



TEXAS COMMERCIAL AUTO POLICY

P.O. Box 723128

Atlanta, GA 31139

In the event of an accident please call: 1-888-580-8134

All other calls: 1-888-952-2902

TXCA Commercial Auto Policy (05/26)

The Definitions, Exclusions, Limits of Liability and other provisions in this contract and its endorsements define, describe, limit and restrict coverage. Please read all of these terms and **your** rights and duties.

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AGREEMENT

- A. This Policy and all its forms are a legal contract, it contains all agreements and terms between you and us, and includes:
1. The Application;
 2. **Declarations Page**;
 3. This Policy book;
 4. Endorsements issued by us; and
 5. Any coverage selection, election and rejections made by you at the time of application; as if all are physically attached together. This applies whether the form is issued on paper or electronically.
- B. This Policy is issued, and if renewed, in reliance upon the truth and accuracy of the info provided in the Application for this insurance. The terms of this Policy impose duties on you and all persons seeking coverage under this Policy. **We** will provide this insurance subject to the terms, conditions and limitations set forth in this Policy if you have paid, when due, all of the premiums for the coverages you have chosen. **We** will only insure you for the coverages and the Limits of Liability for which a premium is shown on the **Declarations Page** of the Policy.
- C. This Policy is issued by us on the condition that the first payment is made to us in cash or other form of valid and collectible payment. If the initial payment to us is in any non-cash method, this Policy is conditioned on that initial payment being honored by the financial institution.
- D. **You** have a continuing duty to notify us of any changes relating to autos, **individuals** and organizations covered under this Policy.

DEFINITIONS USED THROUGHOUT THIS POLICY

The following words or phrases, when printed in boldfaced type, will have the following meaning throughout the Policy, whether in the singular, plural or possessive.

- A. “**Accident**” and “**accidental**” means an unexpected and unintended event, or a continuous or repeated exposure to that event, that causes **bodily injury** or **property damage**, and arises out of the **ownership**, maintenance, or use of an **auto** or land motor vehicle covered by this Policy. **Accident** does not include continuous or repeated exposure to the same conditions causing **bodily injury** or **property damage**.
- B. “**Actual cash value**” means the fair market value of the stolen or damaged property at the time of **loss**. To determine fair market value, the following factors affect that value: 1. age, mileage and physical condition of the property.
- C. “**Additional auto**” means an **auto** that: you acquire in addition to the **auto(s)** shown on the **Declarations Page**, if these conditions are met:
1. It must be similar in type and use as an **auto** shown on the **Declarations Page**;
 2. It must be eligible for coverage under our underwriting Rules;
 3. No other insurance applies to the acquired **auto**;
 4. Within seven (7) calendar days after you become the **owner** of the **additional auto**, you ask us to add the **additional auto to your** Policy;
 5. If the **auto** is used in **your** business, **we** already insure all autos **owned** by you that are used in **your** business; and
 6. If the **auto** is not used in **your** business, **we** already insure all autos you **own**.

If these conditions are met and **we** agree to insure it, the coverage **we** provide is as follows:

1. Until you ask us to insure an **additional auto**, it will have the broadest coverage **we** provide on any **auto** shown on the **Declarations Page** from the date you become the **owner** until the date you ask us to insure the **additional auto**, and **we** may charge premium for the **additional auto** from the date you acquire the **auto**.
2. Any increase of limits of liability or added coverage shall not begin until after:
 - a. **We** agree to add the coverage or increase the limits; and
 - b. **You** pay any additional premium when due.

With respect to PART III - COVERAGE FOR DAMAGE TO YOUR AUTO, if **we** provide coverage for an **additional auto** and it is:

1. A **private passenger auto**, until the date you ask us to insure the **additional auto** **we** will provide the broadest coverage **we** provide for any **auto** shown on the **Declarations Page**; or
2. Any **auto** other than a **private passenger auto**, and you have purchased Physical Damage coverage for at least one **auto** other than a **private passenger auto**, until the date you ask us to insure the **additional auto**, **we** will provide the broadest coverage for which the **additional auto** is eligible.

However, if you do not notify us within seven (7) calendar days after you become the **owner** of the **additional auto** no retroactive coverage exists for the **additional auto**. Instead, coverage will be effective from the time of notice to us and going forward.

- D. **“Auto”** means a land motor vehicle with at least four (4) wheels designed for travel on public roads that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the **state** or province where it is licensed or usually garaged. **Auto** does not include **mobile equipment**. Self-propelled vehicles with the following types of permanently attached equipment are autos, not **mobile equipment**:
1. Equipment designed and used primarily for:
 - a. Snow removal;
 - b. Road maintenance, but not construction or resurfacing;
 - c. Street cleaning;
 2. Cherry pickers and similar devices mounted on **auto** or truck chassis and used to raise or lower workers; and
 3. Air compressors, pumps, generators, and spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- E. **“Bodily injury”** means bodily harm, sickness or disease, including death that results from such **bodily injury**, and arising out of an **auto accident**. **Bodily injury** does not include:
1. Harm caused by discharge of a firearm or other use of any weapon; or
 2. Becoming pregnant; or
 3. Communicable disease or illness that results from human or animal contact or transmission.
- F. **“Carry individuals for compensation or a fee”** or **“carrying individuals for compensation or a fee”** means to deliver, transport or carry **individuals**; for any form of money; salary; income; property; consideration; or any other thing of value, whether or not:
1. Going to a pick-up or returning from a drop-off;
 2. The money or other thing of value is paid or given;
 - a. By any passenger, recipient or other party on a per-trip basis; or
 - b. In the course of, or as related to, any business activities of a **person** insured under this Policy; or
 3. Any of the **individuals**; intended to be delivered or transported are actually in the covered **auto** at the time of the **accident** or **loss**.

- G. “**Carry property for compensation or a fee**” or “**carrying property for compensation or a fee**” means to deliver, transport or carry products; goods; materials; property; animals; or livestock for any form of money; salary; income; property; consideration; or any other thing of value, whether or not:
1. Going to a pick-up or returning from a drop-off;
 2. The money or other thing of value is paid or given;
 - a. By any recipient or other party on a per-trip basis; or
 - b. In the course of, or as related to, any business activities of a **person** insured under this Policy; or
 3. Any of the products; goods; materials; property; animals; or livestock intended to be delivered or transported are actually in the covered **auto** at the time of the **accident** or **loss**.

To carry property for compensation or a fee includes, but is not limited to, the delivery of goods, either on a wholesale or retail basis, such as food, magazines, newspapers, or flowers.

- H. “**Conversion**” means the act of converting or changing something from one form or use to another, or the unauthorized assumption of **ownership** over someone else’s property.

- I. “Covered **auto**” means:

1. Any **auto** shown on the **Declarations Page**.
2. An **additional auto** if the conditions are met.
3. A **replacement auto**.
4. If the **named insured** is an **individual**, any **auto** not **owned** by you, **your** spouse, child, parent, brother, sister, **relative**, or a listed driver shown on the **Declarations Page**, which is:
 - a. Driven by you, a **relative** or listed driver shown on the **Declarations Page**; and
 - b. Used on a temporary basis, no longer than thirty (30) days, as a substitute for a covered **auto** described on the **Declarations Page** that is out of service because of its:
 - i. Breakdown;
 - ii. Repair;
 - iii. Servicing;
 - iv. **Loss**; or
 - v. Destruction.

The **auto** being used as a temporary substitute must be eligible for coverage pursuant to our Rules and be similar in type and use as the listed **auto** that is out of service. Coverage under PART III will not apply to this **auto**.

5. If the **named insured** is an **organization**, any **auto** not **owned** by:
 - a. **You** or a listed driver shown on the **Declarations Page**;
 - b. **Your** officer, partner, or principal;
 - c. Any **employee** or **temporary employee** of an insured;
 - d. Any fellow **employee** or fellow **temporary employee** of an insured; or
 - e. Any spouse, child, parent, brother, sister or other **relative** of any of the above who is an **individual**;which is:
 - a. Driven by you or a listed driver shown on the **Declarations Page**; and
 - b. Used on a temporary basis, no longer than thirty (30) days, as a substitute for a covered **auto** described on the **Declarations Page** that is out of service because of its:
 - i. Breakdown;
 - ii. Repair;
 - iii. Servicing;
 - iv. **Loss**; or
 - v. Destruction.

The **auto** being used as a temporary substitute must be eligible for coverage pursuant to our Rules and be similar in type and use as the listed **auto** which is out of service.

- J. Coverage under PART III does not apply to a **temporary substitute auto**. “**Crime**” means any act or omission that is:
1. A **state** or federal felony in the United States, but only a felony within the **state** where the covered **auto** is garaged;
 2. An attempt to flee or elude law enforcement or a **crime** scene; or
 3. An illegal activity, trade or transportation; whether or not there is an arrest, charge or conviction.

Crime does not include:

1. Misdemeanor violations of the motor vehicle or traffic laws other than an attempt to:
 - a. Flee or elude law enforcement; or
 - b. Flee a **crime** scene;
2. Vehicular homicide; or
3. Driving under the influence of alcohol or an illegal substance.

- K. “**Declarations Page**”, “**declarations page**” or “**declarations**” means the document prepared by us listing **your** Policy information which may include the types of coverage you have elected, the limit of each coverage, the cost of each coverage, the autos covered by this Policy, and the types of coverage for each described **auto**.

- L. “**Depreciation**” means a decline in value due to wear and tear or obsolescence.

- M. “**Derivative claims**” include, but are not limited to, damages for care, emotional injury or mental anguish, wrongful death, or **loss** of:

1. Service;
2. Consortium;
3. Society; or
4. Companionship;

that results from the **bodily injury**, and includes any mental anguish or emotional distress due to observing the **accident** or **bodily injury**.

- N. “**Digital network**” means any system or service offered or utilized by a **Transportation Network Company** that enables **TNC** prearranged trips with drivers.

- O. “**Diminution in value**” means the actual or perceived decrease in market or resale value by reason of the fact that the property has been damaged. This includes, but is not limited to, the perceived or actual decrease in market or resale value of property due to or because of:

1. An **accident** or **loss**;
2. Repairs or replaced parts; or
3. Alleged or real stigma or taint related or due to any **accident, loss**, repair or replaced parts.

- P. “**Employee**” means anyone for which you will pay for services and have the authority to direct performance. **Employee** includes **leased workers** but does not include temporary **employees**.

- Q. “**Hazardous materials**” means actual, alleged, or threatened migration; release; existence; contamination or presence of any:

1. Decomposing or disintegrating organic material or microorganism;
2. Mold, mildew, fungus or other microbes, or any by-products produced or released by any of these;
3. Spores; scents; toxins; mycotoxins; bacteria; viruses; or any other by-products produced or released by any mold, mildew, fungus, or other microbes;
4. Organic surface growth on moist, damp, or decaying matter;
5. Yeast or spore-bearing plant-like organism;

6. Class A or Class B explosives;
7. Poisonous gas, liquid gas or compressed gas;
8. Radioactive material or **nuclear exposure**; or
9. Pathogenic, poisonous, biological or toxic solid, liquid or gas.

R. **“Individual”** means a natural born human being.

S. **“Insured contract”** means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within fifty (50) feet of a railroad;
4. An obligation required by law to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to **your** business (including indemnification of a municipality regarding work for a municipality) under which you assume the tort liability that is vicariously imposed on another for **your** negligence or that of **your employees** or agents; or
6. That part of any contract or agreement entered into as part of **your** business for the rental of a covered **auto**. Such contract or agreement shall not be deemed an **insured contract** to the extent that it obligates you or **your employees** to pay for **property damage** to an **auto** rented or leased to you or any of **your employees**.

An **insured contract** does not include that part of any contract or agreement:

1. That indemnifies a railroad for **bodily injury** or **property damage** arising out of construction or demolition operations within fifty (50) feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
2. That pertains to the loan, lease or rental of an **auto** to you or any of **your employees** or temporary **employees**, if the **auto** is loaned, leased or rented with a driver;
3. That holds a **person** engaged in the business of **carrying property for compensation or a fee** harmless for **your** use of a covered **auto** over a route that **person** is authorized to serve by public authority; or
4. That holds a **person** engaged in the business of **carrying individuals for compensation or a fee** harmless for **your** use of a covered **auto** over a route that **person** is authorized to serve by public authority.

T. **“Leased worker”** means a **person** leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of **your** business. A **leased worker** does not include any **temporary worker**.

U. **“Loss”** means a sudden, direct unexpected and unintended event, or a continuous or repeated exposure to that event, that causes **property damage**, including theft. **Loss** does not include **diminution in value**.

V. **“Mobile equipment”** means any of the following types of land vehicles, including any attached machinery and equipment:

1. Bulldozers, power shovels, cranes;
2. Rollers, booms, winches, shredders;
3. Graders, diggers, mixers;
4. Compressors, generators, drills, welders, pumps;
5. Farm implements and machinery;
6. Forklifts;
7. Street sweepers or other cleaners and other similar specialized equipment;
8. Vehicles designed for use principally off public roads;
9. Vehicles you use solely on a premises you **own** or rent and on accesses to public roads that adjoin these premises, unless described on the **declarations page** and not defined as **mobile equipment**;

10. Vehicles which do not require licensing in the **state** in which you live or **your** business is licensed;
11. Vehicles which travel on crawler treads;
12. Non self-propelled vehicles used primarily to provide mobility to the following permanently attached equipment:
 - a. Air compressors; pumps and generators, and spraying, welding, cleaning, lighting, geophysical exploration and well servicing equipment;
 - b. Cherry pickers and similar devices used to raise or lower workers;
 - c. Snow removal equipment; or
 - d. Road maintenance equipment;
13. Vehicles used primarily for purposes other than transportation of persons or cargo.

However, **mobile equipment** does not include:

- a. Land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the **state** where it is licensed or principally garaged; or
- b. Any items listed above as **mobile equipment** while attached to, or pulled by, a covered **auto** in transit on a public roadway.

Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered autos.

- W. **“Motor vehicle business”** means, as related to any motor vehicle, the business of:
 1. Repairing;
 2. Servicing;
 3. Washing
- X. **“Named insured”** means the **person(s)** designated as the **named insured(s)** on the **Declarations Page**.
- Y. **“Nuclear exposure”** means and includes any type of contact or exposure to any nuclear: element, event, reaction, radiation or radioactive contamination, no matter how caused, and any event to which a nuclear energy liability insurance policy could apply.
- Z. **“Occupying”** means in; upon; getting into, out of, on or off. An **individual** cannot be **occupying** more than one motor vehicle at a time.
- AA. **“Organization”** means a business, company, corporation, limited liability corporation (LLC), partnership or other legal entity that is not a natural born human being . **Organization** does not include any entity designated as “doing business as” (DBA) or other similar fictitious business names or aliases.
- BB. **“Own”, “owned”, “owner”, and “ownership”**, with respect to an **auto** or **trailer**, mean the **person** who:
 1. Holds the legal title to the **auto** or **trailer**; or
 2. Has legal possession of an **auto** or **trailer** that is:
 - a. Subject to a written security agreement; or
 - b. Leased to that **person** by a written agreement for a continuous period of six (6) months or longer.
- CC. **“Permissive operator”** means any **individual** using a covered **auto** with **your** express or implied permission and within the scope of that permission, provided such **individual**:
 1. Has a valid U.S. driver’s license at the time of the **accident**; and
 2. Is not an **undisclosed operator**.
- DD. **“Person(s)”** means an **individual** or **organization**.
- EE. **“Personal use”** means the use of a company **owned** vehicle or a business designated vehicle for non-business purposes, such as commuting, running errands or taking personal trips.
- FF. **“Pollutant”** means any solid, liquid, gaseous or thermal irritant or contaminant, including:
 1. Smoke;
 2. Vapor;

3. Soot;
4. Fumes;
5. Acids;
6. Alkalis;
7. Chemicals; and
8. Waste. Waste includes materials to be recycled, reconditioned or reclaimed.

GG. “**Private passenger auto**” means a land motor vehicle:

1. Of the private passenger, pickup body, or cargo van type;
2. Designed for operation principally upon public roads;
3. With at least four wheels; and
4. With a manufacturer’s gross vehicle weight rating of 12,000 pounds or less.

Private passenger auto does not include:

1. Step-vans;
2. Parcel delivery vans;
3. Cargo cutaway vans; or
4. Other vans with cabs separate from the cargo area.

HH. “**Property damage**” means physical damage to, destruction of, or **loss** of use of, tangible property, if caused solely by an **accident** covered under this Policy.

II. “**Punitive** or exemplary damages” means all damages that may be awarded, other than compensatory damages, to:

1. Punish or deter conduct; and/or
2. Fine, penalize or impose a statutory penalty due to conduct;

because the conduct is malicious, grossly negligent, wanton, willful, fraudulent or unlawful. This includes, but is not limited to, any damages that have been defined by law as **punitive** damages or exemplary damages, and any additional costs, attorney fees, other fees, costs or interest awarded because of such damages.

JJ. “**Racing**” means participating in, competing in, practicing for or preparing for any:

1. Parade performance;
2. Prearranged or organized **racing**, speed, demolition event, stunting contest;
3. Timed vehicle event or activity;
4. Unarranged or spontaneous street or off-road race or stunt;
5. **Racing** or speed contest or adventure;
6. Demonstration driving;
7. Driver or skills training (other than driver’s education training to obtain a **state** driver’s license or CDL);
8. High performance driving; or
9. Driving competition.

KK. “**Relative**” means, if you are an **individual**:

1. An **individual** related to you by blood, marriage or adoption and who **resides** in **your** household; or
2. A minor child who **resides** in **your** household at the time of the **accident** or **loss**, and is in the legal custody of you or an **individual** related to you by blood, marriage or adoption.

Relative includes **your** unmarried dependent children living temporarily away from home. The definition of **relative** only applies if you are listed on the **Declarations Page** as an **individual**.

LL. “**Replacement auto**” means an **auto** that is similar in type and use as an **auto** shown on the **Declarations Page** and is eligible for coverage under our underwriting Rules, that you acquire during the current Policy term that:

1. Has taken the place of an **auto** shown on the **Declarations Page** that you no longer **own** ; or
2. Replaces an **auto** shown on the **Declarations Page** due to mechanical breakdown of, deterioration of, or **loss** to the replaced **auto** that renders it permanently inoperable.

Any coverage **we** provide for a **replacement auto** is subject to the following terms:

1. No other insurance applies to the **replacement auto**, and **we** insure all autos that you **own**.
2. At the time you become the **owner** of a **replacement auto**, if coverage applies under this Policy, that **replacement auto** will have the same coverage as the **auto** shown on **your Declarations Page** that is being replaced.
3. The deductible that applies to a **replacement auto** shall be the same as the **auto** it replaced.
4. All coverage **we** provide for the **replacement auto** ends seven (7) calendar days after you become the **owner** if you do not ask us to insure it within those seven (7) calendar days.
5. Any coverage you ask us to add to the **replacement auto** or any increase of limits of liability shall not begin until after:
 - a. **We** agree to add the coverage or increase the limits; and
 - b. **You** pay any additional premium when due.

MM. "**Reside**", "**resides**", and "**residing**" mean to dwell within the household of the **named insured's** primary and legal domicile if the **named insured** is an **individual**.

NN. "**State**" means any **state**, territory or possession of the United States, the District of Columbia and any province in Canada.

OO. "**Temporary employee**" means any **temporary worker**, independent contractors, or subcontractors, who perform work on **your** behalf.

PP. "**Temporary substitute auto**" means any **auto** you do not **own** while used with the permission of the **owner** as temporary substitute for a covered **auto** that has been withdrawn from normal use due to breakdown, repair, servicing, **loss** or destruction. However, a **temporary substitute auto** does not include any **auto** available for the regular or frequent use of you, a **relative**, or **your employees** unless that **auto** is insured under a separate policy of insurance that provides at least the minimum required limits of financial responsibility under the applicable **state** and federal laws.

QQ. "**Temporary worker**" means an **individual** who works for you to substitute for a permanent **employee** or to meet seasonal or short-term workload conditions including volunteers and day laborers who perform work on **your** behalf, whether or not for compensation.

RR. "**Trailer**" means a non-motorized vehicle, including a farm wagon or farm implement, designed to be pulled on public roads by an **auto** if the **trailer** is not being used:

1. As an office, store, business or for display purposes; or
2. To transport passengers.

A **trailer** does not include a mobile home, a semi-**trailer**, **mobile equipment**, or any piece of equipment or non-motorized vehicle used pursuant to an interchange agreement in which you assume liability while it is in **your** possession.

SS. "**Transportation Network Company**" or "**TNC**" is a corporation, partnership, sole proprietorship, or other entity that is using a **digital network** to connect **Transportation Network Company** customers to **Transportation Network Company** drivers who provide **TNC** prearranged trips.

TT. "**TNC prearranged trip**" means the provision of transportation by a **Transportation Network Company** driver to a passenger through the use of a **TNC's digital network**:

1. Beginning when a **TNC** driver accepts a request for transportation through a **digital network** controlled by a **Transportation Network Company**;
2. Continuing while the **TNC** driver transports the requesting passenger; and
3. Ending when the passenger departs from the **TNC** vehicle.

UU. "**Delivery services**" means the transportation of food, goods, packages, or other property for compensation or a fee, including but not limited to services arranged through a digital network, application, or any other method.

VV. "**Undisclosed operator**" means:

1. An **individual** who is an operator of a covered **auto** and such **individual** is not listed as a driver on the **Declarations Page** of this Policy and has had access to operate a covered **auto** for more than 30 consecutive days;
2. An **individual** who is designated on the **Declarations Page** as a non-driver or excluded driver;
3. An **employee** or **temporary employee** who is hired prior to the Policy period and such **individual** is not listed as a driver on the **Declarations Page** of this Policy;
4. An **employee** or **temporary employee** hired during the Policy term and you have failed to notify us of the new **individual** for more than fourteen (14) days after their date of hire or their date of becoming a driver;
5. If you are an **individual**, any **relative** or any other **individual** who **resides** in **your** household and has a driver's license but is not listed as a driver on the **Declarations Page** of this Policy or that is listed on the **Declarations Page** as a non-driver or excluded driver;
6. A **person** not disclosed on the Application or otherwise as a driver to be covered by this Policy in response to a relevant question or inquiry by us.

WW. "We," "us" and "our" mean the Company shown on the **Declarations Page** as providing this insurance.

XX. "You" and "your" mean the **person** shown on the **Declarations Page** as the **named insured**.

DUTIES BEFORE & AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES

- A. Premium Payment. **We** do not provide coverage under this Policy unless you have paid the required initial premium when due.
- B. Notice & Cooperation. **We** may deny some or all coverage, and **we** may be relieved of any duty to investigate, settle or defend a claim, or pay any judgment, if there is a:
 1. Failure to give us or law enforcement notice as required under any terms of this Policy .
 2. Failure to comply with any of the duties or terms of this Policy.
 3. Failure to cooperate with us.
- C. Notice to Us. **We** must be notified promptly of how, when and where any and every **accident** and **loss** happened. **You** or the **person** seeking coverage must promptly report each **accident** and **loss** even if you or the **person** seeking coverage is not at fault. Notice to us or our authorized agent shall include the following:
 1. All known facts and circumstances, and other facts and circumstances as they become known. This shall include all known names, addresses and telephone numbers of any injured persons and witnesses.
 2. All known license plate information of vehicles involved and vehicle descriptions; and
 3. All known driver's license and insurance information of **individuals** and business entities involved.
 4. All known information about **bodily injury** and treatment to any **person** in the **accident**, without regard to whether they are making a claim covered by this Policy.

Notice of an **accident** or **loss** by you to any agent authorized by us with info sufficient to identify you as an insured is notice to us. **Your** failure to give any notice required by this Policy within the time specified does not invalidate a claim made by you if you can show that it was not reasonably possible to give us notice within the prescribed time and that notice was given as soon as reasonably possible.

- D. Cooperation with Us. Any **person** claiming any coverage under this Policy must:
 1. Cooperate with us in the investigation, settlement or defense of any claim or lawsuit and assist us, or our authorized representative, in:
 - a. Making settlements;
 - b. Obtaining or authorizing us to obtain or secure evidence;
 - c. Giving evidence;
 - d. Obtaining the attendance of witnesses at hearings and depositions; and

- e. The conduct of lawsuits, arbitration, appraisal, mediation, depositions, and/or other proceedings, suits or actions.
2. Promptly send us copies of any and all notices and legal papers filed or received in connection with any and every **accident** or **loss**. **We** will not pay for attorney fees or costs incurred by any insured or other **person** without our prior written consent.
3. Agree to give us information and consent necessary for us to comply with any statutes or government regulations that apply including, but not limited to, the **individual's** social security number.
4. Submit, as often as **we** reasonably require, to medical or physical examinations by physicians **we** select. This shall be at a reasonable location selected or agreed to by us. **We** will pay for these examinations.
5. Submit to examinations under oath by us or our representative as often as **we** reasonably require. These examinations will take place at a reasonable location selected or agreed to by us, and outside the presence of any witness, or **person** making a claim due to the same **accident** or **loss**, or any other **individual** other than that person's attorney; or a parent or guardian if the **individual** being questioned is a minor or legally incompetent.

We may:

- a. Also request an examination under oath from any **relative, employee or temporary employee**, who may be able to assist us in obtaining relevant information even if that **individual** is not claiming benefits under this Policy; and
- b. Make a video, audio, electronic or any other type of recording of an examination under oath.
- c. A parent or guardian may be present during any examination of a minor.
6. Give us written and recorded statements as often as **we** reasonably request.
7. Give us written authorization to obtain:
 - a. Medical records and reports, including current reports, notes and test results, records of prior medical history and treatment, therapy records and counseling records;
 - b. Workers compensation investigative and claim records;
 - c. Credit and financial records;
 - d. Photographs;
 - e. Telephone, including cellular, text messaging and all other telephonic communication records, including billing records;
 - f. Global Positioning system data (GPS), video, or other data gathered via any telematics or data capturing device whether installed in the covered **auto** or as part of any device in the covered **auto** including cell phones and cameras;
 - g. Bill of lading, trip ticket, invoice, job order, or similar forms pertaining to the use of the covered **auto**; and
 - h. Other records **we** deem relevant in the investigation or settlement of a claim.
8. Provide a sworn statement as proof of **loss** as **we** require.
9. Not voluntarily assume any obligation to pay, make any payment or incur any expense for **bodily injury** or **property damage** arising out of an **accident**.
10. Attend hearings and trials as **we** require.
11. Authorize us to get any information on any data, maintenance or event recorder or similar device installed in a covered **auto** as **we** deem relevant to the facts of the **accident** or **loss**.
12. Allow us to take any photographs and/or audio/video recordings **we** may require as a part of our investigation.
13. Convey title to and possession of the damaged, destroyed or stolen property to us if our payment is based on a total **loss** (unless **we** agree to allow you to retain salvage).
14. Authorize us access to **your** business or personal records as often as **we** may reasonably require.

ADDITIONAL DUTIES FOR COVERAGE FOR UNINSURED/UNDERINSURED MOTORIST COVERAGE

Anyone seeking coverage under the Uninsured/Underinsured Motorist Coverage Endorsement must also:

- A. Notify the police within reasonable time after any **accident** not involving a hit-and-run or unknown driver.
- B. Notify the police, within twenty-four (24) hours of an **accident** if hit-and-run or unidentified driver is involved.
- C. Serve a copy of any legal action and all pleadings on us as required by law.

ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO

A **person** seeking coverage under PART III - COVERAGE FOR DAMAGE TO YOUR AUTO must also:

- A. Promptly report, but no later than twenty-four (24) hours file a report with the police or other local law:
 - 1. Discovery, any **loss** that involves the theft or vandalism of any **auto**, or other property that might be covered under this Policy; or
 - 2. If the **owner** or operator of an at-fault vehicle involved in the **accident** cannot be identified.
- B. Take reasonable steps after a **loss** to protect all property that might be covered under PART III - COVERAGE FOR DAMAGE TO YOUR AUTO from further **loss**. **We** will pay reasonable and necessary expenses incurred to provide that protection. Any further **loss** due to failure to protect will not be covered under this Policy. Keep a record of **your** expenses for consideration in the settlement of a claim.
- C. Permit us to inspect and appraise all **loss** covered under PART III - COVERAGE FOR DAMAGE TO YOUR AUTO before its repair or disposal.
- D. Authorize us to move the damaged **auto** or **trailer** to a storage facility of our choice at our expense. To reduce storage costs during the claims process, any **person** who accepts coverage for an **auto** gives permission to us to act as that person's agent to move the **auto** to a secure storage facility if that **auto** is non-drivable and incurring storage or any additional **accident**-related expenses. **We** will notify you before the **auto** is to be moved. If you do not agree, you are then responsible for additional excess costs and fees incurred.

PART I - LIABILITY COVERAGE

INSURING AGREEMENT

- A. Subject to the limit of liability shown on the **Declarations Page** and all Policy terms, if you pay us the premium for Liability Coverage, **we** will pay compensatory damages for which an insured is legally liable due to **bodily injury** or **property damage** caused by an **auto accident** that arises out of the **ownership**, maintenance or use of a covered **auto** under this PART I. Damages include prejudgment interest awarded against an insured subject to our limits of liability. **We** will not pay for **punitive** or exemplary damages.
- B. IMPORTANT NOTICE: Our duty to settle or defend ends, and **we** have no duty of any kind to pay any claim or judgment, or settle or defend any lawsuit, after our limit of liability under this PART I has been:
 - 1. offered;
 - 2. exhausted by payment; or
 - 3. deposited with a court having jurisdiction.
- C. If **we** defend, **we** will choose the counsel of our choice. Any cost **we** incur to defend a covered claim is in addition to our limits of liability. **We** have no duty to settle or defend a claim for **bodily injury** or **property damage** not covered under this Policy.

ADDITIONAL DEFINITIONS: PART I - LIABILITY COVERAGE

When used in this PART I:

- A. The definition of **auto**, and as used in covered **auto** in this Part, shall also include:
 - 1. **Mobile equipment**, but only while being carried or towed by a covered **auto**; and

2. Trailers designed primarily for travel on public roads, but only while connected to a covered **auto** that is a power unit.

B. "Insured" means:

1. **You** for the **ownership**, maintenance or use of a covered **auto**.
2. Any additional driver listed on the **Declarations Page**, but only while using a covered **auto**.
3. A **permissive operator**.
4. For the use of a covered **auto**, any **person**, but only with respect to the legal liability for acts or omissions of a **person** in clause B.1, B.2, or B.3 above, for whom coverage is afforded under this PART I.
5. An Additional Insured designated and shown on the **Declarations Page**, subject to the following limitations:
 - a. Without any increase in our limit of liability, **we** will pay compensatory damages for which the Additional Insured is legally liable due to **bodily injury** or **property damage** caused by an **accident** arising out of the operation of a covered **auto**, but only if those damages arise out of the acts or omissions of an insured as defined in clause B.1, B.2, or B.3 above.
 - b. Coverage provided for an Additional Insured is excess insurance over any other applicable insurance, self-insurance or bond.

The following are not insureds under this PART I:

1. The United States of America or any of its territories or possessions, or agencies.
2. Any **person** with respect to **bodily injury** or **property damage** resulting from the operation of an **auto** by that **person** as an **employee** or **temporary employee** of the United States Government. This applies only if the provisions of 28 U.S.C. §2679 as amended, require the Attorney General of the United States to defend that **person** in any civil action brought for the **bodily injury** or **property damage**.
3. Any **person** while working in a **motor vehicle business** unless that is **your** business and is shown as **your** occupation on the **Declarations Page**.
4. Any **person**, other than one of **your employees** or temporary **employees** listed on the **Declarations Page**, while moving property to or from a covered **auto**.
5. The **owner** or anyone else from whom you hire or borrow a covered **auto** or **trailer**.
6. Any **individual** who is specifically excluded from coverage under this Policy.
7. Any **individual** driving an **auto owned**, leased, rented, hired or borrowed by you unless that **auto** is specifically listed on the **Declarations Page** as a covered **auto**.

CERTIFICATE OF INSURANCE

If **we** make a filing or submit a certificate of insurance on **your** behalf with a regulatory or governmental agency, the term "insured" as used in such filing or certificate, and in any related endorsement, refers only to the **person** named on such filing, certificate or endorsement.

SUPPLEMENTARY PAYMENTS

Any supplemental payment, as listed here below in this Part I, is in addition to the limit of liability for this coverage shown on the **Declarations Page**. When coverage under Part I applies to the damages sustained in an **accident**, **we** will also pay to or on behalf of an insured for (as applicable):

- A. Premiums on appeal bonds and attachment bonds required in any lawsuit **we** defend and choose to appeal. **We** have no duty to:
 1. Apply for or furnish any bond; or
 2. Pay the premium on any bond with a principle amount that is more than our limit of liability.
- B. Interest accruing after a judgment is entered in any lawsuit **we** defend on that portion of the judgment that is within our limit of liability. This payment does not apply if **we** have not been given notice of suit or the opportunity to defend an insured. Our duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed our

limits of liability for this coverage; whether this is through a payment, offer in writing, or deposit in court of that part of the judgment which does not exceed our Limit of Liability.

- C. At the insured's request, up to \$250 for the cost of bail bonds required because of an **accident we** cover (including bonds for related traffic law violations). **We** have no duty to apply for or furnish these bonds.
- D. Other reasonable expenses, up to \$250 per **accident**, incurred by an insured at our request. This includes, if requested by the insured, **loss** of actual wages or salary (but no other income) incurred by that insured, helping us settle or defend any claim or action upon our request. Verifiable proof of employment and/or lost wage or salary must be given to us. **We** have no duty to pay for lost wages or salary that cannot be verified.
- E. All court costs taxed against the insured in any lawsuit" against the insured that **we** defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

EXCLUSIONS

PLEASE READ EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, THIS COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE MIGHT BE COVERED UNDER THIS POLICY.

A. **We** do not provide Liability Coverage, nor do **we** have a duty to defend, for:

1. **Bodily injury or property damage:**

- a. Caused intentionally by, or at the direction of, any insured;
- b. If the **accident** or its consequences were intended by any insured; or
- c. That is, or should be, reasonably expected to result from an intentional act of any insured;

even if the actual **bodily injury or property damage** that results is different than that which was intended, or is sustained by a different **person** than intended.

2. **Property damage** to property:

- a. Owned by;
- b. Rented to;
- c. Used by;
- d. Being transported by; or
- e. In the care, custody, or control of;

you, a **relative** or an insured, including damage to autos being operated or towed by the insured.

3. **Bodily injury** to:

- a. **You**;
- b. Any **owner**, officer or principal if you are an **organization**;
- c. Any **employee** or **temporary employee** of an insured;
- d. Any fellow **employee** or fellow **temporary employee** of an insured;
- e. Any **permissive operator**;

arising out of:

- a. the course of their employment;
- b. while performing duties related to the conduct of **your** business; or
- c. work performed on **your** behalf.

This exclusion applies whether the insured may be liable as an employer or in any other to pay damages because of the **bodily injury**. This exclusion does not apply to:

- a. **Bodily injury** to a domestic **employee** or domestic **temporary employee** if benefits are neither paid nor required to be provided under any workers' compensation, disability benefits, or similar law. A domestic **employee** or domestic **temporary employee** is an **individual** engaged in household or domestic work performed in connection with **your** residential premises; or

- b. Liability for **bodily injury** assumed by the insured under an **insured contract**.
4. **Bodily injury** to any insured's spouse, child, parent, brother, sister or **relative**; when that **bodily injury** is caused by that insured.
 5. **Bodily injury** or **property damage** arising out of the **ownership** or use of an **auto** while it is used by a **Transportation Network Company** driver who is logged onto a Transportation Network Company's **digital network** but is not engaged in a **Transportation Network Company** prearranged trip or while the driver provides a **Transportation Network Company** prearranged trip.
 6. **Bodily injury** or **property damage** arising out of the use of a covered **auto** to provide **delivery services**. This includes use of a covered auto while:
 - a. engaged in **delivery services**;
 - b. en route to pick up or deliver goods for delivery services; or
 - c. logged into or otherwise available to accept requests for delivery services through a digital network or application;unless such use is disclosed to and accepted by us and a premium is charged for such exposure. This exclusion does not apply to the transportation of property owned by, or on behalf of, the named insured in the course of the named insured's business.

7. Any obligation for which an insured or the insurer of that insured may be held liable under a worker's compensation, unemployment compensation, disability benefits law or any similar law.
8. **Bodily injury, property damage** or **loss** due to defects, deficiencies, inadequacies or dangerous conditions in **your** products or in work performed by you or on **your** behalf after it has been completed. This includes erroneous deliveries of materials, goods, or liquids into a wrong receptacle or to a wrong address and erroneous delivery of one product for another.

This applies to guarantees or representations with respect to the fitness, quality, durability, or performance of **your** products or work performed.

Your work will be deemed completed at the earliest of:

- a. When all of the work called for in **your** contract has been completed;
 - b. When all of the work to be done at a specific site has been completed if **your** contract calls for work at more than one site; or
 - c. When that part of the work done at a job site has been put to its intended use by any **person** other than another contractor or subcontractor working on the same project;
- even if the work needs service, maintenance, correction, repair, or replacement.
8. **Bodily injury** or **property damage** that occurs while any **person** is using an **auto** without the owner's express or implied permission, or beyond the scope of the owner's express or implied permission.
 9. **Bodily injury** or **property damage** resulting from:
 - a. The loading of property before it has been placed in or on a covered **auto**;
 - b. The unloading of property after it has been taken off of or out of a covered **auto** once the property is no longer in physical contact with a covered **auto**;
 - c. The loading or unloading of property by any device that is attached to a covered **auto**; or
 - d. The loading or unloading of property by anyone who is not you, **your employee**, or **your temporary employee** listed on the **Declarations Page**.
 10. **Bodily injury** or **property damage** resulting from:
 - a. The loading of passengers before they have entered a covered **auto**;
 - b. The unloading of passengers after exiting a covered **auto** once the passenger is no longer in physical contact with a covered **auto**;
 - c. Moving of or assisting to move any **individual** not physically in contact with a covered **auto**; or

- d. The loading or unloading of passengers by anyone who is not you, **your employee**, or **your temporary employee** listed on the **Declarations Page**.
11. **Bodily injury** or **property damage** that arises out of, or is due to:
- The **ownership** or use of a covered **auto** or **mobile equipment** while transporting any **hazardous materials**; or
 - Hazardous materials**.
12. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance or use of any vehicle while **racing**.
13. Any obligation for which the United States Government is held responsible under the Federal Tort Claims Act.
14. Any liability assumed by an insured under any contract or agreement unless the agreement is an **insured contract** that was executed prior to the occurrence of any **bodily injury** or **property damage**.
15. **Bodily injury** or **property damage** sustained by an **insured** to the extent that the insured's conduct contributed to the **accident** in which the injury or damage occurred and such conduct:
- involved intentionally causing injury; or
 - occurred while that insured was committing a felony or seeking to elude lawful apprehension or arrest by a law enforcement official.
16. **Bodily injury** or **property damage** caused by, or any consequence of:
- War, whether declared or undeclared;
 - Civil war;
 - Insurrection;
 - Rebellion or revolution; or
 - Nuclear exposure**.
17. **Bodily injury** or **property damage** arising out of the **ownership**, maintenance or use of a covered **auto** when it is being used as a residence or premises and not being operated as a vehicle.
18. Court ordered criminal restitution.
19. **Bodily injury** or **property damage** resulting from the use or discharge of any firearm or weapon (whether or not in connection with the **ownership**, maintenance or use of any **auto**).
20. **Bodily injury** or **property damage** caused by or through the **ownership**, maintenance or use of any **mobile equipment** or other apparatus attached to, or pulled by, a covered **auto** except while a covered **auto** is in transit on a public roadway.
21. **Bodily injury** or **property damage** resulting from the explosion or discharge of Class A and B explosives, poisonous gas, liquid gas, compressed gas, or radioactive material and all other materials and/or commodities as listed in the Motor Carrier Act (49 CFR 173, 172.101, 173.389, 171.389, 171.8) which are manufactured, sold, transported, handled or distributed by an insured.
22. **Bodily injury** or **property damage** arising from the operation of any equipment including but not limited to:
- Air compressors;
 - Pumps;
 - Generators;
 - Spraying equipment;
 - Welding equipment;
 - Cleaning equipment;
 - Lighting equipment;
 - Geophysical exploration equipment;
 - Well servicing equipment;
 - Cherry pickers or other devices used to raise or lower workers;
 - Snow removal equipment; or
 - Road maintenance equipment;
- whether or not the equipment is part of, or attached to, a covered **auto**.

23. **Bodily injury or property damage** if a covered **auto** is attached to a **trailer** not listed on the **Declarations Page** and the **trailer**:
- a. Is more than twelve (12) feet in length; or
 - b. Has a load capacity of 2,000 lbs. or more; and
 - c. Is **owned** by you, **your employee** or **temporary employee** or has been hired or borrowed by you, **your employee** or **temporary employee** for more than thirty (30) consecutive calendar days.

24. **Bodily injury or property damage** arising out of the actual, alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** or hazardous material from a covered **auto** or any attached **trailer**, or from **mobile equipment**, or due to or from any other cause:
- a. That are contained in any property that is:
 - i. Being transported or towed by, or handled for movement into, onto or from a covered **auto**;
 - ii. Otherwise being transported by or on behalf of the insured; or
 - iii. Being stored, disposed of, treated or processed in or upon a covered **auto**;
 - b. Before the **pollutants** are moved from the place where they are accepted by the insured for movement into or onto a covered **auto**; or
 - c. After the **pollutants** are moved from a covered **auto** to the place where they are delivered, disposed of or abandoned by the insured.

This does not apply to fuels, lubricants, fluids or similar **pollutants** designed for and used for the customary and normal electrical, hydraulic or mechanical functioning of the covered **auto** if the **bodily injury or property damage** does not arise out of the operation of any **mobile equipment**.

25. Any damage, cost or expense arising out of any governmental direction or request that you test for, monitor, mitigate clean up, remove, contain, treat, detoxify, or neutralize **pollutants** or hazardous material.
26. **Bodily injury** or property arising out of, or is due to **Nuclear exposure**.
27. **Bodily injury or property damage** involving an **auto** while being used or maintained by any **person** when employed or engaged in **motor vehicle business**, unless that is **your** business, and it was so represented in **your** application.
28. Any liability imposed upon an insured by statute arising from the insured's sponsorship of a minor for an operator's license.
29. **Bodily injury or property damage** resulting from or caused by the movement of property by a mechanical device not permanently attached to a covered **auto**.
30. That occurs while any **individual**, who is specifically excluded from coverage under PART I - LIABILITY COVERAGE pursuant to a Named Driver Exclusion Endorsement or under any other provision of this Policy, is operating an **auto**.
31. For charges, fees, and administrative expenses for services performed by law enforcement and municipal personnel while responding to a motor vehicle **accident** or **loss**.
32. Liability arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry individuals for compensation or a fee** or as a public or livery conveyance, unless you have indicated to us in **your** application that a covered **auto** is used for this purpose. This exclusion does not apply to a share-the-expense car pool whose members are on the way to or from the same place of employment.
33. Liability arising out of the **ownership**, maintenance or use of a vehicle while it is being used to carry property for compensation or a fee. This includes but is not limited to the pickup, transportation or delivery of food, magazines, newspapers or flowers. This exclusion does not apply if you have indicated on the application or **we** have received notice in writing that **your** business is a for-hire business transporting property.
- B. **We** do not provide Liability Coverage for, nor do **we** have a duty to defend, any insured for **bodily injury or property damage** arising out of the **ownership**, maintenance, or use of:

1. Any vehicle which has less than four wheels, or which is designed for use mainly off public roads, including but not limited to any motorcycle, motorized bicycle, motorbike, trike, all-terrain or quad vehicle, dune buggy, go-cart, or golf cart. This exclusion does not apply to a **trailer** shown on the **Declarations Page**.
2. Any vehicle, other than a covered **auto** that is:
 - a. Owned by you or a **relative** ; or
 - b. Furnished or available for use by you or a **relative**.
3. Any vehicle, other than a covered **auto** that is:
 - a. Owned by any **owner**, officer, principal, partner, **employee**, or **temporary employee** of you; or
 - b. Furnished or available for the regular use of any **owner**, officer, principal, partner, **employee**, or **your temporary employee**.
4. A covered **auto** that:
 - a. Is being rented or leased, subleased, loaned or given by you or a **relative** to another party in exchange for money, value, goods, services, compensation or reimbursement;
 - b. Has been given in exchange for compensation;
 - c. Is under a conditional sales agreement by you to another; or
 - d. Has been entrusted to anyone other than you or a **relative** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling, and is no longer in **your** possession.
5. Any covered **auto** rated as a commercial **auto** while it is operated or being used for **personal use**.
6. Any covered **auto** or other vehicle that:
 - a. Requires an MCS-90 filing; or
 - b. Is used for transportation of goods or passengers.
7. If you are convicted in a case under Chapter 481 of the Health and Safety Code, or under the federal Controlled Substances Act, coverage under this Part I, including our duty to defend, will not apply to any insured for **property damage** due to or as a consequence of a seizure of any vehicle by federal or **state** law enforcement officers as evidence in a case against you and:
 - a. If you are a natural **person**, **your** spouse; or
 - b. If you are a corporation, partnership, **organization**, or any other entity that is not a natural **person**, any of **your** officers, directors, or stockholders.

LIMIT OF LIABILITY

- A. The **Bodily Injury** limit of liability shown on the **Declarations Page** for “each **person**” or “per **person**” is the most **we** will pay for all covered damages, including **derivative** claims, arising out of and due to **bodily injury** sustained by any one **person** in any one **accident**. That limit of liability applies to all damages, including **derivative** claims, and shall constitute a single claim.
- B. Subject to the limit for “each **person**” or “per **person**”, the **Bodily Injury** limit of liability shown on the **Declarations Page** for “each **accident**” or “per **accident**” is the most **we** will pay for all covered damages, including **derivative** claims, arising out of and due to **bodily injury** resulting from any one **accident**.
- C. The Property Damage limit of liability shown on the **Declarations Page** for “each **accident**” or “per **accident**” is the most **we** will pay for all covered damages due to **property damage** sustained in any one **accident**.
- D. If the **Declarations Page** shows that a combined single limit (“CSL”) applies, the limit of liability shown is the most **we** will pay for the total of all covered damages, including **derivative** claims, arising out of and due to **bodily injury** and/or **property damage** resulting from any one **accident**. Without changing this total CSL limit of liability, **we** will comply with any law that requires us to provide any separate limits.
- E. There will be no adding, stacking or combining of coverage afforded to more than one **auto** or insured under this Policy. The limits of liability for **Bodily Injury** and Property Damage coverage shown on the **Declarations Page** are the most **we** will pay as a result of any one **accident** without regard to the number of:
 1. Insureds, heirs, survivors or wrongful death beneficiaries;

2. Claimants;
 3. Claims made;
 4. Lawsuits filed;
 5. Vehicles or **trailers** insured under this Policy;
 6. Separate premiums paid or shown on the **Declarations Page**; or
 7. Vehicles involved in the **accident**.
- F. A covered **auto** with an attached **trailer** is considered one **auto**. A covered **auto** that carries or tows **mobile equipment** is considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer(s)** or **mobile equipment**.
- G. Any payment under PART I - LIABILITY COVERAGE will be reduced by any payment made to that **person** under the PERSONAL INJURY PROTECTION COVERAGE ENDORSEMENT, MEDICAL PAYMENTS COVERAGE or the UNINSURED/UNDERINSURED MOTORIST COVERAGE ENDORSEMENT.
- H. No one will be entitled to receive duplicate payments for the same element of **loss** or damages under PART I for which payment has been made:
1. Under any other coverage provided by this Policy;
 2. By or on behalf of the **person** that may be legally responsible; or
 3. Under any other insurance including but not limited to, worker's compensation, disability or health coverage, or any other source of recovery.
- I. For the purpose of determining our Limit of Liability, all **bodily injury** or **property damage** resulting from continuous or repeated exposure to substantially the same event, shall be considered as resulting from one **accident**.
- J. If **we** have filed a certificate of insurance on **your** behalf with any regulatory or governmental agency, and:
1. **We** are required to pay any judgment entered against you; or
 2. **We** agree to settle a claim or lawsuit;

for **bodily injury** or **property damage** arising out of an **accident** or **loss** otherwise not covered under the terms of this Policy solely because of such certificate of insurance, **we** will be obligated to pay no more than the minimum amount required by that agency or applicable law. If any payment is based solely on such certificate, you must reimburse us in full for our payment, including legal fees and costs **we** incurred, whether the payment is made as a result of judgment or settlement.

OUT OF STATE COVERAGE

- A. If an **accident** to which this Policy applies occurs in any **state** or province other than the one in which a covered **auto** is principally garaged (as show by the garaging address on the **Declarations Page** for that **auto**), **we** will interpret **your** Policy for that **accident** as follows: If the **state** or province has:
1. A financial responsibility or similar law requiring a nonresident driver to maintain insurance with limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **Declarations Page**, the limits of liability under this Policy that apply to that **accident** will be the minimum Liability Coverage limits required by the law in that **state** or province. However, **we** will not provide any Liability Coverage for an **accident** if the **Declarations Page** does not show you have purchased that Liability Coverage unless that **state** or province has a financial responsibility or similar law that requires us to do so; or
 2. A compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses an **auto** in that **state** or province, this Policy will provide the greater of:
 - a. The required minimum limits and types of coverage; or
 - b. The applicable limits of liability provided for that insured under this Policy.
- B. This extension does not apply to the limit or limits specified by any law governing commercial carriers of passengers or property.

- C. **We** will not modify the coverage under this Policy if the **accident** involves a covered **auto** which is registered in or operated in a **state**, other than the **state** in which this Policy is issued, for thirty (30) days or more within the calendar year in which the **accident** occurred.
- D. **We** will not pay anyone more than once for the same elements of **loss** because of this extension.

FINANCIAL RESPONSIBILITY REQUIRED

When this Policy is certified as proof of financial responsibility, this Policy will comply with the law of the **state** in which the Policy is written to the extent required. If **we** make a payment for an **accident** which is not covered under the terms of this Policy but which **we** paid solely to comply with the terms of a financial responsibility certification, you must reimburse us to the extent of such payment. **We** will be obligated to pay no more than the minimum amount required by any regulatory or governmental agency or applicable law.

OTHER INSURANCE

- A. For any covered **auto** that is described on the **Declarations Page**, this Policy provides primary coverage unless that **auto** is hired from you. For any covered **auto** that is described on the **Declarations Page** and is hired or borrowed from you and or used for someone else's business, even if it is operated by you or any of **your employees**, temporary **employees**, or relatives, coverage under this Policy will be excess over any and all other valid and collectible insurance, whether primary, excess or contingent. For any covered **auto** which is not described on the **Declarations Page**, coverage under this Policy will be excess over any and all other valid and collectible insurance, whether primary, excess or contingent. If coverage under more than one Policy applies on the same basis, either excess or primary, **we** will pay only our proportionate share. Our proportionate share is the proportion that the Limit of Liability of this Policy bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.
- B. If the other insurer refuses to defend, **we**:
 - 1. Will continue to defend where required by law;
 - 2. Shall be subrogated to the insured's rights against the other insurer;
 - 3. Reserve our rights against such insurer; and
 - 4. Do not waive any of our rights against the other insurer by continuing to defend.
- C. Coverage for a **trailer** shown on the **Declarations Page** will be primary only if the **trailer** is attached to a covered **auto** is a power unit you **own** that is shown on the **Declarations Page** and for which coverage applies. Except in that instance coverage will be excess to all other insurance, self-insurance and bonds.
- D. If any applicable insurance other than this Policy is issued by us and is applicable to a covered **accident**, the total amount payable among all such policies shall not exceed the limits provided by the single Policy with the highest limit of liability.
- E. When two policies providing liability insurance apply to an **auto** and;
 - 1. One provides coverage to a Named Insured engaged in the **motor vehicle business**; and
 - 2. The other provides coverage to a **person** not engaged in the **motor vehicle business**; andthis Policy will be primary if the Named Insured shown in the Declarations is engaged in the **motor vehicle business**, and this Policy will be excess over any other insurance if the Named Insured is not engaged in the **motor vehicle business**, to the extent permitted by law.
- F. Nothing in this "Other Insurance" section creates, implies or expands coverage that does not already exist under the terms of this Policy.

PART II - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the limits of liability and all Policy terms, if you paid the premium for Medical Payments Coverage when due, **we** will pay the usual and customary charge for reasonable and necessary medical expenses and funeral services incurred by or on behalf of an insured because of **bodily injury**:

- A. Caused by an **accident**; and
- B. Sustained by that insured.

Additional Terms for Part II

Medical Payments Coverage is subject to the following:

- A. Any dispute as to the medical expense(s) and/or its cost or charge will be resolved between the service provider and us. If the insured is sued because **we** have refused to pay because:
 - 1. The fee is unreasonable or exceeds the usual and customary charge; or
 - 2. The medical expense or service is unnecessary;

we will defend the insured with an attorney of our choice. Defense costs are paid in addition to the applicable limit of liability. **We** will pay any judgment or settlement for covered damages up to the applicable limit of liability. However, **we** have no duty to defend the insured if **we** deny a medical expense because it was not caused by a covered **accident**.

- B. **We** will pay only for medical expenses and funeral expense incurred within three (3) years from the date of the **accident**.
- C. **We** have the right to review medical expenses and records to determine if each expense is reasonable and necessary for the diagnosis and treatment of the **bodily injury**.
- D. **We** may refuse to pay for any portion of a medical expense:
 - 1. That is unreasonable because **we** determine the fee is greater than the usual and customary charge.
 - 2. When the service(s) rendered is:
 - a. Not provided and prescribed by a **state** licensed medical or health care provider acting within the scope of that license;
 - b. Unnecessary for the treatment of the **bodily injury**;
 - c. For the treatment of a **bodily injury** that was not caused by the **accident**; or
 - d. Treatment, services, procedures or products that are experimental or for research, or not commonly recognized in the medical profession in the U.S. as a customary treatment for the **bodily injury**.
 - 3. Which the insured is not directly and legally required to pay.
 - 4. That has been paid by other sources.
 - 5. Which the insured is not required to pay because that **person** is a member of a health maintenance **organization** (HMO) or uses a preferred provider **organization** (PPO) or similar cost reduction group.
- E. **We** may use sources of information selected by us to determine if any medical expense is:
 - 1. Reasonable and necessary;
 - 2. Caused by the **accident**; and
 - 3. Greater than the usual and customary charge.

These sources may include:

- 1. Exams by doctors **we** select. **We** will pay for these exams;
- 2. Review of medical records and test results by persons and services selected by us;
- 3. Computerized programs for analysis of medical treatment and expenses;
- 4. Published sources of medical expense information; and
- 5. **State** and/or federal fee schedules.

ADDITIONAL DEFINITIONS: PART II - MEDICAL PAYMENTS COVERAGE

When used in this PART II:

- A. "Insured" means:
 - 1. If you are an **individual**:

- a. **You** and any **relative** while **occupying** a covered **auto**; and
 - b. Any other **individual** while **occupying** a covered **auto** or **temporary substitute auto** when the **auto** is being used with, and within the scope of, **your** express or implied permission.
2. If the **named insured** shown on the **Declarations Page** is any **organization** or other entity that is not a natural human being, then an **individual occupying** a covered **auto** or a **temporary substitute auto** for a covered **auto** by the **named insured** with permission of its **owner** and within the scope of that permission.
- B. "Non-owned auto" means any **auto** that is not **owned** by you or furnished for **your** regular use and, if the **named insured** is a natural **person**, not **owned** by or furnished for the regular use of the **named insured's** spouse or a **relative**.
- C. "Owned" means the **person** or **organization**:
- 1. Holds legal title to the vehicle;
 - 2. Has legal possession of the vehicle that is subject to a written security agreement with an original term of six months or more; or
 - 3. Has legal possession of the vehicle that is leased to that **person** or **organization** under a written agreement for a continuous period of six months or more.
- D. "Owner" means the **person** or **organization** who, with respect to a vehicle:
- 1. holds legal title to the vehicle;
 - 2. has legal possession of the vehicle that is subject to a written security agreement with an original term of six months or more; or
 - 3. has legal possession of the vehicle that is leased to that **person** or **organization** under a written agreement for a continuous period of six months or more.
- E. "Usual and customary charge" means an amount which **we** determine represents a customary charge for services in the geographical area in which the service is rendered. **We** shall determine the usual and customary charge through the use of independent sources of our choice.

EXCLUSIONS

PLEASE READ EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, THIS COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE MIGHT BE COVERED UNDER THIS POLICY.

Coverage does not apply to **bodily injury**:

- A. Sustained while **occupying** any **auto** or **trailer** when it is being used as a residence or premises and not being operated as a vehicle;
- B. Occurring during the course of employment if workers' compensation coverage should apply;
- C. Arising out of an **accident** involving an **auto** or **trailer** while being used by a **person** while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles, unless that business is yours;
- D. Resulting from any pre-arranged or organized **racing**, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
- E. Due to a nuclear reaction or radiation;
- F. For which insurance is afforded under a nuclear energy liability insurance contract;
- G. For which the United States Government is liable under the Federal Tort Claims Act;
- H. Sustained by any **person** while **occupying** an insured **auto**, **temporary substitute auto**, or **trailer** without the express or implied permission of you or, if the **named insured** is a natural **person**, a **relative**;
- I. Sustained by any **person** while **occupying** a non-owned **auto** without the express or implied permission of the **owner**;

- J. That is intentionally inflicted on an insured at that person's request or self-inflicted; or
- K. Sustained while **occupying** any vehicle that has less than four wheels or is not designed for operation principally upon public roads.

LIMIT OF LIABILITY

- A. The limit of liability shown on the **Declarations Page** for Medical Payments Coverage is the most **we** will pay for all covered medical expenses and funeral services arising out of and due to **bodily injury** to a **person** injured in an **accident**. There will be no adding, stacking or combining of coverage. The limit of liability for Medical Payments Coverage shown on the **Declarations Page** is the most **we** will pay without regard to the number of:
 - 1. Insureds, heirs or survivors or wrongful death beneficiaries;
 - 2. Claimants;
 - 3. Claims made;
 - 4. Lawsuits filed;
 - 5. Autos, **trailers, mobile equipment** or other vehicles insured under this Policy;
 - 6. Separate premiums paid ; or
 - 7. Vehicles involved in the **accident**.
- B. Any payment under MEDICAL PAYMENTS COVERAGE will be reduced by any payment made to that **person** under Part I - LIABILITY COVERAGE or the UNINSURED/UNDERINSURED MOTORIST COVERAGE ENDORSEMENT.
- C. No one will be entitled to receive duplicate payments for the same elements of damage under PART II for which payment has been made:
 - 1. Under any other coverage provided by this Policy;
 - 2. By or on behalf of the **person** that may be legally responsible; or
 - 3. Under any other insurance or source of recovery.
- D. Any payment **we** make under this coverage to an insured shall be excess insurance over benefits paid or payable under the provisions of any disability benefits or similar law.
- E. No payment will be made under this coverage unless the insured or that insured's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that the insured receives under any Part I - Liability to Others Coverage or the Uninsured/Underinsured Motorist Coverage Endorsement provided by this Policy.
- F. A covered **auto** with an attached **trailer** is considered one **auto**. A covered **auto** that carries or tows **mobile equipment** is considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer(s)** or **mobile equipment**.

ASSIGNMENT OF BENEFITS

We will pay for medical expenses directly to a **state** licensed health care provider if **we** receive a written assignment of benefits signed by the insured to whom such benefits are payable. If **we** pay benefits directly to a health care provider, **we** have no further duty or liability to pay those same benefits to an insured or to any other **person**.

OTHER INSURANCE

- A. If there is other applicable insurance that provides coverage for medical expenses and/or funeral service expenses including, but not limited to, other motor vehicle medical payments coverage, health or medical insurance, personal injury protection coverage, no-fault coverage, worker's compensation or similar insurance, any insurance **we** provide shall be excess to all other collectible insurance and bonds.
- B. If there is any other insurance for medical expenses with the same priority as this Medical Payments Coverage, **we** will not pay more than our share of the unpaid covered medical expenses. Our share is the proportion that our limit of liability bears to the total of all applicable limits with the same priority.

- C. This Policy will be excess over any coverage afforded to a **permissive operator** of a covered **auto**.
- D. Nothing in this "Other Insurance" section creates or expands coverage that does not already exist under the terms of this Policy.

PART III - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

Subject to the limits of liability and all Policy terms, if you pay us the premium for this coverage for the covered **auto** and its permanently attached equipment which has been installed by the factory, dealer or retailer, **we** will pay for **loss** caused by:

- A. Collision only if the **Declarations Page** shows that Collision Coverage is provided for that **auto**; or
- B. Comprehensive only if the **Declarations Page** shows that Comprehensive Coverage is provided for that **auto**; or
- C. Fire and Theft with Combined Additional Coverage only if the **Declarations Page** shows that Fire and Theft with Combined Additional Coverage is provided for that **auto**.

Our payment will be reduced by the applicable deductible shown on the **Declarations Page**.

Notwithstanding any of the foregoing, if a Stated Amount is shown on the **Declarations Page** for the covered **auto** and its permanently attached equipment which has been installed by the factory, dealer or retailer, **we** will not pay a **loss** under PART III for that covered **auto** in excess of the Stated Amount.

No coverage under this Part will apply to any **additional auto** or **replacement auto** at any time if such **auto** or its use is not an acceptable risk under our Rules in effect at the time the **auto** is added to the Policy. No coverage under this Part will apply to any temporary substitute or other **auto** not described here.

ADDITIONAL EQUIPMENT AND PARTS COVERAGE

- A. If you pay us the premium for Additional Equipment and Parts Coverage and it is shown on the **Declarations Page** or on the applicable schedule, the limit of liability for **loss** to the additional equipment and parts specifically listed on the Application or on the applicable schedule will be the lowest of:
 - 1. The **actual cash value** of such additional equipment and parts reduced by the applicable deductible shown on the **Declarations Page** and its salvage value if you or the **owner** retain the salvage.
 - 2. The amount shown as the declared value of the additional equipment and parts on the Application or applicable schedule reduced by the applicable deductible shown on the **Declarations Page** and its salvage value if you or the **owner** retain the salvage.
 - 3. The amount necessary to repair the additional equipment and parts, reduced by the applicable deductible shown on the **Declarations Page**.
 - 4. The amount necessary to replace the additional equipment and parts, reduced by the applicable deductible shown on the **Declarations Page** and reduced by its salvage value if you or the **owner** retain the salvage.
- B. Additional Equipment and Parts Coverage applies only if:
 - 1. **You** have purchased Collision Coverage for the covered **auto** containing the additional equipment and parts and the **loss** falls under that coverage;
 - 2. **You** have purchased Comprehensive Coverage for the covered **auto** containing the additional equipment and parts and the **loss** falls under that coverage; or
 - 3. **You** have purchased Fire and Theft with Combined Additional Coverage for the covered **auto** containing the additional equipment and parts and the **loss** falls under that coverage.

TOWING AND LABOR COVERAGE

If you pay us the premium for the Towing and Labor Coverage, and it is shown on the **Declarations Page**:

- A. **We** will pay for necessary towing and labor costs incurred for a covered **auto** for which you purchased this Towing and Labor Coverage, when it is disabled or has a mechanical breakdown.
- B. **We** will only pay for:
 - 1. Labor performed at the place of disablement; and
 - 2. One tow per disablement;
 that is necessary due to the disability of the covered **auto**.
- C. **We** will not pay more than the limit of liability shown on the **Declarations Page** in any one occurrence.
- D. This coverage is limited to no more than three (3) occurrences in any 6-month period.
- E. **You** must give us a verifiable receipt of the towing or labor charges incurred.
- F. This Towing and Labor Coverage does not apply to cover any:
 - 1. Disablement at **your** residence or customary place of garaging.
 - 2. Towing of a covered **auto** that is stuck in snow, mud, water or sand, more than 50 feet from a public road or highway.
 - 3. Towing or labor for a covered **auto** that is disabled on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather or earth movement.

RENTAL REIMBURSEMENT COVERAGE

If **you** pay us the premium for Rental Reimbursement Coverage, for the covered **auto(s)** shown on the **Declarations Page** with this coverage and a specific premium:

- A. Subject to the limits shown on the **Declarations Page**, **we** will reimburse you or, at our option, pay directly on **your** behalf the daily rental charges incurred by you when you rent an **auto** pursuant to a written rental agreement with a commercially licensed rental agency. **Your** rental of an **auto** must be due to a covered Collision **loss**, covered Comprehensive **loss** or covered Fire and Theft with Combined Additional Coverage **loss** to a covered **auto** that has Rental Reimbursement Coverage. This coverage applies only if you have purchased Collision Coverage and either Comprehensive Coverage or Fire and Theft with Combined Additional Coverage. **You** must provide us written proof of the rental charges for which you wish to be reimbursed.
- B. The length of time for which this coverage will apply will be limited to the lesser of:
 - 1. The period of time reasonably required, as determined by us, to repair a covered **auto**; or
 - 2. Seventy-two (72) hours after **we** make an offer to pay the **actual cash value** of the covered **auto** in the event of a total **loss**.
- C. **We** will pay the lesser of the daily limit shown on the **Declarations Page** up to a maximum of thirty (30) days or the rental cost.
- D. Daily rental expenses shall not include the cost of:
 - 1. Insurance related to the rental of the **auto**;
 - 2. Refueling the rental **auto**;
 - 3. Mileage fees;
 - 4. Navigation devices;
 - 5. Collision damage waiver; or
 - 6. Tolls.
- E. Rental Reimbursement Coverage applies only if the covered **auto** is withdrawn from use for more than twenty-four (24) hours.
- F. If you purchase Rental Reimbursement Coverage with a limit lower than that provided for in the Transportation Expenses Coverage provision in PART III and the **loss** involves the total theft of a covered **auto**, then the limits and provisions applicable to transportation expenses under Transportation Expenses Coverage will apply.

- G. Rental Reimbursement Coverage cannot be combined or stacked with the Transportation Expenses Coverage provided under PART III.

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, **we** will pay:

- A. Towing expenses which **we** consider reasonable, not to exceed \$1,000 per **loss**, to remove a covered **auto** that is non-drivable from the site of a covered **accident** or **loss** and transport it to a repair facility. This applies only when Collision Coverage, Comprehensive Coverage or Fire and Theft with Combined Additional Coverage applies to that covered **auto** for that **loss**.
- B. Storage expenses up to \$25 per day, not to exceed \$375 per **loss** (including all fees), for storage charges. This applies only if Collision Coverage, Comprehensive Coverage or Fire and Theft with Combined Additional Coverage applies to that covered **auto** for that **loss**.

ADDITIONAL DEFINITIONS: PART III - COVERAGE FOR DAMAGE TO YOUR AUTO

When used in this PART III

- A. "Collision" means when a covered **auto** collides with another object or is hit, overturns, rolls, flips or is otherwise upset and damaged.
- B. "Comprehensive" and "Other Than Collision" includes, but is not limited to, **loss** caused by:
1. Missiles or falling objects;
 2. Fire or lightning;
 3. Theft or larceny;
 4. Explosion or earthquake;
 5. Windstorm;
 6. Hail, flood or rising water;
 7. Malicious mischief or vandalism;
 8. Riot or civil commotion;
 9. Impact with a bird or animal; or
 10. Breakage of glass, except breakage of glass caused by a collision.
- C. "Additional equipment and parts" means installed equipment, devices, accessories, changes and enhancements, other than those installed by the original manufacturer, which alter the appearance, function or performance of an **auto**. This includes, but is not limited to, such items as:
1. Bedliners;
 2. Body or suspension alterations;
 3. Custom or special wheels or tires;
 4. Custom painting;
 5. Custom windows;
 6. Decals
 7. Graphics;
 8. Ground effects;
 9. Light bars;
 10. Murals;
 11. Roll bars;
 12. Side exhausts;
 13. Spoilers; or..
 14. Utility boxes; .

Additional equipment and parts also includes, but is not limited to, such items as any electronic equipment; antennas; and other devices used exclusively to send or receive audio, visual or data signals or play back recorded media.

Additional equipment and parts does not include:

1. Booms, drill rigs, welders, winches or hazard lights not permanently attached to a covered **auto**.
 2. Chains, tarpaulins, binders, cargo securing devices.
 3. Lifts and removable sides that are not permanently installed.
 4. Custom paint work or body work, including lettering, decals and vehicle wraps.
- D. "Finance agreement" means a written lease or loan contract, entered into, as a part of **your** business pertaining to the lease or purchase by you of a covered **auto** and subject to a valid promissory note or written payment obligation contained in a lease, and security agreement or other written agreement establishing a security interest, executed concurrently with the purchase or lease of the covered **auto**.
- E. "Fire and Theft with Combined Additional Coverage" means **loss** caused by:
1. Fire or lightning;
 2. Smoke or smudge due to a sudden, unusual, and faulty operation of any fixed heating equipment serving the premises on which a covered **auto** is located;
 3. The stranding, sinking, burning, collision, or derailment of any conveyance in or upon which a covered **auto** is being transported;
 4. Windstorm, hail, earthquake, explosion, flood or rising waters;
 5. The forced landing or falling of any aircraft or its parts or equipment;
 6. External discharge or leakage of water except **loss** resulting from rain, snow, sleet, whether or not wind-driven;
 7. Malicious mischief or vandalism;
 8. Theft, larceny, robbery, or pilferage; or
 9. Impact with a bird or animal.
- No **loss** other than those specifically described above will be covered under Fire and Theft with Combined Additional Coverage.
- F. "Original equipment manufacturer" and "OEM" mean parts or items for an **auto**:
1. Produced and/or installed by the manufacturer of the **auto**; or
 2. Produced by a vendor of the manufacturer of the **auto** that the manufacturer intends as a part of the **auto** or manufacturer's option when the **auto** is new.

EXCLUSIONS

PLEASE READ EXCLUSIONS CAREFULLY. IF ANY EXCLUSION APPLIES, THIS COVERAGE WILL NOT BE PROVIDED FOR AN ACCIDENT OR LOSS THAT OTHERWISE MIGHT BE COVERED UNDER THIS POLICY.

- A. **We** will not pay for:
1. **Loss**:
 - a. Caused intentionally by, or at the direction of, you or any **relative**; or
 - b. That is, or should be, reasonably expected to result from an intentional act of you or any **relative**; even if the actual **loss** or damage is different than that which was intended.
 2. **Loss** arising out of the **ownership**, maintenance or use of a vehicle while it is being used to **carry individuals for compensation or a fee** or as a public or livery conveyance, unless you have indicated to us in **your** Application that a covered **auto** is used for this purpose. This exclusion does not apply to a shared-expense car pool whose members are on the way to or from the same place of employment.

3. **Loss** arising out of the **ownership**, maintenance or use of a vehicle while it is being used to carry property for compensation or a fee, unless you have indicated to us in **your** Application that a covered **auto** is used for this purpose.
4. **Loss** to portable equipment, sound equipment, video equipment, transmitting equipment, other electronic devices, accessories that are not permanently installed and declared and for which any additional premium due has been paid. This includes, but is not limited to:
 - a. Personal computers, telephones, DVD players, two-way mobile radios, communication devices and televisions;
 - b. Any other accessories used with electronic equipment designed to receive or transmit audio, visual or data signals; and
 - c. Telematic, navigation and GPS devices
5. **Loss** to equipment designed or used for the detection or location of radar, laser or other speed measuring equipment or its transmission.
6. **Loss** to camper units or other detachable living quarter units.
7. **Loss** to pickup covers, caps or shells not permanently attached to a covered **auto**.
8. **Loss** to equipment such as booms, drill rigs, welders, winches or hazard lights not permanently attached to a covered **auto**.
9. **Loss** to chains, tarpaulins, binders, cargo securing devices, lifts or removable sides that are not permanently installed.
10. **Loss** to any custom paint work or body work, including lettering and decals and vehicle wraps.
11. **Loss** to booms, drill rigs, welders, winches or hazard lights not permanently attached to a covered **auto**.
12. **Loss** to equipment designed or used to jam or disrupt any speed measuring equipment.
13. Damage due and confined to:
 - a. Wear and tear;
 - b. Freezing;
 - c. Mechanical, electronic or electrical breakdown or failure;
 - d. Deterioration, rust or corrosion; or
 - e. Blowouts, punctures or other road damage to tires.
 - f. Mechanical, electrical, or other engine components resulting from the addition of improper fuel, diesel exhaust fluid or other fluid.

This exclusion does not apply if the damage results from the total theft of a covered **auto** to which Comprehensive Coverage or Fire and Theft with Combined Additional Coverage under this Policy applies.

14. **Loss** to a covered **auto** being maintained or used by any **person** while employed or otherwise engaged in any **motor vehicle business** unless that business is yours and it was disclosed to us by you in **your** Application.
15. **Loss** to wearing apparel, tools or personal effects.
16. **Loss** that occurs while a covered **auto** is being used in any illicit trade or transportation or in the course of committing a **crime**. This does not apply to **loss** that occurs when the covered **auto** has been stolen.
17. **Loss** due to the use of a covered **auto** for transportation of any explosive substance, flammable liquid, or **hazardous materials**.
18. **Loss** to a covered **auto** while such **auto** is engaged in **rac**ing.
19. **Loss** to a covered **auto** while it is subject to any bailment lease, mortgage or other encumbrance not specifically declared and described in this Policy.
20. **Loss** to a **trailer** you **own** that is not shown on the **Declarations Page**.
21. **Loss** to a covered **auto** while in anyone else's possession under a written **trailer** exchange agreement. If **we** are compelled by law or otherwise to pay a **Loss** Payee or lienholder, you must reimburse us for payment.
22. **Loss** due to theft, larceny or **conversion** of a covered **auto** or its equipment:

- a. By you, a **relative**, any other **individuals** listed as a driver on the **Declarations Page** or an **employee** or **temporary employee**;
 - b. Where there is no visible sign of forced entry into the covered **auto**; or
 - c. Prior to its delivery to you.
23. **Loss** to a covered **auto** due to or as a consequence of:
- a. Seizure by a federal or state law enforcement officer as evidence in a case under the Texas Controlled Substances Act or the federal Controlled Substances Act, provided the named insured is convicted in such case; or
 - b. Repossession by any entity acting on behalf of the **owner** of the covered **auto**. If **we** are compelled by law or otherwise to pay a **Loss** Payee or lienholder, you must reimburse us for that payment.
24. Damage caused directly or indirectly by any of the following:
- a. Water leakage or seepage;
 - b. Wet or dry rot;
 - c. Rust or corrosion;
 - d. Dampness of atmosphere or extremes of temperature;
 - e. Deterioration or disintegration; or
 - f. Delamination; unless caused by any other **loss** covered under this PART III.
25. **Loss** arising out of or resulting from, in whole or in part, any actual, alleged, or threatened migration; release; existence; or presence of, or actual, alleged, or threatened exposure to, **hazardous materials**.
26. **Loss** caused directly or indirectly by or as a consequence of:
- a. War, whether declared or undeclared;
 - b. Warlike action by a military force, including action hindering or defending against an actual or expected attack, action or activity by any government, sovereign, **organization** or other authority using military personnel or similar agents;
 - c. Civil war;
 - d. Civil unrest, attempts to usurped governmental power, or action taken by governmental authority to hinder or defend against any of these;
 - e. Insurrection;
 - f. Rebellion or revolution; or
 - g. **Nuclear exposure**.
27. **Loss** to a covered **auto** while being used in any manner by an **undisclosed operator**.
28. **Loss** to a covered **auto** while being used in any manner by any **individual** who is specifically excluded from coverage under this Policy by the **named insured**, if the **named insured** is an **individual**, or by an authorized representative if the **named insured** is an **organization**.
29. **Loss** to a covered **auto** or its equipment prior to its delivery to you.
30. Damage due and confined to:
- a. Prior **loss** or damage;
 - b. Manufacturer's defects or faulty materials; or
 - c. **Your** lack of routine and/or proper maintenance as prescribed by the manufacturer.
31. **Loss** resulting from the purchase of a covered **auto** from any **person** other than the **auto's** rightful **owner**.
32. Amounts incurred for:
- a. Mileage;
 - b. Fuel;
 - c. Collision damage waiver;
 - d. Navigation devices;
 - e. Insurance; or
 - f. Tolls.

33. **Loss** arising out of the operation of a covered **auto** by any driver who at the time of the **accident** does not possess the correct class of license for the covered **auto** being operated.
 34. Diminution in value.
 35. **Loss** arising out of the **ownership** or use of an **auto** while it is used by a **transportation network company** driver who is logged onto a transportation network company's **digital network** but is not engaged in a **transportation network company** prearranged trip or while the driver provides a **transportation network company** prearranged trip.
 36. **Loss** to a commercial **auto** when used as **personal use**.
- B. **We** do not provide coverage under this Part for **loss** arising out of the **ownership**, maintenance or use of:
1. Any vehicle that has less than four wheels or which is designed for use mainly off public roads including but not limited to any motorcycle, motorized bicycle, motor bike, trike, all-terrain or quad vehicle, dune buggy, go-cart, or golf cart.
 2. A covered **auto** that:
 - a. Has been rented, leased, subleased, loaned or given by you or a **relative** to another party in exchange for money, value, goods, services, compensation or reimbursement;
 - b. Has been given in exchange for compensation;
 - c. Is under a conditional sales agreement by you to another; or
 - d. Has been entrusted to anyone other than you or a **relative** for consignment; sale; promoting sale; subleasing; leasing; renting; or selling and is no longer in **your** possession.

LIMIT OF LIABILITY

- A. Our limit of liability for **loss** shall not exceed the lowest of the:
1. Actual cash value reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if you or the **owner** keep the salvage;
 2. Amount necessary to replace the stolen or damaged property, or its parts if the **loss** is limited to parts, reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if you or the **owner** keep the salvage;
 3. Amount necessary to repair the physical damage to the covered **auto**, or its parts if the **loss** is limited to parts, to return it to its pre-**loss** physical condition, reduced by the applicable deductible shown on the **Declarations Page**; or
 4. Stated Amount, if one is shown on the **Declarations Page**, reduced by:
 - a. The applicable deductible shown on the **Declarations Page**; and
 - b. Its salvage value if you or the **owner** keep the salvage.

However, if there is a finance agreement in place for the covered **auto**, subject to the Stated Amount shown on the **Declarations Page**, the most **we** will pay for a total **loss** where a finance agreement exists and the Stated Amount is equal to or greater than the outstanding financial obligation, is the greater of:

- a. The outstanding financial obligation under the finance agreement for the covered **auto**; or
- b. The **actual cash value** at the time of the **loss**.

In no event will **we** pay more than the Stated Amount shown on the **Declarations Page**.

- B. A deduction for **depreciation** and betterment will be made from the amount **we** will pay for repair or replacement of the damaged or stolen property, or any part thereof, if the repair or replacement results in better property or in a better part with regard to:
1. Its market value;

2. The useful life of the part; or
3. The improvement of the condition of the **auto** considering wear and tear and damage that existed prior to the **loss**.

Our adjustment to the amount payable by us due to betterment or **depreciation** on parts replaced includes, but is not limited to:

1. Batteries;
 2. Tires;
 3. Engines;
 4. Transmissions; and
 5. Any other parts that wear out over time or have a finite useful life or duration shorter than the life of the **auto** as a whole. This does not include external crash parts, wheels, windshields or other glass.
- C. An adjustment for **depreciation** and betterment will be made in determining **actual cash value** in the event of a total **loss**.
- D. In repairing damaged property, **we** may specify the use of mechanical, non-safety related automobile parts not made by the original manufacturer (i.e., non-OEM parts). These parts will be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace. Warranties applicable to non-OEM parts may be provided by the manufacturer or distributor of these parts rather than the manufacturer of the covered **auto**. If **we** specify the use of non-OEM parts, **we** will identify each such part on **your** repair estimate.
- E. In determining the amount necessary to repair the damaged parts, **we** will not pay more than the prevailing competitive labor rates charged in the area in which the property is to be repaired. **We** will also not pay more than the cost of repair or replacement parts as reasonably determined by us. Our liability for the cost of repairing damaged property is limited to the amount needed to perform physical repairs to the stolen or damaged property.
- F. In the event of a total **loss** to an **auto** listed on the **Declarations Page**, you, or someone on **your** behalf, must give us the key or fob to that **auto** at our request. If **we** are not given the key or fob to that **auto**, **we** will reduce any amount payable to you by \$250 because of:
1. The cost in duplicating the key or fob; or
 2. The **loss** in salvage value. This provision will not apply if you or the **owner** keep the salvage.
- G. Payments for **loss** covered under this PART III are subject to the terms set forth here:
1. If a **loss** involves multiple covered autos, the applicable deductible shown on the **Declarations Page** for each covered **auto** shall apply.
 2. In determining the amount necessary to repair damaged property to its pre-**loss** physical condition, the amount to be paid by us will be based on the cost of repair or on the cost of replacement parts and equipment which may be new, reconditioned, remanufactured or used including, but not limited to:
 - a. Original manufacturer parts or equipment (OEM); and
 - b. Non-OEM parts or equipment.
 3. The **actual cash value** is determined by the market value, age and condition of the vehicle at the time the **loss** occurs.
 4. Duplicate recovery for the same elements of **loss** is not permitted. No one will be entitled to receive duplicate payments for the same elements of **loss** under this coverage and:
 - a. Any other coverage provided by this Policy; or
 - b. Under any other insurance or source of recovery.
 5. If **your** covered **auto** is an **additional auto** that you have requested to be added to **your** Policy within seven (7) days of **your** acquisition of the **auto**, and no deductible has been designated for the **additional auto** prior to the **loss**, then **we** will apply the highest deductible listed for any one **auto** shown on the **Declarations Page** to that **additional auto**.

6. If **your** covered **auto** is a **replacement auto** that you have requested to be on **your** Policy within seven (7) days of **your** acquisition of the **auto**, and no deductible has been designated for the **replacement auto** prior to the **loss**, then **we** will apply the deductible that was listed on the **Declarations Page** for the replaced **auto** to that **replacement auto**.
 7. No deductible will apply to a **loss** to window safety glass.
- H. If **we** pay **your** financial obligation under a finance agreement, **we** will not pay:
1. Overdue finance agreement payments including any type of late fees or penalties;
 2. Financial penalties imposed under a finance agreement for excessive use, abnormal wear and tear, or high mileage;
 3. Security deposits not normally refunded by the lessor or lender;
 4. Cost of finance agreement related products such as, but not limited to, Credit Life Insurance, Health, **Accident** or Disability Insurance purchased by you;
 5. Carry-over balances from previous finance agreement or other amounts not associated with the covered **auto**; or
 6. Unpaid principal included in the outstanding finance agreement balance that was not used by you to purchase the covered **auto**.
- I. For any **loss** to which Uninsured and/or Underinsured Motorist Property Damage Coverage (from this or any other policy) and coverage under this Part III both apply, you may choose the coverage from which damages will be paid. **You** may recover under both coverages, but only if:
1. Neither one by itself is sufficient to cover the **loss**;
 2. **You** pay the higher applicable deductible amounts (but you do not have to pay both deductibles); and
 3. **You** will not recover more than the actual damages.

PAYMENT OF LOSS

- A. At our option and subject to all Policy terms and the Limits of Liability, **we** may:
1. Pay for, repair or replace damaged or stolen property;
 2. Return the stolen property to you or to the address last known by us at our expense. **We** will pay for direct physical damage to a covered **auto** resulting from the theft if covered per the terms of this Part III; or
 3. Keep all or part of the damaged or stolen property at the agreed or appraised value, but there shall be no abandonment to us.
- B. **We** may make payment for a **loss** to you, the **owner** of the property, the repair facility or to any designated lienholder and/or **Loss** Payee. Payment for a **loss** is required only if you have fully complied with the Policy provisions.
- C. When **we** make a payment of any amount due under this PART III to you, the lienholder and/or **Loss** Payee, or to anyone on **your** behalf, if the Policy has cancelled or expired, **we** may deduct from the payment any premium or fees that are due and unpaid under the Policy.
- D. If **we** make a payment for theft or total **loss** of an **auto**, you or the **owner** must transfer the title of that **auto** to us at or before **we** will make payment, unless you or the **owner** keep the salvage of a totaled **auto**.
- E. A party with an additional interest in a covered **auto**, a **Loss** Payee or lienholder shall have no greater rights than **your** rights to recover for a **loss**.
- F. Regardless of the damage to a covered **auto**, no vehicle may be abandoned with us.
- G. In the repair of any covered **auto**, **we** may specify the use of parts not made by the original manufacturer (non-OEM).
- H. For a covered total **loss** to a covered **auto**, our payment also will include: 1. sales tax imposed; and 2. license, title, transfer of **ownership** and/or registration fees; when required by **state** law.

PERMISSION TO RELEASE VEHICLE

This Policy allows us to act as an agent on **your** behalf in the event a covered **auto** is non-drivable and incurring storage and/or any additional **accident** or **loss** related expenses; thus conferring authority for us to move the covered **auto** to a secure, storage free inspection facility.

NO BENEFIT TO BAILEE

This insurance shall not in any way benefit directly or indirectly any **person** or other bailee caring for or handling property for a fee.

OTHER INSURANCE OR SOURCES OF RECOVERY

If other insurance covers the **loss**, **we** will pay only our share of the **loss**. Our share is the proportion that our limit of liability bears to the total limits of all applicable limits. Any applicable deductible of this Policy will be taken in a proportionate share based on the applicable deductibles of each policy.

Nothing in this "Other Insurance or Sources of Recovery" section creates or expands coverage that does not already exist under the terms of this Policy.

APPRAISAL

A. If **we** and you do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent, licensed, and impartial appraiser and notify the other of the appraiser selected within twenty (20) days of such demand. The two appraisers will select an umpire.

If the appraisers are unable to agree upon an umpire within fifteen (15) days, **we** or you may request that a judge of a court of record, in the county in which the property covered is located, select an umpire. The appraisers shall then appraise the **loss**, stating separately the **actual cash value** and **loss** to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with us shall determine the amount of **actual cash value** and **loss**. Each party will:

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

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

C. Appraisers have authority only to decide the amount of the **loss**. The appraisers have no authority to:

1. Make any coverage decisions under the Policy; or
2. Award any fees, interest or costs.

LOSS PAYABLE CLAUSE

A. Subject to all the terms of this Policy, **loss** or damage shall be paid, as interest may appear, to the **named insured** and/or the **Loss Payee** shown on the **Declarations Page**, both jointly or separately, at our discretion.

B. The **Loss Payee's** interest will not be protected if the **loss** results from **your** fraudulent acts or omissions, **conversion**, secretion or embezzlement of a covered **auto** or if the **loss** is not payable to you under the terms of this Policy.

C. **We** reserve the right to cancel or non-renew this Policy as permitted by Policy terms and **state** law. The cancellation or nonrenewal shall terminate this agreement as to the **Loss Payee's** interest. If **we** are required by law or regulation to give the **Loss Payee** notice of cancellation, **we** will give such notice in accordance to such law or regulation. In addition, any continuance of coverage protecting the **Loss Payee's** interest shall terminate when this Policy is cancelled, nonrenewed, rescinded or otherwise terminated, or on the effective date of a policy contract or insurance binder for similar coverage issued by another insurance carrier.

D. In the event the **Loss Payee** makes a claim under this Policy, the **Loss Payee** is required to abide by all terms, duties and conditions of this Policy that apply to you, and **Loss Payee** has no greater rights than you to receive payment.

- E. When **we** pay the **Loss** Payee, **we** shall, to the extent of payment, be subrogated to the **Loss** Payee's rights of recovery.
- F. This clause creates no rights for a **Loss** Payee or lienholder that is not designated as a **Loss** Payee and shown on the **Declarations Page** for that covered **auto**.

GENERAL PROVISIONS

ADDITIONAL DEFINITIONS USED IN THIS SECTION

The following words or phrases, whether or not printed in boldfaced type, will have the following meaning throughout these General Provisions:

- A. "Mail", "mailing" or "mailed" means delivery or transmittal by us using:
 - 1. United States Postal Service;
 - 2. Public or private mail carrier;
 - 3. Electronic transmission, if not prohibited by **state** law, including but not limited to email; or
 - 4. Any other communication method allowed by law.
- B. "Proof of mailing" means sufficient evidence that a correspondence or notice has been presented to the United States Postal Service for mailing. Proof of mailing includes, but is not limited to, any form of certificate of mailing or certificate of bulk mailing issued by the United States Postal Service, including a Certificate of Bulk Mail or any other form allowed by **state** law.

BANKRUPTCY

Bankruptcy or insolvency of the insured shall not relieve us of any obligations under this Policy. If execution of a judgment against an insured is returned unsatisfied because of the bankruptcy or insolvency of the insured, a **person** claiming damages under PART I - LIABILITY COVERAGE may maintain an action against us for the amount of the judgment, subject to the terms and conditions of this Policy and not exceeding our Limits of Liability under PART I.

CHANGES

- A. This Policy, along with the **Declarations Page**, as amended, and Application, which are incorporated into and made part of this Policy as if attached hereto, and any endorsements issued by us, contain all the agreements between you and us. Its terms may not be changed or waived except in writing by us.
- B. The premium for each covered **auto** is based on information **we** have received from you or other sources. **You** agree:
 - 1. That if any of this information material to our determination of the Policy premium is incorrect, incomplete or changed and not communicated to us as required by this Policy, **we** may adjust the premium accordingly during the Policy period or take other action permitted by law.
 - 2. To cooperate with us in determining if this information is correct and complete.
 - 3. That you have a continuing duty to report and advise us of any changes including the following which **we** deem material to our determination of the Policy premium:
 - a. The number or types of covered autos including when you acquire, sell or dispose of an **auto**;
 - b. The driver(s) or operator(s) using the autos insured under **your** Policy;
 - c. People **residing** in **your** household;
 - d. **Your** mailing or business address;
 - e. The principal place where you garage each of the covered autos;
 - f. The use of the covered autos;
 - g. **You**, a **relative** or a **permissive operator** obtains a driver's license or operator's permit or has a driver's license revoked, suspended or reinstated;

- h. The marital status of you, a **relative** or any regular operator;
 - i. Coverages, coverage limits or deductibles;
 - j. Eligibility for discounts or surcharges or other premium credits or debits; or
 - k. Other factors permitted by law.
- C. Any change of **your** premium will be made using our rules in effect at the time of the change. Changes that may affect the Policy premium include, but are not limited to, changes in:
- 1. Autos and **trailers** insured under the Policy;
 - 2. The type of customary use of any covered **auto**;
 - 3. Regular or frequent drivers of a covered **auto**;
 - 4. Coverages or coverage limits;
 - 5. Principal place where you garage any of the covered autos;
 - 6. Eligibility for discounts or surcharges or other premium credits or debits;
 - 7. Marital status of a regular or frequent drivers or a driver **residing** in **your** household; or
 - 8. Other factors permitted by law.
- D. **We** may revise **your** Policy coverages to provide more protection without additional premium charge. If **we** do this and you have the coverage which is changed, **your** Policy will automatically provide the additional coverage as of the date the revision is effective in **your state**. This does not apply to changes made with a general program revision that includes both broadening and restrictions in coverage, whether that general program revision is made through introduction of a subsequent edition of **your** Policy or an amendatory endorsement.
- E. If you ask us to delete an **auto** from coverage, no coverage will apply as of the date and time you ask us to delete such **auto**.
- F. If **we** make a change to this Policy during the Policy period that broadens any coverage without an additional premium charge, you will have the broadened coverage if that coverage is in effect on the date of change. The effective date of a change will be the date **we** implement that change in the **state** in which the Policy is written.
- G. Notice to any agent or knowledge possessed by an agent or other **person** shall not change, effect or waive any portion of this Policy nor stop us from asserting any of our rights under this Policy.
- H. Nothing contained in this section will limit our right to rescind or void this Policy due to fraud, misrepresentation or concealment of any material fact by you, or anyone acting on **your** behalf.

CONTINUING DUTY TO REPORT CHANGES

- A. **You** have a continuing duty to report to us all changes, including additions and deletions, in Policy information. This includes, but is not limited to, changes in:
- 1. **Your** mailing address or **your** residence address;
 - 2. The principal garaging address of any covered **auto**;
 - 3. The residents in **your** household;
 - 4. The **individuals** of legal driving age **residing** in **your** household;
 - 5. The **individual(s)** who regularly or frequently operate a covered **auto**;
 - 6. An operator's marital status; or
 - 7. The driver's license or operator's permit status of you, a **relative**, or a regular operator .
 - 8. The use of the autos insured under the Policy, this includes the use of the vehicle to carry persons or property for compensation or a fee, **TNC** prearranged trips, limousine, or taxi service, livery conveyance, including not-for-hire livery, or for retail or wholesale delivery, including but not limited to, the pick-up, transport, or delivery of magazines, newspapers, mail, or food.
- B. All new **employees** must be added to the Policy within thirty (30) days of their hire date.

SETTLEMENT OF CLAIMS

- A. **We** may use estimating, appraisal, or injury evaluation systems or tools to determine any amounts to be paid under this Policy. These systems or tools may be developed by us or by third parties and may include computer software, databases and special technology.
- B. Within 15 days after **we** receive **your** written notice of claim, **we** must:
 - 1. Acknowledge receipt of the claim. If our acknowledgement of the claim is not in writing, **we** will keep a record of the date, method, and content of our acknowledgement;
 - 2. Begin any investigation of the claim; and
 - 3. Specify the information you must provide. **We** may request more information if during the investigation of the claim such additional information is necessary.
- C. After **we** receive the information **we** request, **we** must notify you in writing whether the claim will be paid or has been denied, or whether more information is needed:
 - 1. Within 15 business days; or
 - 2. Within 30 days if **we** have reason to believe the **loss** resulted from arson.
- D. If **we** do not approve payment of **your** claim or **we** require more time for processing **your** claim, **we** must:
 - 1. Give the reason(s) for denying **your** claim; or
 - 2. Give the reason(s) **we** require more time to process **your** claim. But **we** must either approve or deny **your** claim within 45 days after our requesting more time.
- E. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim handling deadlines as stated above extend for an additional 15 days.
- F. **Loss** payment:
 - 1. If **we** notify you that **we** will pay **your** claim, or part of **your** claim, **we** must pay within five business days after **we** notify you.
 - 2. If payment of **your** claim, or part of **your** claim, requires the performance of an act by you, **we** must pay within five business days after the date you perform the act.
- G. Notice of settlement of liability claim:
 - 1. **We** will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. **We** will give you notice within 10 days after the date the offer is made.
 - 2. **We** will notify you in writing of any settlement of a claim against you under the liability section of this policy. **We** will give you notice within 30 days after the date of the settlement.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this Policy. In addition, under PART I - LIABILITY COVERAGE, no legal action may be brought against us unless:
 - 1. **We** agree in writing that the insured has an obligation to pay for damages due to a covered **accident**; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No **person** has any right under this Policy to bring legal action against us or to make us a party to any legal proceeding to determine the liability of an insured.
- C. If **we** pay the **actual cash value** of a covered **auto**, less deductible, **we** are entitled to all or part of the salvage at the agreed or appraised value. If **we** retain salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including as evidence for a legal proceeding absent any specific and formal written request to do so. **You** do not have the right to abandon salvage to us.

- D. Except as provided for in this Policy, any lawsuit against us for benefits under any part of this Policy, or any lawsuit filed against us by an insured following an **accident**, must be commenced within the time period set forth in the **bodily injury** statute of limitations in the law of the **state** where the **accident** occurred.

OUR RIGHT TO RECOVER PAYMENT (SUBROGATION / REIMBURSEMENT)

- A. If **we** make a payment under this Policy and the **person** to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right to the extent allowed by law. That **person** shall:
1. Do whatever is necessary to enable us to exercise our rights;
 2. Do nothing after an **accident** or **loss** to prejudice our rights;
 3. Deliver to us any legal papers relating to that recovery;
 4. Take the necessary or appropriate action, through a representative designated by us, to recover payment as damages from the responsible **person**. If there is a recovery, then **we** shall be reimbursed out of the recovery for expenses, costs and attorney's fees incurred in connection with this recovery; and
 5. Execute and deliver to us any legal instruments or papers necessary to secure the rights and obligations of the insured and us as established here.

However, our rights under this paragraph A. do not apply under PART III of this Policy against any **person** using a covered **auto** with the owner's express or implied permission and within the scope of that permission.

- B. If **we** make a payment under this Policy and the **person** to or for whom payment is made recovers damages from another, that **person** shall to the extent allowed by law:
- a. Hold in trust for us the proceeds of the recovery; and
 - b. Reimburse us to the extent of our payment. In the event recovery has already been made from the responsible party, any rights to recovery by the **person(s)** claiming coverage under this Policy no longer exist.
- C. If **we** pursue recovery for **property damage**, or **loss** under PART III, from a liable party:
- a. **You** permit us to seek recovery of any deductible that may apply, but **we** have no duty to do so. **We** will notify you if **we** do not intend to collect the deductible.
 - b. **We** reserve 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, you agree to be bound by:
 - i. A settlement agreement entered into by us and the liable party; or
 - ii. The outcome of appraisal or arbitration.
 - c. If the total recovery is less than the total of our payment and the deductible, **we** will reduce reimbursement of the deductible to you based on the proportion that the actual recovery bears to the total of our payment and the deductible.
 - d. Any reimbursement to you by us will be reduced by a proportionate share of expenses and attorney fees incurred due to the recovery.
- D. If **we** make payment under PART III:
- a. If an insured has prosecuted to judgment any suit against any **person** responsible, **we** will be entitled to an assignment of the judgment to the extent of payment made under this insurance. **We** will pay our proportionate part of any reasonable costs and expenses incurred for any recovery, including reasonable attorneys' fees; and
 - b. **We** reserve the right to retain an attorney of our choice to pursue a claim instead of payment of attorneys' fees.
- E. If **we** make a payment to, or on behalf of, anyone insured under this Policy which is not covered by this Policy but is compelled by law then, to the extent allowed by law, you must reimburse us to the full extent of all **loss** or damages paid by us and our claims adjustment expenses.
- F. **We** will not assert our recovery rights against any **person** using a covered **auto** with **your** permission for any payment made under PART III – COVERAGE FOR DAMAGE TO YOUR AUTO.

- G. **We** will not assert our recovery rights for any payment made under the Personal Injury Protection Coverage Endorsement, if applicable, of this policy. This provision does not apply, and **we** will have a right of subrogation and a claim against a **person** causing or contributing to an **accident**, if on the date of the **loss**, financial responsibility as required by Chapter 601 of the Texas Transportation Code has not been established for a motor vehicle involved in the **accident** and operated by that **person**.

POLICY PERIOD AND TERRITORY

- A. This Policy applies only to accidents or losses which occur:
1. During the Policy period shown on the **Declarations Page**; and
 2. Within the Policy territory.
- B. This Policy territory is:
1. The United States of America, its territories or possessions; or
 2. Canada.

This Policy also applies to covered accidents or covered losses while the covered **auto** under this Policy is being transported between the ports of these locations.

POLICY TERMINATION

- A. Cancellation
1. This Policy may be cancelled during the Policy period as follows:
 - a. **You** may cancel by:
 - i. Returning this Policy to us; or
 - ii. Giving us, or our authorized representative, advance notice of the date cancellation is to take effect. The effective date of the cancellation shall be either the date **we** receive such notice or the date specified in the notice, whichever is later.
 - a) **We** may, at our option, waive the requirement that the notice **state** a future date for cancellation and cancel the Policy as of the effective date shown in the notice.
 - b) If **we** have made a filing or submitted a certificate of insurance on **your** behalf with a regulatory or governmental agency, **we** may require that any cancellations be made effective with a future date to comply with notice of cancellation requirements of that regulatory or governmental agency.
 - b. **We** may cancel this Policy by mailing a notice of cancellation to the **named insured** at the address last known by us:
 - i. At least ten (10) days' notice if cancellation is for nonpayment of premium; or
 - ii. At least ten (10) days' notice if cancellation is mailed during the first ninety (90) days of the initial Policy term; or
 - iii. At least thirty (30) days' notice if cancellation is for any other reasons.
 2. When this Policy has been in effect for less than ninety (90) days, **we** may cancel this Policy for any lawful reason.
 3. After this Policy is in effect for ninety (90) days, or if this is a renewal or continuation Policy, **we** will cancel only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. If there has been any other substantial change in the risk assumed, except to the extent that **we** should have reasonably foreseen the change or contemplated the risk in writing this Policy;
 - c. If you have substantially breached a contractual duty, or condition; or
 - d. If this Policy was obtained through material misrepresentation, a fraudulent statement, omission or concealment of a fact material to the acceptance of the risk or the hazard assumed by us;
 - e. A willful or negligent act or omission by you has substantially increased the hazard insured against;

- f. **Loss** of driving privileges through suspension or revocation of **your** operator's license or that of a principal operator of a covered **auto**;
- g. The **named insured** presented a claim based on fraud or material misrepresentation;
- h. Reasonable cause; or
- i. Any other reason allowed by law.
- j. We will not cancel this Policy based solely on the fact that the named insured is an elected official.

Nonrenewal

If **we** decide not to renew or continue this Policy, **we** will mail notice to the **named insured** at the address last known by us. Notice will be mailed at least sixty (60) days before the end of the Policy period.

B. Automatic Termination

1. If **we** offer to renew or continue **your** Policy and you or **your** representative do not accept, this Policy will automatically terminate, lapse and expire at the end of the current Policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
2. If other insurance is obtained on a covered **auto**, any similar insurance provided by this Policy will terminate as to that **auto** on the effective date of the other insurance.
3. If a covered **auto** is sold or transferred to someone other than you, or if you are an **individual**, a **relative**, insurance provided by this Policy will terminate as to that **auto** immediately upon the sale, gift, assignment or transfer.
4. If neither you nor, if you are an **individual**, a **relative**, have an insurable interest in a covered **auto**, any insurance **we** provide with respect to that **auto** shall terminate.
5. Nothing in this POLICY TERMINATION section shall waive our rights to void this Policy, if permitted by law.

Payment Of Premium

1. If you pay **your** initial premium for any new Policy by any remittance other than cash, the coverage offered by this Policy is conditioned on that remittance being honored upon presentment by the financial institution. If the remittance is not honored, then **we** shall be deemed not to have accepted the payment and this Policy, if allowed by law, shall be void from inception. If the Policy is void from inception, it will not be subject to the Cancellation provisions of this Policy. This means that **we** will not be liable under this Policy for any claims or damages which would otherwise be covered if the remittance had been honored upon presentment. If **we** are required by law to make any payment after **we** void this Policy, you must pay us for all expenses incurred and payments made. Our right to void this Policy will not be affected if **we** submit the remittance for payment more than once.
2. If you make a premium payment for a renewal of **your** Policy using an uncollectible instrument, our offer of Policy renewal is deemed rejected by you and the Policy terminated without renewal. Our right to void this Policy will not be affected if **we** submit the remittance for payment more than once.
3. Examples of an uncollectible instrument and payment not being honored upon presentment include, but are not limited to:
 - a. Checks dishonored or refused due to insufficient funds;
 - b. Checks drawn from closed accounts;
 - c. Invalid credit cards or credit card charges dishonored or refused by the issuing financial institution; and
 - d. Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) transfers or payments from a financial institution or similar account that are refused, dishonored or rejected.
4. If any of these acts or events occur at initial application or at any time during the Policy period, it shall be deemed to be nonpayment of premium.

Other Termination Provisions

1. If the law in effect at the time this Policy is issued, renewed or continued:
 - a. Requires a longer notice period;
 - b. Requires a special form of, or procedure for, giving notice; or
 - c. Modifies any of the stated termination reasons; **we** will comply with those requirements.
2. If not prohibited by **state** law, **we** may deliver any notice in **person** instead of mailing it.
3. Proof of mailing of any notice shall be sufficient proof of notice.
4. If this Policy is canceled or terminated, the premium refund, if any, will be computed on a pro-rata basis. If this Policy is cancelled at the request of a premium finance company that has financed this Policy under a premium finance agreement the premium refund, if any, will be calculated on a pro-rata basis. If the Policy is canceled at **your** request, the refund, if any, will be calculated on a pro-rata basis. However, making or offering to make the refund is not a condition of cancellation.
5. Any notice stating the Policy has ended shall terminate all coverages under this Policy as of the effective date in the notice.

Reinstatement Of Coverage

1. Policies that have been canceled, terminated, nonrenewed or expired may be eligible, at our discretion, for reinstatement of coverage. Reinstatement is conditioned on:
 - a. No **accident** or **loss** occurred during the canceled, terminated, nonrenewed or expired period that would have otherwise come under the Policy coverage; and
 - b. **We** have received all money due to us from you.
2. If there was an **accident** or **loss** against the Policy during the canceled, terminated, nonrenewed or expired period, then the reinstatement will be voided, except if prohibited by law, and the Policy will remain canceled, terminated, nonrenewed or expired.
3. If the Policy is reinstated and the payment received is not honored for any reason, the reinstatement will be voided, except if prohibited by law, and the Policy will remain canceled, terminated, nonrenewed or expired.

TRANSFER OF YOUR INTEREST IN THIS POLICY

Your rights and duties under this Policy may not be assigned without our written consent; unless allowed by the terms of this Policy for assignment of benefits under Medical Payments Coverage. However, upon the death of the **named insured**, if an **individual**, coverage will be provided until the end of the Policy period or cancellation date, whichever is earlier, for:

1. The **named insured's** surviving spouse, if such **individual resides** in the **named insured's** household at the time of the **named insured's** death. Coverage applies to the spouse as if a **named insured** shown on the **Declarations Page**.
2. The legal representative of the deceased **individual** while acting within the scope of the duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use a covered **auto**.
3. Any **person** having proper custody of a covered **auto** until a legal representative is appointed but in no event for more than thirty (30) days after the date of such death.

MISREPRESENTATION AND FRAUD

- A. This Policy was issued in reliance on the information provided on **your** written, electronic or verbal insurance Application. **We** reserve the right to rescind and void this Policy from its inception if you:
 1. Made any false statements or representations to us with respect to any material fact or circumstance; or
 2. Concealed, omitted or misrepresented any material fact or circumstance or engaged in any fraudulent conduct;

in the Application for this insurance or when renewing this Policy, making changes to the Policy, requesting reinstatement of this Policy or applying for any coverage under this Policy.

A fact or circumstance will be deemed material if **we** would not have:

1. Written this Policy;
 2. Agreed to insure the risk assumed; or
 3. Assumed the risk at the premium charged. This includes, but is not limited to, failing to disclose to us all persons **residing** in **your** household, the license or driving history of you, a **relative**, or any **individual** listed as a driver on the **Declarations Page**, regular operators of a covered **auto**, the description of the autos to be insured; or the location of the principal place of garaging.
- B. If **we** void this Policy, the Policy will be void from its inception, and **we** will not be liable for any claims or damages that would otherwise be covered.
- C. **We** may cancel or rescind this Policy and/or may not provide coverage under this Policy if you, a **relative** or anyone else seeking coverage under this Policy concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct in connection with the presentation or settlement of a claim. This includes, but is not limited to, misrepresentation concerning a covered **auto** or **your** interest in a covered **auto**.
- D. **We** may void or rescind this Policy for fraud or misrepresentation even after the occurrence of an **accident** or **loss**.
- E. If **we** make a payment under this Policy for a **loss** or **accident** to you or to a **person** seeking coverage under this Policy which **we** later discover was obtained through fraud, concealment or misrepresentation of a material fact by you or the **person** seeking coverage under this Policy, **we** reserve the right, at our sole discretion, to recover such payment made or incurred.
- F. No **person** who engages in fraudulent conduct in connection with an **accident** or claim shall be entitled to receive any payment under this Policy.
- G. If this Policy is rescinded and void **we** will not cover any claims, injury, **loss** or damages of any kind. **You** must reimburse us for any amounts **we** are required by law to pay if **we** rescind or void the Policy.
- H. Any and all misrepresentation and/or fraud is prohibited and is a violation of the terms and conditions of this Policy.

INSPECTION AND AUDIT

- A. **We** shall have the right to inspect **your** property and operations at any time. This includes, but is not limited to, the right to inspect and audit the maintenance of any covered **auto**, the identity of **your** drivers and their driving records, and **your** radius of operations. In doing so, **we** do not state that the property or operations are safe or healthful or are in compliance with any law, rule or regulation.
- B. **We** shall also have the right to examine and audit **your** books and records at any time during the Policy period and any extensions of that period and within the statute of limitations after termination of the Policy, if those books and records relate to the subject matter of this insurance.

UNPAID PREMIUM AND FEES

If the Policy has cancelled, expired, or otherwise ended, then from any first party claim payment to be made by us from this Policy, **we** may deduct from that payment any premium or fees that are or were due and unpaid under the policy.

TWO OR MORE AUTO POLICIES

If this Policy and any other **auto** policy issued to **you** as the named insured by **us**, apply to the same **accident** or **loss**, the total limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. However, no one will be entitled to receive duplicate payments for the same elements of damage, provided that no

reduction or limitation shall be applied to benefits payable under Personal Injury Protection coverage, in accordance with Texas Insurance Code §1952.155.

TERMS OF POLICY CONFORM TO LAW

If any provision of this Policy fails to conform to the statutes or laws of the **state** in which this Policy is written, the provision shall be deemed to conform to such statutes or laws. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this Policy shall be governed by the law of the **state** in which this Policy is written.

PAYMENTS FOR UNDISCLOSED OPERATORS AND EXCLUDED DRIVERS

If **we** are required by any law, judgement, ruling, or regulation to provide any coverage or make any payment under **your** Policy as a result of an **accident** or **loss** in which a covered **auto** is being operated by an **undisclosed operator** or excluded driver then **we** will only be responsible to pay up to the minimum limit for **bodily injury** or **property damage** required by the compulsory or financial responsibility law in the **state** in which this Policy is issued regardless of the limits of liability shown on the **Declarations Page** for that coverage. Further, you will be responsible for any payments required by law, judgment, ruling, or regulation in excess of those minimum financial responsibility limits as well as for reimbursing us for any payment made on behalf of you or any insured that results from an **undisclosed operator** or excluded drivers' use of a covered **auto**.

JOINT AND INDIVIDUAL INTERESTS

You may change or cancel this Policy. **Your** action(s) shall be binding on all persons provided coverage under this Policy.

ELECTRONIC SIGNATURE & ELECTRONIC TRANSACTIONS

- A. **You** and **we** agree that electronic signatures may be used and will satisfy any regulatory or other requirement for written signatures. When a law requires:
1. A signature on any form or document; or
 2. A letter or document to be notarized, verified, acknowledged or made under oath; the electronic signatures will satisfy this requirement if the signature of the **individual** authorized to perform the service of notarizing, verification, or acknowledgment is attached or logically associated with the signature or electronic signatures of record.
- B. **You** and **we** agree that electronic signatures shall include, but are not limited to, any assent; acceptance; agreement; election; selection and rejection sent via e-mail; internet; text message; or fax; or done as a recorded telephonic signature or assent, when done with the intent of the **person** to be bound, as if signed in writing.
- C. **You** agree that electronic notices and forms may be used to transact this insurance (unless you have opted out in writing).

LIMITATION OF USE

You agree that the premium charged for the coverages shown on the **Declarations Page** is based on the commercial use of the autos described in the Policy. **You** also agree that the autos will be confined during the Policy period to the territory within the stated mile radius of the city or town where the autos are principally garaged as shown on the **Declarations Page**. **Your** representations to us as to the commercial use and territory of the covered autos is material to our agreement to issue this Policy and to the determination of the Policy premium. **We** reserve the right to rescind this Policy if you have made a material misrepresentation of the commercial use or territory.

CHOICE OF LAW

By accepting this Policy, you agree that any dispute shall be governed by the laws of the **state** where **your** Policy was issued (as shown by **your** address on the **Declarations Page**) without regard to conflict of law provisions.

MEXICO - COVERAGE EXCLUSION WARNING

- A. Accidents in Mexico are subject to laws of Mexico, not the laws of the United States. Under Mexico law, accidents are considered a criminal offense as well as civil matter.
- B. This Policy does not provide coverage for any claim arising from an **accident** or **loss** involving a covered **auto**, or any other **auto**, or any **mobile equipment**, while in Mexico.

Important Notice: This Policy does not satisfy the laws of Mexico that require operators of motor vehicles in the Republic of Mexico to purchase Liability Coverage from an insurer licensed in the Republic of Mexico. **You** are required to buy that insurance to operate a motor vehicle in Mexico, but **we** cannot sell or give you that insurance.

In witness whereof, **we**, as officers of the Company, have caused this Commercial Automobile Policy to be executed and attested. If required by **state** law, this Policy shall not be valid unless countersigned by our authorized representative.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested.



President



Secretary

THE FOLLOWING PERSONAL INJURY PROTECTION COVERAGE ENDORSEMENT APPLIES ONLY IF FORM
NUMBER TXCA PIP APPEARS IN YOUR DECLARATIONS PAGE.

PERSONAL INJURY PROTECTION COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.

Except as specifically modified by this endorsement, all provisions of the Commercial **Auto** Policy apply.

We agree with you that the insurance provided under **your** Commercial **Auto** Policy is modified as follows:

INSURING AGREEMENT

If you pay the premium for this coverage, and subject to the Limits of Liability, **we** will pay Personal Injury Protection benefits because of **bodily injury**:

A. Resulting from a motor vehicle **accident**; and

B. Sustained by an insured.

Our payment will only be for losses or expenses incurred within three (3) years of the **accident**.

Personal Injury Protection benefits consist of:

A. Reasonable expenses incurred for necessary medical and funeral services.

B. Eighty percent (80%) of an insured's **loss** of income from employment. This benefit applies only if, at the time of the **accident**, the insured:

1. Was an income producer; and
2. Was in an occupational status.

Benefits due to **loss** of income from employment do not apply to any **loss** after the insured dies.

Loss of income is the difference between:

1. Income which would have been earned had the insured not been injured; and
2. The amount of income actually received from employment during the disability.

If the income being earned as of the date of the **accident** is a salary or fixed remuneration, that amount shall be used in determining the amount of income that would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) immediately preceding the **accident** shall be used.

C. Reasonable expenses incurred for obtaining essential services. These services must replace those an insured would normally have performed:

1. Without pay;
2. During the period of disability; and
3. For the care and maintenance of his or her family or household.

Essential service benefits apply only if, at the time of the **accident**, the insured:

1. Was not an income producer; and
2. Was not in an occupational status.

Essential service benefits do not apply to any **loss** after the insured dies.

ADDITIONAL DEFINITION

When used in this endorsement:

A. "Insured" means:

1. **You** or, if you are a natural **person**, a **relative**:

- a. While **occupying**; or
- b. When struck by;
a motor vehicle designed for use mainly on public roads, or a **trailer**; and

2. Any other **person** while **occupying** a covered **auto** with **your** permission.

For purposes of this definition, insured **auto** includes **mobile equipment** that is:

- a. Owned by you;
- b. Leased, hired, or borrowed by you and you have purchased either "Hired **Auto** Coverage" or "Any Automobile Legal Liability Coverage" from us; or
- c. Not **owned**, leased, hired, or borrowed by you and you have purchased either "Employer's Non-Ownership Liability Coverage" or "Any Automobile Legal Liability Coverage" from us.

However, **mobile equipment** meeting any of those three criteria will be included in the definition only if at the time of **loss** it is being:

- a. Used in **your** business;
- b. Operated on a public highway; and
- c. Operated in a **state** or province where it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law.

EXCLUSIONS – PLEASE READ EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS ENDORSEMENT.

We do not provide Personal Injury Protection Coverage for any **person** for **bodily injury** sustained:

- A. In an **accident** caused intentionally by that **person**;
- B. By that **person** while in the commission of a felony;
- C. By that **person** while attempting to elude arrest by a law enforcement official;
- D. While **occupying** or when struck by any motor vehicle, other than **your** covered **auto**, which is **owned** by you; or
- E. If you are a natural **person**, by a **relative** while **occupying** or when struck by any motor vehicle, other than **your** covered **auto**, which is **owned** by a **relative**.

LIMITS OF LIABILITY

The limit of liability shown on the **declarations page** for this coverage is the maximum limit of liability for each **person** injured in any one **accident**. This is the most **we** will pay regardless of the number of:

- A. Insureds;
- B. Claims made;

- C. Vehicles or premiums shown on the **declarations page**; or
- D. Vehicles involved in the **accident**.

Any amount payable to an insured under this endorsement will be reduced by any amount paid or payable for the same expense under Part I - Liability To Others or the Uninsured/Underinsured Motorist Coverage Endorsement of this policy, if applicable.

If multiple **auto** policies issued by us are in effect for you, **we** will pay no more than the highest limit of liability for this coverage available under any one policy.

OTHER INSURANCE

If there is other applicable Personal Injury Protection insurance, **we** will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to an **auto** you do not **own** shall be excess over any other collectible Personal Injury Protection insurance.

LOSS PAYMENTS

Benefits are payable under this endorsement as follows:

- A. Not more frequently than once every two weeks; and
- B. Within 30 days after satisfactory proof of claim is received.

ASSIGNMENT OF BENEFITS

Payments for medical expenses will be paid directly to a physician or other healthcare provider if **we** receive a written assignment signed by the insured to whom such benefits are payable.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

THE FOLLOWING UNINSURED/UNDERINSURED MOTORIST COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA UMUIM APPEARS IN YOUR DECLARATIONS PAGE.

UNINSURED/UNDERINSURED MOTORIST COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Except as specifically modified in this endorsement, all provisions of the Commercial **Auto** Policy apply.

We agree with you that the insurance provided under **your** Commercial **Auto** Policy, and related endorsements, is modified as follows:

INSURING AGREEMENT

UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

In accordance with the Texas Insurance Code, we will pay, subject to the Limits of Liability, **we** will pay for damages, other than **punitive** or exemplary damages, that an insured is legally entitled to recover from the **owner** or operator of an uninsured **auto** because of **bodily injury**:

- A. Sustained by an insured;
- B. Caused by an **accident**; and
- C. Arising out of the **ownership**, maintenance, or use of an uninsured **auto**.

INSURING AGREEMENT

UNINSURED/UNDERINSURED MOTORIST PROPERTY DAMAGE COVERAGE

In accordance with the Texas Insurance Code, we will pay, subject to the Limits of Liability, **we** will pay for damages that an insured is legally entitled to recover from the **owner** or operator of an uninsured **auto** due to **property damage** to a covered **auto**:

- A. Caused by an **accident**; and
- B. Arising out of the **ownership**, maintenance, or use of an uninsured **auto**.

If **we** and an insured do not agree as to whether a vehicle is actually uninsured or underinsured, the burden of proof as to that issue shall be on us.

ADDITIONAL DEFINITIONS

When used in this endorsement, whether in the singular, plural, or possessive:

- A. "Insured" means:
 - 1. If the **named insured** shown on the **declarations page** is a natural **person**:
 - a. **You** or a **relative**;
 - b. Any **person occupying your** covered **auto** or a **temporary substitute auto**; and
 - c. Any **person** who is entitled to recover damages covered by this endorsement because of **bodily injury** sustained by a **person** described in a. or b. above; or
 - 2. If the **named insured** shown on the **declarations page** is a corporation, partnership, **organization**, or any other entity that is not a natural **person**:
 - a. Any **person occupying your** covered **auto** or a **temporary substitute auto**; and

- b. Any **person** who is entitled to recover damages covered by this endorsement because of **bodily injury** sustained by a **person** described in a. above.

For purposes of this definition, covered **auto** includes **mobile equipment** that is:

1. Owned by you;
2. Leased, hired, or borrowed by you and you have purchased either "Hired **Auto** Coverage" or "Any Automobile Legal Liability Coverage" from us; or
3. Not **owned**, leased, hired, or borrowed by you and you have purchased either "Employer's Non-Ownership Liability Coverage" or "Any Automobile Legal Liability Coverage" from us.

However, **mobile equipment** meeting any of those three criteria will be included in the definition only if at the time of **loss** it is being:

- a. Used in **your** business;
- b. Operated on a public highway; and
- c. Operated in a **state** or province where it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law.

B. "Non-owned **auto**" means any **auto** that is not **owned** by you or furnished for **your** regular use and, if the **named insured** is a natural **person**, not **owned** by or furnished for the regular use of the **named insured's** spouse or **relative**.

C. "Owned" means the **person** or **organization**:

1. Holds legal title to the vehicle;
2. Has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the vehicle that is leased to that **person** or **organization** under a written agreement for a continuous period of six (6) months or more.

D. "Owner" means the **person** or **organization** who, with respect to a vehicle:

1. Holds legal title to the vehicle;
2. Has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
3. Has legal possession of the vehicle that is leased to that **person** or **organization** under a written agreement for a continuous period of six (6) months or more.

E. "**Property damage**" means physical damage to, or destruction or **loss** of use of:

1. An insured **auto**;
2. Any property **owned** by an insured and contained in the covered **auto** at the time of the **accident**; and
3. Any property **owned** by you, or if you are a natural **person**, a **relative**, while contained in any **auto** not **owned** by, but being operated by, you or a **relative**.

F. "Uninsured **auto**" means an **auto** or **trailer** of any type:

1. To which no **bodily injury** liability bond or policy applies at the time of the **accident**;
2. To which a **bodily injury** liability bond or policy applies at the time of the **accident**, but the bonding or insuring company:
 - a. Denies coverage; or
 - b. Is or becomes insolvent;
3. To which a **bodily injury** liability bond or policy applies at the time of the **accident**, but its limit of liability for **bodily injury** is less than the minimum limit of liability for **bodily injury** specified by the financial responsibility law of the **state** in which the covered **auto** is principally garaged;

4. That is a hit-and-run vehicle whose operator or **owner** cannot be identified and which strikes:
 - a. A covered **auto** or **temporary substitute auto**; or
 - b. If the **named insured** is a natural **person**:
 - i. **You** or a **relative**; or
 - ii. A motor vehicle that you or a **relative** are **occupying**, provided that the insured, or someone on his or her behalf, reports the **accident** to the police or civil authority within 24 hours or as soon as practicable after the **accident**; or
5. That is an underinsured **auto**. An underinsured **auto** is one to which a liability bond or policy applies at the time of the **accident**, but its limit of liability either:
 - a. Is not enough to pay the full amount the insured is legally entitled to recover as damages; or
 - b. Has been reduced by payment of claims to an amount which is not enough to pay the full amount the insured is legally entitled to recover as damages.

An "uninsured **auto**" does not include any motorized **auto** or equipment:

1. Owned by, furnished to, or available for the regular use of you or, if the **named insured** is a natural **person**, a **relative**;
2. Owned or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
3. Owned by any governmental unit or agency; designed mainly for use off public roads, while not on public roads;
4. Shown on the **declarations page** of this policy; or
5. Not required to be registered as a motor vehicle.

EXCLUSIONS – PLEASE READ EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS ENDORSEMENT.

- A. Coverage under this endorsement is not provided for **bodily injury** sustained by any **person** while using or **occupying**:
 1. A covered **auto** without the express or implied permission of you or, if the **named insured** is a natural **person**, a **relative**;
 2. A non-**owned auto** without the express or implied permission of the **owner**; or
 3. An **auto** or device of any type designed to be operated on the public roads that is **owned** by, furnished to, or available for the regular use of you or, if the **named insured** is a natural **person**, a **relative**, other than a covered **auto** or **temporary substitute auto**.
- B. Coverage under this endorsement will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
 1. Workers' compensation law; or
 2. Disability benefits law.
- C. Coverage under this endorsement will not apply to any **person** for **bodily injury** or **property damage** resulting from an intentional act of that **person**.
- D. Coverage under this endorsement will not apply to **property damage**:
 1. Sustained while a covered **auto** is being used or driven by a **person** while employed or engaged in a business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing autos, unless that business is yours. However, this exclusion does not apply to you; or if you are a natural **person**, a **relative**; or an agent or **employee** of you or a **relative**; when using a covered **auto**;
 2. Resulting from, or sustained during practice or preparation for:

- a. Any pre-arranged or organized **rac**ing, stunting, speed, or demolition contest or activity; or
- b. Any driving activity conducted on a permanent or temporary racetrack or racecourse;
- 3. For which insurance:
 - a. Is afforded under a nuclear energy liability insurance contract; or
 - b. Would be afforded under a nuclear energy liability insurance contract but for its termination upon exhaustion of its limit of liability;
- 4. Due to a nuclear reaction or radiation; or
- 5. To any **auto owned** by you or, if the **named insured** is a natural **person**, a **relative**, other than a covered **auto**.

E. Coverage under this endorsement will not apply to the first \$250 of **property damage** sustained by an insured as a result of any one **accident**.

LIMITS OF LIABILITY

Regardless of the number of premiums paid, or the number of covered autos or **trailers** shown on the **declarations page**, or the number of policies issued by us, or the number of vehicles or insureds involved in an **accident**, or the number of claims or lawsuits arising out of an **accident**, **we** will pay no more than the Limit of Liability shown for Uninsured/Underinsured Motorist Coverage on the **declarations page**.

If the **declarations page** shows that "combined single limit" or "CSL" applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one **accident**. However, without changing this total "each **accident**" limit of liability, **we** will comply with any law that requires us to provide any separate limits.

If **your declarations page** shows a split limit:

- A. The amount shown for "each **person**" is the most **we** will pay for all damages due to a **bodily injury** to one **person**;
- B. Subject to the "each **person**" limit, the amount shown for "each **accident**" is the most **we** will pay for all damages due to **bodily injury** sustained by two or more persons in any one **accident**; and
- C. The amount shown for "each **accident**" for **property damage** is our maximum limit of liability for all **property damage** resulting from any one **accident**.

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

The damages recoverable under this endorsement shall be reduced by all sums:

- A. Paid or payable because of **bodily injury** by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part I - Liability To Others;
- B. Paid or payable under any applicable Medical Payments Coverage or the Personal Injury Protection Coverage Endorsement, if applicable; and
- C. Paid, payable, or that should apply, because of **bodily injury** under any of the following or similar laws:
 - 1. Workers' compensation law; or
 - 2. Disability benefits law.

Our limit of liability for **property damage** under this endorsement is the limit of liability shown in the Declarations for **Property Damage**. This is the maximum amount we will pay for all damages resulting from any one **accident**, including, but not limited to, damage to a covered **auto** and any other **property damage** an **insured** is legally entitled to recover.

The damages recoverable for **property damage** under this endorsement will be reduced by all sums paid because of **property damage** by or on behalf of any persons or organizations who may be legally responsible, including, but not limited to, all sums paid under Part I - Liability To Others.

No one will be entitled to duplicate payments for the same elements of damages.

Any judgment or settlement for damages against an operator or **owner** of an uninsured **auto** that arises out of a lawsuit brought without our written consent is not binding on us.

OTHER INSURANCE

When the **named insured** is a natural **person**, if there is other applicable uninsured or underinsured motorist coverage, **we** will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits. However, any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury** to you or a **relative** when **occupying** a covered **auto**.

When the **named insured** is a corporation, partnership, **organization** or any other entity that is not a natural **person**, if there is other applicable uninsured or underinsured motorist coverage, **we** will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits. However, any insurance **we** provide for the occupant of a covered **auto** shall be excess over any other uninsured or underinsured motorist coverage.

For any **property damage** to which this coverage and under Part II – Damage To **Your Auto** of this policy (or similar coverage from another policy) both apply, you may choose the coverage from which damages will be paid. **You** may recover under both coverages, but only if:

- A. Neither one by itself is sufficient to cover the **loss**;
- B. **You** pay the higher applicable deductible amounts (but you do not have to pay both deductibles); and
- C. **You** will not recover more than the actual damages.

We will not pay for any damages that would duplicate any payment made for damages under other insurance.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

THE FOLLOWING ADDITIONAL INSURED ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA ADDINS APPEARS IN YOUR DECLARATIONS PAGE.

ADDITIONAL INSURED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number appears on the **Declarations page** of this policy and the premium is paid. All provisions of this policy apply, except as changed by this endorsement.

Coverage under PART I – LIABILITY COVERAGE for a covered **auto** also applies to the **individual** or **organization** listed on the **Declarations page** as an additional insured. This is subject to the following:

- A. We will pay compensatory damages for which the additional insured is legally liable. This must be due to bodily injury or property damage caused by an accident that comes from the operation of a covered auto under PART I – LIABILITY COVERAGE. We will pay under this endorsement only if those damages come from the acts or omissions of an insured as defined under PART I, and only to the extent of that liability.
- B. Listing an additional insured on the **Declarations page** does not increase our limits of liability under PART I of this policy.
- C. Insurance provided by this endorsement is excess over any other applicable insurance, self-insurance, or bond.
- D. The definition of “insured” in ADDITIONAL DEFINITIONS PART I – LIABILITY COVERAGE is deleted and replaced with:
 1. “Insured” means:
 - a. **You**, for the **ownership**, maintenance, or use of a covered **auto**.
 - b. Any additional driver listed on the **Declarations page**, but only while using a covered **auto**.
 - c. Any **person** or **organization** for the use of a covered **auto**, but only for legal liability that comes from the acts or omissions of a **person** who has coverage under PART I.

TXCA ADDINS (05/26)

THE FOLLOWING ANY AUTO COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA ANYAUTO APPEARS IN YOUR DECLARATIONS PAGE.

ANY AUTO COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. READ IT CAREFULLY.

This endorsement applies only when the form number and coverage show in the **declarations page** of this policy and premium paid. All provisions of this Policy apply except as modified by this endorsement.

PART I - LIABILITY COVERAGE

INSURING AGREEMENT

The following is added to the INSURING AGREEMENT:

If you pay us the premium for Any **Auto** Coverage, then the definition of “covered **auto**” under PART I - LIABILITY COVERAGE means any **auto** similar in type and use as a listed or scheduled **auto(s)** in the **declarations page**;

ADDITIONAL DEFINITIONS – PART I - LIABILITY COVERAGE

- A. The definition of “Insured” under PART I - LIABILITY COVERAGE is deleted and replaced by the following:
“**Insured**” means:
1. **You**, while using a covered **auto**.
 2. A driver listed in the **declarations page** while using:
 - a. Any **auto** described in the **declarations page** for which a premium charge is shown;
 - b. Any **replacement auto**;
 - c. Any **additional auto**;
 - d. Any **temporary substitute auto**; or
 - e. A covered **auto** within the scope of **your** business.
 3. Anyone using a covered **auto** within the scope of **your** business and within the scope of **your** permission.
- B. The definition for covered **auto** is deleted and replaced by the following:
“**Covered auto**” means:
1. Hired **auto**;
 2. Non-**owned auto**; and
 3. Any other autos **owned** by you:
 - a. Only while used in **your** business operations; and
 - b. That do not qualify as either hired autos or as non-**owned** autos.
- However, this modification to the definition of a covered **auto** does not apply to any **auto** acquired prior to the current policy period. However, for an **auto** you acquire during the current policy period, this modification extends coverage to that **auto** during the remainder of the policy period.
- C. The following definition is added and only applies to PART I - LIABILITY COVERAGE:
“**Temporary substitute auto**” means any **auto** not **owned** by you which is:
1. Driven by you or a listed driver; and

2. Used as a **temporary substitute auto** for any **auto** described in the **declarations page**, any **replacement auto**, or any **additional auto** which is out of service no longer than thirty (30) days because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. **Loss**; or
 - e. Destruction.

The **temporary substitute auto** must be similar in type and use as the listed or scheduled **auto(s)** in the **declarations page**.

D. The following definitions are added:

1. "Hired **auto**" means an **auto**:
 - a. **You** lease, hire, rent or borrow; or
 - b. **Your employee** leases, hires or rents:
 - i. Under a contract in that **individual employee's** name;
 - ii. At **your** direction and with **your** express permission; and
 - iii. Only while being used to conduct **your** business operations.

However, this does not include any **auto** you or an **employee** leases, hires, rents or borrows from any of **your employees**, partners (if you are a partnership), members (if you are a limited liability company), or member of their households.

2. "Non-**owned auto**" means an **auto**:
 - a. That you do not **own**;
 - b. That is not a hired **auto**; and
 - c. That is being used by you in connection with **your** business.

This includes autos **owned** by **your employees**, partners (if you are a partnership), members (if **you** are a limited liability company), or members of their households, but only while such autos are used in **your** business.

LIMIT OF LIABILITY

The Limit of Liability under Part I – Liability Coverage, the following section is deleted and replaced with:

- A. There will be no adding, stacking or combining of coverage afforded to more than one **auto** or insured under this Policy. The limit of liability for **Bodily Injury** and Property Damage coverage shown on the **Declarations Page** for coverage provided by this endorsement is the most **we** will pay as a result of any one **accident** without regard to the number of:
 1. Insureds, heirs, survivors or wrongful death beneficiaries;
 2. Claimants;
 3. Claims made;
 4. Lawsuits filed;
 5. Vehicles or **trailers** insured under this Policy;
 6. Separate premiums paid or shown on the **Declarations Page**; or
 7. Vehicles involved in the **accident**.

THE FOLLOWING DRIVE OTHER CAR COVERAGE – BROADENED COVERAGE FOR NAMED INDIVIDUALS ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA DOC APPEARS IN YOUR DECLARATIONS PAGE.

DRIVE OTHER CAR COVERAGE – BROADENED COVERAGE FOR NAMED INDIVIDUALS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Except as specifically modified in this endorsement, all provisions of the Commercial **Auto** Policy apply.

We agree with you that the insurance provided under **your** Commercial **Auto** Policy is modified as follows:

A. Changes in Part I – LIABILITY COVERAGE

If the **declarations page** shows a premium for Liability Coverage, then:

1. Subsection ADDITIONAL DEFINITIONS: PART I - LIABILITY COVERAGE is deleted and replaced with:

A. When used in PART I - LIABILITY COVERAGE, insured means:

1. **You** with respect to a covered **auto**.
2. Any **person** while using, with **your** permission and within the scope of that permission, a covered **auto** you **own**, hire, or borrow except:
 - a. A **person** while he or she is working in a business of selling, leasing, repairing, parking, storing, servicing, delivering or testing autos, unless that business is yours and it was so represented in **your** application.
 - b. A **person**, other than one of **your employees**, while he or she is moving property to or from a covered **auto**.
 - c. The **owner** or anyone else from whom the covered **auto** is leased, hired, or borrowed. However, this exception does not apply if the covered **auto** is specifically described on the **declarations page**, but only for that covered **auto**.
 - d. The **employees** or agents of an **owner** or anyone else from whom the covered **auto** is leased, hired, or borrowed. However, this exception does not apply if the covered **auto** is specifically described on the **declarations page**, but only for that covered **auto**.

For purposes of this subsection A.2., in this endorsement, a covered **auto** you **own** includes any **auto** specifically described on the **declarations page**.

3. Any **individual** named in the Schedule and his or her spouse, while a resident of the same household, while using any covered **auto** you **own**, hire, or borrow, with **your** permission and within the scope of that permission.
4. Any other **person** or **organization**, but only with respect to the legal liability of that **person** or **organization** for acts or omissions of any **person** otherwise covered under this PART I - LIABILITY COVERAGE.

If **we** make a filing or submit a certificate of insurance on **your** behalf with a regulatory or governmental agency, the term “insured” as used in such filing or certificate, and in any related endorsement, refers only to the **person** or **organization** named on such filing, certificate or endorsement.

2. When used in Part I - LIABILITY COVERAGE:

Any **auto** you do not **own**, hire or borrow is a covered **auto** under this Part I while being used by any **individual** named in the Schedule or by his or her spouse, while a resident of the same household, except:

- a. Any **auto owned** by the **individual** or by any member of his or her household.
- b. Any **auto** used by that **individual** or his or her spouse, while working in a business of selling, servicing, repairing or parking autos.

A. Changes in Medical Payments Coverage and Uninsured/Underinsured Motorist Coverage Endorsement
If the **declarations page** shows a premium for these coverages, then for each such coverage:

The following is added to the definition of insured for each endorsement:

Insured also means any **individual** named in the schedule and his or her family members, while **occupying** or while a pedestrian when being struck by any **auto** you do not **own** except any **auto owned** by that **individual** or by one of his or her family members.

B. Changes in PART III - COVERAGE FOR DAMAGE TO YOUR AUTO

If the **declarations page** shows a premium for Comprehensive, Collision, or Fire and Theft with Combined Additional Coverage, then:

Any **private passenger auto** you do not **own**, hire or borrow is a covered **auto** while in the care, custody or control of any **individual** named in the Schedule or his or her spouse, while a resident of the same household, except:

1. Any **auto owned** by that **individual** or by any member of his or her household.
2. Any **auto** used by that **individual** or his or her spouse, while working in a business of selling, servicing, repairing or parking autos.

The broadest physical damage coverage on the policy will be applied to a **loss** for such non-**owned auto**. The applicable deductible will be the lowest deductible for any vehicle shown on the **declarations page**.

C. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Family member" means a **person** related to the **individual** named in the Schedule by blood, marriage or adoption, and who is a resident of that **individual's** household, including a ward or foster child.
2. "**Own**" or "**Owned**" means the **person**:
 - a. Holds legal title to the vehicle;
 - b. Has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more;
 - c. Has legal possession of the vehicle that is leased to that **person** under a written agreement for a continuous period of six (6) months or more; or
 - d. Has legal possession of the vehicle pursuant to a bill of sale or other evidence of payment in consideration for the vehicle, whether or not title has been transferred.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA DOC (05/26)

THE FOLLOWING EMPLOYER NON-OWNER LIABILITY COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA EMPNOL APPEARS IN YOUR DECLARATIONS PAGE.

EMPLOYER NON-OWNED LIABILITY COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number and coverage show in the **declarations page** of this policy and premium paid. All the provisions of this Policy apply except as modified by this endorsement.

PART I - LIABILITY COVERAGE

The INSURING AGREEMENT under PART I - LIABILITY COVERAGE is deleted and replaced with:

INSURING AGREEMENT

If you pay us the premium for Employer Non-Owned Liability Coverage, **we** agree with you that the insurance provided under PART I - LIABILITY COVERAGE section of **your** Policy for a covered **auto** applies to any non-**owned auto** used in **your** business by you or any of **your employees** subject to the following provisions:

ADDITIONAL DEFINITIONS – PART I - LIABILITY COVERAGE

The definition of insured under PART I - LIABILITY COVERAGE applies to the insurance provided by Employer Non-Owned Liability Coverage endorsement except that none of the following is an insured with respect to a non-**owned auto**:

1. The **owner** of a non-**owned auto** and any agent or **employee** of that **owner**; or
2. An executive officer of yours with respect to an **auto owned** by him or a member of his household.

The following definition is added:

"**Non-owned auto**", when used in this endorsement, means an **auto** which is not:

1. Owned by you;
2. Registered in **your** name;
3. Hired by you; or
4. Used under contract on **your** behalf.

The non-**owned auto** must be similar in type and use as a listed or scheduled **auto(s)** in the **declarations page**.

EXCLUSIONS

The following exclusion is added: The insurance provided by this endorsement does not apply to **bodily injury** and **property damage** arising out of the **ownership**, maintenance or use of a non-**owned auto** used in the conduct of any partnership or joint venture of which you are a partner or member and which is not shown as the **named insured** in the **declarations page**.

OTHER INSURANCE

The insurance provided by this endorsement is excess over any other valid and collectible insurance whether primary, excess or contingent.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA EMPNOL (05/26)

THE FOLLOWING HIRED AUTO COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA HIRED APPEARS IN YOUR DECLARATIONS PAGE.

HIRED AUTO COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only if the form number and coverage show in the **declarations page** of this policy and premium paid. All the provisions of this Policy apply except as modified by this endorsement.

PART I - LIABILITY COVERAGE

ADDITIONAL DEFINITIONS – PART I - LIABILITY COVERAGE

The definition of “Insured” in PART I is deleted and replaced with:

“Insured”, in PART I - LIABILITY COVERAGE, means:

- a. **You**, as the renter of a hired **auto**, in the same manner as if you were the **owner**.
- b. The **owner** of a hired **auto**.
- c. Any lessee of whom you are a sub-lessee.
- d. Any agent or **employee** of such **owner** or lessee, while the hired **auto** is being used in **your** business or by you for personal or pleasure purposes. However, the hired **auto's owner**, or anyone else from whom it is rented or leased, is not an insured for liability resulting from defects or faulty workmanship.

The following definitions are added to PART I - LIABILITY COVERAGE.

“Covered **auto**” means hired **auto** for this PART I – LIABILITY COVERAGE only.

“Hired **auto**” means, in this endorsement, an **auto** which is not **owned** by you, registered in **your** name, or borrowed from **your employees** and which is obtained under a short-term rental agreement not to exceed thirty (30) days. The hired **auto** must be similar in type and use as a listed or scheduled **auto(s)** in the **declarations page**.

PREMIUM AGREEMENT

Premium for Hired **Auto** Coverage is based on the cost of hire and is subject to a minimum cost of hire. **We** may audit **your** cost of hire and adjust **your** Hired **Auto** Coverage endorsement premium based on our findings. Changes in the cost of hire and premium for this endorsement do not limit our rights under the General Provisions of this section of this policy.

OTHER INSURANCE

The insurance provided by this endorsement is excess over any other valid and collectible insurance whether primary, excess or contingent.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA HIRED (05/26)



| PO BOX 723128 | ATLANTA, GA 31139-0128 | Office: (xxx) xxx-xxxx | Fax: (xxx) xxx-xxxx |

WAIVER OF SUBROGATION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number shows on the **Declarations Page** of this policy. All the provisions of this Policy apply except as modified by this endorsement.

<Policy Number>

<Named Insured>

General Provisions of Our Right to Recover Payment section does not apply to:

Subrogation Waivers for:

<WOS1Name1>,<WOS1Address1>, <WOS1City1>, <WOS1State1>, <WOS1Zip1>

TXCA SUBROGATION (05/26)

Underwritten by Catawba Insurance Company

THE FOLLOWING PERSONAL USE COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA RENTAL APPEARS IN YOUR DECLARATIONS PAGE.

RENTAL REIMBURSEMENT COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number and coverage show in the **declarations page** of this policy and premium paid for that vehicle. All the provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

Rental Reimbursement Coverage applies only to the **auto** for which the coverage and specific premium are shown in the **declarations page**.

- A. Subject to the limits shown in the **declarations page**, if you pay us the premium for Rental Reimbursement Coverage, **we** will reimburse you or, at our option, pay directly on **your** behalf the daily rental charges incurred by you when you rent an **auto** pursuant to a written rental agreement with a commercially licensed rental agency. **Your** rental of an **auto** must be due to a covered **loss** to a covered **auto** that has Rental Reimbursement Coverage under this Policy. This coverage applies only if you have purchased Collision and Comprehensive coverages. **You** must provide us written proof of the rental charges for which you wish to be reimbursed.
- B. The length of time for which this coverage will apply will be limited to the lesser of:
 - 1. The period of time reasonably required, as determined by us, to repair a covered **auto**; or
 - 2. Seventy-two (72) hours after **we** make an offer to pay the **actual cash value** of the covered **auto** in the event of a total **loss**.
- C. **We** will pay the lesser of the daily limit shown in the **Declarations Page** up to a maximum of thirty (30) days or the rental cost.
- D. Daily rental expenses shall not include the cost of:
 - 1. Insurance related to the rental of the **auto**;
 - 2. Refueling the rental **auto**;
 - 3. Mileage fees;
 - 4. Navigation devices;
 - 5. Collision damage waiver; or
 - 6. Tolls.
- E. Rental Reimbursement Coverage applies only if the covered **auto** is withdrawn from use for more than twenty-four (24) hours.
- F. If you purchase Rental Reimbursement Coverage with a limit lower than that provided for in the Transportation Expenses Coverage provision in PART III and the **loss** involves the total theft of a covered **auto**, then the limits and provisions applicable to transportation expenses under Transportation Expenses Coverage will apply.
- G. Rental Reimbursement Coverage cannot be combined or stacked with the Transportation Expenses Coverage provided under PART III.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA RENTAL (05/26)

THE FOLLOWING TOWING AND LABOR COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA
TOW APPEARS IN YOUR DECLARATIONS PAGE.

TOWING AND LABOR COVERAGE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number and coverage show in the **declarations page** of this policy. All the provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

INSURING AGREEMENT

If you pay a premium for this coverage and it shows in the **declarations page**, we will pay up to the limit shown in the **declarations page** for the following services when necessary due to a coverage emergency.

1. Labor on a covered disabled **auto** at the place of disablement; and
2. Towing of a covered disabled **auto** to the nearest qualified repair facility.

If a covered disabled **auto** is towed to any place other than the nearest qualified repair facility, you will be responsible for any additional charges incurred.

ADDITIONAL DEFINITIONS

When used in this endorsement:

- A. "Covered disabled **auto**" means a covered **auto** for which this coverage has been purchased that sustains a covered emergency. Covered disabled **auto** includes a **trailer** that is attached to a covered **auto** for which this coverage has been purchased.
- B. "Covered emergency" means a disablement that is a result of:
 - a. Mechanical or electrical breakdown;
 - b. Battery failure;
 - c. Insufficient supply of fuel, oil, water, or other fluid;
 - d. Flat tire;
 - e. Lock-out; or
 - f. Entrapment in snow, mud, water, or sand, within 100 feet of a public road or highway.

EXCLUSIONS – PLEASE READ CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE IS NOT AFFORDED UNDER THIS ENDORSEMENT.

Coverage under this endorsement will not apply to:

1. More than two (2) covered emergencies for any single covered **auto** in a six-month period;
2. The cost of purchasing parts, fluid, lubricants, fuel, or replacement keys, or the labor to make replacement keys;
3. Installation of products or material not related to the disablement;
4. Labor not related to the disablement;
5. Towing or storage related to the impoundment, abandonment, illegal parking, or other violations of the law;
6. Assistance with jacks, levelers, airbags, or awnings;
7. Towing from a service station, garage, or repair shop;
8. Labor or repair work performed at a service station, garage, or repair shop;
9. **Auto** storage charges;

10. A second service call or tow for a single disablement;
11. Disablement that occurs on roads not regularly maintained, sand beaches, open fields, or areas designated as not passable due to construction, weather or earth movement;
12. Disablement that occurs more than 50 feet from a public road;
13. Mounting or removing of snow tires or chains;
14. Tire repair;
15. Repeated service calls for a covered disabled **auto** in need of routine maintenance or repair; or
16. Disablement that results from an intentional or willful act or action by you or, if the **named insured** is a natural **person**, a **relative**, or by the operator of a covered disabled **auto**.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA TOW (05/26)

THE FOLLOWING PERSONAL USE COVERAGE ENDORSEMENT APPLIES ONLY IF FORM NUMBER TXCA
PERSONALUSE APPEARS IN YOUR DECLARATIONS PAGE.

PERSONAL USE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement applies only when the form number shows in the **Declarations Page** of this policy and premium paid. All the provisions of this Policy apply except as modified by this endorsement.

Personal use coverage is **auto** specific. **Personal use** selected on one **auto** does not extend **personal use** coverage to any other **auto** on the policy. Unless **personal use** is selected for the **auto** and shows in the **declarations page**, there is no **personal use** coverage for the **auto**.

PART I - LIABILITY COVERAGE

LIMIT OF LIABILITY

If liability coverage under PART I - LIABILITY COVERAGE is payable due to **bodily injury** or **property damage** arising out of the non-business use of a vehicle shown in the **declarations page** and has been rated without **personal use** or as business use only, then paragraphs A. through E. are deleted and replaced with:

- A. The minimum limit of liability for **bodily injury** per **person** required by the **state** in which this Policy is issued is the most **we** will pay for all damages, including **derivative** claims, arising out of and due to **bodily injury** sustained by any one **person** in any one **accident**. For the purpose of such limit of liability, all damages, including **derivative** claims, shall constitute a single claim.
- B. The minimum limit of liability for **bodily injury** per **accident** required by the **state** in which this Policy is issued is the most **we** will pay for all damages, including **derivative** claims arising out of and due to **bodily injury** resulting from any one **accident**. For the purpose of such limit of liability, all damages, including **derivative** claims, shall constitute a single claim.
- C. The minimum limit of liability for **property damage** required by the **state** in which this Policy is issued is the most **we** will pay for all damages due to **property damage** sustained in any one **accident**.
- D. If the **declarations page** indicates that combined single limits applies, the most **we** will pay for the aggregate of all damages resulting from any one **accident** is the minimum combined single limit of liability required by the **state** in which this Policy is issued. For the purpose of such limit of liability, all damages, including **derivative** claims, shall constitute a single claim.
- E. There will be no adding, stacking or combining of coverage. The minimum limits of liability for **bodily injury** and **property damage** required by the **state** in which this Policy is issued is the most **we** will pay as the result of any one **accident** without regard to the number of:
 1. Insureds, heirs or survivors;
 2. Claimants;
 3. Claims made;
 4. Lawsuits filed;
 5. Vehicles shown in the **declarations page**;
 6. Premiums shown in the **declarations page**;
 7. Vehicles involved in the **accident**; or
 8. Premiums paid.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

TXCA PERSONALUSE (05/26)

THE FOLLOWING NUCLEAR ENERGY LIABILITY EXCLUSION APPLIES ONLY IF FORM NUMBER CA
NUCLEAREXC APPEARS IN YOUR DECLARATIONS PAGE.

NUCLEAR ENERGY LIABILITY EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

All the provisions of this Policy apply except as modified by this endorsement.

A. **We do not provide:**

1. Liability Coverage for **bodily injury** or **property damage**:
 - a. With respect to which an **insured** under the Policy is also an **insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
 - b. Resulting from the hazardous properties of nuclear material and with respect to which:
 - i. Any **person** or **organization** is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - ii. The **insured** is or, had this policy not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any **person** or **organization**.
2. Liability Coverage for **bodily injury** or **property damage** resulting from the hazardous properties of nuclear material, if:
 - a. The nuclear material:
 - i. Is at any nuclear facility **owned** by, or operated by or on behalf of, an **insured**; or
 - ii. Has been discharged or dispersed therefrom;
 - b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
 - c. The **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility. **However**, if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (2c) applies only to **property damage** to such nuclear facility and any property thereat.
3. Medical Payments Coverage, for expenses incurred with respect to **bodily injury** resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any **person** or **organization**.

B. As used in this endorsement:

1. "Hazardous properties" include radioactive, toxic or explosive properties.
2. "Nuclear facility" means:
 - a. Any nuclear reactor;
 - b. Any equipment or device designed or used for:
 - i. Separating the isotopes of uranium or plutonium;
 - ii. Processing or utilizing spent fuel; or

iii. Handling, processing or packaging waste;

- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste.

"Nuclear facility" includes the site on which any of the foregoing is located, all operations conducted on such site and premises used for such operations.

- 3. "Nuclear material" means "source material", "special nuclear material," or "by-product material".
- 4. "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- 5. "**Property damage**" includes all forms of radioactive contamination of property.
- 6. "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- 7. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
- 8. "Waste" means any waste material:
 - a. Containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
 - b. Resulting from the operation by any **person** or **organization** of any nuclear facility included under the first two paragraphs of the definition of nuclear facility.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

CA NUCLEAREXC (04/25)