

ALABAMA PERSONAL AUTO POLICY

EQUITY INSURANCE COMPANY

Administered by:

BLUEFIRE INSURANCE SERVICES

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YOUR PERSONAL AUTOMOBILE POLICY - QUICK REFERENCE

DECLARATIONS PAGE Name of Insurance Company Your Name and Address Your Auto or Trailer Policy Period Coverage and Amounts of Insurance

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PERSONAL AUTO POLICY

AGREEMENT

In consideration of the payment of the premium and in reliance upon the statements in the Application and the declarations contained in this policy and the Declarations Page and subject to all of the terms of this policy, **we** agree with **you** as follows:

DECLARATIONS

By acceptance of this policy you agree:

1. that the statements contained in the Application, a copy of which is attached to and forms a part of this policy, and the statements in the Declarations Page, a copy of which is attached to and forms a part of this policy, are your representations; and
2. that this policy is issued in reliance upon the truth of those representations; and
3. that this policy embodies all agreements existing between you and us or any of our agents relating to this policy; and that the coverages afforded by the policy shall not apply to any loss in which any vehicle is driven, operated, occupied, manipulated, maintained, serviced or used in any manner by any person that is not listed as a driver on the policy Application, Declarations Page, or Endorsements who is (a) under the age of twenty-five and is either a Family Member or resides in the same household as the named insured, or (b) regardless of age is a regular or frequent user of any automobile insured under this policy. This provision shall apply whether or not the named insured is occupying the vehicle at the time of loss.

GENERAL DEFINITIONS

Throughout the policy, "**you**" and "**your**" refer to:

1. The "named insured" shown in the Declarations Page; and
2. The spouse by marriage or otherwise if residing at or using the same address as the named insured or otherwise a member of the named insured's household.

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

"**Family Member**" means a person related to **you** by blood, marriage or adoption and who primarily lives in **your** household. This includes **your** ward or foster child, and includes any child of **yours** who is only temporarily away from the household.

"**Occupying**" or "**occupying**" means in, entering, on, upon, or alighting from. Occupying requires physical contact.

"**Trailer**" means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup, panel truck, or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in 1 or 2 on a public highway.

"**Your Covered Auto**" means:

1. Any vehicle shown in the Declarations Page.
2. Any of the following vehicles acquired during the policy period on the date **you** become the owner or lessee, provided **you** ask **us**, in writing, to insure it and pay the required premium within thirty (30) days of purchase or lease.
 - a. a private passenger auto; or
 - b. a pickup, panel truck or van, not used in any business or occupation other than farming or ranching

For purposes of this policy, a private passenger type auto shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least three months.

3. Any **Trailer you** own.
4. Any auto, including but not limited to an auto the cost of which is reimbursable under Rental Reimbursement Coverage or any **Trailer you** do not own while used as a temporary substitute for any other vehicles described in this definition which is out of normal use because of its:
 1. breakdown;
 2. repair;
 3. servicing;
 4. loss; or
 5. destruction.

Except note that paragraphs 3 and 4 are excluded from collision and comprehensive coverage in the definition of "**Your Covered Automobile**" **PART D - COVERAGE FOR DAMAGE TO YOUR Covered AUTO.**

"**Non-Covered Person**" as used in this policy means:

1. Any operator of a vehicle who is not listed as a driver on the policy Application, Declarations Page, and/or added by Endorsement who is under the age of twenty-five and is either a **Family Member** or resides in the same household as the named insured.
2. Any operator of a vehicle who is listed as an "Excluded Driver(s)" on the Application, Declarations Page and/or added by Endorsement.
3. An operator of a vehicle who is a regular or frequent user of **Your Covered Auto** and not listed on the Application, Declarations Page and/or added by Endorsement.
4. An operator of a vehicle who is an unlicensed driver or whose driving privileges have been terminated or suspended.
5. An operator of a vehicle who is using a vehicle without a reasonable belief that person is entitled to do so.
6. Any person who directly or indirectly intentionally causes bodily injury or property damage. The person shall be deemed to intend the natural and probable consequences of his intentional acts.
7. An operator of a vehicle whose use of the vehicle arises out of any agreement, including, but not limited to, rental or "peer to peer" arrangements, in which the owner, policyholder, or their relative derives compensation in any form.

PART A- LIABILITY COVERAGE INSURING AGREEMENT

We will pay damages for bodily injury or property damage for which a **Covered Person**, as defined in this Part, becomes legally responsible because of an auto accident. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **We will not** pay damages for bodily injury or property damage caused by a **Non-Covered Person**, nor will **we** defend or pay any cost of defense.

It is further understood and agreed that **we** are not obligated to pay, and shall not pay, attorney's fees for any legal or investigative work, unless such attorneys are selected by **us**.

It is further understood and agreed that **we** are not obligated to pay, and shall not pay, any sum of which a **Covered Person**, as defined in this Part, may be legally obligated to pay as a result of a lawsuit **unless such Covered Person provides us actual notice of said suit, in accordance with PART G - DUTIES AFTER AN ACCIDENT OR LOSS, GENERAL DUTIES.**

It is further understood and agreed that **we** are not obligated to pay and shall not pay any costs associated with any criminal case. Said costs shall include, but are not limited to, costs of defense, fees, fines and court costs.

"**Covered Person**" as used in this Part means:

1. **You** for the ownership, maintenance or use of **Your Covered Auto** or **Trailer**, unless it is operated by a **Non-Covered Person**.

2. A person, other than a **Non-Covered Person**, using **Your Covered Auto** with **your** express permission within the scope of that permission
3. For **Your Covered Auto**, any person or organization, other than a **Non-Covered Person**, but only with respect to legal responsibility for acts or omissions of an operator of **Your Covered Auto**, provided said operator is not a **Non-Covered Person**.

SUPPLEMENTARY PAYMENTS

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

1. Up to \$100 for the cost of bail bonds required because of an accident, including related traffic law violations that result in bodily injury or property damage that is covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend.
3. Up to \$35 a day for loss of earnings, but no other income, because of attendance at hearings or trials at **our** request.
4. Other reasonable expenses incurred at **our** request.

EXCLUSIONS

- A. **We** do not provide Liability Coverage for any person:
1. For damage to property owned or being transported by that person.
 2. For damage to property
 - a. rented to;
 - b. used by; or
 - c. in the care of;
 that person.
 3. For bodily injury to an employee of that person during the course of employment. This exclusion does not apply to bodily injury to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 4. For that person's liability arising out of the ownership or operation of a vehicle while it is being used to carry persons or property for a fee or compensation of any type, including, but not limited to, pizza, postal, and newspaper deliveries. This exclusion does not apply to a share-the-expense car pool.
 5. While employed or otherwise engaged in the business or occupation of:
 - a. selling; or
 - b. repairing; or
 - c. servicing; or
 - d. storing; or
 - e. parking vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **Your Covered Auto** by **you**.
 6. For bodily injury or property damage for which that person:
 - a. is an insured under a nuclear energy liability policy; or
 - b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
 A nuclear energy liability policy is a policy issued by any of the following or their successors:
 - a. Nuclear Energy Liability Insurance Association;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
 7. For bodily injury, property damage or death sustained by **you** or any **Family Member** or person who is otherwise a member of **your** household.
 8. For bodily injury or property damage which may reasonably be expected to result from the intentional or criminal acts of a **Covered Person** or which are in fact intended by a **Covered Person**.
 9. Arising out of operation of you **Covered Auto** insured under this policy which is designed for racing while being tested,

repaired or serviced or while used, operated, manipulated or maintained in any prearranged or organized race or speed test; including "hot rod", "drag" or "stock" racing.

10. For the payment of punitive or exemplary damages. However, this exclusion does not apply to wrongful death claims under the Alabama Wrongful Death Act.
11. While towing a vehicle other than **Your Covered Auto**.
12. For bodily injury to any listed driver on the Declarations Page, Application, or added by Endorsement.
13. For damage to any automobile listed on the Declarations Page, Application or added by Endorsement.

B. **We** do not provide Liability Coverage for the ownership, maintenance, or use of:

1. A motorcycle, all terrain vehicle (ATV), golf cart, or any motorized vehicle having less than four wheels.
2. Any vehicle, other than **Your Covered Auto**, which is:
 - a. owned by **you**; or
 - b. furnished or available for **your** regular use.
3. Any vehicle, other than **Your Covered Auto**, which is
 - a. owned by a **Family Member**, or
 - b. furnished or available for the regular use of any **Family Member**.

FINANCIAL RESPONSIBILITY LAWS

When **we** certify this policy as proof of Financial Responsibility, it will comply with the law to the extent of the coverage required by the law, in the state where **we** certified this policy, subject to the limits of this policy.

LIMIT OF LIABILITY

Regardless of the number of **Covered Persons**, claims made, vehicles or premiums shown in the Declarations Page, vehicles involved in the auto accident, or suits brought, **we** will pay the limits of liability shown in the Declarations Page for this coverage subject to the following:

1. The limit for "each person" is the maximum **we** will pay for bodily injury sustained by any one accident, and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services and loss of consortium.
2. Subject to the bodily injury limit for "each person, the limit for each accident, is the maximum **we** will pay for bodily injury sustained by two or more persons in any one accident and includes all derivative claims which include but are not limited to loss of society, loss of companionship, loss of services and loss of consortium.
3. The property damage liability limit for "each occurrence" is the maximum **we** will pay for all damage to property in an occurrence.
4. **We** will provide insurance for a **Covered Person**, other than the named insured, listed driver, or a **Family Member**, up to the limits of the Financial Responsibility Law only. Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under the Uninsured Motorist Coverage for this policy.

OTHER INSURANCE

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

PART B- MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT

We will pay reasonable expenses incurred for necessary medical and funeral services because of bodily injury:

1. Caused by an auto accident; and
2. Sustained by a **Covered Person**, and

3. Which is in excess of any medical and/or funeral expenses actually paid or which would be payable to or on behalf of the **Covered Person** under the provision of any:
 - a. automobile or premises insurance affording benefits for medical expenses;
 - b. individual, blanket or group accident, disability or hospitalization insurance; or
 - c. medical or surgical insurance or reimbursement plans; and
4. Provided by a medical provider who is a) licensed by the state where these services are performed, and b) licensed to perform these services.

We will pay only those expenses incurred within 1 year from the date of the accident.

"Covered Person" as used in this Part means:

1. **You** or any **Family Member**, other than a **Non-Covered Person**
 - a. while **occupying Your Covered Auto** (provided it is not operated by a **Non-Covered Person**); or
 - b. as a pedestrian when struck by a motor vehicle designed for use mainly on public roads or a **Trailer** of any type.
2. Any person while **occupying Your Covered Auto**, (provided it is not operated by a **Non-Covered Person**).

EXCLUSIONS

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

1. Sustained while any automobile is operated by a **Non-Covered Person**.
2. Sustained while **occupying** a motorcycle, all terrain vehicle (ATV), or any motorized vehicle having less than four wheels.
3. Sustained while **Your Covered Auto** is being used to carry persons or property for a fee or compensation of any type, including, but not limited to, pizza, postal, and newspaper deliveries. This exclusion does not apply to a share-the-expense car pool.
4. Sustained while **occupying** any vehicle located for use as a residence or premises.
5. Occurring during the course of employment if workers' compensation benefits are required or available for the bodily injury.
6. Sustained while **occupying Your Covered Auto** when it is being used in the business or occupation of a **Covered Person**.
7. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution or
 - f. terrorist act
8. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation;
 - c. radioactive contamination.
9. Arising out of operation of any automobile insured under this policy which is designed for racing while being tested, repaired or serviced or while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod", "drag" or "stock" racing.

LIMIT OF LIABILITY

The limit of liability in the Declarations Page for this coverage is **our** maximum limit of liability for each person injured in any one accident. This is the most **we** will pay regardless of the number of:

1. **Covered Persons**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations Page; or
4. Vehicles involved in the accident.

Any amounts otherwise payable for expenses under this coverage shall

be reduced by any amounts paid or payable for the same expenses under Part A or Part C, or if there is other applicable auto medical payments insurance **we** will pay only **our** share of the loss.

OTHER INSURANCE

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

PROOF OF CLAIM

As soon as possible the **Covered Person** making claim under this coverage shall give **us** written proof of intent to present a claim under this Part, and to provide **us** a proof of loss, including full details of the injuries and treatment, other medical, hospital, workman's compensation insurance available, and any other information **we** may need to determine the amounts payable. The **Covered Person** shall submit to reasonable questioning concerning any claim made under this policy.

The **Covered Person** shall submit to physical examination by doctors chosen by **us** at the time **we** select and as often as **we** may reasonably require. The **Covered Person** shall also give **us** an authorization which would allow **us** to obtain medical reports and copies of the records.

PAYMENT OF BENEFITS

We may pay the **Covered Person**, the person providing medical services or the person responsible for payment of the medical expenses.

TRUST AGREEMENT

When **we** pay medical expenses, the **Covered Person** or legal representative must agree in writing to repay **us** out of any damages recovered from anyone responsible for causing the bodily injury. The **Covered Person** must also agree in writing to hold in trust and preserve for **us** any rights to recovery against anyone.

PART C - UNINSURED MOTORIST COVERAGE INSURING AGREEMENT

We will pay damages which a **Covered Person**, as defined in this Part, is legally entitled to recover from the owner or operator of an **Uninsured Motor Vehicle** because of bodily injury:

1. Sustained by a **Covered Person**; and
2. Caused by an accident, which in no way involves the operation of any automobile by a **Non-Covered Person**;

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **Uninsured Motor Vehicle**.

Any judgment for damages arising out of a suit brought without prior notice to **us**, and without **our** written consent is not binding on a claim being made by any **Covered Person**, against **us**. A default judgment rendered against the owner or operator of an **Uninsured Motor Vehicle** shall not be binding nor determinative of any issue arising in a claim being made by any **Covered Person**.

No recovery can be made under this Part until the **Covered Person** has received by way of settlement or judgment, the full limits of coverage under any applicable bodily injury liability policy or bond.

"Covered Person" as used in this Part means:

1. **You**, and a **Family Member** other than a **Non-Covered Person**
2. Any other person **occupying Your Covered Auto** (provided it is not operated by a **Non-Covered Person**)

"Uninsured Motor Vehicle" means a land motor vehicle or **Trailer** of any type:

1. To which no bodily injury liability bond or policy is in effect at the time of the accident.
2. To which a bodily injury liability bond or policy is in effect at the time of the accident, but the sum of the limits of liability coverage under all policies is less than the damages which the injured person is legally entitled to recover from the owner or operator of the uninsured motor vehicle.
3. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in "bodily injury" without hitting.

However, **Uninsured Motor Vehicle** does not include any vehicle or equipment:

1. Identified as **Your Covered Auto** on the Application, Declarations Page, and/or added by Endorsement.
2. Owned by or furnished or available for the regular use of **you** or any **Family Member**.
3. Operated by a **Non-Covered Person**.
4. Operated on rails or crawler treads.
5. Which is a farm type tractor or equipment designed mainly for use off public roads except while on public roads.
6. While located for use as a residence or premises.

EXCLUSIONS

- A. **We** do not provide Uninsured Motorist Coverage for bodily injury sustained by any person:
1. During or as a result of operation of any automobile by a **Non-Covered Person**.
 2. If that person or the legal representative settles the bodily injury claim without notice to **us** and **our** consent.
 3. While **occupying Your Covered Auto** when it is being used to carry persons or property for a fee or compensation of any type, including, but not limited to pizza, postal, and newspaper deliveries. This exclusion does not apply to a share-the-expense car pool.
 4. Using a vehicle without a reasonable belief that the person is entitled to do so.
 5. Using a vehicle in the commission of a crime, other than a traffic violation.

LIMIT OF LIABILITY

If coverage under this Part C applies to one of **Your Covered Autos**, **our** maximum limit of liability is the amount shown on the Declarations Page for coverage under this Part C. However, if coverage under this Part C applies to more than one of **Your Covered Autos**, our limit of liability will be the amount shown on the Declarations Page for coverage under this Part C multiplied by the number of **Your Covered Autos** listed on this policy as covered under Part C, not to exceed three.

1. The amount shown for "each person" is the most **we** will pay for all damages due to a bodily injury to one person; and
2. Subject to the "each person" limit, the amount shown for "each accident" is the most **we** will pay for all damages due to bodily injury sustained by two or more persons in any one **accident**.

The "each person" limit of liability includes the total of all claims made for bodily injury to a **Covered Person** and all claims of others derived from such bodily injury, including, but not limited to, emotional injury or mental anguish resulting from the bodily injury of another or from witnessing the bodily injury to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The damages which a **Covered Person** is legally entitled to recover because of bodily injury shall be reduced by:

1. all sums paid because of bodily injury by or on behalf of any persons or organizations that may be legally responsible; and
2. any difference between the sums paid by the insurers of the persons or organizations who may be legally responsible and the limits of liability under those bonds and policies.

This is the most **we** will pay regardless of the number of:

- A. "Insureds";
- B. Claims made;
- C. Vehicles involved in the accident;
- D. Lawsuits brought; or
- E. Premiums paid.

No one will be entitled to receive duplicate payments for the same elements of loss as a result of the application of this provision.

We shall not be obligated to pay under this coverage that part of the damages that represent medical bills paid or payable under the Medical Payments Coverage in Part B.

Any coverage afforded under this policy shall apply over and above all sums paid or payable for the same elements of loss because of the bodily injury under any of the following or similar laws:

1. workers' compensation law; or
2. disability benefits law.

However, no one will be entitled to receive duplicate payments for the same elements of loss.

Any payments under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A.

PAYMENT OF LOSS BY US

Payment by **us** is payable to the **Covered Person** or (a) if the **Covered Person** is a minor, to his parent or guardian, subject to the approval of the appropriate Court(s) of law, or (b) if the **Covered Person** is deceased, to the surviving spouse, otherwise (c) to a person authorized by law to receive such payment.

ACTION AGAINST US

A **Covered Person** must have complied fully with all the terms of this policy and this Part before any obligation for payment arises, and no action may be taken against **us** without and until compliance with all conditions and terms of this policy by the person(s) seeking coverage hereunder.

PROOF OF CLAIM

You or a **family member** or someone on **your** behalf must have reported the accident to the police within 24 hours.

As soon as possible, the **Covered Person** making claim under this coverage shall give **us** written proof of intent to present a claim under this Part, including submission of a sworn proof of loss that provides full details of the accident, persons, entities, and vehicles involved, the insurance coverages involved for all participants, injuries and treatment for which claim is made, all other and past medical histories, and any other information **we** may need to determine if coverage is due and, if so, the amount payable. The **Covered Person** shall submit to reasonable questioning, under oath and provide records or documents, if requested, concerning any claim made under this policy as often as **we** may reasonably require outside the presence of any other claimants.

The **Covered Person** shall submit to physical examinations by doctors chosen by **us** as often as **we** may reasonably require. The **Covered Person** shall also give **us** an authorization which would allow **us** to obtain all necessary medical reports and copies of the records.

OTHER INSURANCE

If there is other applicable similar insurance **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to a vehicle **you** do not own shall be excess over any other collectible insurance which is deemed primary.

TRUST AGREEMENT

If **we** pay **you** for a loss under this coverage:

1. **We** are entitled to recover from **you** an amount equal to such payment if there is a legal settlement made on **your** behalf against any person or organization legally responsible for the bodily injury.
2. **You** must hold in trust for **us** all rights to recover money which **you** have against any person or organization legally responsible for the bodily injury.
3. **You** must do everything proper to secure **our** rights and do nothing to prejudice these rights.
4. If **we** ask **you** in writing, **you** will take the necessary or appropriate action, through a representative designated by **us**, to recover payments as damages from the responsible person or organization. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery.
5. **You** must execute and deliver to **us** any legal instrument or papers necessary to secure the rights and obligations of **you** and **us** as established here.

PART D - COVERAGE FOR DAMAGE TO YOUR COVERED AUTO-INSURING AGREEMENT

We will pay for **Direct and Accidental Loss** to **Your Covered Auto**, which for purposes of Part D shall not include paragraphs 3 and 4 of the Definition of a **Covered Auto**, provided such loss does not occur during the operation, maintenance or use by a **Non-Covered Person**, including its attached equipment, minus any applicable deductible shown in the Declarations Page. However, **we** will pay for a loss under Part D only if the Declarations Page indicates that this Coverage is provided.

"**Direct and Accidental Loss**" means damage caused by the upset, **Collision**, missiles, falling objects, fire, theft or larceny, explosion or earthquake, hail, water or flood, malicious mischief or vandalism, contact with birds or animals, or breakage of glass, to **Your Covered Auto**. However, loss covered by riot or civil commotion are not considered a **Direct and Accidental Loss**. Loss occurring during operation, maintenance or use by a **Non-Covered Person** is not a covered loss.

"**Collision**" means the upset, or collision with another object of **Your Covered Auto**. However, loss caused by the following are not considered a **Collision**:

1. missiles;
2. fire;
3. theft, conversion, or larceny;
4. explosion or earthquake;
5. hail, water or flood;
6. malicious mischief or vandalism;
7. contact with birds or animals;
8. Breakage of glass.

The above listed causes of damage are considered comprehensive coverage.

TRANSPORTATION EXPENSES

In addition, **we** will pay up to \$10 per day, to a maximum of \$300, for transportation expenses incurred by **you** because of the total theft of **Your Covered Auto**. **We** will pay for transportation expenses incurred during the period:

1. Beginning 72 hours after the theft has been reported to **us** and to the police; and
2. Ending the earlier of when whereabouts of **Your Covered Auto** becomes known to the **Covered Person** or Company or when **we** offer to pay for its loss.

This Transportation Expense will not apply if the Named Insured has purchased Rental Reimbursement Coverage.

EXCLUSIONS

We will not pay for:

1. Loss to **Your Covered Auto** while it is being operated, maintained, or used by a **Non-Covered Person**.
2. Loss to **Your Covered Auto** which occurs while it is used to carry person(s) or property for a fee or compensation of any type, including, but not limited to, pizza, postal, and newspaper deliveries. This exclusion does not apply to a share-the-expense car pool.
3. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown; or
 - d. road damage to tires; or
 - e. repair, maintenance, or service by **you**, any other person or third party;

This exclusion 3. does not apply if the damage results from the total theft of **Your Covered Auto**.

4. Loss due to or as a consequence of:
 - a. radioactive contaminations;
 - b. discharge of any nuclear weapon (even if accidental);
 - c. war (declared or undeclared);
 - d. civil war;
 - e. insurrections;
 - f. rebellion or revolution; or
 - g. terrorist act.
5. Loss to equipment designed for the reproduction of audio or video sound unless the equipment is permanently installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment;
6. Loss to tapes, records or other devices for use with equipment designed for the reproduction of audio or video sound.
7. Loss to a camper body or **Trailer** not shown in the Declarations Page. This exclusion does not apply to a camper body or **Trailer you**:
 - a. acquire during the policy period; and
 - b. ask **us** to insure within thirty (30) days after **you** become the owner.
8. Loss of non-attached personal property located in **Your Covered Auto** at the time of loss.
9. Loss to:
 1. TV antennas;
 2. Awnings or cabanas; or
 3. Equipment designed to create additional living facilities.
10. Loss to any of the following or their accessories:
 - a. citizens band radio;
 - b. two-way mobile radio;
 - c. telephone; or
 - d. scanning monitor receiver.
11. Loss to any custom furnishings or equipment in or upon any vehicle. Custom furnishings or equipment include but are not limited to:
 - a. special carpeting and insulation, furniture, bars or television receivers;
 - b. facilities for cooking and sleeping;
 - c. height-extending roofs; or
 - d. custom murals, painting or other decals or graphics, including ground effects. Unless otherwise insured against and appropriate premium charged.
12. Loss to **Your Covered Auto** while being operated in any organized or spontaneous racing or speed contest or in practice or preparation for any such contest.
13. Any loss to **Your Covered Auto** arising out of or during its use for the transportation of any explosive substance, flammable liquid, or similarly hazardous materials, except transportation incidental to **your** ordinary household or farm activities.
14. Loss with respect to a vehicle, ownership of which is acquired by the **Covered Person** during the policy period. The **Covered Person** has not notified **us** in writing and paid

the applicable premium within thirty (30) days of such acquisition, of his or her election to make this part of this policy applicable to such vehicle.

15. Loss due to theft under this coverage if evidence exists that forcible entry was not required to gain access to **Your Covered Auto**.
16. Loss of equipment which is not available from the manufacturer of the vehicle named in the policy for that make, model and model year.
17. Loss to a non-owned vehicle arising out of its use by the **Covered Person** in the automobile business.
18. Loss to **Your Covered Auto** caused during the commission of a crime other than traffic violations.
19. Vandalism, theft, or conversion of a **Your Covered Auto**, **non-owned vehicle**, or **Trailer**:
 - a. by **you**, a **Family Member**, or any resident of **your** household;
 - b. prior to its delivery to **you** or a **Family Member**; or
 - c. while in the care, custody, or control of anyone engaged in the business of selling **Your Covered Auto** or **Trailer**;
20. Loss while towing a vehicle other than **Your Covered Auto**.

LIMIT OF LIABILITY

Our limit of liability for payment to **you** shall not:

1. Exceed the actual cash value of **Your Covered Auto** at the time of **Direct and Accidental Loss**, or the cost of repair with parts of like kind or quality, whichever is less. However, if repair is made with new parts, which may include parts supplied by a supplier other than the original manufacturer, rather than like kind or quality, **we** may reduce the amount **we** pay for this betterment.
2. Be increased if **Your Covered Auto** is altered after its purchase resulting in an increase in value unless **you** notify **us** of such alterations in writing and an additional charge is paid.
3. Be increased for special equipment unless such special equipment has been specifically declared to **us** and an additional charge is paid.
4. Exceed four (4) days of storage charges incurred prior to the date **you** report a loss or accident to **us**.
5. Exceed the towing or wrecker charges to the nearest authorized repair facility.

PAYMENT OF LOSS

We may pay for any loss in money or repair or replace the damaged or stolen auto with parts of the kind and quality or damaged part thereof with parts of like kind and quality (which will include parts supplied by a supplier other than the original manufacturer). **We** may, at **our** expense, return any stolen auto to:

1. **You**; or
2. The address shown in this policy.

You may not require **us** to pay for any loss or damage until thirty (30) days after **you** have complied with all the terms of this policy.

If stolen property is recovered **we** will pay only for any damage resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value.

NO BENEFIT TO BAILEE

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

OTHER INSURANCE

If other insurance also covers the loss **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits.

APPRAISAL

If **we** and **you** do not agree on the amount of loss, either may demand an appraisal of the loss. In the event, each party will select a competent appraiser, the two appraisers will select an umpire. Each appraiser will state separately the actual cash value and the amount of

the loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser;
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of **our** rights under this policy by agreeing to any appraisal.

If **we** become obligated to reimburse a lien-holder under this coverage due to **your** failure to meet the policy requirements or through **your** failing to make **your** premium payments, **we** have the right to recover any money **we** pay from **you**.

PART E - RENTAL REIMBURSEMENT COVERAGE

A. If **your** Declarations Page reflects **you** pay a premium for Rental Reimbursement Coverage and a covered collision or comprehensive loss, in excess of the applicable deductible, occurs to **Your Covered Auto** insured under this policy, the Company will pay for rental expense (limited by the maximum daily rate and maximum covered days stated on the Declarations Page) incurred for the rental of an automobile from a public automobile rental agency. The maximum daily rate and the maximum covered days are each limited as specified in the Declarations Page. Reimbursement will be for the period beginning 12:01 A.M. on the day following:

Losses Other Than Theft of the Entire Automobile (subject to the maximum daily rate and maximum covered days)

- a. The day the owned and insured automobile is delivered to a garage for repairs after repairs have been authorized by the owner of the vehicle and estimated by the Company, and terminating on 12:01 AM. on the day following completion of repairs or
- b. The day the loss is reported to the Company if the Company offers settlement in lieu of repairs and terminating on 12:01 AM. on the day following the settlement offer.

Theft of the Entire Automobile (subject to the maximum daily rate and maximum covered days)

The day the theft is reported to the Company and the police and terminating on 12:01 AM. on the day following the Company's settlement offer for the theft or, if the automobile is recovered before settlement, terminating on 12:01 A.M. in the day following completion of repair.

B. Theft of the entire automobile and any subsequent damage following the theft and before repairs are completed, shall be considered a single loss. Upon recovery, this benefit is not payable for any period that the automobile is in the possession of any insured and is drivable.

PART F - TOWING AND LABOR INSURING AGREEMENT

We will pay towing and labor costs incurred each time **Your Covered Auto** is disabled up to the amount shown in the Declarations Page. This coverage applies only to **Your Covered Auto** for which the required premium is paid.

PART G - DUTIES AFTER AN ACCIDENT OR LOSS GENERAL DUTIES

We must be notified immediately of how, when and where the accident or loss happened. Notice should also include the names and

addresses of any injured persons and of any witnesses, the names of all drivers, and the types of claims being presented.

A person seeking any coverage must:

1. Cooperate with **us** in the investigation of any claim, including immediately notifying **us** of any accident or loss, giving **us** all available information and advising of the Parts under which coverage is sought. This obligation is to include providing **us** with all information **we** request, answering **our** questions, under oath if requested, as often as **we** may reasonably require and outside the presence of other claimants, filling out all proof of loss and other forms **we** require, providing and executing authorization forms for the release of records and information such as medical or employment records and other records, allowing **us** to view and photograph vehicles and locations, and making a complete and accurate disclosure to **us** of the information **we** request.
2. Promptly send to **us** any letters, summons and complaint, notices or legal papers received in connection with the accident or loss, or any suit filed by or against such person seeking coverage, including indication of whether defense or action is sought from **us** in regard to same.
3. Cooperate with **us** in the settlement or defense of any suit.
4. Submit as often as **we** reasonably require to physical exams by physicians **we** select. **We** pay for these exams.

ADDITIONAL DUTIES FOR UNINSURED MOTORIST COVERAGE

A person seeking Uninsured Motorist Coverage must also:

1. Promptly notify the police within 24 hours of the accident if a hit and run driver is involved.
2. Promptly send **us** copies of the legal papers if a suit is brought against an uninsured motorist, and keep **us** advised of proceedings therein.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

A person seeking coverage for Damage to **Your Covered Auto** must also:

1. Take reasonable steps after a loss to protect **Your Covered Auto** and its equipment from loss or further damage. **We** will pay reasonable expenses incurred to do this.
2. Permit **us** to inspect and appraise the damaged property before its repair or disposal. And allow **us** to move **Your Covered Auto** as necessary to minimize storage charges.

PART H - GENERAL PROVISIONS BANKRUPTCY

Bankruptcy or insolvency of the **Covered Person** shall not relieve **us** of any obligations under this policy.

CHANGES

This policy contains all the Agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**.

Notice to **your** Agent, or knowledge possessed by **your** Agent, or other person shall not change or effect a waiver of any portion of this policy nor stop **us** from exerting any of **our** rights under this policy. This policy can only be changed by an endorsement **we** issue which is signed by **our** authorized representative.

If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change. If **we** do this, **your** policy will only provide coverage for this change when the additional premium due, if any, is paid. If the additional premium is not paid, this

could result in coverage for a reduced number of days in the current and/or subsequent policy period.

CONDITIONS PRECEDENT AND LEGAL ACTION AGAINST US

A person seeking coverage under this policy must comply fully with all the terms of this policy before any obligation for payment arises, and there can be no action taken against **us** without and until compliance with all conditions and terms of this policy by the person(s) seeking coverage hereunder. No legal action may be brought against **us** until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against **us** until the amount of that obligation has been fully determined by judgment after trial.

No person or organization has any right under this policy to bring **us** into any action to determine the liability of a **Covered Person**.

OUR RIGHT TO RECOVER PAYMENT

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. **Our** rights of subrogation shall exist regardless of whether or not the person to or for whom payment was made has been made whole by **our** payment and/or the payments from other persons who are liable to the insured.

That person to whom or for whom payment was made shall:

1. Do whatever is necessary to enable **us** to exercise **our** rights;
2. Do nothing after loss to prejudice **our** rights;
3. Cooperate with **us** in the prosecution of any claim or suit to recover payments **we** made; and
4. Take whatever steps are necessary to protect **our** rights.

However, **our** rights in this paragraph do not apply under Part D, against any person using **Your Covered Auto** with a reasonable belief that that person is entitled to do so.

- B. If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
1. Hold in trust for **us** the proceeds of the recovery; and
 2. Reimburse **us** to the extent of **our** payment. The amount to be reimbursed to **us** shall not be reduced by any contract to which **we** are not a party or by any equitable doctrine, including but not limited to the "Common Fund Doctrine."
- C. The **Covered Person** shall not encumber **our** right to recover any amount to be paid under this policy. To the extent **our** right to recover is encumbered, the settlement amount with the **Covered Person** may be reduced.

This right of reimbursement survives regardless of whether the person to or from whom payment is made has been made whole.

POLICY PERIOD AND TERRITORY

This policy applies only to accidents and losses which occur:

1. During the policy period as shown in the Declarations Page; and
2. Within the policy territory.

The policy territory is:

1. The United States of America, its territories and possessions;
2. Puerto Rico; or
3. Canada

This policy also applies to loss to, or accidents involving, **Your Covered Auto** while being transported between ports within the policy territory.

EXPIRATION

This policy will expire at the time and on the date shown on the Declarations Page. THERE IS NO GRACE PERIOD!!!!

Payment of the premium necessary for renewal or continuation of the policy made after the expiration date as stated on the renewal notice will not extend coverage. If, at our option said renewal premium is accepted, renewal will begin, with a lapse in coverage effective either (1) 12:01 a.m. on the day following the post mark date shown on the envelope containing the mailed payment or (2) the time and day we receive payment that is not mailed. Any accidents occurring during a lapse period will not be covered.

If this policy has been expired for more than thirty (30) days there can be no renewal of the policy.

TERMINATION

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

1. The named insured shown in the Declarations Page may cancel by:
 - a. returning this policy to us; or
 - b. giving us advance written notice of the date the cancellation is to take effect.
2. We may cancel by mailing to the named insured shown in the Declaration at the address shown in this policy at least thirty (30) days before the effective date of cancellation, or as otherwise provided by law.
3. After this policy is in effect for sixty (60) days, or if this is a renewal or continuation policy, we may cancel policy for any of the reasons as set forth in the Code of Alabama, 1975, Sec. 27-23-21.

Non-renewal. If we decide not to renew or continue this policy we will mail notice to the named insured shown in the Declaration at the address shown in this policy. Notice will be mailed at least thirty (30) days before the end of the policy period.

Automatic Termination. If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

Other Termination Provision.

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send the refund to the appropriate party. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.

IN WITNESS WHEREOF, this company had caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized agent of the Company.



President



Secretary

3. The effective date of cancellation stated in the notice shall become the end of the policy period.
4. Coverage for **Your Covered Auto** shall terminate automatically:
 1. when a person other than you becomes the owner, to any extent and by any method including but not limited to purchase, conditional sale, and/or installment contract, of the auto; or
 2. on the effective date of any other motor vehicle insurance policy covering that auto.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations Page dies, coverage will be provided for:

1. The surviving spouse if resident in the same household at the time of death; or
2. The legal representative of the deceased person as if a named insured shown in the Declarations Page. This applies only with respect to the representative's legal responsibility to maintain or use **Your Covered Auto**.

Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

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

FRAUD AND MISREPRESENTATION

This policy shall be null and void and no benefit or effect whatsoever as to any claim arising thereunder in the event that any statement made or document(s) submitted by the **Covered Person** or their legal representative in the application, notification of change or in a claim under the policy shall prove to be false or fraudulent in nature, or proves to be material either to the acceptance of the risk or the hazard assumed by the insured or had we known the true facts we would not have issued the policy or would have issued it for a higher rate.

COMPLIANCE WITH ALABAMA STATE LAW

The coverage provided under this policy is in accordance with the coverage defined in section 32-7A-4 of the Alabama Mandatory Liability Insurance Act relating to bodily injury and death, or property damage or both.

Any **Covered Person** shall reimburse us for any payment that we would not have been obligated to make under the terms of this policy if said payments were made pursuant to section 32-7-22 of the Alabama Motor Vehicle Safety Responsibility Act.