

AMERICAN FREEDOM INSURANCE COMPANY

A STOCK COMPANY

TENNESSEE

PERSONAL AUTOMOBILE INSURANCE POLICY

IMPORTANT

Notify the Company's claims office in Mount Prospect, 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 may restrict coverage. Your policy also states your duties for this insurance to apply.

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 representatives – 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 websites.

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 or claim.

AMERICAN FREEDOM INSURANCE COMPANY MOUNT PROSPECT, ILLINOIS

(A stock insurance company, herein called the Company)

agrees with the named insured as designated in the Declarations Page 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 Page and all of the terms of this policy.

PART I – 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, negotiation, settlement or defense of any claim or suit as it deems expedient or appropriate.

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 of any settlement, any judgment, or any combination thereof; 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. Except when the Company is defending the insured or operator under the Company's

Reservation of Rights, in which event the insured or operator have the right to consult or obtain counsel of their own choice. In no event shall the Company be responsible for other than reasonable fees for an attorney experienced in that area of law.

The Company has no duty to defend any suit or settle any claim, or pay any judgment for "bodily injury" or "property damage" that is not covered under this policy.

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 due to war; and
- (d) all reasonable expenses supported by receipts, other than loss of earnings, incurred by the insured at the Company's request and submitted to the Company for reimbursement.

PERSONS INSURED. The following are insureds under Part I:

- (a) with respect to the owned automobile;
 - (1) the named insured, or
 - (2) any other person using such automobile to whom the named insured has given permission, but only if the use is within the scope of that permission. However, that person shall be a person insured only up to the minimum limits.Notwithstanding the foregoing, person insured does not include a relative, or any other person who resides in the named insured's household, who has not been disclosed to the Company
- (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, or
- (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 I:

"Accident" means sudden, unexpected, unforeseen, non-intentional event or circumstance of a vehicular occurrence and excludes other intentional assaults, battery, or other acts of violence. All bodily injury and property damage arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one (1) accident.

"Application" means the form(s) or on-line screens used by the Company or the Company's agent to get information about the insured(s) on which the Company relies upon for purposes of issuing this policy. The application is used to decide if the Company will insure the named insured, what coverage(s) the named insured will be able to buy, and the premium the named insured will have to pay. The application includes, but is not limited to, any form(s) or process used by the Company or the Company's agent:

- a. For the named insured to:
 - (1) Select or reject coverage(s); or
 - (2) Make coverage elections (such as lower limits, deductibles and driver elections); and
- b. Any additional request from the Company to the named insured for information to issue or service the policy, and any renewal questionnaire.

"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. The term "automobile" does not include motorcycles, motorized mini-bikes, dirt bikes, all-terrain vehicles (ATVs), golf carts, tractors or farm machinery, recreational vehicles, vehicles driven on crawler treads or skis, road machinery, or vehicles when parked and used as a residence, business, or display purposes, or a vehicle that is not designed to be used on public roads or highways.

"Automobile business" means the business or occupation of selling, leasing, renting, repairing, servicing, test driving, road testing, storing, washing, parking, towing or transporting automobiles, other motor vehicles, or trailers.

"Bodily injury" means bodily injury to a person and sickness, disease or death which results from it. Bodily injury does not include the passing of any communicable disease.

"Business" means any full-time or part-time job, trade, profession, occupation, employment or commercial activity of any kind. Business includes the transport of tools or supplies in an auto between multiple jobsites.

"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.

"Covered automobile" means an owned automobile for which premium charges shown in the Declarations Page indicate the specific coverage afforded or an automobile which is subsequently added or replaced herein by endorsement. An auto or motor vehicle ceases to be a covered automobile when it is sold, assigned, gifted, title is transferred, or possession is permanently transferred to anyone other than the named insured, a relative, or a driver listed on the Declarations Page.

"Crime" means any act or omission that is:

- (a) a state or federal felony;
- (b) an illegal activity, trade, or transportation; or
- (c) an attempt to elude law enforcement;

whether or not there is an arrest, charge or conviction.

"Declarations Page" means the form the named insured receives from the Company that shows the types and limits of coverage that was purchased from the Company, the automobiles listed for insurance, insured drivers, premiums charged, deductibles that apply, the policy period, and other policy information.

"Delivery of person(s) or property for compensation or a fee" means to be engaged in an activity to transport, deliver or carry person(s), products, goods, materials, property, animals, or livestock, either in:

- a. Exchange for any form of compensation, fee, money, income, salary, property, or anything else of value; or
- b. In the course of conducting business activities by a person seeking coverage under this policy.

This definition applies whether or not:

- a. Going to or made available (including, but not limited to, logging into a Transportation Network Company or ride-sharing network or software application) for a pick-up or returning from a drop-off; or
- b. Any of the person(s), products, goods, materials, property, animals or livestock intended for the transport or delivery are in the motor vehicle at the time of the accident or loss.

"Delivery of person(s) or property for compensation for a fee" includes, but is not limited to, the use of a vehicle for:

- a. Wholesale or retail product deliveries;
- b. Delivery of magazines, newspapers, products, pizza or other food;
- c. Delivery or transport of animals or livestock;
- d. A public or livery conveyance; or
- e. Compensated transport of person(s) including but limited to, participation in a:
 - (1) Transportation Network Company; or
 - (2) Ride-sharing service or program.

This definition does not apply to:

- (1) A shared-expense car pool; or
- (2) Volunteer and uncompensated charity work.

"Driver's license" means a current and valid permit, license or certificate:

- a. Issued by a government agency; and
- b. That authorizes a person to operate a motor vehicle.

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

"Insured Driver" means a person specifically identified on the declarations page as an active driver under this policy.

"Loss" means sudden, direct and accidental physical damage

"Marriage," "spouse," or "marital" are terms that refer to the legal relationship between two persons united together by license, solemnized, and registered in either a marriage or civil union that is legally recognized as being valid by the State of Tennessee.

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

"Non-owned automobile" means an automobile, if it is: a. Used with the express permission of the owner of the auto and within the scope of that permission;

- b. Not owned by, registered to or available for regular or frequent use by the named insured, a relative, an insured driver, or any person who resides in your household;
- c. Not owned by, leased to or rented to your employer or the employer of any relative, insured driver, or any person who resides in the named insured's household;
- d. Not used for business purposes;
- e. Not an auto rented for more than 30 consecutive days by the named insured, a relative, an insured driver, or any person who resides in the named insured's household; or
- f. Not an auto in possession, for more than 30 consecutive days, by the named insured, a relative, an insured driver, or any person who resides in the named insured's household.

"Occasional operator" means a male or female 24 years of age or younger or who have been listed on the application.

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

"Operate" or "operating" means the act of being directly in control of a motor vehicle.

"Operator" means the person who:

- a. sits in the driver's seat behind the steering controls of a motor vehicle; and
- b. is operating a motor vehicle

"Owns" and "Owned" means to (a) hold legal title to the automobile; (b) have primary legal possession of the automobile subject to a written condition sales agreement; or (c)

have legal possession of the automobile under a lease agreement of more than thirty (30) days.

"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 will have coverage only for the first 14 days after the named insured becomes the owner 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;
 - (3) the named insured notifies the Company in writing within the initial 14-day period of their intention to extend coverage for the auto beyond the initial 14-day period after such acquisition of his/her intention to make this policy and no other policy applicable to such automobile; and
 - (4) if the named insured does NOT ask the Company to insure the acquired auto within 14 days after the named insured becomes the owner, no insurance applies to that acquired auto until after the named insured asks the Company to insure it and the Company agrees to insure that acquired auto; and
 - (5) such acquisition is an acceptable risk to the Company in accordance to its underwriting guidelines;

or

(c) is a temporary substitute automobile.

"Owner" means a natural, living human being and not a corporation, partnership, association, business entity, or trust, who: (a) holds legal title to the automobile; (b) has legal possession of the automobile subject to a written conditional sales agreement; or (c) has legal possession of the automobile under a lease agreement of more than thirty (30) days.

"Person" means a human being. A person does not include any corporation, partnership, association or business.

"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.

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

"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.

"Resident driver" means any person who resides in the insured's household and who at any time during the policy period uses or operates a covered vehicle.

"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.

"Single" means any person not legally married, a person who has never been married, or is divorced, separated, widowed, living apart while still married or living together while not married.

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

"Temporary substitute automobile" means any automobile not owned or leased 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 is: (a) rented by a person insured under written contract from a licensed rental car agency; (b) used with the express permission of the owner of that vehicle; and (c) not owned by the insured, relative, or insured driver.

An auto ceases to be a "temporary substitute auto" upon the earlier of: (a) reasonably satisfactory completion of repairs of the covered automobile; (b) the date the Company and the named insured agree the covered automobile is a total loss; (c) the completion of the number of days of rental reimbursement coverage as shown on the Declarations Page; or 30 days.

"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.

"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 incident to any of the foregoing.

EXCLUSIONS. The Company has no duty to defend when this policy does not apply under Part I:

- (a) while a covered automobile is in the control of an excluded operator.
- (b) 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 10,000 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; or
 - (12) used to tow a trailer carrying tools, supplies or materials.
- (c) 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 or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.
- (d) to bodily injury or property damage caused by a person while operating, driving, or using a covered vehicle with the Named Insured's express or implied permission 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;
 - (4) has had their driving privileges rescinded by either license suspension or revocation; or
 - (5) violates any learner's permit or probationary license restrictions under Tennessee laws.
- (e) to bodily injury or property damage caused intentionally by or at the direction of an insured or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed; or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.
- (f) to bodily injury or property damage while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided, however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.
- (g) to bodily injury or property damage resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.
- (h) to loss resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.
- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.
- (j) to bodily injury to or damage to property owned by, the named insured, any person listed on the Declarations Page, a relative, or resident of the named insured's household 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.

- (k) to bodily injury or property damage incidental to or emanating from the ownership, maintenance or use of a covered automobile while used as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.
- (l) to bodily injury or property damage arising out of the operation of farm machinery.
- (m) 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.
- (n) to bodily injury occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law.
- (o) to an owned automobile while used in the automobile business.
- (p) 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.
- (q) 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.
- (r) 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.
- (s) 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.
- (t) to bodily injury or property damage caused by 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.
- (u) 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.
- (v) to the payment of punitive or exemplary damages.
- (w) 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.
- (x) 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.
- (y) to bodily injury or property damage resulting from the use of a motor vehicle for snow removal.
- (z) 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.
- (aa) to bodily injury or property damage benefits payable under the "No Fault Laws" of the following states: Florida, Hawaii, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Dakota, Pennsylvania, and Utah.
- (bb) to property damage on a non-owned vehicle or temporary substitute vehicle.
- (cc) to bodily injury or property damage resulting from or in any way arising out of the discharge of any firearm or weapon used in connection with any auto.
- 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 I 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) Use of the non-owned automobile must be with the owner's permission.
- (d) 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 Page 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 Page 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 Page 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 I applies separately to each insured against whom claim is made or suit is brought, but neither the inclusion herein of more than one insured, nor the application of the policy to more than one automobile shall operate to increase the limits of liability stated in the Declarations Page 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.
- PERMISSIVE USER LIMIT OF LIABILITY.** If this policy provided injury liability in excess of \$25,000 per person and \$50,000 per accident and/or property damage liability limits in excess of \$15,000 per accident, then the amount of coverage in excess of those limits shall not apply to the operation or use of any motor vehicle by a person other than the named insured, an additional driver listed in the Declarations Page of this policy or a relative.
- 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 Page of this policy or in the Declarations Page 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 Page 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 Page 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 Page 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 I of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability stated in the Declarations Page bears to the total applicable limit of liability of all valid and collectible insurance, bonds, or self-insurance against such loss provided. The maximum limit of liability under all the policies (including any other policy issued by the Company) or terms of coverage shall be no more than the highest applicable limit of liability that applies on any one policy.
- 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, bonds, or self-insurance. The Company will not pay more than its share of the damages that must be paid under policies or terms of coverage that apply on an excess basis. The Company's share is the proportion that its limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.
- ADDITIONAL INTEREST.** Part I – Liability Coverage shall also apply to each additional interest named in the Declarations Page with respect to the insured vehicle identified with that interest. Coverage afforded to an additional interest is excess over any other valid and collectible insurance. The designation of an additional interest shall not operate to increase the limits of liability and provides the additional interest with no greater rights than those of the insured.

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

J/L UNINSURED MOTORIST COVERAGE. If the Declaration Page shows a premium charged for this coverage, the Company will 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.

If a settlement agreement is entered into with the owner or operator of an uninsured automobile but without the Company's written consent, the Company is not bound by that agreement.

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

"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";
- (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;
- (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. The existence of the unknown motorist must be established by clear and convincing evidence, other than evidence given by persons occupying the covered automobile or any other vehicle in which a person insured was in or at the time of the accident and the person insured was not negligent in failing to determine the identity of the other motor vehicle and its owner or operator at the time of the accident.

"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.

"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 56-12-102(12) of the Tennessee 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, any claim, lawsuit or arbitration against the

Company under this Part must be brought within one (1) year after the date of accident, notwithstanding any other policy terms or conditions.

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 Tennessee 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; or
- (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.

EXCLUSIONS. This policy does not apply under Part II:

- (a) to bodily injury or property damage incurred while an insured automobile is in the control of an excluded operator.
- (b) exclusion (b) under Part I, also applies to Part II.
- (c) 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 or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.
- (d) to bodily injury or property damage caused by a person while operating, driving, or using a covered vehicle with the Named Insured's express or implied permission 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;
 - (4) has had their driving privileges rescinded by either license suspension or revocation; or
 - (5) violates any learner's permit or probationary license restrictions under Tennessee laws.
- (e) to bodily injury or property damage caused intentionally by or at the direction of an insured or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed; or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.
- (f) to bodily injury or property damage while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided, however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.
- (g) to bodily injury or property damage resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.
- (h) to loss resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.
- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.
- (j) to bodily injury to or damage to property owned by the named insured, any person listed on the Declarations Page, a relative, or any resident of the named insured's household 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.
- (k) to bodily injury or property damage incidental or emanating from the ownership, maintenance or use of a covered automobile as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies.

Examples of transportation network application or companies or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.

- (l) to bodily injury or property damage arising out of the operation of farm machinery.
- (m) 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.
- (n) 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.
- (o) to bodily injury or property damage caused by an owned automobile while used in the automobile business.
- (p) 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.
- (q) 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.
- (r) to bodily injury or property damage while in 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.
- (s) 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.
- (t) to bodily injury or property damage caused by 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.
- (u) 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.
- (v) to the payment of punitive or exemplary damages.
- (w) to bodily injury to an insured or damage to property owned by an insured with 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.
- (x) 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.
- (y) to 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.
- (z) any claim for punitive or exemplary damages against the driver of an uninsured automobile.
- (aa) any claim against the Company unless the Company has received actual written notice of said claim within one (1) year of the date of the accident.
- (bb) to 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.
- (cc) to diminution in value to any vehicle.
- (dd) to bodily injury to the operator of the covered automobile that is not disclosed to the Company prior to the accident, and listed on the Declarations Page.
- (ee) to damage or loss to personal property located in the covered automobile.
- (ff) to payment for unauthorized repairs to the vehicle.
- (gg) any loss of use.
- (hh) to bodily injury sustained by a person insured while a guest passenger in a non-owned taxi, limousine, public bus or other similar public transport.

LIMITS OF LIABILITY.

- (a) The Limit of Liability stated in the Declarations Page 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 Page 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 Uninsured Motorist Property Damage Coverage 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.
 - (h) Uninsured Motorist Property Damage losses caused by the direct physical contact of an uninsured automobile with the covered automobile arising out of one auto accident are recoverable hereunder, but shall be limited to the lesser of:
 - (1) the amount to repair any damage to the covered automobile, reduced by the deductible shown on the Declarations Page. The Company may repair the covered automobile using either OEM parts, aftermarket parts or recycled used parts, whichever is deemed to be less expensive by the Company, and with a deduction for depreciation and/or betterment; or
 - (2) the actual cash value of the covered automobile, reduced by the deductible shown on the Declarations Page and by its salvage value if the named insured retains the salvage; or
 - (3) the limit of liability shown on the Declarations Page for Uninsured Motorist Property Damage, reduced by the deductible shown on the Declarations Page and by its salvage value if the named insured retains salvage.An adjustment for depreciation and physical condition of the covered automobile will be made in determining the actual cash value at the time of loss.
 - (i) If Uninsured Motorist Property Damage Coverage is purchased, a deductible of two hundred dollars (\$200.00) will apply. The deductible will not apply, pursuant to T.C.A. § 56-7-1201, if:
 - (1) The vehicle involved in the auto accident is insured by the same insurer for both Collision and Uninsured Motorist Property Damage Coverages; and
 - (2) The operator of the other vehicle has been positively identified and is solely at fault.
 - (j) If the damage to the covered automobile is the result of more than one accident, a separate deductible shall apply to each accident.
 - (k) 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.
 - (l) 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.
- PERMISSIVE USER LIMIT OF LIABILITY.** If this policy provided Uninsured Motorist Bodily Injury liability limits in excess of \$25,000 per person and \$50,000 per accident, then the amount of coverage in excess of those limits shall not apply to the operation or use of any motor vehicle by a person other than the named insured, an additional driver listed in the Declarations Page of this policy or a relative.

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 Page of this policy or in the Declarations Page 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 Page 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 Page 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 Page 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.

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 limits for liability specified by the financial responsibility law of Tennessee. 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 one (1) year 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. If the Declaration Page shows a premium charged for this coverage, the Company will 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 Parts I and II 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 apply at the time of the accident but its limit for bodily injury liability is less than the limit of liability for this coverage. **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 of 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;

which is defined as an "uninsured automobile" under Part II.

EXCLUSIONS. This policy does not apply under Part III:

- (a) to bodily injury incurred while an insured automobile is in the control of an excluded operator.
- (b) exclusion (b) under Part I, also applies to Part III.
- (c) to bodily injury resulting from the ownership, maintenance, or use of a vehicle with a load capacity in excess of 1,500 pounds or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.
- (d) to bodily injury caused by a person while operating, driving, or using a covered vehicle with the Named Insured's express or implied permission 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;
 - (4) has had their driving privileges rescinded by either license suspension or revocation; or
 - (5) violates any learner's permit or probationary license restrictions under Tennessee laws.
- (e) to bodily injury caused intentionally by or at the direction of an insured or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed, or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.
- (f) to bodily injury while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided,

however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

- (g) to bodily injury resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.
- (h) to loss resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.
- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.
- (j) to bodily injury to the named insured any person listed on the Declaration Page, relative, or any resident of the named insured's household 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.
- (k) to bodily injury incidental or emanating from the ownership, maintenance or use of a covered automobile as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network application or companies or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.
- (l) to bodily injury arising out of the operation of farm machinery.
- (m) 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.
- (n) 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.
- (o) bodily injury caused while in an owned automobile while used in the automobile business.
- (p) to bodily injury caused while in 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.
- (q) to bodily injury caused while in 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.
- (r) to bodily injury 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.
- (s) to bodily injury caused by 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.
- (t) to bodily injury 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.
- (u) to the payment of punitive or exemplary damages.
- (v) 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.
- (w) 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.
- (x) 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.
- (y) any claim for punitive or exemplary damages against the driver of an uninsured

automobile;

- (z) any claim against the Company unless the Company has received actual written notice of said claim within one (1) year of the date of the accident.
- (aa) to 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.
- (bb) Uninsured Motorist Coverage – Part II applies to the accident.

LIMIT OF LIABILITY. The limit of Liability as stated in the Declarations Page 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 Page 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 Page, 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 Uninsured 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 Page of this policy or in the Declarations Page 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 Page 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 Page 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 Page 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.

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 limits for liability specified by the financial responsibility law of Tennessee. 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 one (1) year from the date of the accident

PART IV – MEDICAL PAYMENTS

C. MEDICAL PAYMENTS. If the Declaration Page shows a premium charged for this coverage, the Company will 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.

The Company may use sources of information selected by the Company to determine if any medical expense is: (a) reasonable and necessary; (b) caused by the accident; and (c) greater than the usual and customary charge.

These sources may include: (a) exams by doctors the Company selects for which the Company will pay; (b) a review of medical records and test results by persons or services selected by the Company; (c) computerized programs for analysis of medical treatment and expenses; and (d) published sources of medical expense information.

DIVISION 1. to or for the named insured and each relative who sustains bodily injury, sickness or disease, including death resulting there from, 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.

Reasonable medical expenses do not include expenses:

- (a) for treatment, services, products or procedures that are:
 - (1) Experimental in nature, for research, or not primarily designed to serve a medical purpose;
 - (2) Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of bodily injury;
 - (3) Not necessary for the diagnosis and treatment of the bodily injury;
 - (4) For the treatment of a bodily injury that was not caused by the accident; or
- (b) incurred for:
 - (1) the use of thermography or other related procedures of similar nature;
 - (2) the use of acupuncture or other related procedures of a similar nature;
 - (3) massage therapy that has not been prescribed by a state licensed physician or chiropractor;
 - (4) the purchase or rental of equipment not primarily designed to serve a medical purpose; or
 - (5) the use of chiropractic care or other related procedures of a similar nature.

UNNECESSARY MEDICAL EXPENSES. If the insured person incurs medical expenses for services that the Company deems to be unreasonable or unnecessary, the Company may refuse to pay for those expenses.

If the medical service provider sues the insured person because the Company refuses to pay for medical expenses that the Company deems to be unreasonable or unnecessary, the Company will pay the resulting defense costs, and any resulting judgment against the insured person, subject to the limit the liability of this coverage. The Company will choose the counsel.

The insured person may not sue the Company for medical expenses that it deems unreasonable or unnecessary unless the insured person paid the entire disputed amount to the medical service provider or the medical service provider has initiated collection activity against the insured person for the unreasonable or unnecessary expenses.

DEFINITIONS. The definitions under Part I apply to Part IV:“

“Funeral services or expenses” means costs incurred for services directly related to the funeral, burial, cremation or interment of the remains of a deceased insured person.

“Usual and Customary Charge” means the Company's determination of a representative customary charge for medical services in the geographic area in which

the service is rendered. The Company shall determine the usual and customary charge through the use of sources of the Company's choice.

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

- (a) to bodily injury incurred while an insured automobile is in the control of an excluded operator.
- (b) exclusion (b) under Part I, also applies to Part IV.
- (c) to bodily injury resulting from the ownership, maintenance, or use of a vehicle with a load capacity in excess of 1,500 pounds or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.
- (d) to bodily injury caused by a person while operating, driving, or using a covered vehicle with the Named Insured's express or implied permission 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;
 - (4) has had their driving privileges rescinded by either license suspension or revocation; or
 - (5) violates any learner's permit or probationary license restrictions under Tennessee laws.
- (e) to bodily injury or property damage caused intentionally by or at the direction of an insured or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed; or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.
- (f) to bodily injury or property damage while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided, however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.
- (g) to bodily injury resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.
- (h) to loss resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.
- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.
- (j) to bodily injury to the named insured, any person on the Declarations Page, a relative, or any resident of the named insured's household 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.
- (k) to bodily injury incidental or emanating from the ownership, maintenance or use of a covered automobile as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network application or companies or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.
- (l) to bodily injury arising out of the operation of farm machinery.
- (m) 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.

- (n) 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.
- (o) to bodily injury caused by an owned automobile while used in the automobile business.
- (p) to bodily injury sustained from 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.
- (q) to bodily injury while in 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.
- (r) to bodily injury 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.
- (s) to bodily injury caused by 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.
- (t) to bodily injury 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.
- (u) to the payment of punitive or exemplary damages.
- (v) 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.
- (w) 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, penalties, fines, 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.
- (x) 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.
- (y) any claim for punitive or exemplary damages against the driver of an uninsured automobile.
- (z) any claim against the Company unless the Company has received actual written notice of said claim within one (1) year of the date of the accident.
- (aa) to 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.
- (bb) 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.
- (cc) incurred while the insured auto is being leased or rented to others.
- (dd) resulting from the use of a vehicle for snow removal.
- (ee) sustained from any source other than an accident.

- (ff) sustained by the Named Insured or a driver while the insured auto is being operated by such driver not listed by the Named Insured on the application or otherwise disclosed to us and listed on the Declarations Page before the accident.
- (gg) to bodily injury while occupying any vehicle located for use as a residence or premises.
- (hh) to bodily injury 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 a "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.

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

TRUST AGREEMENT. When the Company pays medical expenses, the insured or legal representative must agree in writing to repay the Company out of any damages recovered from anyone responsible for causing the bodily injury. The insured must also agree in writing to hold in trust to preserve for the Company any rights of recovery against anyone.

ASSIGNMENT OF BENEFITS. The Company will pay for medical expenses directly to a state licensed doctor or other health care provider if the insured person gives a signed written assignment of benefits payable under Part IV to the Company's claim representative assigned to handle the claims arising out of the accident. If the Company pays benefits directly to a doctor or other health care provider, the Company will have no further duty or liability to pay those same benefits.

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 Page of this policy or in the Declarations Page 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 Page 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 Page 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 Page 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, disability benefits, surgical plan, Personal Injury Protection or other type of no-fault motor vehicle insurance coverage, dental insurance, Medicare or Medicaid insurance, or any benefits payable pursuant to a workers' compensation statute or similar law.

PART V – PHYSICAL DAMAGE

D. COMPREHENSIVE (excluding Collision). If there is a premium shown for Comprehensive coverage, the Company has the option to have repaired or to pay for loss caused by other than collision to a covered automobile but only for the amount of each such loss in excess of the deductible amount stated in the Declarations Page, provided that it can be confirmed by the Company that said loss occurred during the time period wherein coverage was in force, as applicable hereto. For the purpose of this coverage, "Comprehensive" means a loss caused by: (a) missiles, (b) falling or thrown objects, (c) fire or explosion, unless the direct consequence of a collision, (d) theft or larceny, (e) earthquake, (f) windstorm, snow, ice, hail, rain, water, or flood, (g) malicious mischief or vandalism, or (h) accidental glass breakage, unless caused by a collision shall not be deemed to be caused by collision. Loss due to the hitting or being hit by an animal or bird will also be paid under Comprehensive coverage, but only if there is proof that the car damage directly resulted from contact with that animal or bird. A Comprehensive loss shall not include any loss covered as a collision.

In the event of a theft, the Company may wait up to thirty (30) days from the date the theft is reported in writing to the police and to us to either issue payment or replace the property.

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. If there is a premium shown for Collision coverage, the Company has the option to have repaired or to pay for loss caused by collision to a covered automobile but only for the amount of each such loss in excess of the deductible amount stated in the Declarations Page, provided that it can be confirmed by us that said loss occurred during the time period wherein coverage was in force, as applicable hereto.

"Collision" means the automobile (a) overturned, rolled, or flipped; or (b) collided with, or was hit by, a vehicle or other object.

COVERAGE I. TOWING: If there is a premium shown for Towing, the Company will pay per disablement 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 Page, provided that towing is to the nearest point at which the disabler can be remedied and the labor is performed at the place of disablement. Towing coverage includes the costs associated with: (a) a battery failure; (b) an insufficient supply of fuel, oil, water, or other fluid, but not their costs; (c) a flat tire; (d) a lock-out; or (e) an entrapment in snow, mud, or water that is within 50 feet of a road or highway.

Coverage is limited to three occurrences per policy term.

Covered labor must be performed at the time and place of disablement and does not include routine maintenance of a covered automobile.

The Company requires an original customer copy of any invoices (not a photocopy) from a licensed commercial tow or repair facility. The tow bill must be in the insured's name and must clearly show the covered disabled automobile serviced including the vehicle's identification number, the reason the vehicle was towed and the miles towed. Failure to produce such documentation will lead to the denial of a claim. All towing claims are paid on a reimbursement basis.

COVERAGE M. RENTAL REIMBURSEMENT – COLLISION COVERAGE. If there is a premium shown for Rental Reimbursement, 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 Page and for a maximum period specified on the Declarations Page (excluding mileage, fuel, reimbursement for Collision Damage Waiver (CDW) coverage, personal accident insurance, personal effects insurance or any other optional insurance, service, or device offered with the rented auto) 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. 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 from a licensed or recognized automobile rental agency or business.

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 operating an automobile is under the influence of: (1) alcohol as determined by Section 55-10-401 of the Tennessee Code; or (2) a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A Sections 811 and 812;

(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: Upon the earlier of: (a) reasonably satisfactory completion of repairs of the covered automobile; (b) the date the Company and the named insured agree the covered automobile is a total loss; or (c) a the completion of the number of days of rental reimbursement coverage as shown on the Declarations Page.

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 from a licensed or recognized automobile rental agency or business. This insurance is applicable in addition to any other valid or collectible collision insurance available to the insured.

COVERAGE N. CUSTOM AND ADDITIONAL EQUIPMENT. If there is a premium shown for 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 deductions 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.

LIMIT OF LIABILITY. The Company's limit of liability for Coverage N - 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;"

(k) Telephones permanently installed by the original make and model vehicle manufacturer; or

(k) Damage due and confined to:

(1) Prior loss or damage;

(2) Manufacturer's latent defects or faulty materials; or

(3) The insured's improper or lack of routine maintenance, or failure to perform maintenance as prescribed by the manufacturer.

DEFINITIONS. The definitions in Part I apply to Part V and under Part V:

"Actual Cash Value" means, at the time of accident or loss, the fair market value of the stolen or damaged property. The fair market value is affected by: (a) the age, mileage, and physical condition of the property; and (b) depreciation and prior damage.

"Aftermarket parts" [also known as non-Original Equipment Manufacturer (OEM) parts] means automotive replacement parts made by a company other than the original equipment manufacturer (OEM), but the parts are made to have the same fit and function as the original parts.

"Betterment" means a deduction for making an item better or adding value. Betterment occurs if a repair is made or if a replacement part is used that is of better than like kind and quality, which improves the condition of the automobile. Betterment includes, but is not limited to:

(1) The replacement of batteries, tires, radiators, air conditioning condensers, exhaust systems, and other parts with a useful life longer than the useful life of the part replaced; or

(2) The increase in value from prior wear and tear items, the repair of prior damage, replacement of missing parts, and rust damage that is reflective of the general overall condition of the vehicle considering its age and/or mileage.

The insured is responsible for paying any betterment.

"Collision" means the automobile: (a) overturned, rolled, or flipped; or (b) collided with, or was hit by, a vehicle or other object.

"Depreciation" means a decrease or loss in value because of: (a) over a period of time in the marketplace; (b) due to wear and tear; and (c) due to obsolescence

"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.

"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.

"Factory installed" means permanently installed by:

a. The original manufacturer of the auto at the time the auto is originally fabricated or assembled; or

b. The dealer of the original manufacturer as a new car option at the time of the original purchase.

"Forcible Entry" means entry by actual force and violence evidenced by visible marks on the exterior of the automobile or the premises on which the automobile is garaged at the point of entry.

"Loss" means a sudden, direct and accidental damage to or theft of the automobile, including its equipment. Unless required by law, loss does not include any diminution of value of property.

"Loss Payee or Lienholder" means the person or party who has a financial interest in the covered automobile and has been listed on the policy as the loss payee or lienholder.

"OEM Parts" means automotive replacement parts made by the original equipment manufacturer (OEM).

"Permanently installed" means an item is attached in the auto by way of brackets, screws, bolts, welding or other means so that the item cannot be removed without the use of tools.

EXCLUSIONS. This policy does not apply under this Part V:

(a) while an automobile is in control of an excluded driver.

(b) exclusion (b) under Part I also apply to Part V.

- (c) to loss resulting from the ownership, maintenance, or use of a vehicle with a load capacity in excess of 1,500 pounds or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.
- (d) 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;
 - (4) Has had their driving privileges rescinded by either license suspension or revocation; or
 - (5) Violates any learner's permit or probationary license restrictions under Tennessee laws.
- (e) to loss caused intentionally by or at the direction of or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed; or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.
- (f) to loss while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided, however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.
- (g) to loss resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.
- (h) to loss resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.
- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.
- (j) to loss to any automobile arising out of its use by the insured in the automobile business.
- (k) to loss incidental to or emanating from the ownership, maintenance or use of a covered automobile while used as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.
- (l) 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; or
 - (3) except if the Declarations Page shows a specific premium charged for Custom or Additional Equipment Coverage.
- (m) 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.
- (n) 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.
- (o) to tires, unless damaged by fire, malicious mischief, vandalism, stolen or unless loss is coincident with and from the same cause as other loss covered by this policy.
- (p) 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.
- (q) under Coverage E – Collision of this Part to breakage of glass if insurance with respect to such breakage is otherwise afforded.
- (r) 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.
- (s) 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.
- (t) 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.
- (u) 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 14 days of such acquisition of his election to make Part V of this policy applicable to such automobile.
- (v) 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.
- (w) to any loss arising out of or during use for the transportation of hazardous substance, flammable liquid or similarly hazardous material.
- (x) loss due to terrorism, war, declared or undeclared.
- (y) to loss to any trailer.
- (z) to diminution in value to any vehicle.
- (aa) to loss due to a taking, confiscation, towing, or impounding by a duly constituted government or civil authority, for any purpose, including temporary taking or temporary confiscation.
- (bb) to loss resulting from use of the covered automobile for snow removal.
- (cc) to loss due to illegal sale or repossession of an automobile by the rightful owner or co-owner.
- (dd) 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.
- (ee) to loss caused by the theft, embezzlement or other unlawful conversion of the insured auto after custody of said automobile was committed by the person to whom the vehicle has been voluntarily entrusted to another party. This exclusion will apply whether the theft, embezzlement, or unlawful conversion of the automobile was committed by the person to whom the vehicle was voluntarily entrusted or by any other person thereafter.
- (ff) to loss due to theft if evidence exists that forcible entry was not required to gain access to the vehicle or that evidence exists that keys were left in the automobile while it was unoccupied or that no evidence exists that the ignition wires, ignition locks, steering locks or other security devices installed to prevent the operation by an unauthorized person were altered to operate the automobile without keys.
- (gg) to damage or loss to personal property located in the covered automobile.
- (hh) to a loss resulting from: (1) prior loss or damage; (2) manufacturer's defects; (3) wear & tear; (4) freezing; (5) road damage to tires; (6) mold, mildew, fungi, or a by-product of these or (7) mechanical or electrical breakdown or failure.
- (ii) to a loss on any automobile titled to any member or resident of the household which is not listed on the declaration page of the policy.
- (jj) to property damage on a non-owned vehicle or temporary substitute vehicle.
- (kk) loss that occurs while the operator of the covered automobile is texting, keying or typing on any portable device, including but not limited to a mobile phone, tablet, computer, or similar device.
- (ll) to payment for unauthorized repairs to the vehicle.
- LIMIT OF LIABILITY.** The Company's liability for all losses under this Part V 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;
 - (b) the amount necessary to repair the damaged property at the time of the loss to its pre-loss physical condition;
 - (c) 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
 - (d) the amount the Named Insured paid for the vehicle less the deductible.
- The Company will not pay more than the prevailing competitive labor rates charged in the area where the automobile is to be repaired as reasonably found by the Company; and
- The Company is not liable for, nor will it pay, any fees or charges that are not part of the necessary cost to repair the loss or replace the covered automobile. This may include, but is not limited to, any fee or charge to prepare an estimate, teardown, handle or negotiate or any other fee or charge, which is not part of the necessary cost to repair the loss or replace the covered automobile. The named insured will be responsible for paying any such fees or charges.
- If the damage to the covered automobile is the result of more than one accident, a separate deductible shall apply to each accident.
- The Company may, at any time before the loss is paid or the equipment is replaced by the Company, return, at the Company's expense any stolen property either to the insured or to the address shown in the Company's records with payment for the resulting damage.
- Payments for loss to the covered vehicle or additional equipment that is covered under this policy are subject to the following provisions:

1. The repair estimate will:
 - a. Set forth the amount needed to repair the automobile and any parts needed to be replaced as a result of the loss;
 - b. Be based on the use of new or used OEM parts, recycled parts or aftermarket parts, as the Company sees fit;
 - c. Specify which parts are new or used OEM parts, recycled parts or aftermarket parts; and
 - d. If a covered automobile is a current model year or immediate prior model year, the Company will not use aftermarket parts for any of the non-mechanical sheet metal or plastic parts which generally constitute the exterior (including inner and outer panels not made for or by the manufacturer) in the repair of a covered automobile without the named insured's permission.
2. If the repair or replacement results in the betterment of the property or part, meaning that the value of the repaired or replaced property or part has been increased above its pre-loss market value as a result of the repair or replacement, the insured will be responsible, subject to applicable laws and regulations, for the amount of the betterment.
3. Deductions for betterment or depreciation will be taken only for parts or specific repair process normally subject to repair or replacement during the useful life of the covered automobile. Deductions will be limited to an amount equal to the proportion that the expired life of the loss inclusive of deductions for depreciation and the overall condition of the vehicle.
4. The Company's payment will be reduced by the value of the salvage when the insured or the owner of the automobile retains salvage. As to salvage, the

insured may not abandon salvage to the Company and the Company has no duty to preserve salvage. The Company requires the named insured and/or the loss payee to transfer the title of that automobile at or before the time of payment, unless the named insured and/or loss payee decides to retain the salvage.

5. No person may receive a duplicate recovery under this policy for the same elements of damages.

TOTAL LOSS. In the event the Company determines that the covered automobile is a total loss, the insured must allow the Company to move the automobile to a storage-free location of the Company's choice. The Company reserves the right to retain the automobile and/or its salvage property after the Company determines the vehicle is a total loss.

DEPRECIATION. Depreciation shall be computed at the rate of 2% per month 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.

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 costs associated with any delays in repair.

OTHER INSURANCE. If other primary insurance applies to a loss covered under this Part, the Company will pay only the prorated amount of the deductibles of each policy.

PART VI – ACCIDENTAL DEATH & DISMEMBERMENT COVERAGE

O. ACCIDENTAL DEATH & DISMEMBERMENT COVERAGE. If the coverage and premium are listed on the Declaration Page of this policy, then the Company will pay the benefit amounts described under the Limits of Liability in this Part VI with respect to bodily injury in this Part VI.

LIMIT OF LIABILITY. If the named insured sustains death, dismemberment or loss of life, as described below, independent of other causes, that is the result of a covered event, the Company will pay the stated benefit to the named insured, subject to the aggregate limit of liability shown on the Declarations Page.

DEATH, DISMEMBERMENT OR LOSS OF SIGHT: If within 90 days from the date of an accident arising out of a covered event, bodily injury is sustained by the named insured in that accident causes death, dismemberment or loss of sight, the Company will pay, as follows, but no more than the Limit of Liability shown on the Declarations Page for all bodily injury under this Part:

1. For accidental loss of life of the named insured, the Company will pay the limit shown on the Declarations Page.
2. For loss of both hands or both feet, the Company will pay the limit shown on the Declarations Page.
3. For loss of sight in both eyes, the Company will pay the limit shown on the Declarations Page.
4. For loss of one hand and one foot, the Company will pay the limit shown on the Declarations Page.
5. For loss of either hand or foot, the Company will pay one-half (1/2) of the limit shown on the Declarations Page.
6. For loss of sight in one eye, the Company will pay one-half (1/2) of the limit shown on the Declarations Page.
7. For loss of a thumb and index finger of the same hand of the named insured, the Company will pay one-half (1/2) of the limit shown on the Declarations Page.

DEFINITIONS. The definitions in Part I apply to this Part VI unless specified otherwise under this Part VI.

ADDITIONAL DEFINITIONS. When used in this Part VI:

"Covered Event" means bodily injury or death sustained from or while the named insured is driving or riding in or on, boarding or alighting from, an owned four-wheel private passenger automobile.

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

"Loss", as used in this Part VI, means:

1. With regard to hand or foot, complete severance through or above the wrist or ankle joint.
2. With regard to sight of eyes, entire and irrecoverable loss of sight.
3. With regard to thumb and index finger, complete severance through or above the metacarpophangeal joint.

Seat Belt Coverage. The Principal Sum benefits for Accidental Death under this policy will be increased by an additional 20% of the benefit amount if death results while the named insured is a passenger or driver of a four-wheel private passenger automobile and the named insured's seat belt is properly fastened about their body.

EXCLUSIONS. Coverage under this Part VI does not apply:

- (a) to bodily injury or death caused while in a covered automobile is in the control of an excluded operator.

- (b) exclusion (b) under Part I also apply to Part VI.

- (c) to bodily injury or death resulting from the ownership, maintenance, or use of a vehicle with a load capacity in excess of 1,500 pounds or a gross vehicle weight rating (according to the manufacturer's specifications) greater than 10,000 pounds.

- (d) to bodily injury or death caused by a person while operating, driving, or using a covered vehicle with the Named Insured's express or implied permission 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;
- (4) has had their driving privileges rescinded by either license suspension or revocation; or
- (5) violates any learner's permit or probationary license restrictions under Tennessee laws.

- (e) to bodily injury or death caused intentionally by or at the direction of an insured or that is or should be reasonably expected to result from the willful acts by the insured person, even if the bodily injury or property damage that results is not intended or is the kind that was intended. This exclusion does not apply to the interest of the named insured or the innocent spouse who resides in the same household as the named insured only if: (1) state law expressly protects that interest; (2) the innocent spouse has not participated in, contributed to, directed; or consented to the intentional act causing the loss; (3) a complaint has been filed with law enforcement and signed by the innocent spouse to make an arrest of the other spouse for violation of a family violence or similar law; and (4) the innocent spouse cooperates in any investigation relating to the loss.

- (f) to bodily injury or death while the operator is committing a crime or while the automobile is used to flee and elude the police or other law enforcement or government authorities, whether or not there is an arrest, charge, or conviction. Provided, however, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

- (g) to bodily injury or death resulting from the use of a rental or leased motor vehicle by an operator not authorized under the terms of the rental or lease agreement.

- (h) to bodily injury or death resulting from the pushing, pulling, or lifting of a vehicle by an insured automobile or the pushing, pulling, or lifting of an insured automobile by another vehicle other than a tow truck.

- (i) for emergency response fees, clean up fees or other fees incurred or imposed by local municipalities, law enforcement, or other governmental or volunteer agencies as a result of a motor accident.

- (j) sickness or disease of any kind including surgical or medical treatment.

- (k) to bodily injury or death incidental to or emanating from the ownership, maintenance or use of a covered automobile while used as a public or livery conveyance, including any use of the vehicle, whether or not passengers are present in the vehicle, in conjunction with any transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies. Examples of transportation network application or companies, or as they sometimes refer to themselves, rideshare applications or companies include, but are not limited to Uber, Lyft, and Side Car. However, this exclusion does not apply to a share-the-expense car pool.

- (l) to bodily injury or death arising out of the operation of farm machinery.

- (m) to bodily injury 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.
- (n) to bodily injury or death occurring during the course of employment if benefits are payable or available under a workers' compensation law or similar law.
- (o) to bodily injury or death sustained by the named insured: (1) while the covered automobile is used in the automobile business 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.
- (p) to bodily injury or death 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.
- (q) to bodily injury or death sustained from any automobile designed for racing while being tested, repaired or serviced, 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.
- (r) to bodily injury or death caused during 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.
- (s) to bodily injury or death arising out of the use of an owned automobile while used in the automobile business.
- (t) to bodily injury or death resulting from the use of a motor vehicle for snow removal.
- (u) to bodily injury or death sustained by an insured person while occupying any vehicle located for use or being used as a residence or premises.
- (v) to bodily injury or death occurring while the named insured is operating, driving, or riding in a non-owned automobile.
- (w) to bodily injury or death occurring outside of the continental United States.
- (x) suicide or any attempted threat by the person insured, or self-destruction or any attempted threat by the person insured.
- (y) to bodily injury or death sustained by an insured person while occupying any vehicle located for use or being used as a residence or premises.

Additional Terms for Part VI:

- (1) **Notice of Claim:** Written notice of claim must be given to the Company within 30 days after any bodily injury covered by this Part VI, or as soon thereafter as is reasonably possible.
- (2) **Proof of Loss:** Written proof of loss must be furnished to the Company within 90 days after the date of a covered event. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible and in no event, except in the case of legal incapacity, later than one (1) year from the time proof is otherwise required. The Company shall have the right, within 30 days of receipt of the written proof of loss, to request additional documentation to support the claim.
- (3) **Payment of Claims:** Payment for loss of life will be payable in accord with any beneficiary designation made to the Company, or if none, then to the estate of the named insured. Payment of the policy limit to the legal representative of the estate shall be deemed discharged of the Company's duties under this Part VI.
- (4) **Physical Examination and Autopsy:** The Company has the right to physical examination or autopsy of the named insured who is making a claim under this Part VI by a licensed medical practitioner or pathologist when, and as often as the Company reasonably requires, unless barred by law.

PART VII –CONDITIONS

(Unless otherwise noted, Conditions apply to all Parts)

A. POLICY PERIOD – WHEN THIS INSURANCE APPLIES.

This policy applies to accident and losses that occur during the policy period which:

- 1. Starts on:
 - a. The effective date and time shown on your application which is when our authorized agent received payment for this policy; or
 - b. 12:01 a.m. on a future effective date, as requested by the named insured, as shown on the declarations page; and
- 2. Ends the earlier of:
 - a. The end of the policy period shown on the Declarations Page; or
 - b. The effective date and time of any Cancellation or Automatic Termination event set forth in this Policy.

The time zone that applies to the garaging address location shown on the Declarations Page will apply with respect to any time shown on the Declarations Page or in a cancel notice or other notice.

B. TERRITORY – WHERE THIS INSURANCE APPLIES.

This policy applies to accident and losses that occur during the policy period within or while the covered automobile is being transported between ports thereof:

- a. Any state, territory, or possession of the United States;
- b. The District of Columbia; and
- c. Any province or territory of Canada.

C. DUTY TO REPORT AN ACCIDENT OR LOSS

Important: A person who fails to report an accident or loss may be denied some or all coverage and/or benefits.

If an accident or loss occurs, any person seeking coverage or benefits under this policy must:

- 1. **REPORT IT TO THE COMPANY. Promptly call the Company at (847) 758-9300 if there is an accident or loss.**

The named insured or any insured person or person claiming coverage must:

- a. Contact the Company within 24 hours after an accident or loss occurs and shall have filed with the Company within 30 days thereafter a Proof of Loss that the insured or his legal representative has a cause of action arising out of such accident for damages against a person or persons whose identity is unascertainable; and
- b. Immediately give the Company the following information when possible and as it becomes available:
 - (1) The named insured's name, address, telephone number, and policy number.
 - (2) All facts and circumstances of the accident or loss, including, but not limited to, how the incident occurred, place, date, time, weather conditions, and law enforcement action;
 - (3) A description and details of any:
 - (a) Bodily injury sustained by any person involved in the accident;
 - (b) Property damage sustained in the accident; and

- (c) Loss incurred by the named insured or anyone insured by this policy;
- (4) Names and addresses of:
 - (a) All persons involved or injured in the accident; and
 - (b) All known witnesses;
- (5) The license plate numbers and descriptions of all vehicles involved; and
- (6) Description of any other policy of insurance or self-insurance that may apply to a driver, vehicle, trailer, person or property involved in the accident or loss.

2. COMPLETE A POLICE REPORT.

For accident or losses that involve:

- a. Hit-and-run vehicles;
 - b. Unidentified motor vehicles;
 - c. Any bodily injury; or
 - d. Vandalism or theft;
- the accident or loss must be reported to law enforcement within 24 hours, or as soon as is practicable, after the accident or after the discovery of the vandalism or theft.
- 3. Authorize the Company to move the damaged vehicle to a storage-free facility of the Company's choice. If the insured does not consent, the Company will only pay the storage costs which would have resulted if the Company had moved the damaged vehicle. If it is decided that the damaged vehicle should be returned to the owner, the Company will do so at its expense.

D. OTHER DUTIES.

Important: A person who fails to perform any duty listed here or in this policy, or who fails to properly comply with all policy terms, may be denied some or all coverage and/or benefits.

If an accident or loss occurs, any person seeking coverage or benefits under this policy must:

- 1. **COOPERATE WITH THE COMPANY.** A person who claims coverage or benefits must cooperate with the Company in all matters. This requirement includes, but is not limited to all of the duties listed below.
- 2. Give us written or sworn proofs of loss as the Company may require.
- 3. Not admit fault or assume any obligation to the persons or parties.
- 4. Not incur any expense, unless at that person's own expense.
- 5. With respect to any claim or lawsuit:
 - a. Help the Company and cooperate with the Company in all matters including, but not limited to investigation, settlement and defense.
 - b. Promptly give the Company any legal papers and evidence, including, but not limited to every demand, notice, summons, or other process received by him/her.
 - (1) 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.

- (2) A suit seeking recovery against the Company under Parts II and III must be filed within one (1) year of the accident.
- (3) 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 immediately forwarded to the Company by the insured or his/her legal representative and keep the Company advised of proceedings therein.
- (4) Notice under this section shall be given to the Company at:
AMERICAN FREEDOM INSURANCE COMPANY
1699 WALL STREET, SUITE 600, MOUNT PROSPECT, IL 60056
 - c. When the Company asks, attend depositions, hearings, arbitrations, mediations 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.
 - d. Protect the Company's rights and get the Company's written consent prior to settling or getting recovery from a legally liable person or party.
 - e. A person seeking Uninsured Motorists Bodily Injury or Uninsured Motorists Property Damage Coverage must also submit such notice with certification of the liability coverage limits of the owner or operator of the uninsured motor vehicle. The Company shall have 30 days after it receives such notification and certification to either:
 - (1) Consent in writing to the settlement thereby waiving the Company's rights against the insurer, owner or operator of the uninsured motor vehicle and requiring arbitration of all issues of tort liability and damages arising out of the ownership, maintenance, or use of the uninsured motor vehicle; or
 - (2) Advance payment to that insured in an amount equal to the tentative settlement to preserve the Company's rights against the insurer, owner or operator of the uninsured motor vehicle.

If a settlement agreement is entered into with the owner or operator of an uninsured motor vehicle but without the Company's written consent, the Company is not bound by that agreement.
6. When and as often as the Company may reasonably ask, give the Company:
 - a. Signed statements;
 - b. Recorded statements;
 - c. Statements under oath and
 - d. Examinations under oath.

These examinations may be conducted by the Company or its representative. The Company may require that statements or examinations be made individually and outside the presence of persons claiming coverage or benefits and witnesses. The Company's examination process may include asking about any matter relating to this insurance or to the claim. This process includes, but is not limited to, an insured person's credit and financial records. In the event of an examination, an insured person's answers must be signed.
7. Be examined by doctors the Company chooses when the Company reasonably requests a physical or mental exam. The Company will pay for those exams.
8. Preserve and provide the Company the following when relevant to the accident, loss, bodily injury, property damage or claimed damages or which will lead to relevant information:
 - a. Medical records and reports;
 - b. Employment and wage records; and
 - c. Other relevant records, including, but not limited to:
 - (1) Business and/or financial records;
 - (2) Sales agreements and rental documents;
 - (3) Photographs in connection with any accident or loss.
 - (4) Telephone records including cell phone records;
 - (5) Computer and electronic records;
 - (6) Current and prior insurance claims records; and
 - (7) Loss payee or lienholder records.
9. Give the Company written authorization to get:
 - a. Medical records and reports;
 - b. Employment and wage records; and
 - c. Other relevant records, including, but not limited to the records listed in clause 8.c. above.
10. Take reasonable steps after the accident or loss to protect property from any further loss. The Company will pay reasonable expenses to do so. If the named insured does not protect the property, further loss will not be covered.
11. Allow the Company to inspect and/or photograph any automobile or vehicle a person was using at the time of, or that was involved in, an accident or loss within 30 days of such accident or loss.
12. Allow the Company to inspect, photograph and appraise the damaged property before its repair or disposal.
13. Take reasonable steps after an accident or loss to prevent costs that are not necessary including, but not limited to, storage fees, impound fees, and parking fees.

E. ENTIRE CONTRACT, POLICY CHANGES & PREMIUM.

1. This policy is part of a binding legal contract between the named insured designated in the policy declaration page and the Company. The contract includes:
 - a. This policy form;
 - b. Endorsements the Company issues;
 - c. The Declarations Page;
 - d. The application and information listed on the application, which:
 - (1) The named insured agrees is true and correct; and
 - (2) Which the Company relied upon when agreeing to issue this policy and determining the premium the named insured must pay for coverage to apply; and
 - e. Coverage election and rejection forms; and
 - f. All attachments

This contract contains all agreements between the named insured and the Company.
2. By acceptance of this policy, the named insured agrees that:
 - (a) The statement and representations contained in the Application or notification which forms a part of this policy have been made by him/her or on his/her behalf;
 - (b) The statements and representations contained in the Declarations Page and in any subsequent Application accepted by the Company are offered as an inducement to the Company to issue or continue this policy;
 - (c) 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; and
 - (d) The coverages afforded by the policy shall not apply to any loss in which any vehicle is driven, operated, occupied, manipulated, maintained, serviced or used in any manner by any person that is not listed as a driver on the policy Application, Declarations Page, or Endorsements who is (1) either a relative or resides in the same household as the named insured, or (2) a driver of any automobile insured under this policy. This provision shall apply whether or not the named insured is occupying the automobile at the time of loss.
3. The terms of this contract may not be changed or waived except by the Company's written agreement.
4. Any change that the named insured requests to be made to this policy will apply only to accidents and losses that occur after the effective date shown on the Declarations Page on which the change is shown.
5. The Company may adjust the premium pursuant to the Company's rates and rules during the policy period and take other permitted action if:
 - a. The named insured asks the Company to make any policy changes; or
 - b. Any information, upon which the Company relies to set the premium, is incorrect, incomplete, or changes.
6. The named insured agrees to:
 - a. Cooperate with the Company in making sure the information the Company relies on is correct and complete; and
 - b. Notify the Company within fourteen (14) days of any of the following changes:
 - (1) consisting of a change in the number, type, or use of the covered automobiles shown on the Declarations Page;
 - (2) when the named insured changes his/her address;
 - (3) when the garaging location changes to one that is not shown in our records for that automobile;
 - (4) when there is a change in the persons who reside in the insured's household;
 - (5) when there is any change in the persons who regularly operate a covered automobile;
 - (6) when there is any change in the driver's license status of the insured, relative, or an insured driver;
 - (7) when the insured acquires another vehicle or a replacement vehicle and wishes to extend coverage beyond the initial 14-day period after the named insured became owner of the vehicle;
 - (8) when the insured, relative, or an insured driver gets married, divorced, or separated;
 - (9) when the insured, relative, or an insured driver obtains a driver's license or has a driver's license suspended, revoked, or refused; or
 - (10) when there is an accident, loss, or traffic or motor vehicle law violation by any person who resides in the insured's household or who regularly operates a covered automobile.
7. To properly set premium and insure the named insured, relatives, driver and autos, the named insured must notify the Company within 14 days of the following changes:
 - a. There is a change in the number, type or use of covered automobiles shown on the Declarations Page;
 - b. The named insured changes his/her address;

- c. The named insured garages a covered automobile at a garaging address not shown in the Company's records for that auto;
 - d. There is any change in the persons who reside in the named insured's household;
 - e. There is any change in the persons who regularly operate a covered automobile;
 - f. There is any change in the driver's license status of the named insured, a relative or an insured driver;
 - g. The named insured gets an additional acquired auto or a replacement auto;
 - h. The named insured, a relative or an insured driver get married, divorced or separated;
 - i. The named insured, a relative or an insured driver obtains a driver's license or have a driver's license suspended, revoked, or refused; and
 - j. There is an accident, loss or traffic or motor vehicle law violation by any person who resides in the named insured's household or who regularly operates a covered automobile.
8. All premium, and any fees or charges that may apply, must be paid.
9. The last day of any time period required by this policy to:
- a. Pay premium, fees or charges;
 - b. Perform a duty stated in the policy or in a notice to the named insured from the Company; or
 - c. Give any required notice to the Company; may be any day of the year, including a Saturday, Sunday or public holiday.
10. A coverage rejection, selection, election, or change, or the designation of an excluded driver, shall be binding upon all persons insured under the policy if made by:
- a. The named insured; or
 - b. If residing in the same household as the named insured and if not an excluded driver, the named insured's:
 - (1) Spouse; or
 - (2) Domestic partner if properly registered as such under any state's domestic partner or civil union law.
11. If a signature is required by law or otherwise for any coverage rejection, selection or election, or the designation of an excluded driver, the written or electronic signature, or recorded verbal consent, for such action shall be binding on behalf of all persons insured under this policy if made by:
- a. The named insured; or
 - b. If residing in the same household as the named insured and if not an excluded driver, the named insured's:
 - (1) Spouse; or
 - (2) Domestic partner if properly registered as such under any state's domestic partner or civil union law.

F. CLAIMS HANDLING.

- 1. The Company will make every effort to resolve claims promptly and fairly.
- 2. To determine the value of any claim for damages or loss that may be covered by this policy, the sources the Company may use include, but are not limited to:
 - a. Review of medical records and test results by persons or services the Company chooses.
 - b. Exams, at our expense, by doctors the Company chooses as often as the Company reasonably requests.
 - c. Computer programs and databases and published sources for:
 - (1) The analysis of medical treatment and expenses;
 - (2) Bodily injury, medical, medical expense and damage information;
 - (3) The evaluation of injuries and prediction of jury verdicts; and /or
 - (4) Determination of vehicle values and cost of repair and/or replacement.
 - d. Estimates by vehicle repair shops.
 - e. Third-party vendors providing estimating, appraisal, injury evaluation, earnings calculators, and analysis.

G. APPRAISAL – PART V.

If the insured and the Company fail to agree as to the amount of loss, either may, within 30 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 expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to the appraisal.

H. PAYMENT OF LOSS.

Any amount due is payable:

- (a) to the insured;
- (b) if the insured is a minor, to his or her parent or guardian;
- (c) if the insured is deceased, to his/her surviving spouse; or
- (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 Section (d) contained in this paragraph.

I. 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.

J. EXTRAORDINARY DAMAGES.

This insurance shall not apply to any type of extraordinary damages such as punitive, pecuniary losses, costs expenses, attorneys' fees, penalties, fines, treble or exemplary damages. The Company will not provide defense, or pay for any claim, settlement, judgment, or other award for these damages under any Part of this policy.

K. CLAIMS FRAUD AND MISREPRESENTATION.

All statements contained in the application are deemed to be representations relied upon by the Company.

The Company does not provide coverage or benefits for any person who has:

- 1. Concealed, omitted, or misrepresented any fact or circumstance;
- 2. Engaged in fraudulent conduct; or
- 3. Directed others to:
 - a. Conceal, omit, or misrepresent any fact or circumstance; or
 - b. Engage in fraudulent conduct;

in connection with any accident or loss, or a claim that arises out of any accident or loss.

L. LOSS PAYEE OR LIENHOLDER.

If a loss payee or lienholder is shown on the Declarations Page as applying to a covered automobile:

- 1. Any amount to be paid for loss to that auto will be paid according to the named insured's interest and that of the loss payee or lienholder. The Company may make joint or separate payments based on those interests. However, with the named insured's consent, payment made be made directly to the repair shop where the loss is being repaired.
- 2. The Company has no duty to make any payment to a loss payee or lienholder unless the loss is payable to the named insured and all policy terms and conditions have been met. The interest of the loss payee or lienholder will not be protected if:
 - a. A claim is denied due to a breach of any of the terms of this policy or the duties owed to the Company;
 - b. Fraud, misrepresentation, material omission, intentional damage, or conversion, secretion and/or embezzlement of an auto has been committed by or at the direction of the named insured, any insured driver, any relative or any other person residing in the named insured's household; or
 - c. The loss is not otherwise covered under the terms of this policy.
- 3. If the covered automobile is repossessed by the loss payee or lienholder after a covered accident or loss, and the loss is payable to the loss payee or lienholder that payment shall be subject to a deductible that is the lesser of:
 - a. The deductible shown on the Declarations Page; or
 - b. \$500.00.
- 4. Upon cancellation, nonrenewal or any other termination of this policy, the Company will give notice of termination to a loss payee or lienholder when required by law. Any notice given may be delivered electronically.
- 5. The company will be subrogated to the loss payee or lienholder's rights of recovery to the extent of any payment the Company makes.

M. CANCELLATION.

- 1. **How a Named Insured May Cancel the Policy:**
 - a. The named insured may cancel this policy by:
 - (1) Returning it to the Company;
 - (2) Giving the Company written notice of the future effective date of cancellation; or
 - (3) By any other means the named insured and the Company mutually agree to use.
 - b. This policy will end as of 12:01 a.m. on the date the named insured returns the policy to the Company, or 12:01 a.m. on any future date specified by the named insured before any cancellation or other termination.
- 2. **How the Company May Cancel the Policy:**
 - a. The Company may cancel this policy by giving notice of cancellation to:
 - (1) The named insured shown on the Declarations Page; or
 - (2) The named insured's last known address appearing in the Company's records.
 - b. The Company will mail or deliver a notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if:
 - (a) Due to failure to pay premium. "Failure to pay premium" means the premium or other required payment is not paid when due. Failure to pay premium includes the dishonor, rejection or refusal to pay by a financial institution of any attempt to pay premium by a non-cash method, including, but not limited to check, credit card, ACH or other electronic payment method; or
 - (b) Notice is mailed during the first 59 days of the first policy period; or
 - (2) 20 days before the effective date of cancellation if this policy is to be cancelled for any other reason.
 - c. The effective date and time of cancellation stated in a notice is the end of the policy period.

- d. During the first 59 days of the first policy period, the Company may cancel the policy for any lawful reason.
- e. Once this policy has been in effect for 60 days, or if this is a renewal policy, the Company may cancel only for one or more of the following reasons:
- (1) The failure to pay premium;
 - (2) (a) The policy was obtained through a material misrepresentation;
 - (b) The named insured failed to disclose fully the insured's motor vehicle accidents and moving traffic violations for the preceding thirty-six (36) months if called for in the application; or
 - (c) The named insured failed to disclose in the written application or in response to inquiry by the insured's broker or by the insurer or its agent information necessary for the acceptance or proper rating of the risk.
 - (3) (a) Any insured violated any of the terms and conditions of the policy;
 - (b) Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of a false or fraudulent claim; or
 - (c) If, after the effective date of the insurance, the policy is extended, with or without charge, to provide coverage for the operation of an automobile by a person or persons not listed on the original application, or a supplement to the application, the Company shall be allowed sixty (60) days, after written request to the Company for insurance on the driver or drivers, to accept or reject the additional risk and, if the additional risk is not acceptable to the Company, the policy may be cancelled; provided, that notice shall be mailed within sixty (60) days from the date of the request.
 - (4) The named insured or any other operator, either resident in the same household, or who customarily operates an automobile under the policy:
 - (a) Has had a driver's license or motor vehicle registration suspended or revoked within the thirty-six (36) months prior to notice of cancellation;
 - (b) Is or becomes subject to epilepsy or heart attacks, and cannot produce a certificate from a physician testifying to the person's unqualified ability to operate a motor vehicle; or
 - (c) Is or has been convicted of or forfeits bail, during the thirty-six (36) months immediately preceding the effective date of the policy or during the policy period, for:
 - (i) Any felony;
 - (ii) Criminal negligence resulting in death, homicide or assault, arising out of the operation of a motor vehicle;
 - (iii) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 - (iv) Leaving the scene of an accident without stopping to report;
 - (v) Theft of a motor vehicle;
 - (vi) Making false statements in an application for a driver license; or
 - (vii) A third violation, committed within a period of thirty-six (36) months, of:
 - (a) Any ordinance, law or regulation limiting the speed of motor vehicles; or
 - (b) Any of the motor vehicle laws of any state, the violation of which constitutes a misdemeanor, whether or not the violations were repetitions of the same offense or were different offenses; or
 - (5) The insured automobile is:
 - (a) Altered so as to increase the risk substantially;
 - (b) Used as an authorized emergency vehicle; or
 - (c) Subject to an inspection law and has not been inspected or, if inspected, has failed to qualify, or
 - (6) Any other reason allowed by law.
 - f. There is no grace period.
3. **Premium Refund Upon Cancellation;**
- a. If the policy cancels, the named insured may be entitled to a refund of unearned premium.
 - b. If this policy is cancelled by the Company for any reason, other than failure to pay premium, any refund due will be computed on a daily pro-rata basis, and subject to any fully-earned fees.
 - c. If this policy is cancelled at the named insured's request or due to failure to pay premium, any refund due will be calculated at a 90% of pro-rata basis, and subject to any fully-earned fees.
 - d. The Company making or offering a refund:
 - (1) Is not a notice or condition of cancellation; and
 - (2) Will not affect the effective date of any cancellation.
 - e. All policy fees are fully earned on the effective date of the policy.
4. Any cancellation, either by the named insured or the Company, will be effective for all persons and all vehicles no matter the reason for the cancellation. As to cancellation, this policy is not severable, dividable or divisible.
5. Nothing in this "Cancellation" clause shall waive the Company's rights to void this policy pursuant to the policy terms.
6. If the policy cancels for any reason, partial payment(s) will not reinstate or extend the policy coverage beyond the effective date of cancellation. If the policy has expired and a renewal has been offered, the Company will not accept partial payment(s) for said renewal to extend coverage.
7. There are no grace periods.
- N. NONRENEWAL.**
1. If the Company decides not to renew this policy, the Company will mail or deliver notice of nonrenewal to a named insured shown on the Declarations Page at the last known address shown in the Company's records.
 2. Notice will be mailed at least 30 days before the end of the policy period.
 3. Nothing in this "Nonrenewal" clause shall waive the Company's right to void this policy pursuant to the policy terms.
- O. COMPANY'S PROOF OF NOTICE.**
- The Company may mail or deliver any notice to the named insured at the last address shown in the Company's records. Proof of mailing or delivery of any notice, where law requires proof, shall be sufficient proof of notice.
- P. AUTOMATIC TERMINATION.**
- This policy, or coverage for a covered automobile, may automatically end as described here:
1. This policy will automatically lapse and expire at the end of the current policy period if:
 - a. The named insured does not accept the Company's offer to renew the named insured's policy by the end of the policy period; or
 - b. There is any failure to pay premium, when due, for the renewal. The Company's renewal offer is deemed rejected if there is any failure to pay premium, when due, for the renewal. There is no grace period.
 2. If other insurance for a covered automobile is obtained, any similar insurance provided by this policy will end as to that covered automobile on the effective date of the other insurance.
 3. A covered automobile is no longer a covered automobile when that covered automobile is sold, assigned, gifted or transferred to anyone other than the named insured, a relative or an insured driver. Coverage for that covered automobile will end the earlier of when:
 - a. Either title or possession is so transferred; or
 - b. No person shown on the Declarations Page has an insurable interest in the covered automobile.
- Q. THE COMPANY'S RIGHT TO RESCIND.**
1. The Company may void this policy for material misrepresentation or fraud in the application and/or endorsements if the named insured made false or incorrect statements, or concealed or omitted facts in connection with the application or any request for a change for this policy.
 2. The Company has the right to void this policy from its inception, and may do so, if there is any failure to pay premium of the initial down-payment or any portion thereof.
 3. 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 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 a 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 insured or his/her assignee, or representative, dispute the Company's right to rescind or null and void the policy, the insured must reimburse the Company for all of its lawyers' fees, costs, and expenses when the Company prevails in any such action. 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 the insured any payments made as a result of the fraud.
- R. NON-DUPLICATION.**
- No one is entitled to recover more than once from the Company for the same elements of damages or loss that have been paid by this policy, under any other coverage or from any other source.
- S. THE COMPANY'S RIGHT TO RECOVER (SUBROGATION & REIMBURSEMENT).**
1. Any person to whom payment was made to, or on behalf of, under this policy must:
 - a. Cooperate with the Company;
 - b. Do whatever is needed to protect the Company's right to recover; and

- c. Do nothing after the loss to prejudice or harm the Company's rights.
- 2. If there is any payment under this policy:
 - a. The Company will be subrogated to all rights of recovery of the person or party, to or for whom payment was made, against another person or party; and
 - b. Any person to or for whom a payment is made who recovers loss or damages from a liable person or party, or their insurer, shall:
 - (1) Hold the proceeds of that recovery in trust for the Company; and
 - (2) Reimburse the Company to the extent of the Company's payment.

These rights shall:

- a. Be only to the extent of payments made under this policy.
- b. Apply even if a person has not been fully compensated for an accident or loss, or by a court with proper jurisdiction.
- 3. The Company's right to subrogate will not apply to payments under:
 - a. Part II if the Company has consented, in writing, to a settlement between an uninsured or underinsured motorist, or its insurer, and an insured person under Part II. An insured person under Part II seeking benefits must give the Company at least 30 days' notice of any settlement offer and an opportunity to protect the Company's rights, as set forth in more detail under Part II.
 - b. Part V when a person uses a covered automobile with the named insured's permission.
- 4. If the Company makes a payment under Part II because the insurer of the uninsured motor vehicle or underinsured motor vehicle, as those terms are defined in Part II, is or becomes insolvent, the Company's rights of subrogation and reimbursement as to Uninsured Motorists Coverage or Underinsured Motorist Coverage:
 - a. Apply against the insured of the insolvent insurer only for amounts paid by us in excess of the limits of liability of the insolvent insurer's policy.
 - b. Do not apply against the Tennessee Insurance Guaranty Association (TIGA).
- 5. If the Company seeks to recover from a liable party:
 - a. The named insured authorizes the Company to seek recover of any deductible that may apply. The Company will notify the named insured if the Company is unable to collect the deductible.
 - b. The Company reserves the right to compromise or settle the deductible and property damage claims against the responsible parties for less than the full amount. For those sums, the named insured agrees to be bound by:
 - (1) A settlement agreement entered into by the Company and the liable party; or
 - (2) The outcome of arbitration.
 - c. If the total recovery is less than the total of the Company's payment and the deductible, the Company will reduce reimbursement of the deductible to the named insured based on the proportion that the actual recovery bears to the total of the Company's payment and the deductible.
 - d. Any reimbursement to the named insured by the Company will be reduced by a proportionate share of expenses and lawyer fees incurred due to the recovery.
- 6. The named insured must reimburse the Company to the full extent of:
 - a. All loss or damages paid by the Company; and
 - b. The Company's adjustment expense; if the Company makes a payment to or on behalf of anyone insured under this policy which is not covered by this policy but is compelled to do so by law.
- 7. If the named insured, or his/her assignee or representative, dispute the Company's right to rescind, the named insured must reimburse the Company for all of the Company's lawyer fees, costs and expenses when the Company prevails in any such legal action.

T. LEGAL ACTION.

- 1. No legal action may be brought against the Company under Part I until there has been full compliance 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. This requirement shall not extend any contractual or statutory time period limiting the time to bring any lawsuit or arbitration against the Company.
- 2. No legal action may be brought against the Company under Parts II, III, IV and V unless, as a condition precedent thereto, there has been full compliance with all of the terms of the policy and also under Part V until 30 days after proof of loss has been filed and the amount of loss is determined as provided in this policy.
- 3. In any lawsuit against any person or party insured under this policy, the Company shall not be bound by any:
 - a. Stipulated judgment;
 - b. Confessed judgment;
 - c. Default judgment or adverse entry due to failure to appear, respond or plead; or
 - d. Motion granted due to failure to appear, respond, or plead; unless the Company has consented in writing to the entry of that judgment, default or granting of that motion.

- 4. No legal action may be filed against the Company by anyone insured under this policy until the Company receives proof of loss and the claim representative assigned to the claim has received 30 days written notice, by certified U.S. mail, return receipt requested, of the intent to file suit and the details of the nature of the dispute.
- 5. As to Part I:
 - a. Except where required by law, no one other than an insured person under Part I of this policy shall have any interest in this policy prior to obtaining a verdict against an insured person.
 - b. No one shall have any right to make us a party to a suit to decide the liability of an insured person.
 - c. No legal action may be brought against us for payment under Part I until:
 - (1) The Company agrees in writing that the person insured, as defined under Part I, has an obligation to pay damages; or
 - (2) The amount of the damages due under Part I on behalf of a person insured has been decided by final judgment after trial.
- 6. As to Part II, any lawsuit or arbitration against the Company by a person seeking coverage under Part II must be brought within one (1) year after the date of the accident, notwithstanding any other policy terms or conditions.
- 7. As to Part V, no one may sue the Company due to a dispute over the amount of loss payable until after having complied with the Appraisal clause under that Part.
- 8. The Company has no duty to preserve or retain salvage of any sort for any purpose including, but not limited to, as evidence for any type of court or other proceeding.
- 9. The Company has no duty to file any appeal. However, the Company reserves the right to file an appeal, at the Company's request, if any part of a judgment could fall within the scope of coverage provided under this policy. The Company must be given timely notice of any judgment to which this policy may apply. The Company will not be liable for more than the applicable limit of liability under this policy plus reasonable layer fees and expenses incurred with the Company's consent as a result of any appeal the Company files.

U. TRANSFER OR ASSIGNMENT OF THE NAMED INSURED'S INTEREST IN THIS POLICY.

- 1. The named insured's rights and duties under this policy may not be transferred or assigned to another person or party without the Company's prior written consent.
- 2. If a named insured dies:
 - a. This policy will provide coverage, subject to all other terms and conditions of this policy, for:
 - (1) Either of the following persons if residing in the named insured's household at the time of the death of the named insured, the named insured's:
 - (a) Spouse; or
 - (b) Domestic partner who is properly registered as such under any state's domestic partner or civil union law; and
 - (2) The legal representative of the deceased named insured, while acting in that capacity. This section only applies to the legal representative's responsibility to us the covered automobile.
 - b. Coverage will end the earliest of:
 - (1) The end of the policy period shown in the Declarations Page;
 - (2) When the policy is cancelled; or
 - (3) When the policy otherwise terminates under the terms of this policy.
 - c. The mailing or delivery of any notice required under this policy will be deemed good notice if mailed or delivered to the last known address shown in the Company's records.

V. TWO OR MORE AUTOMOBILES – PARTS I, IV AND V.

When two (2) 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.

W. JOINT AND INDIVIDUAL INTERESTS.

In addition to the named insured, the following persons, if residing in the same household as the named insured and not designated as an excluded driver, may change or cancel the policy, and any such change or cancellation shall be binding upon the named insured and all persons provided coverage under this policy:

- 1. The spouse of the named insured; or
- 2. The named insured's domestic partner if properly registered as such under any state's domestic partner or civil union law.

X. COMPLIANCE WITH STATE LAW.

- 1. If any term(s) of this policy is in conflict with the laws of the state where the named insured resides when this policy is issued, as shown in the Company's records, that policy term is deemed revised to conform to the state law that applies.
- 2. If a court with proper jurisdiction invalidates any exclusion or limitation due to any financial responsibility law or compulsory insurance law, then, to the extent permitted by law, that exclusion or limitation shall apply only to those amounts that are in excess of the minimum limits of coverage mandated under such law.
- 3. All other policy terms remain in full effect.

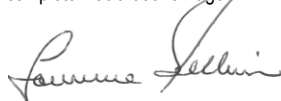
Y. POLLUTION EXCLUSION.

1. As used in the Exclusion:
 - a. "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.
 - b. "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.
2. 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; or
 - 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.
3. 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 the insured test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants or environmental damage.

Z. BANKRUPTCY.

1. The bankruptcy or insolvency of a person insured by this policy, or that person's estate, shall not relieve the Company of its obligations under this policy.
2. In case execution against a person insured under Part I of this policy is returned unsatisfied in an action brought by an injured person, or his personal

IN WITNESS WHEREOF. The Company has caused this policy to be signed by its Executive Vice-Presidents. This policy shall not be valid unless completed by the attachment hereto of a complete Declarations Page.



EXECUTIVE VICE-PRESIDENT



EXECUTIVE VICE-PRESIDENT

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 ADVICE 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.

Questions regarding your policy or coverage should be directed to:

**American Freedom Insurance Company
(847) 758-9300**

If you (a) need the assistance of the governmental agency that regulates insurance; or (b) have a complaint you have been unable to resolve with your insurer, you may contact the Department of Insurance by mail, telephone, or email:

State of Tennessee Department of Commerce & Insurance
Division of Consumer Affairs
500 James Robertson Parkway, 12th Floor
Nashville, TN 37243-0600
Consumer Hotline: (800) 342-8385; (615)532-4994
Complaints can be filed electronically at Consumer.Affairs@tn.gov

representative, in case death results from the accident, because of the insolvency or bankruptcy, then an action may be maintained by the injured person, or his personal representative, against the Company under the terms of the policy for the amount of the judgment in the action but not to exceed the Company's Limit of Liability.

AA. LIMITATIONS ON AGENT AUTHORITY.

1. The authorized agent who obtained this policy has limited authority to act in transacting business on this policy is governed by the Company guidelines and rules, as well as applicable laws and regulations.
2. 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 of termination has been initiated will apply only if the Company provides prior written approval. However, this exclusion does not apply to notice given by or on behalf of the insured to any authorized agent of the insurer within this state, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer.

POLICY OPTIONS

EXCLUDED DRIVERS.

1. A specifically named driver may be excluded from all coverage under this policy. This can be done:
 - a. At the request of the named insured; or
 - b. By the Company where required by law to prevent the policy from being cancelled or non-renewed under the laws of the state where the named insured resides.
2. The excluded driver will be named and shown on the Declarations Page as excluded.
3. If a driver is named and shown on the Declarations Page as excluded, there is NO coverage under any part of this policy for any person, including the named insured and relative, or any other party, for any accident or loss that occurs while that named excluded driver is operating a vehicle. This policy will also exclude coverage for any other parties and persons, including, but not limited to, the named insured and any relative who may be vicariously liable or for negligent entrustment as to any accident or loss that arise out of the operation of a vehicle by a named excluded driver.
4. A named driver exclusion will continue to apply to this policy and all renewals, reinstatements and/or replacement policies unless:
 - a. The Company gets written notice from the named insured ending that named driver exclusion; and
 - b. The extra premium for coverage for that driver is paid.