



PERSONAL AUTOMOBILE INSURANCE POLICY

ILLINOIS

IMPORTANT

Notify the Company at 7400 N. Caldwell Ave, Niles, IL 60714, (773) 458-1010, of **EVERY** accident, however slight, immediately upon its occurrence.

Delay in giving notice may jeopardize your rights. Send a completed report as soon as practicable.

PLEASE READ YOUR POLICY AND REPORT IN WRITING ANY ERRORS IMMEDIATELY TO THE COMPANY.

NOTICE – This policy has been issued based upon the reliance of your statements and representations on the application. **Read it carefully** and notify the Company immediately of any misinformation or changes which have occurred or may occur.

LIGHTHOUSE CASUALTY COMPANY

Niles, Illinois

A stock company, (The "Company")

agrees with the **named insured** shown in the Declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the Application and subject to the Declarations and all the terms of this policy:

The insurance for each of the following coverages applies only if there is a premium charge for that coverage on the declarations page or if coverage is added by endorsement.

PART I- LIABILITY

A- Bodily Injury Liability; B- Property Damage Liability. To pay on behalf of an **insured**, but only to the extent of the applicable policy limits, all sums which such **insured** shall become legally obligated to pay as damages because of:

A. bodily injury or B. property damage

arising out of the ownership, maintenance or use of the **owned automobile** or any **non-owned automobile**, and the Company shall defend any suit alleging such **bodily injury** or **property damage** and seeking damages which are payable under the terms of this policy, even if any of the allegations of the suit are groundless, false or fraudulent; but the Company may make such investigation and settlement of any claim or suit as it deems expedient. It is understood and agreed that the Company has no obligation to any **insured** after applicable limits of the policy have been exhausted by payment; it is further understood and agreed that the Company is not obligated to pay, and shall not pay, attorney fees for any legal or investigative work unless such attorneys are specifically selected by the Company; It is further understood and agreed that the Company is not obligated to pay, and shall not pay, any sum which the **insured** may be legally obligated to pay as a result of a lawsuit unless the Company received actual notice of said suit before any judgment had been entered in said suit. It is understood and agreed that the Company has the sole right to settle or defend any suit including, but not limited to, the right to accept or reject arbitration awards entered in such suit.

Supplementary Payment. To pay, in addition to the applicable limits of liability:

- (a) all expenses incurred by the Company, all costs taxed against the **insured** in any such suit and all interest on the entire amount of any judgment therein which accrues after entry of judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for any amount not in excess of the applicable limit of liability of this policy and the cost of bail bonds required of the **insured** because of the **accident** or traffic law violation arising out of the use of an automobile insured hereunder, not to exceed \$100 per bail bond, but without any obligation to apply for or furnish any such bonds;
- (c) all reasonable expenses, other than loss of earnings, incurred by the **insured** at the Company's request.

Persons Insured. The following are **insureds** under Part I:

- (a) with respect to the **owned automobile**:
 - (1) the **named insured**,
 - (2) any other person using such automobile to whom the **named insured** has given permission, provided the use is within the scope of such permission;
- (b) with respect to a **non-owned automobile**:
 - (1) the **named insured**, provided the **named insured** received the permission of its owner, and the use is within the scope of such permission.
 - (2) a **relative**, but only with respect to a private passenger automobile, provided the person using such automobile has received the permission of its owner and the use is within the scope of such permission;
- (3) any other person or organization legally responsible for the use of
 - (4) an **owned automobile**, or
 - (5) a **non-owned automobile**, if such automobile is not owned or hired by such person or organization, Provide the actual use thereof is by a person who is an **insured** under (a) or (b) above with respect to such **owned automobile** or **non-owned automobile**.

The insurance afforded under Part I applies separately to each **insured** against whom claim is made or suit is brought, but neither the inclusion herein of more than one **insured** nor the application of the policy to more than one automobile shall operate to increase the limits of liability stated in the Declarations for the liability coverages.

Definitions. Under Part I:

"**accident**" means a motor vehicle incident involving a vehicle insured hereunder or a person who is an **insured** hereunder.

“bodily injury” means bodily injury sustained by any person due to an **accident** during the policy period, including death at any time resulting therefrom.

“property damage” means (1) the physical injury to or destruction of tangible property due to an **accident** during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use has been caused by an **accident** during the policy period.

“named insured” means the individual named in Item 1 of the Declarations and also includes his **spouse**, if a resident of the same household;

“insured” means a person or organization described under “Persons Insured”;

“spouse” means a lawfully wedded **spouse** and also means a person joined in a civil union according to statute;

“relative” means a person related to the **named insured** or his **spouse** by blood, marriage, or adoption and who is a resident of the same household as the **named insured** or **spouse** and is either a non-driver or is listed on the Application for this insurance as a driver, provided neither such **relative** nor his **spouse** owns a private passenger automobile. For the purpose of this definition such automobile under state law is an automobile that must be covered by a motor vehicle liability policy;

“owned automobile” means:

(a) a private passenger, farm or utility automobile described in this policy,

(b) a private passenger, farm or utility automobile, ownership of which is acquired by the **named insured** during the policy period provided:

(1) that the acquired automobile replaces an automobile described in this policy; that neither the **named insured** nor any resident of his household retains ownership of the described replaced automobile, and that the **named insured** notified the Company in writing within 30 days after the acquisition of his intention to make this policy applicable to such acquired replacement automobile, or

(2) that the Company insures all private passenger, farm and utility automobiles owned by the **named insured** on the date of such acquisition and the **named insured** notifies the Company in writing within 30 days after the date such acquisition of his election to make this and no other policy issued by the Company applicable to such automobile, or

(c) a **temporary substitute automobile**;

“temporary substitute automobile” means any automobile not owned by the **named insured**, or by any resident of the same household, while temporarily used as a substitute for the **owned automobile** when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction;

“non-owned automobile” means an automobile not owned by or furnished for the regular use of either the **named insured** or any **relative** of the household of the **named insured** other than a **temporary substitute automobile**;

“private passenger automobile” means a four wheel vehicle licensed for use on public roads and designed by the manufacturer as a private use sedan, van, station wagon, or similar type automobile;

“farm automobile” means an automobile of the truck type with a load capacity of fifteen hundred pounds or less not used for business or commercial purposes other than farming;

“utility automobile” means an automobile, other than a farm automobile, with a load capacity of fifteen hundred pounds or less of the pick-up body, sedan delivery or panel truck type not used for business or commercial purposes;

“trailer” means a trailer designed for use with a private passenger automobile, if not being used for business or commercial purposes with other than a private passenger, farm or utility automobile, or a farm wagon or farm implement while used with a farm automobile, and if not a home, office, store, display or passenger trailer;

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

“war” means war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

Exclusions. This policy does not apply under Part I:

(a) to **bodily injury**, or **property damage** to the any **insured** and any **relative** of such **insured** related by blood, marriage or adoption residing in the same household as such **insured**. The term “**insured**” as used in this exclusion means the person against whom the claim is made or suit is brought. This exclusion shall not apply when a third party acquires the right of contribution against a member of the injured person’s family. Nor shall this exclusion apply when any person not residing in the household of the **named insured** was driving a vehicle covered under this policy at the time of the **accident** that is the subject of the claim or lawsuit;

(b) to any automobile while used as a public or livery conveyance, but this exclusion does not apply to the **named insured** with respect to **bodily injury** or **property damage** which results from the **named insured**’s occupancy of a **non-owned automobile** other than as the operator thereof;

(c) to **bodily injury** or **property damage** caused intentionally by or at the direction of the an **insured**;

(d) to **bodily injury** or **property damage** arising out of the operation of farm machinery;

(e) to **bodily injury** of any employee of an **insured** arising out of and in the course of employment by the **insured** if such injury arises out of the ownership, maintenance or use of an **owned automobile** or of a **non-owned automobile**;

(f) to **bodily injury** to any fellow employee of an **insured** injured in the course and scope of his/her employment if such injury arises out of the ownership, maintenance or use of an automobile in the business of the **insured**’s employer;

- (g) to an **owned automobile** while used in the automobile business, but this exclusion does not apply to the **named insured**, a **relative**, or a partnership in which the **named insured** or such **relative** is a partner, or any partner, agent or employee of the **named insured**, such **relative** or partnership;
- (h) to a **non-owned automobile** while used (1) in the automobile business by an **insured** or (2) in any other business or occupation of an **insured** except a private passenger automobile operated or occupied by the **named insured** or by his private chauffeur or domestic servant, or a trailer used therewith or with an **owned automobile**;
- (i) to injury to or destruction of (1) property owned or transported by an **insured** or (2) property rented to or in charge of an **insured** other than a residence or private garage or (3) property as to which an **insured** is for any purpose exercising physical control. An automobile used, operated or maintained by an **insured** is considered property in charge of such **insured**;
- (j) to **bodily injury** or **property damage** with respect to which an **insured** under the policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Atomic Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **insured** under any such policy but for its termination upon exhaustion of its limits of liability;
- (k) to any automobile designed for racing while being tested, repaired or serviced, or to any automobile or motor vehicle while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (l) to **bodily injury** or **property damage** due to **war**, whether or not declared, civil war, riot, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing;
- (m) to any automobile while being operated or used in the commission of a crime, other than a traffic violation, or while attempting to elude police;
- (n) to the payment of punitive or exemplary damages, however the Company will defend a suit or count seeking such damages without obligation under this policy to pay such damages;
- (o) to any person who operated or used an **owned automobile** or a **non-owned automobile** without a reasonable belief that he or she is entitled to do so, but this exclusion does not apply to the **named insured** or a **relative**;
- (p) to any person while engaged in the use of a vehicle to carry persons or property for compensation or a fee, including, but not limited to, delivery of food, or any other products;
- (q) to the payment of civil fines, administrative fees, attorney fees and any other charges levied or claimed by a municipality or other division of government with respect to **property damage** or **bodily injury**.

Limits of Liability. The limit of Bodily Injury Liability stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages, including loss of service, society or consortium, to others resulting from the **bodily injury**. The limit of Bodily Injury Liability stated in the Declarations as applicable to "each accident" is the maximum amount of coverage, subject to the above provision respecting each person, for all **bodily injury** to two or more persons in the same **accident**. The limits of liability are not increased because more than one person is insured at the time of the **accident**. The limit of **property damage** liability stated in the Declarations is the total limit of the Company's liability for all damage to property of one or more persons arising out of the same **accident**.

Other Insurance. If an **insured** is covered by other insurance or self-insurance against a loss covered by Part I of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectible insurance and self-insurance against such loss; provided, however, the insurance under this policy with respect to a **temporary substitute automobile** or **non-owned automobile** shall be excess insurance over any valid collectible insurance or self-insurance applicable to such **temporary substitute automobile** or **non-owned automobile**.

PART II- UNINSURED MOTORIST COVERAGE

Uninsured Motorist Coverage. To pay all sums which an **insured** or his legal representative shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of **property damage** to a vehicle described in the policy and **bodily injury**, sustained by an **insured**, caused by an **accident** and arising out of the ownership, maintenance or use of such **uninsured motor vehicle**, provided, for the purposes of this coverage, determination of whether the **insured** or such representative is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the **insured** or such representative and the Company or, if they fail to agree, by arbitration. Recovery under this Part for "**property damage**" is subject to the payment of a specific separate premium for uninsured motorist property damage liability. No judgment against any person or organization alleged to be legally responsible for the **bodily injury** or **property damage** shall be conclusive, as between the **insured** and the Company, of the issues of liability of such person or organization or of the amount of damages to which such **insured** is legally entitled unless such judgment is entered pursuant to an action prosecuted by such **insured** with the written consent of the Company.

Definitions. The definitions under Part I, except the definition of “**insured**” apply to Part II and under Part II:

“**insured**” means:

- (a) the **named insured** and any **relative** of the **named insured**;
- (b) any other person while lawfully **occupying** an insured automobile; and
- (c) any person, with respect to damages he or she is entitled to recover because of **bodily injury** to which this Part applies sustained by an **insured** under (a) or (b) above.

The insurance afforded under Part II applies to each **insured**, but the inclusion herein of more than one **insured** shall not operate to increase the limits of the Company’s liability.

“**insured automobile**” means:

- (a) an automobile described in the policy for which a specific premium charge indicated that coverage is afforded;
- (b) a private passenger, farm or utility automobile, ownership of which is acquired by the **named insured** during the policy period, provided:
 - (1) it replaces an **insured automobile** defined in (a) above and the **named insured** notifies the Company in writing within 30 days after the date of said replacement, or
 - (2) the Company insures under this policy all private passenger, farm and utility automobiles owned by the **named insured** on the date of such acquisition and the **named insured** notifies the Company in writing within 30 days after the date of such acquisition of his election to make the Liability and Uninsured Motorist Coverages under this and no other policy issued by the Company applicable to such automobile;
- (c) **temporary substitute automobile** for an insured automobile as defined in (a) or (b) above, and
- (d) a **non-owned automobile** while being operated by the **named insured**, but shall not include:
 - (1) any automobile or trailer owned by a resident of the same household as the **named insured**;
 - (2) any automobile while used as a public or livery conveyance or for delivery of pizza, food, goods or products from a business, or
 - (3) any automobile while being used without the permission of the owner;

“**uninsured motor vehicle**” includes a trailer of any type and means:

- (a) a motor vehicle or trailer with respect to the ownership, maintenance or use of which, there is no liability bond or insurance policy applicable at the time of the **accident** with respect to any person or organization legally responsible for the use of such vehicle, or said bond or insurance policy has limits less than that required by the Illinois Financial Responsibility Law;
- (b) a **hit-and-run motor vehicle**;
- (c) a motor vehicle where on, before, or after the **accident** date, the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified in the policy, because of the entry by a court of competent jurisdiction of any order of rehabilitation or liquidation by reason of insolvency on or after the **accident** date, provided, however, that the **insured** notifies the Company of his or her claim under this provision within the later of 6 months from the date of such court order of rehabilitation or insolvency or two years from the date of **accident**. To the extent that this provision conflicts with this policy’s exclusion for claims submitted to the Company more than two years after the **accident**, this provision shall control;

But the term “uninsured motor vehicle” shall not include:

- (1) an insured motor vehicle or a motor vehicle furnished for the regular use of the **named insured** or of a **relative** which caused **bodily injury** or **property damage** in excess of the limit required under the Illinois Financial Responsibility Law,
- (2) a motor vehicle or trailer owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, or motor carrier law or any similar law,
- (3) a motor vehicle or trailer owned by the United States of America, Canada, a state, a political subdivision of any such government or any agency of the forgoing or a municipal government,
- (4) a land motor vehicle or trailer if operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle, or
- (5) a farm type tractor or equipment designed for use principally off public roads, except while actually upon public roads;

“**hit-and-run motor vehicle**” means a motor vehicle which causes **bodily injury** to an **insured** arising out of physical contact of such motor vehicle with such **insured** or with an automobile which such **insured** is occupying at the time of the **accident**, provided:

- (a) there cannot be ascertained the identity of either the operator or owner of such “**hit-and-run motor vehicle**”
- (b) the **insured** or someone on his behalf shall have reported the **accident** within 24 hours to a police, peace or judicial officer to the Commissioner of Motor Vehicles, and shall have filed with the Company within 30 days thereafter a statement under oath that the **insured** or his legal representative has a cause or causes of action arising out of such **accident** for damages against a person or persons whose identity is unascertainable, and setting forth the facts in support thereof;
- (c) at the Company’s request, the **insured** or his legal representative makes available for inspection the motor vehicle which the **insured** was occupying at the time of the **accident**;

“**occupying**” means in or upon or entering into or alighting from;

“state” includes the District of Columbia, a territory or possession of the United States, and a province of Canada.

Exclusions. This policy does not apply under Part II:

- (a) to **bodily injury** or **property damage** to an **insured** with respect to which such **insured**, his legal representative or any person entitled to payment under this coverage shall, without written consent of the Company, make any settlement with any person or organization who may be legally liable therefore;
- (b) so as to inure directly or indirectly to the benefit of any worker’s compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any worker’s compensation or disability benefits law or any similar law;
- (c) to any claim for punitive or exemplary damages;
- (d) to **property damage** when the **owned automobile** has collision coverage in this or any other policy of automobile insurance;
- (e) to any claim against the Company submitted more than 2 years after the date of **accident**;
- (f) to **bodily injury** to an **insured** while occupying a motor vehicle owned by, or furnished or available for the regular use of an **insured**, a resident **spouse**, or a resident **relative**, if that motor vehicle is not an **insured automobile**;
- (g) to any claim for which the Company does not receive a written demand for arbitration within two years of the date of **accident** or, if coverage for the claim is based on a court order of rehabilitation or liquidation by reason of insolvency of an insurer, within the later of two years from the date of the **accident** or six months from the date of entry of the court order of rehabilitation or liquidation by reason of insolvency;
- (h) to any claim by a person who operated, occupied or used an automobile without a reasonable belief that he or she was entitled to do so but, this exclusion does not apply to the **named insured** or a **relative**;
- (i) to any person while using or occupying a vehicle for carrying persons or property for compensation or a fee, including, but not limited to, delivery of food, or any other products.;
- (j) to **bodily injury** or **property damage** which is either expected or intended by an **insured** or incurred by an **insured** occupant of a vehicle who is complicit with the intentional act of the driver of that vehicle;
- (k) to **bodily injury** or **property damage** arising out of the operation, occupation of or use of a motor vehicle during or in connection with the commission of a crime or while attempting to elude police.

Limits of Liability

- (a) The limit of Uninsured Motorist Coverage stated in the Declarations as applicable to “each person” is the maximum limit of the Company’s liability for all damages due to **bodily injury** to one person. **Bodily injury** to one person includes all injury and damages, including loss of service, society or consortium, to others resulting from the **bodily injury**. The limit of Uninsured Motorist Coverage as stated in the Declarations as applicable to “each accident” is the maximum amount of coverage, subject to the above provision respecting each person, for all **bodily injury** to two or more persons in the same **accident**. The limits of liability are not increased because more than one person is insured at the time of the **accident**.
- (b) Any amount payable under the terms of Part II because of **bodily injury** sustained in an **accident** by a person who is an **insured** under Part II shall be reduced by:
 - (1) all sums paid on account of such **bodily injury** by or on behalf of (i) the owner or operator of the **uninsured motor vehicle** and (ii) any other person or organization jointly or severally liable together with such owner or operator for such **bodily injury** including all sums paid under A of Part I, and
 - (2) the amount paid and the present value of all amounts payable on account of such **bodily injury** under any worker’s compensation law, disability benefits law or any similar law.
- (c) Any payment made under Part II to or for any **insured** shall be applied in reduction of the amount of the Limit of Liability under Part I.
- (d) The Company shall not be obligated to pay under this coverage that part of the damages which an **insured** may be entitled to recover from the owner or operator of an uninsured automobile which represents medical payments paid or payable under Part IV.
- (e) If more than one policy issued by this Company applies to Part II, the total limit of this Company’s liability under all such policies shall not exceed the amount applicable under only one policy.
- (f) It is agreed between an **insured** and the Company that in no event shall the total limit of the Company’s liability exceed the limits set forth in the Declarations regardless of the number of vehicles insured under the policy or the separate itemization of premiums therefore; and that coverage under this section shall not be “stacked” with any other similar or identical coverage that may be issued under this policy, including Underinsured Motorist Coverage (Part III).
- (g) Uninsured Motorist Coverage does not apply nor is it applicable to any **accident** or loss where an **insured** has Underinsured Motorist Coverage which applies to such **accident** or loss.
- (h) Any amount payable for **property damage** under Part II shall be reduced by all sums paid to an **insured** for **property damage** on behalf of the owner or operator of the uninsured automobile and any other person or organization jointly or severally liable together with such owner or operator.
- (i) **Property damage** losses recoverable hereunder shall be limited to damages caused by the actual physical contact of an uninsured motor vehicle with the vehicle described in the policy.

- (j) There shall be no coverage for loss of use of an insured motor vehicle and no coverage for loss or damage to personal property located in the insured motor vehicle, except with respect to the replacement of a child restraint system that was in use by a child during an **accident** to which coverage is applicable.
- (k) There shall be no liability imposed under the Uninsured Motorist Property Damage Coverage if the owner or the operator of the vehicle at fault or **the hit-and-run motor vehicle** cannot be identified.
- (l) There shall be no coverage for the deductible amount of damage, as shown in the Declarations, to the property insured as the result of any one **accident**.
- (m) If coverage is provided to a motor vehicle, defined herein as an **uninsured motor vehicle**, under a bond or insurance policy having limits less than required by the Illinois Financial Responsibility Law then the Company's maximum limit of liability under this Part for "each person" is the difference between the minimum limit required by the Illinois Financial Responsibility Law for injury to one person and the corresponding limit provided in such bond or insurance policy, and the Company's maximum limit of liability under this Part for "each accident" is the difference between the minimum limit required under the Illinois Financial Responsibility Law for injury to two or more persons and the corresponding limit provided in such bond or insurance policy.

Other Insurance. With respect to **bodily injury** to an **insured** while occupying a motor vehicle not owned by the **named insured**, the insurance under Part II shall apply only as excess insurance over any other similar insurance available to such **insured** and applicable to such motor vehicle as primary insurance and this insurance shall then apply only in the amount by which the limit of liability for this coverage exceeds the applicable limit of liability of such other insurance.

Except as provided in the foregoing paragraph, if the **insured** has other similar insurance available to him and applicable to the **accident**, the damages shall be deemed not to exceed the higher of the applicable limits of liability of this insurance and such other insurance, and the Company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

Trust Agreement. In the event of payment to any person under Part II:

- (a) the Company shall be entitled to the extent of such payment to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the **bodily injury** because of which such payment is made;
- (b) such person shall hold in trust for the benefit of the Company all rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under Part II;
- (c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice rights;
- (d) if requested in writing by the Company, such person shall take, through any representative designated by the Company, such actions as may be necessary or appropriate to recover such payment as damages from such other person or organization, such action to be taken in the name of such person; in the event of a recovery, the Company shall be reimbursed out of such recovery for expenses, costs and attorneys' fees incurred by it in connection therewith;
- (e) such person shall execute and deliver to the Company such instruments and papers as may be appropriate to secure the rights and obligations of such person and the Company established under these provisions.

PART III- UNDERINSURED MOTORIST COVERAGE

Underinsured Motorist Coverage. To pay all damages which an **insured** is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of **bodily injury** sustained by an **insured**. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the underinsured motor vehicle provided, for the purposes of this coverage, determination as to whether the **insured** is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the **insured** and the Company or, if they fail to agree, by arbitration. No judgment against any person or organization alleged to be legally responsible for the **bodily injury** shall be conclusive, as between the **insured** and the Company, of the issues of liability of such person or organization or of the amount of damages to which the **insured** is legally entitled unless such judgment is entered pursuant to an action prosecuted by the **insured** with the written consent of the Company. The Company shall not be obligated to pay under this coverage until after the limits of liability under all applicable bodily injury liability bonds or policies have been partially or fully exhausted by payment of judgment or settlements.

Definitions. The definitions under Part I apply to Part III and the following also apply under this Part III:

"Insured" means:

- (a) the **named insured** and any **relative** of the **named insured**;
- (b) any person while lawfully occupying an insured automobile; and,
- (c) any other person, with respect to damages he or she is entitled to recover because of **bodily injury** to which Part III applies sustained by an **insured** under (a) or (b) above.

The insurance afforded under Part III applies to each **insured**, but the inclusion herein of more than **insured** shall not operate to increase the limits of the Company's liability.

“underinsured motor vehicle” means a motor vehicle whose ownership, maintenance or use has resulted in **bodily injury** of an **insured**, as defined in the policy, and for which the sum of the limits of liability under all liability insurance policies or bonds or other security required to be maintained under Illinois law applicable to the driver or to the person or organization legally responsible for such vehicle and applicable to the vehicle, is less than the limits for Underinsured Motorist Coverage as stated on the Declarations or endorsement to this policy at the time of the **accident**.

However, **“underinsured motor vehicle”** does not include any vehicle:

- (1) owned by or furnished or available for the regular use of an **insured** or any family member or person residing in such **insured**'s household;
- (2) owned by any governmental unit or agency;
- (3) operated on rails or crawler treads;
- (4) which is a farm type tractor or equipment designed mainly for use off public roads while not upon public roads;
- (5) while located for use as a residence or premises;
- (6) owned or operated by any person qualifying as a self insurer under any applicable motor vehicle law;
- (7) to which a liability bond or policy applies at the time of the **accident**, but the bonding or insuring company denies coverage or is or becomes insolvent;
- (8) which is defined as an **“uninsured motor vehicle”** under Part II.

Exclusions. The policy does not apply under Part III:

- (a) to any person while using or occupying a vehicle to carry persons or property for compensation or a fee, including, but not limited to, delivery of food, or any other products;
- (b) so as to inure directly or indirectly to the benefit of any worker's compensation or disability benefits insurer or any person or organization qualifying as a self insurer under any worker's compensation or disability benefits law or any similar law, provided, however, that there shall be no setoff or exclusion under this policy for amounts paid as disability benefits by the Social Security Administration or by any similar state or federal agency;
- (c) to punitive or exemplary damages;
- (d) to any claim which has not been received by the Company in writing before the later of: 2 years after the date of the **accident** or 6 months after the limits of liability or portion thereof under all liability insurance policies, bonds or other security applicable to the **underinsured motor vehicle** and its operator have been partially or fully exhausted by payment of judgment or settlement;
- (e) to any claim for which the Company has not received a written demand for arbitration before the later of: two years after the date of **accident** or six months after the limits of liability or portion thereof under all liability insurance policies applicable to the **underinsured motor vehicle** and its operators have been partially or fully exhausted by payment of judgment or settlement;
- (f) to any claim by a person who operated, used or occupied an **owned automobile** or a **non-owned automobile** without a reasonable belief that he or she was entitled to do so, but this exclusion does not apply to the **named insured** or a **relative**;
- (g) arising out of the operation, occupancy or use of a motor vehicle during or in connection with the commission of a crime or while attempting to elude police;
- (h) to **bodily injury** which is either expected or intended by an **insured** or incurred by an insured occupant of a vehicle and who is complicit in the intentional act of the driver of that vehicle.

Limit of Liability.

a. The Company's maximum limit of liability for all damages due to **bodily injury** to one person is the limit of liability as shown in the Declarations for “each person” for Underinsured Motorist Coverage less those amounts actually recovered under the applicable bodily injury insurance policies, bonds or other security maintained on the underinsured motor vehicle. **Bodily injury** to one person includes all injury and damages, including loss of service, society or consortium, to others resulting from this **bodily injury**. The Company's maximum limit of liability for all damages due to **bodily injury** to two or more persons in the same **accident** is the limit of liability as shown in the Declarations for “each accident” for Underinsured Motorist Coverage, subject to the above provision respecting each person, less those amounts actually recovered under the applicable bodily injury insurance policies, bonds or other security maintained on the underinsured motor vehicle,. The limits of liability are not increased because more than one person is insured at the time of the **accident**. Any payment otherwise due under this coverage shall be reduced by a payment for **bodily injury** or medical expense under any other part of this policy. If more than one policy issued by this Company provides underinsured motorist coverage for the same **bodily injury**, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy. In no event shall the total limit of the Company's liability exceed the limits set forth in the Declarations, regardless of the number of vehicles insured under the policy or the separate itemization of premiums therefore and coverage under this section shall not be “stacked” with any other similar or identical coverage that may be issued under this policy, including Uninsured Motorist Coverage.

b. The Company shall not be obligated to make payment under this coverage until the limits of liability or portion thereof under all bodily injury liability insurance policies applicable to the underinsured motor vehicle and its operators have been partially or fully exhausted by payment of judgment or settlement. A judgment or settlement of the **bodily injury** claim in an

amount less than the limits of the bodily injury coverages applicable to the claims shall not preclude the claimant from making an underinsured motorist claim against the Underinsured Motorist Coverage.

c. Notwithstanding any of the above, if the Company and an **insured** or his/her legal representative agree that the **insured** suffered **bodily injury** as a result of negligent operation, use or maintenance of an underinsured motor vehicle, and without arbitration, agree also on the amount of damages that the **insured** is legally entitled to collect, then the maximum amount payable pursuant to such underinsured motor vehicle insurance settlement agreement shall not exceed the amount by which the limits of the Underinsured Motorist Coverage exceed the limits of bodily injury liability insurance of the owner or operator of the **underinsured motor vehicle**. Any such agreement shall be final as to the amount due and shall be binding upon the **insured** and the Company regardless of the amount of any judgments, or any settlement reached between any **insured** and the person or persons responsible for this **accident**. No such settlement shall be concluded unless: (i) the **insured** has complied with all other applicable policy terms and conditions; and (ii) before the conclusion of the settlement agreement, the **insured** has filed suit against the **underinsured motor vehicle** owner or operator and has not abandoned the suit, or settled the suit without preserving the rights of the Company, provided, however, that suit against the underinsured owner and operator may be dismissed where the Company has been given notice in advance of a settlement between the **insured** and the underinsured motorist and the Company fails to advance a payment to the **insured** in an amount equal to the tentative settlement within 30 days following receipt of such notice.

Other Insurance. With respect to **bodily injury** to an **insured** while occupying a motor vehicle not owned by the **named insured**, the insurance under Part III shall apply only as excess insurance over any other similar insurance available to such **insured** and applicable to such motor vehicle as primary insurance, that this insurance shall then apply only in the amount by which the limit of liability for Part III exceeds the applicable limit of liability of such other insurance. Except as provided in the foregoing paragraph, if the **insured** has other similar insurance available to him and applicable to the **accident**, the damages shall be deemed not to exceed the higher of the applicable limits of liability of this insurance and such other insurance, and the Company shall not be liable for a greater proportion of any loss to which Part III applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

PART IV- MEDICAL PAYMENTS

Medical Payments. The Company will pay, with relation to a motor vehicle **accident** occurring during the term of this policy, all usual and customary expenses for the services provided by individuals or hospitals licensed under the Medical Practice Act of Illinois or comparable law incurred within one year of an **accident**, and submitted to the Company within one year of the **accident**, for reasonable and necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital and professional nursing charges. The reasonable expense of funeral services is also covered in this Part. The medical and funeral expenses covered herein must have been caused by **accident** and sustained by:

- (1) the **named insured** or a **relative** while occupying or through being struck by an automobile; or
 - (2) any other person while lawfully occupying an **owned automobile** while being operated or used by an **insured**;
- provided that no such payment shall be made unless the person to or for whom such payment is made shall have executed a written agreement that the amount of such payment shall be applied toward the settlement of any claim or satisfaction of any judgment for damages entered in his/her favor against any other person insured under the terms of this policy because of **bodily injury** arising out of an **accident** to which the Liability Coverage applies, or toward any award under the Uninsured Motorist Coverage of this policy.

Division 1. to or for the **named insured** and each **relative** who sustains **bodily injury**, caused by **accident**, while occupying or through being struck by an automobile.

Division 2. to or for any other person who sustains **bodily injury**, caused by **accident**, while occupying

- (a) the **owned automobile**, while being used by an **insured**; or
- (b) a **non- owned automobile**, if the **bodily injury** results from its operation by an **insured**; provided that no such payment shall be made unless the person to or for whom such payment is made shall have executed a written agreement that the amount of such payment shall (1) be applied toward the settlement of any claim or the satisfaction of any judgment for damages entered in his favor, against any **insured** because of **bodily injury** arising out of an **accident** to which the Liability Coverage applies.

Definitions. The definitions under Part I apply to Part IV and the following also apply under this Part IV. "occupying" means in or upon or entering into or alighting from.

Exclusions. This policy does not apply under Part IV to **bodily injury**:

- (a) sustained while **occupying** (1) an **owned automobile** while used as a public or livery conveyance, or (2) any vehicle while located for use as a residence or premises;

- (b) sustained by the **named insured** or a **relative** (1) while **occupying** an automobile owned by or furnished for the regular use of either the **named insured** or any **relative**, other than an automobile defined herein as an "**owned automobile**", or (2) while occupying or through being struck by (i) a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads, or (ii) a vehicle operated on rails or crawler-treads;
- (c) sustained by any person other than the **named insured** or **relative**, resulting from use of (1) a **non-owned automobile** in the automobile business or as a public or livery conveyance, or (2) a **non-owned automobile** in any other business or occupation except operation or occupancy of private passenger automobile by the **named insured** or by his private chauffeur or domestic servant or of a trailer used therewith or with an **owned automobile**;
- (d) sustained by any person who is employed in the automobile business, if the **accident** arises out of the operation thereof and if benefits therefore are in whole or in part either payable or required to be provided under any worker's compensation law;
- (e) to **bodily injury** due to war, whether or not declared, civil war, riot, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing;
- (f) to the extent that any medical expense is paid or payable to or on behalf of the injured person under the provisions of any (i) automobile or premises insurance affording benefits for medical expenses, (ii) individual, blanket or group accident, disability or hospitalization insurance, (iii) medical or surgical reimbursement plan, or (iv) worker's compensation or disability benefits law or any similar law;
- (g) resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
- (h) arising out of the operation of any automobile insured under this policy which is designed for racing while being tested, repaired or serviced or to any automobile or motor vehicle while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (i) to any claim by a person who operated, used or occupied an **owned automobile** or a **non-owned automobile** without a reasonable belief that he or she was entitled to do so, but this exclusion does not apply to the **named insured** or a **relative**;
- (j) to any person while using or occupying a vehicle to carrying persons or property for compensation or a fee, including, but not limited to, delivery of food, or any other products;
- (k) to any person who operates or occupies an owned-automobile or a **non-owned automobile** without permission from its owner;
- (l) arising out of the operation or occupancy of a motor vehicle during or in connection with the commission of a crime or while attempting to elude police;
- (m) arising out of the operation or occupancy of a motor vehicle in such circumstances where **bodily injury** is either expected or intended by the **insured** or by an insured occupant of a vehicle who is complicit in the intentional act of the driver of that vehicle.

Limit of Liability. The limit of liability for medical payments stated in the Declaration as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains **bodily injury** as the result of any one **accident**. If more than one policy issued by this Company applies to this part, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy.

Other Insurance. If there is other automobile medical payments insurance against a loss covered by Part IV of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability of all valid and collectible automobile medical payments insurance; provided however, the insurance with respect to a **temporary substitute automobile** or **non-owned automobile** shall be excess insurance over any other valid and collectible automobile medical payments insurance.

PART V- PHYSICAL DAMAGE COVERAGE.

A - Comprehensive (excluding Collision). At the Company's option to have repaired or to pay for loss caused other than by collision to the **owned automobile** or to a **non-owned automobile** operated by an **insured** but only for the amount of each such loss in excess of the deductible amount stated in the Declaration as applicable hereto. For the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion shall not be deemed to be loss caused by a collision.

B - Collision. At the Company's option to have repaired or to pay for loss caused by collision to the **owned automobile** or to a **non-owned automobile**, if such **non-owned automobile** was operated by an insured hereunder at the time of an **accident**, but only for the amount of each such loss in excess of the deductible amount stated in the Declarations as applicable hereto.

C - Towing and Labor Costs. To pay for reasonable towing and labor charges, necessitated by the disablement of an **owned automobile** or of any **non-owned automobile** while being operated by an **insured** hereunder, not to exceed the coverage limit for Towing stated in the Declarations, provided, that towing is to the nearest point at which the disablement can be remedied and the

labor is performed at the place of disablement. No coverage is afforded for claims not made within 30 days of the towing occurrence, or made using receipts that do not detail the nature of the service, that do not indicate a paid status, or cannot be validated by an identifiable service facility. This coverage is limited to two such events per policy period.

D - Rental. In consideration of the premium charged, to reimburse an **insured** for the rental fee expenses incurred (excluding mileage charge) as a result of a comprehensive or collision loss commencing forty-eight (48) hours after the **insured** has reported the loss to the Company. Such rental expenses shall be limited to the daily rental fee of a **temporary substitute automobile** while the insured automobile is in the custody of a garage for repairs. Coverage terminates upon the completion of the repairs, but in no event later than 12:01 AM on the tenth day after the first date of covered rental. The Company shall not be obligated to pay aggregate expenses in excess of \$20 per day or totaling more than \$300. In no event shall the Company accept a claim for rental reimbursement unless a verified itemized statement of rental charges is supplied by the **insured**.

Supplementary Payments. In addition to the applicable limit of liability:

- (a) to reimburse an **insured** for transportation expenses not exceeding \$8 per day or totaling more than \$200, incurred during the period commencing 72 hours after a theft of the entire automobile covered by this policy has been reported to the Company and the police, and terminating on the date the whereabouts of the automobile becomes known to **named insured** or Company or on such earlier date as the Company tenders settlement for such theft;
- (b) to pay general average and salvage charges for which an **insured** becomes legally liable as to the automobile being transported.

Definitions. The definitions of "**named insured**", "**relative**", "**owned automobile**", "**farm automobile**", "**and utility automobile** "," **automobile business** "," **war**" in Part I apply to Part V and under Part V:

"**insured**" means (a) with respect to the **owned automobile** (1) the **named insured** and (2) any person or organization, other than a person or organization engaged in the automobile business or as a carrier or the bailee for hire, maintaining, using or having custody of said automobile with the permission of the **named insured**; (b) with respect to a **non-owned automobile**, the **named insured** and any **relative** provided the actual use thereof is with the permission of the owner;

"**non-owned automobile**" means an automobile not owned by or furnished for the regular use of either the **named insured** or any **relative**, other than a **temporary substitute automobile**, while said automobile is in the possession or custody of an **insured** or is being operated by him;

"**loss**" means direct and accidental physical damage to the automobile or its parts, including any child restraint system that was in use by a child during an **accident** to which this coverage applies, but "**loss**" does not include **diminution in value**:

"**collision**" means collision of an automobile covered by this policy with another vehicle or object or by upset of such automobile;

"**date of accident**" for purposes of the Collision coverage means the date of the **collision**; for purposes of Comprehensive coverage, **date of accident** means the date of the event out of which the claim arises, such as but not limited to the date of fire, theft or other event described in Comprehensive Coverage;

"**trailer**" means a trailer designed for use with a **private passenger automobile**, if not being used for business or commercial purposes with other than a private passenger, farm or utility automobile, and if not a home, office, store, display or passenger trailer;

"**forcible entry**" means unauthorized entry to the vehicle and defeat of its ignition, ignition locks, steering locks or other security devices installed to prevent operation by unauthorized persons;

"**aftermarket crash part**" means a replacement for any of the non-mechanical sheet metal or plastic parts that generally constitute the exterior of a motor vehicle, including inner and outer panels;

"**non-original equipment manufacturer (Non-OEM) aftermarket crash part**" means an aftermarket crash part not made for or by the manufacturer of the motor vehicle;

"**like kind and quality part**" includes but is not limited to a replacement part for any vehicle obtained from another vehicle;

"**repair**" means physical repair but does not mean restoration to pre-accident value or condition;

"**diminution in value**" means the actual or perceived decrease of market or resale value of an automobile or part thereof, measured after repair of physical damage.

Exclusions. This policy does not apply under Part V:

- (a) to any automobile while used as a public or livery conveyance;
- (b) to loss of equipment which is not available from the manufacturers of the automobile named in the policy for that make, model, and model year;
- (c) to loss of equipment which is available from the manufacturers of the automobile named in the policy for that make, model, and model year, but which is not permanently installed in the dash or console opening specified by the manufacturer of the automobile for the installation of such equipment;
- (d) to loss to a **non-owned automobile** arising out of its use by an **insured** in the **automobile business**;
- (e) to loss to a private passenger, farm or utility automobile or trailer owned by the **named insured**

and not described in this policy or to any **temporary substitute automobile** therefore, if the **named insured** has other valid and collectible insurance against such loss;

- (f) to damage which is due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such damage results from a theft covered by this policy;
- (g) to tires, unless damaged by fire, malicious mischief, vandalism, stolen or unless loss is coincident with and from same cause as other loss covered by this policy;
- (h) to loss due to radioactive contamination;
- (i) under B of Part V, to breakage of glass if insurance with respect to such breakage is otherwise afforded;
- (j) to loss to any automobile designed for racing while being tested, repaired or serviced or to any automobile or motor vehicle used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (k) to loss of or damage to any device or instrument designed for the recording, reproduction, receiving, or transmittal of sound, radio waves, microwaves or television signals unless such device or instrument is permanently installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment;
- (l) to loss of or damage to any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound;
- (m) to loss with respect to an automobile, ownership of which is acquired by the **named insured** during the policy period, the **named insured** has not notified the Company in writing within 30 days of such acquisition, of his election to make Part V of this policy applicable to such automobile;
- (n) to loss due to a vehicle reported to the Company as stolen if evidence exists that forcible entry was not required to gain access to the automobile, or if evidence exists that keys were left in the automobile while it was unattended or that no evidence exists that the ignition system was altered to operate the automobile without keys;
- (o) to loss to any custom furnishings or equipment in or upon any pick-up, panel truck, or van, including, but not limited to, special carpeting, insulation, furniture, bars, television receivers, facilities for cooking or sleeping, height extending roots, custom murals, paintings or other decals or graphics;
- (p) to damage caused intentionally by or at the direction of an **insured**, however, this exclusion does not apply to the interest in the property of an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, provided that payment to the innocent co-insured is limited to his or her ownership interest in the property as reduced by any payments to a mortgagor or other secured interest;
- (q) to any **loss** arising out of or during its use for the transportation of hazardous substance, flammable liquid, or similarly hazardous material;
- (r) to **loss** due to war, declared or undeclared;
- (s) to **diminution in value** to any vehicle.

Limit of Liability. The Company's liability for all losses under Part V except for non-owned trailers shall not exceed:

- (a) the least of the actual cash value of the stolen or damaged described **owned automobile** or part thereof at the time of the loss, the actual cash value of the stolen or damaged **temporary substitute automobile** or part thereof at the time of the loss, or, with respect to damage to a **non-owned automobile** operated by an **insured** hereunder, the actual cash value of the most expensive **owned automobile** on the declarations of this policy or part thereof at the time of the loss;
- (b) the amount necessary to repair the damaged property using, at the sole direction of the company, new parts from the vehicle's manufacturer, aftermarket crash parts or **non-original equipment manufacturer (Non-OEM) aftermarket crash parts** or **like kind and quality parts**. **Non original equipment manufacturer (Non-OEM) aftermarket crash parts** will be identified on the repair estimate;
- (c) the amount necessary to replace the stolen or damaged property at the time of the loss with like **kind and quality** property less depreciation;
- (d) \$40,000 for any vehicle insured hereunder.

The Company's liability for loss under Part V for non-owned trailers shall not exceed \$500.00.

Other Insurance. This insurance with respect to a **temporary substitute automobile** or **non-owned automobile** shall be excess insurance over any other valid and collectible insurance or self-insurance.

PART VI – NON OWNER COVERAGE.

This Part VI applies only if the term "Non-Owner" appears on the Declarations of the policy. The purpose of "Non-Owner" Coverage is to insure the **named insured** against the liability imposed by the law upon the **named insured** for **bodily injury** or

for **property damage** to the amounts and limits stated on the Declaration of this policy and growing out of the use or operation by the **named insured** within the continental limits of the United States or the Dominion of Canada of a **non-owned automobile**. If the term "Non-Owner" appears on the Declarations of the policy, then all the terms and conditions of the policy apply except as modified herein, and to the extent that any definition, term or provision of Part VI conflicts with any definition, term or provision of any other Part of this policy, the purpose, definitions, terms and provisions of Part VI shall control the other Part of this policy. If this Part VI applies then:

1) In Part I - Liability and in all other Parts incorporating said section "Persons Insured" is deleted and the following is substituted: Persons Insured. The only person insured under this policy is the **named insured** and his or her **spouse**, if a resident of the same household, and then only with respect to a **non-owned automobile**, provided the use and operation thereof is with the permission of its owner and within the scope of permission.

2) Part VI Definitions to be substituted for definitions in Part I - Liability and as incorporated in other Parts or Conditions from Part I - Liability:

"**non-owned automobile**" means an automobile not owned by or furnished for the regular use of the **named insured** or any resident of the household of the **named insured**.

"**owned automobile**" means any automobile owned by or furnished for the regular use of the **named insured** or a resident of the household of the **named insured**.

3) Part VI definitions to be substituted in specified Parts and related Conditions:

For purpose of Part II - Uninsured Motorist Coverage and of Part III - Underinsured Motorist Coverage:

"**insured**" means the **named insured** and any **relative** of the **named insured**.

4) The following are added Exclusions:

In Part I - Liability:

(aa) to any automobile owned by or furnished for the regular use of the **named insured**, or owned by or furnished for the regular use of a resident of the household of the **named insured**;

(bb) to any automobile while used in a business or occupation of the **named insured**.

In Parts II - Uninsured Motorist Coverage and Part III - Underinsured Motorist Coverage:

(aa) to injuries arising out of the operation, use or maintenance of a motor vehicle owned by or furnished for the regular use of the **named insured**, resident **spouse** or other resident of the **named insured's** household.

In Part IV - Medical Payments:

(aa) by arising out of the use, operation, or maintenance of any automobile owned by or furnished for the regular use of the **named insured** or a resident of the household of the **named insured**;

5) In all Parts, delete the Other Insurance section and replace it with:

Other Insurance: This insurance shall be excess insurance over any other valid and collectible insurance or self-insurance.

CONDITIONS

(Unless otherwise noted, Conditions apply to all Parts and Optional Provisions of the Policy.)

1. Policy Period, Territory. This policy applies only to accidents and losses during the policy period, as stated in the Declarations, while the automobile is within the United States of America, its territories or possessions, or Canada or is being transported between ports thereof. This policy may be renewed for successive policy period by payment of the required premium to the Company on or before the effective date of each successive policy period. If such premium is not paid when due, the policy shall terminate as of that date and such date shall be the end of the policy period. Such premium shall be computed in accordance with the manuals then in use by the Company. Each policy period shall begin and end at 12:01 A.M. standard time at the address of the **named insured**.

2. Premium. During the term of this policy and any renewal thereof, the **named insured** shall immediately inform the Company of each change in the garaging address of an insured vehicle, of each new resident driver, of the suspension or revocation of the driver license of the **named insured** or of any resident driver, and of any other change in the persons or risks for which coverage is provided hereunder so as to allow the Company to determine whether and under what premium and conditions to continue coverage under this policy. If the **named insured** disposes of or replaces a private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days of such change. If the **named insured** acquires ownership of an additional private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days following the date of its delivery of his election to make this policy applicable to such **owned automobile**. Any premium adjustment necessary shall be made as of the date of such change or acquisition in accordance with the manuals in use by the Company. The **named insured** shall, upon request, furnish reasonable proof of the number of such automobiles or trailers and a description thereof.

3. Notice. In the event of an **accident** or loss, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and address of the injured and of available witnesses, shall be given by or for the **insured** to the Company as soon as practicable. However, in the case of a "hit and run" claim under Part II, notice must be given to the Company in writing within 30 days of the **accident**. A suit

seeking recovery against the Company under Part II must be filed within two years of the **accident**, however this period limiting time to file suit against the Company is tolled from the date proof of loss is filed, in whatever form is required by the policy, until the date the claim is denied in whole or in part. In the event of theft the **insured** shall also promptly notify the police. If claim is made or suit is brought against an **insured**, he shall immediately forward to the Company every demand, notice, summons or other process received by him, his representative or agent. The Company will not be obligated to pay, and shall not pay under Part I, unless the Company received actual notice of a lawsuit before a judgment had been entered in said suit. If, before the Company makes a payment of loss under Part II, the **insured** or his legal representative shall institute any legal action for **bodily injury** against any person or organization legally responsible for the use of an automobile involved in the **accident**. A copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the Company by the **insured** or his legal representative.

4. Fraud and Misrepresentation. If there has been a misrepresentation or false warranty, made with actual intent to deceive or which materially affects either the risk or hazard assumed by the Company, made by the **insured** or in his behalf in the negotiation for this policy, or breach of condition of such policy, and if said misrepresentation or false warranty or breach of condition is stated in the policy or endorsement or rider attached thereto, or in written application for this policy, then this policy shall be null and void and of no benefit, provided, however, that the Company, during the lesser of the first year of the policy or the first term of the policy, rescinds the policy and declares this policy void. If the policy has been in effect more than the lesser of one year or the first policy term, then the Company shall not rescind this policy. Notwithstanding any other provision of this policy, this policy shall provide no coverage or benefit to any person who makes a fraudulent statement or omission or engages in fraudulent conduct with respect to any **accident** or loss for which coverage or a benefit is sought under this policy or any renewal of this policy.

(b) Premium Adjustment. If, at any time, the Company becomes aware of a misrepresentation that would have made the risk ineligible or resulted in a higher premium charge, the Company reserves the right to retroactively endorse the policy to the correct premium charge. In the event that the Company exercises that right, the **named insured** will be liable for the total premium amount charged for the applicable coverage, which shall include any additional premium amounts that the **named insured** would have been charged had such misrepresentation not been made. However, the amount charged shall not exceed the claim amount, in the event that such claim is the reason the Company becomes aware of the misrepresentation. The total premium amount charged will be calculated based on the earlier of (1) the inception date of the policy, or (2) the date the misrepresentation occurred during the policy period. Nothing in this Condition shall preclude the Company from exercising or pursuing any other right or remedy available under law.

5. Two or More Automobiles - Parts I, IV and V. When two or more automobiles are insured hereunder, the terms of this policy shall apply separately to each, but an automobile and a trailer attached thereto shall be held to be one automobile as respects limits of liability under Part I and IV of this policy, and separate automobiles under Part V of this policy, including any deductible provisions applicable thereto.

6. Assistance and Cooperation of the Insured. As a condition precedent to the Company's duty of indemnity with respect to suits against an **insured**, the **insured** shall cooperate with the Company and upon the Company's request, attend hearings, trials and examinations under oath, and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. The **insured** shall not, except at his/her own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of **accident**. After the notice of claim under any part of this policy, the Company may require the **insured** to take such actions as may be necessary or appropriate to preserve his right to recover damage from any person or organization alleged to be legally responsible for the **bodily injury**; and in any action against the Company, the Company may require the **insured** to join such person or organization as a party defendant.

7. Action Against Company - Part I. No action shall lie against the Company unless, as a condition precedent thereto, the **insured** shall have fully complied with all terms of this policy, nor until the amount of the **insured**'s obligation to pay shall have been finally determined either by judgment against the **insured** after actual trial or by written agreement of the **insured**, the claimant and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the **insured** to determine the **insured**'s liability, nor shall the Company be impleaded by the **insured** or his legal representative. Bankruptcy or insolvency of the **insured** or the **insured**'s estate shall not relieve the Company of any of its obligations hereunder.

Parts II, III, IV and V. No action shall lie against the Company unless, as a condition precedent thereof, there shall have been full compliance with all the terms of this policy nor under Part V until 30 days after proof of loss if filed and the amount of loss is determined as provided in this policy. Under this policy the running of all contractual periods limiting time to file suit against the Company is tolled from the date proof of loss is filed, in whatever form is required by the policy, until the date the claim is denied

in whole or in part. In no event shall suit, arbitration or appraisal be commenced against the Company more than two years after the date of **accident**, except only in the following circumstances:

- (a) under Part II, if coverage is based on entry of the court order of rehabilitation or liquidation by reason of insolvency of an insurer, suit or arbitration shall not be commenced against the Company after the later of: two years after the date of the **accident** or six months after the entry of such court order of rehabilitation or liquidation by reason of insolvency; or
- (b) under Part III, suit or arbitration shall not be commenced after the later of: two years after the date of **accident** or six months after the limits of liability or portion thereof under all **bodily injury** liability insurance policies applicable to the underinsured motor vehicle and its operators have been partially or fully exhausted by payment of judgment or settlement.

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

9. Insured's Duties in Event of Loss - Part V. In the event of loss the **insured** shall:

- (a) protect the automobile, whether or not the loss is covered by this policy, and any further loss due to the **insured's** failure to protect shall not be recoverable under this policy; reasonable expenses incurred in affording such protection shall be deemed incurred at the Company's request;
- (b) file with the Company, within 91 days after loss, his sworn proof of loss in such form and including such information as the Company may reasonably require and shall, upon the Company's request, exhibit the damaged property and submit to examination under oath.

10. Proof of Claim; Medical Report - Part II, III and IV. As soon as practicable, an **insured** or other person making claim shall give to the Company written proof, under oath, if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering into the determination of the amount payable. The **insured** and every other person making claim shall submit to examinations under oath by any person named by the Company and subscribe the same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the Company unless the Company shall have failed to furnish such forms within 15 days after receiving notice of claim. The injured person shall submit to physical examinations by physicians selected by the Company when and as often as the Company may reasonably require and he, or in the event of his incapacity his legal representative, or in the event of his death his legal representative or the person or persons entitled to sue therefore, shall upon each request from the Company execute authorization to enable the Company to obtain medical reports and copies of records.

11. Appraisal - Part V. If an **insured** and the Company fail to agree as to the amount of loss, then the dispute shall be decided by appraisal as described herein. In such event the **insured** and the Company shall each select a competent appraiser. The appraisers shall state separately the actual cash value and the cost of repairs and failing to agree shall submit their differences to an umpire whom they select. An award in writing of any two shall determine the actual cash value and the cost of repairs. The **insured** and the Company shall each pay his chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal. No appraiser or umpire shall have authority to hear or decide class or representative claims.

12. Payment of Loss. Any amount due is payable (a) to the **insured**, or (b) if the **insured** be a minor to his parent or guardian, or (c) if the **insured** be deceased to his surviving **spouse**, otherwise (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents; provided, the Company may at its option pay any amount due in accordance with division (d) hereof.

Part V. The Company may pay for the loss in money; or may repair or replace the damaged or stolen property; or may at any time before the loss is paid or the property is so replaced, at its expense return any stolen property to the **named insured**, or at its option to the address shown in the declarations, with payment for any resultant damage thereto less deductible; or may take all or such part of the property at the agreed or appraised value but there shall be no abandonment to the Company. If the Company deems the automobile a total loss, then the Company may pay the **insured** and the loss payee, if any. The interest of a loss payee is subject to any defenses as to the **insured** under the terms and conditions of this policy with respect to any loss. If the **insured** or owner elects to have the automobile repaired at a facility of his/her own choosing and that facility charges more than the Company would pay for the repair at another licensed auto repair facility reasonably available, then the Company may tender the amount payable under its estimate and the **insured** or owner will be responsible to pay the difference to the repair facility of his/her own choosing. If hidden or additional damage is identified, then the Company shall be given the opportunity to estimate the cost of such additional repair and the Company may tender such additional amount payable pursuant to its additional estimate.

13. No Benefit to Bailee - Part V. The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire liable for loss to the automobile.

14. Subrogation.

- (a) In the event of any payments under Parts I, II, and V of this policy, the Company shall be subrogated to all the **insured's** rights of recovery therefore against any person or organization and the **insured** shall execute and deliver instruments and paper and do whatever else is necessary to secure such rights. The **insured** shall do nothing after loss to prejudice such rights.
- (b) In the event of any payment under Part IV the Medical Payments of this policy, the Company shall be subrogated to all the rights of recovery therefore which the insured person or anyone receiving such payment may have against any person or organization and such person shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.
- (c) In the event of any payment under the Underinsured Motorists Coverage, the Company shall not exercise any right of subrogation under a policy providing additional uninsured motorist coverage against an underinsured motorist where the form acceptable to the U.S. Post Office or other commercial mail delivery service shall be sufficient Company has been provided with written notice in advance of a settlement between its **insured** and the underinsured motorist and the Company fails to advance a payment to the **insured**, in an amount equal to the tentative settlement, within 30 days following receipt of such notice.

15. Changes. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.

16. Assignment. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the **named insured** shown in Item I of the Declarations, or his **spouse** if a resident of the same household, shall die, this policy shall cover (1) the survivor as **named insured**, (2) his legal representative as **named insured** but only while acting within the scope of his duties as such, (3) any person having proper temporary custody of an **owned automobile**, as an **insured**, until the appointment and qualification of such legal representative, and (4) under Division I of Part IV any person who was a **relative** at the time of such death.

17. Arbitration. Parts II and III Any dispute with respect to the coverage and the amount of the damages shall be submitted for arbitration to the American Arbitration Association and shall be subject to its rules of the conduct of arbitration hearings as to all matters except medical opinions. If the amount of the damages being sought is equal to or less than the amount provided for in Section 7-203 of the Illinois Motor Vehicle Code, then the current American Arbitration Association Rules shall apply as to medical opinions. If the amount being sought in an American Arbitration Association case exceeds that amount as set forth in Section 7-203 of the Illinois Motor Vehicle Code, then the Rules of Evidence that apply in the circuit court for placing medical opinions into evidence shall govern. Alternatively, disputes with respect to damages and the coverage shall be determined in the following manner: Upon the **insured** requesting arbitration, each party to the dispute shall select an arbitrator and the 2 arbitrators so named shall select a third arbitrator. If such arbitrators are not selected within 45 days from such request, either party may request that the arbitration be submitted to the American Arbitration Association. Any decision made by the arbitrators shall be written and shall be binding for the amount of damage not exceeding \$75,000 for **bodily injury** to or death of any one person, \$150,000 for **bodily injury** to or death of 2 or more persons in any one motor vehicle accident, or corresponding policy limits under this Part, whichever is less. Arbitration before a three arbitrator panel shall be subject to the rules of evidence in Illinois courts, except to the extent the use of such rules is modified by the Illinois Insurance Code. Each party shall bear the cost of his or her own arbitrator and shall share equally the cost of the third arbitrator. All arbitration hearings under this policy shall take place in the Illinois County in which the **insured** resides and in accordance with the usual rules governing procedure and admission of evidence in courts of law of that state and not in accordance with any court mandated arbitration or mediation rules. If the person demanding arbitration does not reside in Illinois, the arbitration shall then take place in an Illinois county in which the Company has an office. Any person making claim here under shall answer written interrogatories under oath when served by the Company, and shall comply with the Company's request for production of documents supporting that person's claim. No arbitrator shall have authority to hear or decide class or representative claims. Any provisions herein that are in conflict with statute or settled law shall be construed to be amended so as to comply with such statute or settled law.

18. Cancellation. This policy may be cancelled by a premium finance company or by the **named insured** named in Item I of the Declarations by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. No further notice shall be required.

This policy may be cancelled by the Company by mailing to the mortgagee or lien holder at the last mailing address known to the Company, and to the **named insured** shown in Item I of the Declarations at the last mailing address known to the Company, written notice stating when not less than 30 days thereafter such cancellation shall be effective, however, the Company shall not exercise its right to cancel such policy after it has been in effect for 60 days or any policy that has been renewed except for the reason set forth in Section 143:19 of the Illinois Insurance Code. No notice of cancellation of policy to which Section 143:19 applies is effective unless mailed by the Company to the mortgagee or lien holder and to the **named insured** at least 30 days prior to the effective date of cancellation; however, where cancellation is for non-payment of premiums, at least 10 day notice of cancellation is given. The mailing of notice as aforesaid on a recognized U.S. Post Office form or a proof of notice, and a copy of such notice shall be sent to the **named insured's** producer or the agent of record at the last mailing address known to the Company.

In the event of the cancellation of this policy, earned premium shall be computed pro-rata to the date of cancellation. Any refund of the premium shall be without prejudice to any claim arising prior to the cancellation, and such refund shall be made to the agent of the **named insured** shown on the notice of cancellation by the Company, or (1) the date the Company receives the request for cancellation from the **named insured** or its representatives, but payment or tender of unearned premium by the Company within 30 days from (2) the date of the cancellation is not a condition of cancellation. If this policy has been cancelled and reinstatement is requested, the Company may at its sole option reinstate the policy and determine the effective date of reinstatement. Coverage under a reinstated policy shall be prospective only as of the date agreed to and is not retroactive to the prior cancellation date. No coverage is provided under a reinstatement of this policy relative to any **accident** or loss between a prior cancellation and the effective date of reinstatement.

19. Excluded Drivers. If any person is identified on the Declarations or an endorsement thereto in effect at the time of an **accident** as "EXCLUDED", and if the **accident** involves the use or operation of any motor vehicle by the person identified as "EXCLUDED" then, notwithstanding any other provision of this policy or its Declarations or amended Declarations, no coverage of any kind under this policy is owing or payable by the Company to any person with respect to such **accident** and the Company is not obligated to defend any person in any legal action arising out of the **accident**.

20. Loss Payee

Loss under this policy shall be payable as their interest may appear to the person or organization named in the Declarations as loss payee, provided this insurance as to such interest for any mortgagee (herein called the lienholder) has not been invalidated by any act or neglect of the insured owner of the **owned automobile** nor by any change in the title of ownership of the same. Further, that in the event of conversion, embezzlement, or secretion by the insured owner of the **owned automobile**, interest under the said bailment lease, conditional sale, mortgage or other encumbrance is not covered under this policy unless specifically insured against and premium paid therefore; and provided, also, that in case the **named insured** has neglected to pay any premium due under this policy, the lienholder has paid the same.

The lienholder shall notify the Company of any change of ownership or increase of hazard which shall come to the knowledge of said lienholder and, if accepted by the Company, it shall be endorsed herein and the lienholder shall, on demand, pay the premium for any such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

The Company reserves the right to cancel this policy at any time as provided by its terms. In such case the Company shall notify the lienholder and not less than ten (10) days thereafter such cancellation shall be effective as to the interest of said lienholder therein and the Company shall have the right, on like notice, to cancel this agreement.

Should the **named insured** fail to render Proof of Loss within the time granted in the conditions of this policy, the lienholder shall do so within sixty (60) days thereafter, in the form and the manner as provided by this policy, and further, shall be subject to the provisions of this policy relating to appraisal and time of payment and of bringing suit.

Whenever the Company shall pay the lienholder any sum for loss under this policy and shall claim that, as to an **insured**, no liability therefore existed, the Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under securities held as collateral to the debt, or may at its option, pay to the lienholder the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the lienholder to recover the full amount of its claim.

The interest of the loss payee is protected by these provisions subject to all terms, conditions, and exclusions contained in this policy, which policy is available to the loss payee upon request.

21. Out of State Coverage. If, under the provisions of the motor vehicle financial responsibility law or the motor vehicle compulsory insurance law or any similar law of **any state** or province, a non-resident is required to maintain insurance with respect to the operation or use of a motor vehicle in such **state** and such insurance requirements specify limits of liability greater than the insurance provided by the policy or require additional coverages not provided by this policy, the limits of the company's liability and kinds of coverage afforded by the policy shall be as set forth in such law, in lieu of the limits and coverages otherwise provided by the policy, but only to the extent required by such law and only with respect to the operation or use of a motor vehicle in such **state** provided the insurance under this provision shall be reduced to the extent there is other valid and collectible insurance under this or any other motor vehicle insurance policy. In no event shall any person be entitled to receive duplicate payments for the same elements of loss. In the event the company is required by operation of law to pay benefits greater than provided by this policy the named insured agrees to reimburse the company all amounts paid in excess of the limits or coverages provided in this policy.

22. Financial Responsibility Laws. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by the policy for **bodily injury** liability or for **property damage** liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability stated in this policy. The **insured** agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

23. Declarations. By acceptance of this policy, the **named insured** shown in Item I of the Declarations agrees that the statements contained in the Application, a copy of which is attached to and forms a part of this policy, have been made by him or her or on his or her behalf and that said statements and the statements of the Declarations and in any subsequent Application accepted by the Company are offered as an inducement to the Company to issue or continue this policy and that the same are his or her agreements and representations, and that this policy is issued and continued in reliance upon the truth of such statements and representations and that this policy embodies all agreements existing between himself or herself and the Company or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President, but this policy shall not be valid unless completed by the attachment hereto of the Declarations page and countersigned on the aforesaid Declarations page by a duly authorized representative of the Company.



David S. Mirza, President

Lighthouse Casualty Company, Illinois Personal Auto Policy Form LCC-ILPPAPOL-(2/01/2013)

Section 143c of the Illinois Insurance Code requires notification of the following addresses:

Lighthouse Casualty Company
7400 N. Caldwell Ave.
Niles IL 60714

Illinois Department of Insurance
Consumer Services Section
Springfield IL 62767

OPTIONAL PROVISIONS

LEGAL EXPENSE REIMBURSEMENT

This coverage is addition to other coverage under this policy and applies only if a premium for this coverage is shown on the declarations

Coverage for Legal Expense Reimbursement. The Company will reimburse the **named insured**, up to \$500.00, for attorney's fees and expenses incurred by the **named insured** for services rendered by an attorney to defend the **named insured** against citations(s) alleging a moving violation of the Illinois Vehicle Code (625 ILCS 5/*et..seq.*), or any such similar code of a municipality within the State of Illinois, while driving the **owned automobile**. The maximum benefit payable under this coverage is \$500.00 during the policy period stated in the declarations.

Definitions. Except as defined herein, the definitions under Part I of the policy apply to this coverage. The following additional definitions apply to this coverage:

"moving violation" means any traffic violation committed while an automobile is in motion;

"punitive or exemplary damages" means sums awarded by a court of competent jurisdiction against the **named insured** as a punishment or deterrent.

Exclusions. This coverage does not apply to:

1. any citation alleging violation of the Criminal Code of 1961 (720 ILCS 5/*et.seq.*), Cannabis Control Act (720 ILCS 550/*et.seq.*), Illinois Controlled Substances Act (720 ILCS 570/*et.seq.*), Liquor Control Act of 1934 (234 ILCS 5/*et seq.*), or Illinois Identification Card Act (15 IL.CS 335/*et.seq.*);
2. any citation alleging a violation other than a moving violation;
3. any citation issued outside the State of Illinois;
4. any citation issued to anyone other than the **named insured**;
5. any citation issued to the **named insured** while not driving his or her **owned automobile**;
6. expenses or fees incurred with an attorney unlicensed to practice law in Illinois;
7. any fine, penalty or assessment payable on a citation;
8. any punitive or exemplary damages payable on a citation or otherwise; or
9. the **named insured**'s out-of-pocket expenses regardless of whether incurred by the **named insured** or his or her attorney, including but not limited to, court costs, towing charges, impound fees, travel expenses or any other incidental expenses related to the citation.

Proof of Loss. Written proof of loss must be given to the Company within ninety (90) days of the date of the citation(s). Proof of loss must include a copy of the citation(s) and a copy of any bills or invoices incurred by the **named insured** for services rendered by his or her attorney to defend the **named insured** against citation(s) alleging a moving violation while driving an **owned automobile**. Failure to furnish such proof of loss within the time required shall invalidate the coverage provided by this coverage. However, failure to provide copies of bills or invoices for attorney's fees or expenses incurred after proof of loss has been provided hereunder shall not invalidate or reduce this, provided such bills or invoices are furnished as soon as reasonably possible and in no event later than one (1) year from the time proof of loss is initially required to be furnished hereunder. All bills or invoices for attorney's fees and expenses submitted hereunder shall provide an itemization of the attorney's fees and expenses by citation. Following receipt of proof of loss, the Company shall have the right to request additional documentation to support the claim for coverage hereunder.

Action Against Company. Notwithstanding anything to the contrary stated in the policy to which this coverage is attached, no action at law or in equity shall be brought to recover under this coverage prior to the expiration of sixty (60) days after written proof of loss has been received by the Company. No such action shall be brought after the expiration of one (1) year after the time proof of loss is initially required to be furnished hereunder, except that the time for bringing such action shall be tolled from the date proof of loss is filed with the Company, in the form required above, until the claim is denied in whole or in part.

Selection of Attorney. Notwithstanding the Company's right to select counsel and control the defense of suits against an **insured** as described in Part I of this policy, the Company is not obligated to select and will not select an attorney for the **named insured** and shall not control the attorney the **named insured** selects for purposes of the coverage described herein. The **named insured** has the right to choose his or her own attorney under the coverage provided herein and the **named insured** shall be solely responsible to choose and retain his or her own attorney. The choice of attorney and the attorney's fees and expenses charged by that attorney shall not expand or enlarge the Company's obligation under this coverage and the **named insured** shall be solely responsible to his or her own attorney for attorney's fees and expenses in excess of the Company's limit of liability under this coverage.

ACCIDENTAL DEATH COVERAGE

This coverage is addition to other coverage under this policy and applies only if a premium for this coverage is shown on the declarations

Accidental Death. This coverage provides indemnity for loss of life resulting from **bodily injury** caused solely by an accident, to the extent herein limited and provided, and in consideration of your payment of the premium, in reliance upon your statements in any application forms relevant hereto (all of which are incorporated herein), and subject to all limits, exclusions, conditions, and other terms of this coverage, the Company does hereby agree to insure the **named insured** against death occurring within ninety (90) days of **Injury** and resulting from **Injury** sustained by the named insured during the policy period applicable hereto, in the amount of \$5,000.00 for the policy period applicable hereto, to the extent herein limited and provided. The maximum benefit payable under this coverage is \$5,000.00 during the policy period stated in the Declarations of the policy to which this coverage is attached or the policy period applicable hereto if this coverage is added after the inception date of said policy regardless of the number of owned automobiles or the number of persons insured hereunder.

“**Injury**” wherever used in this coverage means accidental bodily injuries sustained by the **named insured** which are the direct cause of loss, independent of disease, sustained as a result of operating, driving, or riding in the **named insured's** owned automobile, or as a result of the burning or exploding of the **named insured's** owned automobile while this coverage is in force.

This coverage shall be effective during the policy period set forth in the Declarations of the policy to which this coverage is attached or if this coverage is added after the inception date of said policy, coverage shall be effective as of the effective date of the amended Declarations adding this coverage. All periods of insurance begin and end at 12:01 a.m. Standard Time, at the place of residence of the named insured.

Definitions. The definitions under Part I of the policy apply to this coverage.

EXCLUSIONS AND LIMITATIONS

- (A) This coverage shall not cover death caused by **Injury** arising out of the use by any person of an owned automobile without a reasonable belief that the person is entitled to do so.
- (B) This coverage shall not cover death caused by (1) **Injury** arising out of the operation of an owned automobile in any pre-arranged or organized race or speed contest; (2) suicide or any suicide attempt, while sane or insane; (3) war or any act of war, or service in any military, naval or air force of any country; (4) participation in any civil disorder or riot; (5) participation in a crime, attempt to commit a crime, or commission of a crime; or (6) **Injury** sustained while engaging in an illegal occupation.
- (C) This coverage shall not cover death from an **Injury** occurring outside the continental United States.
- (D) This coverage shall not cover death from an **Injury** occurring while the named insured is operating, driving or riding in a non-owned automobile.

UNIFORM PROVISIONS

Entire Contract: This coverage, including any further endorsements and the attached papers, if any, constitutes the entire contract of insurance with respect to the coverage provided hereunder. No change to this coverage shall be valid until approved by an

executive officer of the Company and reflected by amended Declarations issued by the Company. No agent has authority to change this coverage or waive any of its provisions.

Proof of Loss: Written proof of loss must be given to the Company within ninety (90) days of the named insured's death. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the case of legal incapacity, later than one year from the time proof is otherwise required. The Company shall have the right, within thirty (30) days of receipt of the written proof of loss, to request additional documentation to support the claim.

Time of Payment of Claims: The Company shall pay claims payable under this coverage within thirty (30) days of receipt of due written proof of loss. If payment is not made within such thirty (30)-day period, the Company shall also pay nine (9%) percent per annum interest from the thirtieth (30th) day after receipt of due written proof of loss until payment is made, unless such interest payment is less than One (\$1) Dollar.

Payment of Claims: Claims payable under this policy shall be made to the estate of the named insured. Notwithstanding this, the Company shall have the right to pay, up to One Thousand (\$1,000) Dollars per person, to any relative by blood or connection by marriage to the named insured whom the Company deems is equitably entitled to the payment. Any such payment made by the Company in good faith shall fully discharge the Company to the extent of such payment.

Physical Examination and Autopsy: The Company, at its own expense, shall have the right and opportunity to make an autopsy where it is not forbidden by law.

Assignment: The Company will not assume responsibility for determining the validity of an assignment of the named insured's benefits to a provider of services. No such assignment of benefits will be recognized until the Company has received notice of it at its offices.

Legal Actions: No action at law or in equity shall be brought to recover on this coverage prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this coverage. No such action shall be brought after the expiration of three years after the time proof of loss is required to be furnished, except that the running of such period shall be tolled from the date proof of loss is filed with the Company, in whatever form is required by the Company, until the date the claim is denied in whole or in part.

Reimbursement Provision: If a covered person incurs expenses for **Injury** that occurred due to the negligence of a third party, A) we have the right to reimbursement for all benefits we paid from any and all damages collected from the third party for those same expenses whether by action at law, settlement, or compromise, by the covered person, covered person's parents, if the covered person is a minor, or covered person's legal representative as a result of that **Injury**; and B) we are assigned the right to recover from the third party, or his or her insurer, to the extent of the benefits we paid for that **Injury**. We shall have the right to reimbursement out of all funds the covered person, the covered person's parents, if the covered person is a minor, or the covered person's legal representative, is or was able to obtain for the same expenses we have paid as a result of that **Injury**. You are required to furnish any information or assistance or provide any documents that we may reasonably require in order to obtain our rights under this provision. This provision applies whether or not the third party admits liability.