or any insured equipment to the police, within 24 hours after the discovery of the loss.
3. Allow **us** to inspect and appraise the damaged vehicle or its damaged parts, before its repair or disposal.
4. Include in the notice of accident or loss, a statement listing **your** interest and interests of all others in the vehicle, any encumbrances on the vehicle (such as a lien or mortgage) and a description (including amounts) of all other insurance covering the vehicle.
5. Allow **us** to examine **your insured car**, and provide **us** with all pertinent records and sales invoices.

## PART VII – GENERAL PROVISIONS

### POLICY PERIOD, TERRITORY

This **policy** applies only to accidents and insured **losses** during the **policy** period shown in the **Declarations** while the **insured car** is within the United States, its territories or possessions, or Canada or between their ports.

### CHANGES

This **policy**, the **Declarations** and the attached reduced coverage disclosures include all the agreements between **you** and **us** relating to this insurance. No change or waiver may be effected in this **policy** except by endorsement issued by **us**, and no handwritten change to the **policy** shall be binding on us even if the **policy** is issued after such changes have been written unless such changes are reflected on an endorsement. If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of change. When **we** broaden coverage during the **policy** period without charge, the **policy** will automatically provide the broadened coverage when effective in **your state**.

## MISREPRESENTATION OR FRAUD

This policy was issued in reliance on the information provided on **your** insurance application, including, but not limited to information regarding license and driving history of **you, resident relative**, all persons of driving age residing in **your** household, the description of the vehicles to be insured, the location of the principal place of garaging, and **your** place of residence.

**We** may void this policy if **you** or any insured have concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct, at the time application was made. **We** may void this policy or deny coverage for an accident or loss if **you** or any insured have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

**We** may void this policy for fraud or misrepresentation even after the occurrence of an accident or loss. This means that **we** will not be liable for any claims or damages that would otherwise be covered. If **we** void this policy, it will be void from its inception (void ab initio), and no coverage will be provided whatsoever.

To the extent that **we** make payments to **you** under this policy and **our** subsequent investigation reveals **your** involvement in fraud or misrepresentation in the presentation of a claim, **you** must indemnify **us** for all payments made.

## TWO OR MORE CARS INSURED

With respect to any one accident to which this and any other **policy** issued to **you** by **us** applies, the total limit of **our** obligation under all the policies shall not exceed the highest applicable limit under any one **policy**.

## SUIT AGAINST US

We may not be sued unless there is full compliance with all of the terms of this **policy**. **We** may not be sued under the Liability Coverage Part until the obligation of an **insured person** to pay is finally determined either by judgment against the person after the actual trial or by written agreement of the **insured person**, the claimant, and **us**. No one shall have any right to make **us** a party to a suit to determine the liability of an **insured person**.

## OUR RECOVERY RIGHTS

In the event of any payment under this **policy**, **we** are entitled to all the rights of recovery of the person to whom payment was made against another. Any person who recovers payment from **us** 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 **loss** to prejudice **our** rights.

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

## FINANCIAL RESPONSIBILITY FILING

In the event **we** make a payment required by any financial responsibility filing which **we** would not have been obligated to make under the terms of this **policy**, **you** agree to reimburse **us** to the extent of **our** payment.

## ASSIGNMENT

Your interest in this **policy** may not be assigned without **our** written consent.

## DEATH OF POLICYHOLDER OR RESIDENT SPOUSE

In the event of death of the policyholder named in the **Declarations** or his/her spouse (if the spouse resided in the policyholder's household), the **policy** will cover the following until the policy expiration date:

1. the surviving spouse;
2. the legal representative of the deceased person while acting within the scope of duties of a legal representative; and
3. any person having proper custody of **your insured car** until a legal representative is appointed.

## CANCELLATION OF THIS POLICY

### Cancellation by you

**You** may cancel this **policy** by returning it to **us** or by advising **us** in writing of the future date the cancellation is to be effective. The refund will be calculated on a pro rata basis minus a \$50 cancellation fee.

### Cancellation by us

1. **We** may cancel this **policy** by mailing or delivering to **you** a written notice of cancellation.
2. **We** will mail or deliver **our** notice of cancellation to **you** at **your** address as shown on the **Declarations**, or to **your** last mailing address known to **us**.
3. **Our** notice of cancellation will state the effective date of cancellation. The **policy** period will end on the stated date.
4. If **we** mail a notice of cancellation to **you**, the proof of **our** mailing of the notice of cancellation to **you** will be sufficient proof of notice of cancellation.

## Refund of Premium

If this **policy** is cancelled for any reason, **we** will send you any premium refund due.

**Our** refund and/or offer of refund is not a condition of cancellation; and the cancellation will be effective whether or not **we** have sent, or **you** have received, a refund. **We** will send **you** any refund to which **you** may be entitled within 25 business days of the effective date of cancellation.

## Time of Notice

**We** will mail notice of cancellation to **you** not less than 10 days prior to the effective date if the reason for the cancellation is non-payment of premium.

**We** will mail notice of cancellation to **you** not less than 20 days prior to the effective date if the reason for cancellation is any of the following:

1. **We** discover any fraud or material misrepresentation by **you** in connection with **your** obtaining insurance from **us**;
2. **We** discover any fraud or material misrepresentation by **you** concerning **your** safety record, the number of miles **you** drove annually in prior years, the number of years of **your** driving experience, the garaging address of your insured car, and/or the record of **your** prior automobile insurance claims;
3. **We** discover any fraud or material misrepresentation concerning the safety record, number of miles driven annually, number of years of driving experience, and record of prior insurance claims of or by any **resident relative** or other operator who resides in **your** household or who customarily operates **your insured car**;
4. **We** discover any fraud or material misrepresentation by **you** or any **resident relative** or other operator who resides in your household or who customarily operates **your insured car** in connection with any claim made under the **policy**.
5. Any substantial increase in the hazard insured against under the **policy**;
6. **Your** driver's license or motor vehicle registration has been suspended during the **policy** period or, if the **policy** is a renewal, during the 180 days of the **policy** period immediately preceding the **policy's** effective date;
7. The driver's license of any other operator who resides in **your** household, or who customarily operates **your insured car** has been suspended during the **policy** period or, if the **policy** is a renewal, during the 180 days of the **policy** period immediately preceding the **policy's** effective date.

However, if **our** notice of cancellation is based on paragraphs 2 or 3 above, **you** may avoid cancellation by furnishing corrected information to **us** within 20 days after

receiving the notice of cancellation and agreeing to pay any difference in premium for the **policy** period in which the information remained undisclosed.

## NON-RENEWAL

If **we** decide, in accordance with applicable law, not to renew the **policy**, **we** will mail or deliver **our** notice of non-renewal to **you** at **your** address as shown on the **Declarations**, or to **your** last mailing address known to **us**. **We** will mail or deliver any notice of non-renewal to **you** not less than 30 days before the end of the **policy** period. Any decision by **us** not to renew the **policy** shall be based on one or more of the following:

1. Non-payment of premium; or
2. fraud or material misrepresentation by **you**, any member of **your** household, or anyone who customarily operates **your insured car**; or
3. any substantial increase in the hazard insured against under the **policy**.

## PREMIUM INCREASES

The premiums **you** pay may increase upon renewal in accordance with applicable law. The reasons for premium increases may include, but are not necessarily limited to, the following:

1. an insured's involvement in an accident, and whether such insured is at fault in the accident;
2. a change in, or addition of, policy coverage selection;
3. a change in any of the rating factors that are used to determine your rate;
4. a change in, or addition of, an insured vehicle;
5. a change in, or addition of, an insured under the **policy**;
6. a change in the location or garaging of an insured vehicle;
7. a change in the use of the insured vehicle;
8. convictions for violating any provision of any **state's** vehicle code or penal or criminal code relating to the operation of motor vehicles; or
9. any insurer's payment of any claim filed by an insured or against an insured by a third party.


**We** may increase your premiums for reasons not specified above provided that such non-specified reasons are neither unlawful nor unfairly discriminatory.

## CONSUMER ASSISTANCE

If **you** are unable to satisfactorily resolve a problem after contacting **your** producer or **our** customer service representatives at 1-800-396-1485, **you** may wish to notify the Department of Insurance, Consumer Services Division, 300 South Spring Street, Los Angeles, CA 90013, or call 1-800-927-4357.

In Witness Whereof, **we** have caused this **policy** to be executed and attested, but this **policy** shall not be valid unless countersigned by **our** authorized representative.

President

Handwritten signature of Robert M. Ebel in cursive script.

Secretary

Handwritten signature of Malleen Kuschner in cursive script.