

AMERICAN FREEDOM INSURANCE COMPANY

A STOCK COMPANY

INDIANA

PERSONAL AUTOMOBILE INSURANCE POLICY

IMPORTANT

Notify the Company's claims office in Arlington Heights, Illinois by telephone of every accident however slight, immediately upon its occurrence. Telephone 847-758-9300. Delay in providing notice may jeopardize your claim rights. Send a completed written report as soon as practicable.

PLEASE READ YOUR POLICY

This policy contains certain definitions, conditions, exclusions and covenants that are unique to this policy and restrict coverage.

In the event of loss wherein the physical damage sustained or the destruction to the owned automobile approximates the stated value under MAXIMUM STATED VALUE listed on the Declarations page, the Company's liability under Part V shall not exceed the MAXIMUM STATED VALUE less depreciation of 2% per month with a maximum of 12% in a policy term, less the deductible(s). Further, please review your policy for the Company's limit of liability.

NOTICE – This policy has been issued based upon the reliance of your statements on the application and endorsements to coverage. **Please read this policy carefully** and notify the Company immediately of any misinformation or changes.

Policy references as to parts and clauses relate to the similar references on the Declaration Page.

Privacy Notice

American Freedom Insurance Company and its affiliated companies appreciate your business when you purchase our insurance products. You provide us with your private personal information when you purchase insurance and we in turn are committed to protecting your privacy. We do not sell information about you.

Our sources of information

We collect personal information about you from:

- What is provided on applications or other forms, (your name, address and Drivers License Number, etc.)
- Your transactions with us, our affiliates or others (such as your payment history and claims information)
- The information we receive from a regulatory reporting agency (such as your motor vehicle record)
- Your insurance agent or financial advisor (such as updated information pertaining to your account)

American Freedom Insurance Company's use of information

We treat your information with concern for your privacy and we do not disclose any nonpublic personal information about our customers except as permitted by law.

We may share any or all of your information with our affiliated companies and independent American Freedom Insurance Company representative – Independent Insurance Agents authorized to sell American Freedom Insurance Company products. We may also disclose any or all information we have collected about you to companies that perform services on our behalf and to other financial institutions with whom we have joint marketing agreements.

When we make this type of disclosure it is done to service your account or policy, or to inform you about products and services.

Independent Insurance Agents

The Independent Insurance Agents authorized to sell our products and services are not our employees and not subject to our Privacy Policy. They have a unique business relationship with you, and have additional personal information about you that we do not have and they may use this information differently than we would.

This consumer statement applies to our web sites.

Protecting your personal information from unauthorized access

We limit employee access to customer information to those who have a legitimate business reason.

Medical Information

We obtain medical information only in connection with specific underwriting or claims. We will not use or share medical information for any purpose other than the underwriting or processing of your policy, claim.

AMERICAN FREEDOM INSURANCE COMPANY ARLINGTON HEIGHTS, ILLINOIS

(A stock insurance company, herein called the Company)

agrees with the named insured as designated in the Declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements and representations in the Application and Endorsements and subject to the Declarations and all of the terms of this policy.

PART 1 – LIABILITY

A – BODILY INJURY LIABILITY. B – PROPERTY DAMAGE LIABILITY. To pay on behalf of the insured but only to the extent of the applicable limits all sums which the 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 an owned automobile or a 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 (1) has no obligation to any insured after applicable limits of the policy have been exhausted by payment; and (2) 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; and (3) 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.

SUPPLEMENTARY PAYMENTS. 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 suit and all interest on the entire amount of any judgment therein which accrues after entry of the 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 an 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 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) expenses incurred by the insured for such immediate medical and surgical relief to others as shall be imperative at the time of an accident involving an automobile insured hereunder and not do to war; and
 - (d) all reasonable expenses other than loss of earnings incurred by the insured at the Company's request.
- PERSONS INSURED.** The following are insured's under Part 1:
- (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 or a relative provided he or she has received the permission of its owner, and the use is within the scope of such permission,
- (c) any other person or organization legally responsible for the use of:
 - (1) an owned automobile, or
 - (2) a non-owned automobile if such automobile is not owned or hired by such person or organization provided 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.

DEFINITIONS. Under Part 1:

"Covered automobile" means an owned automobile for which premium charges shown in the Declarations indicate the specific coverage afforded or an automobile which is subsequently added or replaced herein by endorsement.

"Named insured" means the individual named in item 1 of the Declarations and also includes his/her spouse, if a resident of the same household.

"Bodily injury" means bodily injury to a person and sickness, disease or death which results from it.

"Property damage" means injury to or destruction of property including loss of use thereof.

"Insured" means a person or organization described above under "Persons Insured".

"Regular Operator" is any person not listed on the Declarations Page who has or had care, custody or control of the insured auto for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative.

"Relative" means a person related to the named insured or his/her spouse by blood, marriage or adoption, including a ward or foster child, and who is a resident of the same household, whether or not temporarily living elsewhere, 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/her spouse owns a private passenger automobile.

"Resident" means a person whose legal address is the same as the named insured and who resides with the named insured.

"Automobile" means a four wheel private passenger, station wagon, sports utility, or jeep type vehicle; or a truck, pick-up truck, window van, or panel van with a load capacity of fifteen hundred pounds or less not used for commercial purposes and designed and licensed for use on public roads.

"Business/Artisan Use" means use of the insured auto in a trade, profession, occupation, course of employment, job, work, or skill in a particular craft in which one is engaged. Business/Artisan Use includes, but is not limited to occupations such as sales, service or travel to hospitals, clinics, courthouses, job sites, client homes, carpentry, plumbing, masonry, real estate or insurance agents, lawyers, doctors, and accountants.

"Owned automobile" means:

- (a) an automobile owned by the named insured at the inception and described in this policy, or
- (b) an automobile ownership of which is acquired by the named insured during the policy period provided that:
 - (1) the acquired automobile replaces an automobile described in this policy, and that neither the named insured nor any resident of his/her household retains ownership of the described replaced automobile, and
 - (2) the Company insures all automobiles owned by the named insured on the date of such acquisition, and
 - (3) the named insured notifies the Company in writing within 30 days after such acquisition of his/her intention to make this policy and no other policy applicable to such automobile, or
- (c) a temporary substitute automobile.

"Temporary substitute automobile" means any automobile not owned by the named insured or any resident of the same household while temporarily used as a substitute for an owned automobile when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

"Occupying" means in or upon or entering into or alighting from an automobile.

"Non-owned automobile" means an automobile not owned by or furnished for the regular use of 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/her.

"Regular Use" includes use of the automobile for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative.

"Trailer" means a device or vehicle which is not self-propelled and is designed to be towed by an automobile not being used for business or commercial purposes and while being towed by an automobile and not used as a home, office, store, display or passenger trailer. A mobile home, travel trailer, or any vehicle that can be lived in or is self-propelled, is not a trailer.

"Automobile business" means the business or occupation of selling, repairing, servicing, storing, washing or parking automobiles.

"Use" of an automobile includes the loading and unloading thereof.

"War" means war whether or not declared, civil war, insurrection, rebellion or revolution or any act or condition incidental to any of the foregoing.

"State" includes the District of Columbia, any territory or possession of the United States and any province of Canada.

EXCLUSIONS. This policy does not apply under Part 1:

- (a) to bodily injury to or damage to property owned by, the named insured or any relative of the named insured where the person against whom suit is being brought is also a resident of that same household. This exclusion shall not apply when a third party acquires the right of contribution against a member of the injured person's family;
- (b) to any automobile while used as a public or livery conveyance;
- (c) to any injury or damage expected or intended on the part of an insured;

- (d) to bodily injury or property damage arising out of the operation of farm machinery;
- (e) to bodily injury or sickness, disease or death of any fellow employee of the insured injured in the course of his/her employment if such injury arises out of the use of an automobile in the business of his/her employer, but this exclusion does not apply to the named insured with respect to injury sustained by any fellow employee;
- (f) to bodily injury to any employee of the insured arising out of or in the course of his/her employment by the insured;
- (g) to bodily injury occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law.
- (h) to an owned automobile while used in the automobile business;
- (i) to a non-owned automobile while used (1) in the automobile business by the insured, or (2) in any other business or occupation of the insured except an automobile operated or occupied by the named insured or by his private chauffeur or domestic servant, or a trailer used therewith or with any owned automobile;
- (j) to injury to or destruction of (1) property owned or transported by the insured, or (2) property rented to or in the charge of the insured other than a residence or private garage, including loss of use or (3) property as to which the insured is for any purpose exercising physical control;
- (k) to any automobile or any other type of motor vehicle rented or leased by the insured where other valid and collectible insurance has been purchased by or furnished to the insured in connection with such rental or lease;
- (l) to bodily injury or property damage that results from nuclear reactions, radiation, or fallout or is covered by a nuclear energy liability policy even if the limits of that policy are exhausted.
- (m) to any automobile designed for racing while being tested, repaired or serviced, or to any automobile or any other type of motor vehicle while used, operated, manipulated or maintained in any impromptu, prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (n) to bodily injury or property damage due to war, whether or not declared, civil war, terrorism, riot insurrection, rebellion, or revolution, or to any act or condition incidental to any of the foregoing;
- (o) to any automobile while being operated or used in the commission of a crime other than a traffic violation;
- (p) to the payment of punitive or exemplary damages;
- (q) while the automobile is pushing or pulling another motor vehicle or automobile or is being pushed or pulled by an automobile or any other type of motor vehicle;
- (r) while a covered automobile is in the control of an excluded operator;
- (s) to other than compensatory damages for death, bodily injury, and property damage to make an injured party whole within the limitations of this policy, any additional damages, costs expenses, pecuniary losses, attorney's fees, penalties, fines, treble damages, or punitive damages which may be recoverable or awarded at law or in equity as a result of an insured's criminal conviction;
- (t) to other than compensatory damages for death, bodily injury and property damage to make an injured party whole within the limitations of this policy any additional damages, costs, expenses, attorney's fees, fines, penalties, treble damages, punitive damages or smart money which may be recoverable or awarded at law or in equity as a consequence of reckless driving, operating a motor vehicle with a blood or breath alcohol content deemed to be legally intoxicating, or under the influence of an illegal substance causing or contributing to operating a motor vehicle while intoxicated, or similarly influenced, or reckless endangerment
- (u) to any loss resulting from ownership, maintenance, or use of a **vehicle** or **trailer** for **Business/Artisan Use** by a person while in the course and scope of employment or engaged in any **business**. This exclusion does not apply if **business/artisan** use of the **insured auto** has been declared and an additional premium has been paid. However, **business/artisan** use does not include vehicles:
 - (1) used for pick up and/or delivery of materials, supplies, magazines, newspapers, flyers, mail, food, courier/escort service, passengers for a fee or any other delivery purposes;
 - (2) used for livery, limousine or taxi service, including vehicles used to transport nursery or school children, migrant workers, hotel/motel guests, patients, or members of a vanpool;
 - (3) visiting more than 3 job sites per day;
 - (4) owned, registered, titled or leased by a partnership or corporation;
 - (5) operated by employees and/or persons other than the Insured or family members except domestic employees (e.g. maid, chauffeurs)
 - (6) driven within a radius greater than 50 miles of the address stated on the application or declarations page for business purposes;
 - (7) used to transport explosives, chemicals, firework materials, or more than 500 pounds of supplies or equipment;
 - (8) with a load capacity in excess of 1,500 pounds or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 12,000 pounds;
 - (9) designed and/or operated for commercial purposes such as vehicles with logos or advertising whether permanent or removable on them, vehicles equipped with racks for ladders or pipes, or for other equipment or supplies;
 - (10) used as emergency vehicles;
 - (11) used in the automobile business;
 - (12) used to tow a trailer carrying tools, supplies or materials.
- (v) to bodily injury or property damage resulting from the use of a motor vehicle for snow removal.
- (w) to bodily injury or property damage sustained by an insured person while occupying any vehicle located for use or being used as a residence or premises.
- (x) to bodily injury or property damage benefits payable under the "No Fault Laws" of the following states: Arkansas, Delaware, Washington DC, Florida, Hawaii, Kansas, Kentucky,

Maryland, Massachusetts, Michigan, Minnesota, New York, North Dakota, Oregon, Texas, Utah, and Washington.

- (y) to bodily injury or property damage resulting from the ownership, maintenance, or use of a vehicle with a load capacity in excess of 1,500 pounds.

NON-OWNER POLICY. If this policy is written as a **Non-Owner Policy** as shown on the Declaration Page, it is agreed that such insurance is as afforded for Bodily Injury and Property Damage only applies with respect to the use of any "non-owned automobile" and not any "owned automobile" by the named insured and his/her spouse if a resident of the same household subject to the following provisions:

- (a) The definitions of "**non-owned automobile**" and "**insured**" are changed under this Part 1 to read: "**non-owned automobile**" means an automobile not owned by or furnished for the regular use of the named insured or his/her spouse or any other member of the household; "**insured**" means the named insured and his/her resident spouse.
- (b) This policy does not apply to any automobile owned by or furnished for the regular use of the named insured or his/her spouse or any relative.
- (c) This insurance shall be excess over any other valid and collectible insurance.

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.

LIMITS OF LIABILITY. The limit of bodily injury liability stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all damages including damages for care and loss of services and loss of consortium arising out of bodily injury sustained by one person the result of any one accident; the limit of such liability stated in the Declarations as applicable to "each accident", is subject to the above provision respecting each person, the total limit of the Company's liability for all such damages arising out of bodily injury sustained by two or more persons as the result of any one accident.

The limit of property damage liability stated in the Declarations as applicable to "each accident" is the total limit of the Company's liability for all damages arising out of injury to or destruction of all

property of one or more persons or organizations, including the loss of use thereof, as the result of any one accident.

The insurance afforded under Part 1 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 coverage's for any one automobile.

Any amount paid or payable under this coverage to or for an insured will be reduced by any payment made to that person under Part IV – Medical Payments or Part II and Part III – Uninsured Motorist Coverage/Underinsured Motorist Coverage of this policy.

DEFINITION OF LIMITS OF LIABILITY FOR MULTIPLE VEHICLES INSURED BY AND/OR MULTIPLE POLICIES ISSUED BY THE COMPANY. The total limit of the Company's liability to or on behalf of an Insured arising out of ownership, maintenance or use of a vehicle described in the declarations of this policy or in the declarations of any other policy issued to such Insured by the Company shall be the limit as stated with respect to that vehicle on the declarations of the policy on which that vehicle is described for a covered claim not arising out of the ownership, maintenance or use of a vehicle described in the declarations of this or of any other policy issued to the Insured by the Company the limit of the Company's liability shall be the highest limit for any one vehicle as stated on the declarations on any one policy issued by this Company providing such coverage.

OTHER INSURANCE. If the insured has other insurance against a loss covered by Part 1 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 against such loss 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 insurance.

Coverage will be provided on a primary basis to a passenger in the covered auto if the loss was caused from the insured's use of the covered auto. The passenger may not recover under any other motor vehicle insurance coverage available to the passenger until the limit of all coverage provided by this policy is first exhausted.

PART II – UNINSURED MOTORIST COVERAGE (COVERAGE J) AND UNINSURED MOTORIST PROPERTY DAMAGE (COVERAGE L)

J/L UNINSURED MOTORIST COVERAGE.. To pay all sums which the insured or his/her legal representative shall be legally entitled to recover as damages from the owner or operator of an uninsured automobile because of property damage to a covered automobile or bodily injury including death resulting therefrom, hereinafter called "bodily injury" sustained by the insured caused by accident and arising out of the ownership, maintenance or use of such uninsured automobile, 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 as herein provided.

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 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.

DEFINITIONS. The definitions under Part I except the definition of "persons insured" apply to Part II and under Part II:

"Persons 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/she is entitled to recover because of bodily injury to which this Part applies when 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.

"Regular Operator" is any person not listed on the Declarations Page who has or had care, custody or control of the insured auto for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative.

"Relative" means a person related to the named insured or his/her spouse by blood, marriage or adoption, including a ward or foster child, 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/her spouse owns a private passenger automobile.

"Insured automobile" means:

- (a) an owned automobile, or
- (b) a temporary substitute automobile for an owned automobile,
- (c) a non-owned automobile while being operated by the named insured, but such shall not include any:
- (1) automobile or trailer owned by a resident of the same household as the named insured;
 - (2) automobile while used as a public or livery conveyance; or
 - (3) automobile while being used without the permission of the owner.

"Uninsured automobile" includes a trailer of any type and means:

- (a) an automobile or trailer with respect to the ownership, maintenance or use for which, there is no bodily injury 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 automobile, or

said bond or insurance policy has limits less than required by Section 9-24-4-5 of the Indiana Vehicle Code;

- (b) a hit and run automobile;
- (c) an automobile or trailer with respect to which there is a bodily injury or property damage liability insurance policy or bond applicable at the time of the accident but the company writing the same is and is declared insolvent subsequent to the date of the accident.

However the term "uninsured automobile" shall not include:

- (a) an insured automobile or an automobile furnished for the regular use of the named insured or a relative of the named insured who causes bodily injury or property damage in excess of the limit required under the Indiana Financial Responsibility Law;
- (b) an automobile or trailer owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar or other law;
- (c) an automobile or trailer owned by the United States of America, Canada, a state, any political subdivision of any such government or any agency of any of the foregoing;
- (d) 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;
- (e) a farm type tractor or equipment designed for use principally off public roads except while actually upon public roads;
- (f) an insured automobile or an automobile furnished for the regular use of the named insured or a relative of the named insured under Part I of this policy where coverage is excluded for damages sustained in the accident.

"Diminution in Value" means the actual or perceived loss in market or resale value which results from an accidental loss.

"Hit-and-run automobile" means an automobile which causes bodily injury to an insured or property damage to an owned automobile arising out of direct physical contact with the insured or with an automobile which the insured is occupying at the time of the accident, provided, with respect to bodily injury only, (a) there cannot be ascertained the identity of either the operator or the owner of such "hit-and-run automobile"; and (b) the insured or someone on his/her behalf shall have reported the accident within 24 hours to a police, peace or judicial officer or to the Commissioner of Motor Vehicles; and (c) the insured or someone on his/her behalf shall have filed with the Company within 30 days thereafter a statement under oath that the insured or his/her 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; and (d) at the Company's request the insured or his/her legal representative makes available for inspection the automobile which the insured was occupying at the time of the accident.

EXCLUSIONS. This policy does not apply under Part II to:

- (a) bodily injury to an insured or damage to property owned by an insured with respect to which such insured, his/her 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) 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) any claim for punitive or exemplary damages against the driver of an uninsured automobile;

- (d) any claim against the Company unless the Company has received actual written notice of said claim within 2 years of the date of the accident;
- (e) bodily injury to an insured while occupying an automobile (other than an insured automobile), motorcycle or any other motor vehicle, owned by the named insured or a relative or through being struck by such automobile, motorcycle, or other motor vehicle;
- (f) bodily injury to any person while occupying any automobile not owned by or furnished or available for the regular use of the named insured or any relative while used as a public or livery conveyance for a fee; but this exclusion does not apply:
 - (1) a share-the-expense car pool; or
 - (2) the named insured or any relative.
- (g) any damages incurred while an insured automobile is in the control of an excluded operator;
- (h) bodily injury, death or property damages which are expected or intended from the point of view of the insured, or which are caused intentionally by or at the direction of an insured;
- (i) other than compensatory damages for death, bodily injury and property damage to make an injured party whole within the limitations of this policy, any additional damages, costs, expenses, pecuniary losses, attorney's fees, penalties, fines, treble damages or punitive damages which may be recoverable or awarded at law or in equity as a result of an insured's criminal conviction;
- (j) other than compensatory damages for death, bodily injury and property damage to make an injured party whole within the limitations of this policy, and any additional damages, costs, expenses, attorney's fees, fines, penalties, treble damages, punitive damages or smart money which may be recoverable or awarded at law or in equity as a consequence of reckless driving, operating a motor vehicle with a blood or breath alcohol content or any illegal substance that is deemed to be legally intoxicating, causing or contributing to operating a motor vehicle while intoxicated or reckless endangerment;
- (k) to diminution in value to any vehicle.
- (l) to bodily injury to a Regular operator of the covered automobile that is not disclosed to the Company prior to the accident, and listed on the Declarations Page.
- (m) to bodily injury while the covered automobile is used in, or in preparation for, any race, speed or performance contest, or while the insured automobile is located inside a facility designed for such events.
- (n) exclusion (u) under Part I, page 1 also applies to Part II

LIMITS OF LIABILITY.

- (a) The Limit of Liability stated in the Declarations as applicable to "each person" is the limit of the Company's maximum liability for all damages, including claims for loss of consortium or services because of bodily injury sustained by one person as a result of any one accident. The Limit of Liability stated in the Declarations as applicable to "each accident" is the total limit of the Company's maximum liability for all damages, including claims for loss of consortium or services because of bodily injury sustained by two or more persons as a result of any one 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 automobile 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 coverage A bodily injury 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 for damages which the insured may be entitled to recover from any person under coverage A bodily injury of Part I.
- (d) The Company shall not be obligated to pay under this coverage that part of the damages which the 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 any one policy for any one automobile.
- (f) It is agreed between the insured and the Company that in no event shall the total limit of the Company's liability exceed the limits set forth in the Declaration regardless of the number of vehicles insured under the policy or the separated itemization of premiums therefore; and that coverage under this section may not be stacked with any other similar or identical coverage that may be issued under this policy or any other policy, including Underinsured Motorist Coverage (Part III).
- (g) Any amount payable under Part II shall be reduced by all sums paid to the 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. Property damage losses recoverable hereunder shall be limited to the actual cash value of any damages caused by the direct physical contact of an uninsured automobile with the insured automobile subject to the deductible, if any.
- (h) There shall be no coverage for loss of use of the insured automobile and no coverage for loss or damage to personal property located in the insured automobile;
- (i) There shall be no liability imposed under the Uninsured Motorist Property Damage Coverage if the owner or the operator of the at fault automobile or the hit-and-run automobile cannot be identified.

DEFINITION OF LIMITS OF LIABILITY FOR MULTIPLE VEHICLES INSURED BY AND/OR MULTIPLE POLICIES ISSUED BY THE COMPANY. The total limit of the Company's liability to or on behalf of an Insured arising out of the ownership, maintenance or use of a vehicle described in the declarations of this policy or in the declarations of any other policy issued to such Insured by the Company shall be the limit as stated with respect to that vehicle on the declarations of the policy on which that vehicle is described. For a covered claim not arising out of the ownership, maintenance or use of a vehicle described in the declarations of this or of any

other policy issued to the Insured by the Company, the limit of the Company's liability shall be the highest limit for any one vehicle as stated on the declarations on any one policy issued by this Company providing such coverage.

OTHER INSURANCE. With respect to bodily injury to an insured while occupying an automobile not owned by the named insured, the insurance under this Part shall apply only as excess insurance over any other similar insurance available to such insured and applicable to such automobile as primary insurance and this insurance shall then apply only in the amount by which the limits 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/her 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 Part applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

Coverage will be provided on a primary basis to a passenger in the covered auto if the loss was caused from the insured's use of the covered auto. The passenger may not recover under any other motor vehicle insurance coverage available to the passenger until the limit of all coverage provided by this policy is first exhausted.

ARBITRATION.

- (a) If the Company and an "insured" do not agree:
 - (1) Whether that "insured" is legally entitled to recover damages; or
 - (2) As to the amount of damages which are recoverable by that "insured" from the owner or operator of an "uninsured motor vehicle" then the matter may be arbitrated. However, disputes concerning coverage under this part may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 45 days, either may request such arbitration be submitted to the American Arbitration Association. In the event the two selected arbitrators cannot agree upon a third arbitrator either party may petition any Judge in any court of record in the County and State in which the arbitration is pending to select a third arbitrator upon Notice of Motion to the other party or their attorney, if applicable, and without the necessity of filing a law suit or serving the other party with process. The arbitrators shall then hear and determine the questions in dispute and except to the extent herein provided, the decision in writing of any two arbitrators shall be binding upon the parties. All arbitration hearings under this policy, including both the tripartite panel and the American Arbitration Association, shall be conducted in the County and State of the insured's residence as stated in the policy and in accordance with the usual rules governing procedure and admission of evidence in courts of law of that County and not in accordance with any court mandated arbitration or mediation rules. It is agreed that the arbitrator(s) shall not enter an award in excess of the applicable policy limits, and, if an award is entered in excess of the applicable policy limits then that portion of the award which exceeds the policy limits is void and not binding on either the Insured or the Company.
- (b) Each party will:
 - (1) Pay the expenses it incurs; and
 - (2) Bear the expenses of the third arbitrator equally,
- (c) Unless both parties agree otherwise, arbitration will take place in the county of which the "insured" resides as stated in the policy. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:
 - (1) Whether the "insured" is legally entitled to recover damages; and
 - (2) The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Indiana. If the amount exceeds that limit, either party may demand the right to a trial to determine its legal liability and damages authorized hereunder. This demand must be made within 60 days of the arbitrator's decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

No claim shall lie against the Company where an insured has failed to make a written demand for arbitration within two years from the date of the accident.

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 damages 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 such rights and shall do nothing after loss to prejudice such rights;
- (d) if requested in writing by the Company or its representative, 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 attorney's 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 by these provisions.

PART III – UNDERINSURED MOTORIST COVERAGE

K. UNDERINSURED MOTORIST COVERAGE. To pay all damages which an insured is legally entitled to recover from the owner or operator of an underinsured automobile 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 automobile 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 as herein provided.

To pay under this coverage only after the limits of liability under all applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements.

DEFINITIONS. The definitions under Part I apply to Part III and under Part III:

"Underinsured automobile" means an automobile or trailer of any type to which a bodily injury liability bond or policy applies at the time of the accident but its limit for bodily injury liability is less than the limit of liability for this coverage.

"Regular Operator" is any person not listed on the Declarations Page who has or had care, custody or control of the insured auto for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative.

"Relative" means a person related to the named insured or his/her spouse by blood, marriage or adoption, including a ward or foster child, 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/her spouse owns a private passenger automobile.

However, "underinsured automobile" does not include any vehicle:

- (a) owned by or furnished or available for the regular use of the insured or any family member or person residing in the insured's household;
- (b) owned by any governmental unit or agency;
- (c) operated on rails or crawler treads;
- (d) which is a farm type tractor or equipment designed mainly for use off public roads while not upon public roads;
- (e) while located for use as a residence or premises;
- (f) owned or operated by a person qualifying as a self-insurer under any applicable motor vehicle law;
- (g) to which a bodily injury liability bond or policy applies at the time of the accident and the bonding or insuring company denies coverage or is or becomes insolvent;
- (h) which is defined as an "uninsured automobile" under Part II.

EXCLUSIONS. This policy does not apply under Part III:

- (a) to any person while occupying an owned automobile when it is being used to carry persons or property for a fee;
- (b) to any person using any automobile without a reasonable belief that the person is entitled to do so;
- (c) 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;
- (d) to punitive or exemplary damage;
- (e) if Uninsured Motorist Coverage – Part II applies to the accident;
- (f) if the insured, his/her legal representative or any person entitled to coverage under this provision fail to sue the Company within two years from the date all bodily injury liability insurance policies applicable to all underinsured automobiles and their operators have been exhausted by payment of judgment or settlement; and
- (g) any accident while a covered automobile is in the control of an excluded operator.
- (h) to bodily injury while the automobile is used in, or in preparation for, any race, speed or performance contest, or while the insured automobile is located inside a facility designed for such events.
- (i) exclusion (u) under Part I, page 1 also applies to Part III

LIMIT OF LIABILITY. The limit of Liability as stated in the Declarations for "each person" for underinsured Motorists Coverage is the Company's maximum limit of liability for all damages for bodily injury sustained by any one person in any one accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for Underinsured Motorists Coverage is the Company's maximum limit of liability for all damages for bodily injury resulting from any one accident.

The limit of liability shall be reduced by all sums paid because of bodily injury coverage by or on behalf of persons or organizations who may be legally responsible. Any amounts otherwise payable for damages under this coverage shall be reduced by all sums paid or payable for bodily injury coverage available under any worker's compensation law, disability benefits law or any similar law.

Any payment under Part III to or for any insured shall be reduced by the amount of damages which the insured may be entitled to recover from any person insured under coverage A of Part I – Bodily Injury. The Company shall not be obligated to pay under this coverage that part of the damages which the insured may be entitled to recover from the owner or operator of an underinsured motor vehicle which represents expenses for medical services paid or payable under **Part IV – Medical Payments.**

If more than one policy issued by this Company applies to Part III, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy and 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 insureds or covered automobiles 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 or any other policy including Underinsured Motorist Coverage (Part II).

DEFINITION OF LIMITS OF LIABILITY FOR MULTIPLE VEHICLES INSURED BY AND/OR MULTIPLE POLICIES ISSUED BY THE COMPANY. The total limit of the Company's liability to or on behalf of an Insured arising out of the ownership, maintenance or use of a vehicle described in the declarations of this policy or in the declarations of any other policy issued to such Insured by the Company shall be the limit as stated with respect to that vehicle on the declarations of the policy on which that vehicle is described for a covered claim not arising out of the ownership, maintenance or use of a vehicle described in the declarations of this or any other policy issued to the Insured by the Company, the limit of the Company's liability shall be the highest limit for any one vehicle as stated on the declarations on any one policy issued by this Company providing such coverage.

OTHER INSURANCE. With respect to bodily injury to an insured while occupying an automobile 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 automobile as primary insurance, then this insurance shall 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/her 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.

Coverage will be provided on a primary basis to a passenger in the covered auto if the loss was caused from the insured's use of the covered auto. The passenger may not recover under any other motor vehicle insurance coverage available to the passenger until the limit of all coverage provided by this policy is first exhausted.

ARBITRATION.

(a) If the Company and an "insured" do not agree:

- (1) Whether that "insured" is legally entitled to recover damages; or
- (2) As to the amount of damages which are recoverable by that "insured" from the owner or operator of an "underinsured motor vehicle" then the matter may be arbitrated. However, disputes concerning coverage under this part may not be arbitrated.

Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 45 days, either may request such arbitration be submitted to the American Arbitration Association. In the event the two selected arbitrators cannot agree upon a third arbitrator either party may petition any Judge in any court of record in the County and State in which the arbitration is pending to select a third arbitrator upon Notice of Motion to the other party of their attorney, if applicable, and without the necessity of filing a law suit or serving the other party with process. The arbitrators shall then hear and determine the questions in dispute and except to the extent herein provided, the decision in writing of any two arbitrators shall be binding upon the parties. All arbitration hearings under this policy, including both the tripartite panel and the American Arbitration Association, shall be conducted in the County and State of the insured's residence as stated in the policy and in accordance with the usual rules governing procedure and admission of evidence in courts of law of that County and not in accordance with any court mandated arbitration or mediation rules. It is agreed that the arbitrator(s) shall not enter an award in excess of the applicable policy limits, and, if an award is entered in excess of the applicable policy limits then that portion of the award which exceeds the policy limits is void and not binding on either the Insured or the Company.

(b) Each party will:

- (1) Pay the expenses it incurs; and
- (2) Bear the expenses of the third arbitrator equally

(c) Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:

- (1) Whether the "insured" is legally entitled to recover damages; and
- (2) The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of Indiana. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

No claim shall lie against the Company where an insured has failed to make a written demand for arbitration within two years from the date of the accident.

PART IV – MEDICAL PAYMENTS

C. MEDICAL PAYMENTS. To pay usual and customary charges incurred for reasonable and necessary services rendered to or on behalf of an insured person within one (1) year from the date of the accident for: medical, surgical, x-ray, and dental services when performed by a licensed medical professional; pharmaceuticals; prosthetic devices; eye glasses; necessary ambulance, hospital, and professional nursing services when prescribed by a licensed medical professional; and funeral services.

DIVISION 1. to or for the named insured and each relative who sustains bodily injury, sickness or disease, including death resulting therefrom, hereinafter called "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) a covered 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 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/her favor (2) against any insured because of bodily injury arising out of an accident to which the Part I Liability applies.

DEFINITIONS. The definitions under Part I applies to Part IV:

"Accident" means sudden, unexpected, unforeseen, unplanned, non-intentional event or circumstance of a vehicular occurrence and excludes other intentional assaults, battery or other acts of violence.

"Regular Operator" is any person not listed on the Declarations Page who has or had care, custody or control of the insured auto for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative.

EXCLUSIONS. This policy does not apply under Part IV to bodily injury, sickness, disease or death:

- (a) sustained while occupying (1) a covered automobile while used as a public or livery conveyance, or (2) any vehicle located for use as a residence or premises;
- (b) sustained by the named insured or 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 "covered automobile", or (2) while occupying or as a result of being struck by (i) a farm type tractor or other equipment or machinery, or (ii) a vehicle operated on rails or crawler treads;
- (c) sustained by any person other than the named insured or a relative resulting from use of (1) a non-owned automobile while used in the automobile business or as a public or livery conveyance, or (2) a non-owned automobile in any business
- (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 injury, sickness, disease or loss due to war;
- (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 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) to any automobile or any other type of motor vehicle designed for racing while being tested, repaired or serviced, or while used, operated, manipulated or maintained in any impromptu, prearranged or organized race or speed test, including "hot rod" or "stock car" racing; and
- (i) while a covered automobile is in the control of an excluded operator.
- (j) resulting from the maintenance or use of any vehicle without the express or implied permission of the owner or outside the scope of that express or implied permission.
- (k) to an insured's employee which arises in the course of employment.
- (l) to an insured's co-worker occurring in the course of employment if such injury arises out of the insured person's use of the vehicle or trailer in the business of the insured person's employer.

PART V – PHYSICAL DAMAGE

D. COMPREHENSIVE (excluding Collision). At the Company's option to have repaired or to pay for loss caused by other than collision to a covered automobile or to a non-owned automobile but only for the amount of each such loss in excess of the deductible amount stated in the Declarations 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, war, flood, malicious mischief or vandalism, riot or civil commotion shall not be deemed to be loss caused by collision.

SUPPLEMENTARY PAYMENTS. In addition to the applicable limit of liability to:

- (a) reimburse the insured for transportation expenses not exceeding \$5 per day or totaling more than \$150 incurred during the period commencing 72 hours after a theft covered by this policy of the entire automobile has been reported to the Company and the police, and terminating on the date the whereabouts of the automobile becomes known to the named insured or Company or on such earlier date as the Company tenders settlement for such theft;
- (b) pay average general and salvage charges for which the insured becomes legally liable as to the automobile being transported.

E. COLLISION. At the Company's option to have repaired or to pay for loss caused by collision to a covered automobile or to a non-owned automobile but only for the amount of each such loss in excess of the deductible amount stated in the Declarations as applicable hereto.

- (m) resulting from the ownership, maintenance, or use of any vehicle other than the insured auto, which is owned by, furnished or available for the regular use of the Named Insured, a relative, or a resident, or a nonresident spouse.
- (n) incurred while the insured auto is being leased or rented to others.
- (o) resulting from the use of a vehicle for snow removal.
- (p) sustained from any source other than an accident.
- (q) sustained by the Named Insured or a regular operator while the insured auto is being operated by such regular operator not listed by the Named Insured on the application or otherwise disclosed to us and listed on the Declarations Page before the accident.
- (r) caused by terrorism, war (declared or undeclared), civil war, insurrection, rebellion, revolution, or riot.
- (s) sustained by any person while occupying the insured auto without the Named Insured's express permission or beyond the scope of the Named Insured's permission.
- (t) resulting from the ownership, maintenance, or use of a vehicle while used to transport persons or property for a fee or compensation,
- (u) caused by a vehicle driven by a person:
 - (1) Under the minimum age to obtain a license to operate a vehicle in the state in which the vehicle is licensed; or
 - (2) Under fifteen (15) years of age.
- (v) exclusion (u) under Part I, page 1 also applies to Part IV

LIMIT OF LIABILITY. The limit of liability for medical payments stated in the Declarations 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.

Any amount paid or payable under this coverage to or for an insured person will be reduced by any payment made to that person under Part I – Liability or Part II – Uninsured Motorist Coverage or Part III – Underinsured Motorist Coverage of this policy.

The Company will make no payment under this Part of the policy unless the insured agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under the Liability, Uninsured Motorist, or Underinsured Motorist Coverages of this policy.

In no event will an insured person be entitled to receive duplicate payments for the same element of loss.

DEFINITION OF LIMITS OF LIABILITY FOR MULTIPLE VEHICLES INSURED BY AND/OR MULTIPLE POLICIES ISSUED BY THE COMPANY. The total limit of the Company's liability to or on behalf of an Insured arising out of the ownership, maintenance or use of a vehicle described in the declarations of this policy or in the declarations of any other policy issued to such Insured by the Company shall be the limit as stated with respect to that vehicle on the declarations of the policy on which that vehicle is described. For a covered claim not arising out of the ownership, maintenance or use of a vehicle described in the declarations of this or any other policy issued to the Insured by the Company, the limit of the Company's liability shall be the highest limit for any one vehicle as stated on the declarations on any one policy issued by this Company providing such coverage.

OTHER INSURANCE. Our liability under this coverage shall be excess over any other valid and collectible medical payments insurance, medical or hospitalization insurance, health or accident insurance, dental insurance, Medicare or Medicaid insurance, or any benefits payable pursuant to a workers' compensation statute or similar law. Coverage will be provided on a primary basis to a passenger in the covered auto if the loss was caused from the insured's use of the covered auto. The passenger may not recover under any other motor vehicle insurance coverage available to the passenger until the limit of all coverage provided by this policy is first exhausted.

COVERAGE I. TOWING: The Company will pay for towing and labor charges, necessitated by the disablement of an owned automobile 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. Coverage is limited to three occurrences per policy term.

COVERAGE M. RENTAL REIMBURSEMENT – COLLISION COVERAGE. It is agreed commencing 48 hours after direct or accidental loss or damage to the insured automobile (hereinafter called loss), caused by collision of the automobile which is timely reported to the Company and covered by the Company, the Company will reimburse rental fees incurred by the insured from a bona fide licensed rental agency or a licensed common carrier the maximum daily reimbursement benefit as specified on the Declarations and for a maximum period specified on the Declarations (excluding mileage charge) for the rental of a temporary substitute automobile while the insured automobile is in the custody of a licensed business, garage or facility for repairs. Coverage is limited to three occurrences per policy term.

EXCLUSIONS. Rental reimbursement does not apply:

- (a) if a collision occurs while any driver of the insured automobile is intoxicated or under the influence of any narcotic or illegal substance;
- (b) if a collision occurs while the automobile is rented by or on behalf of insured; or

(c) if the automobile is in control of an excluded operator.

1. REIMBURSEMENT: is limited to expenses incurred during a period commencing at 12:01 AM on the day following the date the named insured delivers the owned automobile to the garage for repairs.

2. COVERAGE TERMINATES: (1) on the date of reasonably satisfactory completion of repairs, or (2) the date the Company and the named insured agree the automobile is a total loss, or (3) at the completion of the number of days of coverage as shown on the Declaration.

PAYMENT OF LOSS. The Company may pay the Insured for loss in money or provide a substitute form of transportation with the option resting with the Company. In no event shall a claim for rental reimbursement be accepted by the Company unless a verified, itemized statement of rental charges is supplied by the insured within thirty (30) days after the date of loss. This insurance is applicable in addition to any other valid or collectible collision insurance available to the insured.

COVERAGE N. CUSTOM AND ADDITIONAL EQUIPMENT. The Company will pay for direct and accidental loss to additional equipment that is identified before the loss, if such equipment is permanently attached to the covered automobile. The limit of liability for loss to additional equipment shall not exceed the lesser of:

- (a) The actual cash value of the stolen or damaged property at the time of loss which may include an adjustment for depreciation and/or betterment;
- (b) The amount necessary to repair or replace the property as specified in Payment or Loss – Part V Only; or
- (c) The declared value of the identified equipment as shown on the Declarations Page.

The amount referenced above will be reduced by the applicable deductible as listed on the Declarations Page.

The Company's limit of liability for Custom or Additional Equipment Coverage under this Part shall not exceed the limit shown on the Declarations Page.

There is no coverage to loss to any of the following types of equipment unless declared, approved, and an additional premium is charged for Custom or Additional Equipment Coverage:

- (a) Awnings, cabanas, campers, custom enclosures, or any other equipment designed to provide additional living facilities;
- (b) Any equipment or alteration not permanently installed at the factory by the original make and model vehicle manufacturer or authorized dealer and considered standard or original optional equipment for such vehicle. Equipment installed or alterations made at a conversion facility to an auto or camper is not considered standard or original optional equipment installed by the vehicle manufacturer;
- (c) Nonstandard chrome, alloy, aluminum, or magnesium wheels;
- (d) Custom wide-tread tires and racing slicks;
- (e) Custom chroming or gold plating, two-tone or custom paint work, or custom interior work;
- (f) Captains or swivel chairs or tables;
- (g) Sun roof, moon roof, T-bar roof, or landau roof, if not permanently installed by the original make and model vehicle manufacturer or the authorized representative of the vehicle manufacturer;
- (h) Bubble dome, bubble window, or any deluxe roof treatment;
- (i) Satellite navigational devices if not permanently installed by the original make and model vehicle manufacturer or the authorized representative of the vehicle manufacturer;
- (j) Any "ground effects" package or "continental kit," or
- (k) Telephones permanently installed by the original make and model vehicle manufacturer.

DEFINITIONS. The definitions of "named insured", "relative", "owned automobile", "non-owned automobile", "covered automobile", "automobile business", "war", "trailer" in Part I apply to Part V and under Part V:

"Insured" means (a) with respect to a covered 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 as 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.

"Loss" means direct and accidental loss of or damage to (a) the automobile, including its equipment, or (b) other insured property.

"Collision" means collision of an automobile with another object, with a vehicle to which it is attached or by upset of such automobile.

"Equipment" means the standard or optional equipment which is available from the manufacturer for the make, model, and model year of the automobile, and was permanently installed in the automobile in the place designed by the manufacturer at the time of original sale or inception of this policy.

"Diminution in Value" means the actual or perceived loss in market or resale value which results from a direct and accidental damage to an automobile insured hereunder.

"Betterment" means if a repair is made or if a replacement part is used that is of better than like kind and quality, the Company may make a monetary adjustment for betterment.

"Depreciation" means a decrease or loss in value because of wear or age.

EXCLUSIONS. This policy does not apply under this Part:

- (a) to any automobile while used as a public livery conveyance; or for commercial purpose;
- (b) to loss of equipment:
 - (1) which is not available from the manufacturer of the automobile for that make, model, and model year;

- (2) which is available from the manufacturer of the automobile 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;

- (3) Except if the Declarations Page shows a specific premium charged for Custom or Additional Equipment Coverage.

- (c) to loss to a non-owned automobile arising out of its use by the insured in the automobile business;
- (d) to loss to an automobile owned by the named insured and not described in this policy or to any temporary substitute automobile therefore, or to a non-owned automobile if the insured has other valid and collectible insurance against such loss;
- (e) 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;
- (f) 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;
- (g) to loss due to radioactive contamination, nuclear reactions, radiation, or fallout or covered by a nuclear energy liability policy, even if the limits of that policy are exhausted;
- (h) under coverage E – collision of this Part to breakage of glass if insurance with respect to such breakage is otherwise afforded;
- (i) to loss to any automobile designed for racing while being tested, repaired or serviced or being used, operated, manipulated or maintained in any impromptu prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (j) 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 automobile for the installation of such equipment;
- (k) to loss of or damage to any tape, wire, record disc or other any medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound;
- (l) to loss with respect to an automobile ownership of which is acquired by the named insured during the policy period when 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;
- (m) to loss to any custom furnishings or equipment in or upon any pick-up, panel truck or van such as, but not limited to a trailer, special carpeting, insulation, furniture, bars, television receivers, facilities for cooking or sleeping, height-extending roofs, custom murals, paintings or other decals or graphics;
- (n) to damage caused intentionally by or at the direction of the insured;
- (o) to any loss arising out of or during use for the transportation of hazardous substance, flammable liquid or similarly hazardous material;
- (p) loss due to terrorism, war, declared or undeclared;
- (q) while an automobile is in control of an excluded driver;
- (r) to loss to any trailer;
- (s) to diminution in value to any vehicle.
- (t) to loss due to confiscation, towing or impounding by a duly constituted government or civil authority or damages incurred during repossession by a loss payee or its agent.
- (u) to loss resulting from use of the covered automobile for snow removal.
- (v) to loss caused to the covered automobile when it is driven, operated, or used with the Named Insured's express or implied permission by a person who:
 - (1) Is under the minimum age to obtain legal authority to drive;
 - (2) Is under fifteen (15) years of age;
 - (3) Does not have a valid driver's license; or
 - (4) Has had their driving privileges rescinded by either license suspension or revocation.
- (w) to loss due to confiscation or destruction by government or civil authorities.
- (x) to loss to paint or discoloration of paint resulting from acid rain, smoke, smog, chemicals, salt, tree sap, or animal or bird droppings unless such loss is a direct result of collision or vandalism.
- (y) to loss while the covered automobile is being used in the commission of a crime.
- (z) to loss caused by the theft or conversion of the insured auto by a person to whom the Named Insured has voluntarily entrusted the insured auto.

(aa) exclusion (u) under Part I, page 1 also applies to Part V

LIMIT OF LIABILITY. The Company's liability for all losses under this Part shall not exceed the lesser of the following:

- (a) the actual cash value of stolen or damaged property or part thereof at the time of the loss. An adjustment for depreciation and physical condition will be made in determining the actual cash value in the event of a total loss or
- (b) the amount necessary to repair the damaged property at the time of the loss or
- (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 and betterment; or
- (d) the Maximum Stated Value as listed on the Declarations Page less depreciation charges hereinafter set forth and less any applicable Declarations page deductible(s) amount(s) and less any deduction for the cost to replace missing equipment and/or repair any old unrepaired physical damage; or
- (e) the amount the **Named Insured** paid for the vehicle less the deductible.

Depreciation: Depreciation shall be computed at the rate of 2% per month (with a maximum of 12% in a policy term) of the stated value of the owned automobile as listed on

the Declarations Page for every month or part thereof that the policy shall have been in force. The total percentage deduction for depreciation shall be computed on the whole amount in one sum and not by monthly deductions.

OTHER INSURANCE. If other insurance applies to a loss covered under this Part, the Company will pay only the prorated amount of the limit of liability compared to all available limits of liability. This insurance with respect to a temporary substitute automobile or non-

owned automobile shall be excess insurance over any other valid and collectible insurance.

TIMELINESS OF REPAIRS. In the event of loss, repairs must begin within ninety (90) days from the date of loss. The Company will not be responsible for any loss or portion thereof which is caused by your delay in commencing such repairs.

PART VI – CONDITIONS (Unless otherwise noted, conditions apply to all Parts)

1. POLICY PERIOD, TERRITORY. This policy applies only to accidents, occurrences and losses during the policy period, as stated in the Declarations, while the automobile is within the United States of America, and Canada or is being transported between parts thereof. This policy may be renewed for successive policy periods 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 AM standard time at the address of the named insured stated on the policy.

2. PREMIUM. a. The premium for this policy is based on the information the Company has received from the application, endorsements and other sources.

It is agreed that:

- (a) If the application or endorsements include incorrect or incomplete information, or if any information material to calculating the policy premium changes, the Company may adjust the premium accordingly during the policy period.
- (b) If the named Insured adds or replaces a private passenger, farm or utility automobile or trailer insured by the Company, he/she shall inform the Company in writing 30 days of such change of his/her election to make this policy applicable to such automobile, except that coverage under Part I shall apply automatically during said period to such automobile if it is added or replaces an owned automobile. The named Insured shall, upon request, furnish reasonable proof of the number of such automobiles or trailers and a description thereof. 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 and shall be paid promptly. Premiums and premium adjustments shall be rounded to the nearest dollar in accordance with the manuals of the Company.
- (c) If at any time the Company becomes aware: (1) that any **resident driver** or **primary operator** or **occasional operator** or **regular operator** of an insured vehicle, other than an **excluded driver** or **operator**, is not named on the Declarations page or the application as a **named Insured** or driver and the inclusion of that person as **named Insured** or **driver** under the policy would require a higher rate class, or (2) that any **driver** name on the Declarations page or the application is rated as **married** and the individual is determined to have been **single** and the premium for a **single driver** would require a higher rate class, or (3) that the named **Insured** or any **driver** residing in the insured's household does not reside at the address stated on the application or the **named Insured** changes addresses after inception of the policy and written notice is not given to the Company by or on behalf of the **named Insured** within 30 days and the premium for that location would require a higher rate class, or (4) that any vehicle listed on the Declarations page or the application is operated for **Business Use** or **Artisan Use** and **Business Use** or **Artisan Use** is not disclosed on the application and the inclusion of **Business Use** or **Artisan Use** would not be acceptable to the Company or would result in a higher rate class, or (5) that any **driver** represented as an **occasional operator** is determined to be a **primary operator** and the inclusion of that person as a **primary operator** would result in a higher rate class, **then the policy will at the Company's option be declared null and void for all coverages and premiums paid will be returned in full or, if the policy is not declared null and void, then the policy will be endorsed to the correct rate class effective on the inception date of the policy or on the date that the higher rate class would be effective, whichever is earlier.**

The Company will be allowed to apply the additional premium by reducing any amount recoverable to the insured under the Collision, Comprehensive, or Medical Payments coverage.

For the purposes of Condition 2c, "**resident driver**" means any person who resides in the Insured's household and who at any time during the policy period uses or operates an insured vehicle, "**regular operator**" means any person who has or had care, custody or control of the insured auto for more than twenty-four (24) hours at any time during the policy term as shown on the Declarations Page. The twenty-four (24) hours may be consecutive or cumulative, "**single**" means any person not legally married under the laws of the state of Indiana, a person who has never been married, or is divorced, separated, widowed, living apart while still married or living together while not married, "**Business/Artisan Use**" means use of the insured auto in a trade, profession, occupation, course of employment, job, work, or skill in a particular craft in which one is engaged. Business/Artisan Use includes, but is not limited to occupations such as sales, service or travel to hospitals, clinics, courthouses, job sites, client homes, carpentry, plumbing, masonry, real estate or insurance agents, lawyers, doctors, and accountants. "**occasional operator**" means a male or female 24 years of age or younger or who have been listed on the applications, and "**primary operator**" means the person that is the highest rated operator on any owned automobile and operates an owned automobile more than 50% of the time during the policy period.

- (d) Out of state relocations must be reported to the Company within 30 days. Policyholders moving out of Indiana will be charged 200% of the rate for Bodily Injury, Property Damage, Comprehensive and Collision coverages in the Company's highest rated territory in consideration of the undesired, uncertain risk.

3. NOTICE. In the event of an accident, occurrence 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 any injured person(s) and of available witnesses shall be given to the Company by or on behalf of the insured as soon as practicable. In the event of theft the insured shall also promptly notify the police as soon as practicable.

If claim is made or suit is brought against an insured, he/she shall immediately forward to the Company every demand, notice, summons or other process received by him/her, his/her 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. A suit seeking recovery against the Company under Parts II and III must be filed within two years of the accident.

If, before the Company makes a payment of loss under Part II, the insured or his/her 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/her legal representative.

All notices which may be required by this policy shall be in writing and shall be served personally or by certified mail, return receipt requested. For the purpose of all time limitations, notice shall be deemed to have given on the date when so placed in the United States mail, postage prepaid. Notice shall be given as follows:

To The Company

AMERICAN FREEDOM INSURANCE COMPANY
559 West Golf Rd., Arlington Heights, IL 60005

To The Insured(s):

Notice shall be given to the person(s) designated as the "Named Insured(s)" on the Declarations Page which is part of this policy as issued, at the last known address for the "named insured".

4. FRAUD AND MISREPRESENTATION. All statements contained in the application are deemed to be representations relied upon by the Company. In the event any such representation contained in the application is false, misleading or materially affects the acceptance or rating or rating of this risk by the Company, by either direct misrepresentation, omission, concealment of facts or incorrect statements, **this policy shall be null and void and of no benefit whatsoever from its inception.**

In the event any representation contained in any notification of change is false, misleading or materially affects the acceptance or rating of this risk by the Company, by either direct misrepresentation, omission, concealment of facts or incorrect statements, **this policy shall be null and void and of no benefit whatsoever from the effective date of change.** This paragraph shall also apply to misstatement of use and omissions of fact. This policy shall not provide coverage for any insured who has made fraudulent or false statements or engaged in fraudulent or false conduct in connection with a claim or loss for which coverage is sought under this policy.

If the Company is not allowed to void this policy, any first-party claims will be reduced by the amount of any other premium owed to us. We reserve the right to recover from you any payments made as a result of your fraud.

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 Parts 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. The Insured shall cooperate with the Company and upon the Company's request.

- (a) Attend hearings and trials 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.
- (b) The insured shall submit to physical examination at Company expense, by doctors selected by the Company, as often as the Company may reasonably require, and authorize the insured to obtain medical and other records.
- (c) Allow the Company to take signed or recorded statements when and as often as the Company may reasonably require.

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/her right to recover damages from any person or organization alleged to be legally responsible for

the bodily injury 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. 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/her 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 thereto, there shall have been full compliance with all the terms of this policy and also under Part V until 30 days after proof of loss is filed and the amount of loss is determined as provided in this policy.

8. INSURED DUTIES IN EVENT OF LOSS – PARTS II AND V. In the event of loss the insured or someone on his/her behalf 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/her 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;
- (c) report the loss within twenty-four (24) hours of its occurrence or reasonable knowledge thereof, to the Company and to police, peace or judicial officers, or the Commission of Motor Vehicles;
- (d) report the loss, in the event of a hit-and-run or theft and the discovery thereof, within 24 hours of such to the Company and to the police, peace, or judicial officers, or the Commission of Motor Vehicles.
- (e) authorize the Company to move the damaged vehicle to a storage facility of the Company's choice.

9. MEDICAL REPORT; PROOF AND PAYMENT OF CLAIM - PARTS II, III AND IV. As soon as practicable the injured person or someone on his/her behalf making claim shall give to the Company written proof of claim, 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 under the policy.

The Company may pay the injured person or any person or organization rendering the services or treatment and such payment shall reduce the amount payable hereunder for such injuries. Such payment hereunder shall not constitute an admission of liability of any person or of the Company.

If required, 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(s) shall submit to physical examinations by physicians selected by the Company when and as often as the Company may reasonably require. He/she, or in the event of his/her incapacity his/her legal representative or the person or persons entitled to sue therefore, shall upon each request from the Company execute authorization(s) to enable the Company to obtain medical reports and copies of any and all records.

10. APPRAISAL – PART V. If the insured and the Company fail to agree as to the amount of loss, either may, within 60 days after proof of loss is filed, demand an appraisal of the loss. In such event the insured and the Company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of loss and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his/her 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.

11. PAYMENT OF LOSS. Any amount due is payable (a) to the insured, or (b) if the insured is a minor to his/her parent or guardian, or (c) if the insured is deceased to his/her 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, 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. The Company may settle any claim for loss either with the insured or the owner of the property.

12. 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 which is liable for loss to the automobile.

13. SUBROGATION. In the event of any payments under this policy, the Company shall be subrogated to all the rights of recovery therefore which the insured, an injured person or any other person receiving such payment may have against any person or organization and they 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.

In the event of any payment under Part III – 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 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 a receipt of such notice.

14. RECOVERY RIGHTS. If the Company makes a payment under this policy and the person receiving payment is entitled to recover from another, the Company is entitled to those same rights of recovery to the extent of the payment. The insured and anyone covered by this policy must sign and deliver to the Company any legal papers relating to that recovery, do whatever else is necessary to help the Company exercise its rights, and do nothing after a loss to harm the Company's rights.

When a person has been paid by the Company under this policy and also recovers from another, the amount recovered from the other shall be held by that person in trust and reimbursed to the extent of the Company's payment, provided that the person to or on behalf of whom such payment is made is fully compensated for their loss.

If an insured person or organization receives recovery from a responsible party without written consent, the insured person or organization's right to payment under any affected coverages of this policy will no longer exist.

15. PUNITIVE OR EXEMPLARY DAMAGES. This insurance shall not apply to punitive or exemplary damages. The Company will not provide any defense, or pay for any claim, settlement, judgment, or other award of punitive or exemplary damages under any Part of this policy.

16. POLLUTION EXCLUSION. As used in the Exclusion, "Pollutants" include but are not limited to any solid, liquid, gaseous, or thermal substance, irritant, or contaminant including but not limited to smoke, vapor, soot, fumes, acids, alkalis, toxic chemicals, and waste. Waste includes but is not limited to materials that may be recycled, reconditioned, or reclaimed, whether or not known to contain pollutants or result in environmental damage. It is agreed that this insurance does not provide coverage for bodily injury or property damage arising out of, or resulting from, the intentional or unintentional actual, alleged, or threatened discharge, release, dispersal, seepage, or escape of pollutants contained in any property:

- (a) Transported by, towed by, loaded into, or unloaded from the covered automobile;
- (b) Otherwise in the course of transit;
- (c) Stored, disposed of, treated, or processed in or upon the covered automobile. This exclusion does not apply if:
 - (1) The pollutants are emitted directly from an auto part designed by its manufacturer to hold, store, receive, or dispose of such pollutants;
 - (2) The bodily injury or property damage does not arise out of the operation of any equipment or device mounted on an auto chassis or used to raise or lower workers; and
 - (3) The bodily injury or property damage does not arise out of the operation of any air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, or well servicing equipment.
- (d) Containing the pollutants before or after the pollutants are moved from the place of acceptance, delivery, disposal, or abandonment, for movement into, onto, or from the covered automobile. This exclusion does not apply if:
 - (1) The pollutants or any property in which they are contained are upset, overturned, or damaged as a result of the maintenance or use of the insured auto, or
 - (2) The discharge, dispersal, release, or escape of the pollutants is caused directly by such upset, overturn, or damage.

It is agreed that this insurance does not provide coverage for any loss, cost, liability, or expense arising out of any judicial, administrative, or other governmental order, direction, or request that you test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants or environmental damage.

17. CHANGES. Notice to any agent or knowledge possessed by any agent is notice to the Company but notice 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 by the Company to form a part of this policy.

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

19. CANCELLATION. This policy may be canceled by the named insured or by a premium finance company 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.

This policy may be canceled by the Company by mailing to the named insured at the last mailing address known by the Company written notice stating when not less than twenty (20) days thereafter such cancellation shall be effective, however, if the cancellation is for non-payment of premium, ten (10) days notice shall be given.

The Company shall not exercise its right to cancel such policy after it has been in effect for sixty (60) days or any policy which has been renewed except for one or more of the following reason:

- (a) nonpayment of premium; or
- (b) the driver's license or motor vehicle registration of the named insured or any other operator has been suspended or revoked or the grounds for such suspension or revocation have become known; or
- (c) the named insured or any other operator is under treatment for epilepsy or heart disease and does not provide a physician's certification testifying to their unqualified ability to operate a motor vehicle safely; or
- (d) the named insured or any other operator uses drugs or alcohol to excess; or
- (e) fraud, willful misrepresentation, or concealment by any insured relating to the issuance or continuation of the policy or relating to a loss; or
- (f) violation of any term or condition of the policy; or
- (g) the place of residence of the insured is changed to a state or country in which the insurer is not licensed.

The Company shall not fail to renew any policy of insurance unless it shall mail notice of same to the named insured at least twenty (20) days prior to the date of expiration. This provision shall not apply if the Company has manifested its willingness to renew directly to the named insured or in the case of non-payment.

All notices of cancellation or non-renewal shall include a specific explanation of the reason or reasons for cancellation or non-renewal. The mailing of notice as aforesaid on a recognized U. S. Post Office form or a form acceptable to the U. S. Post Office or other commercial mail delivery service shall be sufficient proof of notice, and a copy of such notice shall be sent to the insured's broker or the agent of record at the last mailing address known to the Company.

In the event of the cancellation of this policy by insured, earned premium shall be computed in accordance with the customary short rate table and procedure or computed pro rata at the Company's option to the date of cancellation. In the event of cancellation of this policy by the Company, 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 named insured or his/her representative by the Company.

20. AUTOMATIC TERMINATION. If someone other than the insured or a family member who is listed in the declarations becomes the owner of the automobile, coverage for that automobile will automatically terminate. The termination will correspond with the time that possession or title conveyed to the new owner.

21. LIMITATIONS ON AGENT AUTHORITY. The authorized agent who obtained this policy has limited authority to act in transacting business on this policy. Any statement or assurance made by this authorized agent concerning the policy is governed by the Company guidelines and rules, as well as applicable laws and regulations.

The authorized agent who obtained this policy does not possess any apparent, implied, or actual authority to act on the Company's behalf after the expiration, cancellation, or nonrenewal of the policy. Any representations made by the authorized agent after a notice



PRESIDENT

of termination has been initiated will apply only if the Company provides prior written approval.

22. DECLARATIONS. By acceptance of this policy, the named insured agrees that the statements and representations contained in the Application, a copy of which is attached to and forms a part of this policy, have been made by him/her or on his/her behalf. Said statements and representations in 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. This policy is issued and continued in reliance upon the truth of such statements and representations and embodies all agreements existing between himself/herself and the Company or any of its agents relating to this insurance.

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 bailment lessor, conditional vendor, mortgagee (herein called the lienholder) has not been invalidated by any act or neglect of the insured owner of the covered 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 covered 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 when 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 insured fail to render Proof of Loss within the time granted in the conditions of this policy, the lienholder shall do so within thirty (30) days thereafter, in the form and 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 the 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.

FAILURE TO COMPLY WITH ANY OR ALL OF THE CONDITIONS ABOVE MAY RESULT IN THE COMPANY'S REFUSAL TO EXTEND ANY PROTECTION UNDER THIS POLICY FOR THE ACCIDENT OR LOSS.

IN WITNESS WHEREOF. The Company has caused this policy to be signed by its President and Secretary. This policy shall not be valid unless completed by the attachment hereto of a complete Declarations page.



VICE-PRESIDENT/SECRETARY

IN COMPLIANCE WITH THE REQUIREMENTS OF THE FAIR CREDIT REPORTING ACT (PUBLIC LAW 91-508), WE ADVISE THAT AS PART OF OUR ROUTINE PROCEDURE IN REVIEWING APPLICATIONS FOR INSURANCE OR RENEWALS OF INSURANCE POLICIES, THIS INSURANCE COMPANY MAY PROCURE AN INVESTIGATIVE CONSUMER REPORT INCLUDING INFORMATION AS TO THE CONSUMER'S CHARACTER, GENERAL REPUTATION, PERSONAL CHARACTERISTICS OR MODE OF LIVING, IF SUCH INSURANCE IS FOR AN INDIVIDUAL AND IS PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES SUCH INFORMATION MAY, WITHOUT LIMITATION BE OBTAINED THROUGH PERSONAL INTERVIEWS WITH NEIGHBORS, FRIENDS OR OTHERS WITH WHOM THE CONSUMER IS ACQUAINTED.

UPON WRITTEN REQUEST TO THIS INSURANCE COMPANY, MADE WITHIN A REASONABLE PERIOD OF TIME AFTER RECEIPT OF THIS NOTICE, THIS COMPANY WILL PROVIDE IN WRITING A COMPLETE AND ACCURATE DISCLOSURE OF THE NATURE AND SCOPE OF THE INVESTIGATION REQUESTED, IF ONE WAS REQUESTED, OR ADVISE THAT NONE WAS REQUESTED.

COVERAGE UNDER THIS POLICY IS CONDITIONAL ON THE PAYMENT OF THE PREMIUM CHARGED. THEREFORE, A CHECK GIVEN IN PAYMENT OF ANY PREMIUM REQUIRED FOR EFFECTIVE PAYMENT OF THIS POLICY WHICH IS NOT HONORED BY THE PAYOR'S BANK UPON PRESENTATION FOR PAYMENT SHALL BE CONSTRUED UNDER THE PROVISIONS OF THIS POLICY AS NON-PAYMENT OF PREMIUM AND NO COVERAGE IS AFFORDED FOR ANY TIME PERIOD OR TERM OF THIS POLICY FOR WHICH SUCH CHECK WAS WRITTEN.

**NOTICE TO POLICYHOLDERS
INFORMATION CONCERNING QUESTIONS, PROBLEMS AND CLAIMS**

We are here to serve you...

As our policyholder, your satisfaction is very important to us. If you have a question about your policy, if you need assistance with a problem, or if you have a claim, you should first contact your insurance agent, or us by telephone at 1-847-758-9300. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion. Should you feel you are not being treated fairly with respect to a claim, you may contact the Indiana Department of Insurance with your complaint.

To contact the Department, write or call:
Consumer Services Division
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, IN 46204-2787
317-232-2395 or 1-800-622-4461

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