



UNDERWRITTEN BY: AMERICAN ACCESS CASUALTY COMPANY

ARIZONA AUTO POLICY

To report a claim, or for questions regarding your policy or coverage, please contact our home office:

**American Access Casualty Company
2211 Butterfield Road, Suite 200
Downers Grove, Illinois 60515
1-630-570-7181**

Table of Contents

ARIZONA AUTO POLICY	4
YOUR DUTIES	4
WHAT YOU MUST DO IN CASE OF AN ACCIDENT OR LOSS	4
GENERAL DEFINITIONS.....	5
PART A - LIABILITY COVERAGE.....	8
INSURING AGREEMENT	8
ADDITIONAL DEFINITIONS	9
ADDITIONAL PAYMENTS.....	9
EXCLUSIONS.....	9
LIMITS OF LIABILITY	11
OTHER INSURANCE.....	12
FINANCIAL RESPONSIBILITY	12
OUT-OF-STATE COVERAGE	12
PART B - MEDICAL PAYMENTS COVERAGE.....	13
INSURING AGREEMENT	13
ADDITIONAL DEFINITIONS	13
EXCLUSIONS.....	13
LIMIT OF LIABILITY	15
OTHER INSURANCE.....	15
PART C - UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE	15
INSURING AGREEMENT – UNINSURED MOTORIST COVERAGE	15
INSURING AGREEMENT – UNDERINSURED MOTORIST COVERAGE	15
ADDITIONAL TERMS AND DUTIES	16
ADDITIONAL DEFINITIONS	16
EXCLUSIONS.....	17
LIMITS OF LIABILITY	18
OTHER INSURANCE.....	19
ARBITRATION	19
PART D - PHYSICAL DAMAGE COVERAGE	20
INSURING AGREEMENT - COLLISION COVERAGE	20
INSURING AGREEMENT - COMPREHENSIVE COVERAGE	20
INSURING AGREEMENT - ROADSIDE ASSISTANCE COVERAGE.....	20
INSURING AGREEMENT - RENTAL REIMBURSEMENT COVERAGE	21

ADDITIONAL DEFINITIONS	21
EXCLUSIONS.....	21
LIMIT OF LIABILITY	24
NO BENEFIT TO BAILEE	25
PAYMENT OF LOSS.....	25
TRANSFER OF TITLE	25
LIENHOLDER - LOSS PAYEE AGREEMENT	25
OTHER INSURANCE.....	25
APPRAISAL	26
GENERAL PROVISIONS	26
POLICY PERIOD	26
POLICY TERRITORY.....	26
MEXICO INSURANCE.....	26
POLICY CHANGES.....	26
CONFORMITY WITH STATE LAW	27
TRANSFER	27
FRAUD OR MISREPRESENTATION	27
PAYMENT OF PREMIUM.....	28
CANCELLATION.....	28
CANCELLATION REFUND.....	29
NONRENEWAL.....	29
PROOF OF NOTICE	30
AUTOMATIC TERMINATION	30
OFFER TO RENEW	30
LEGAL ACTION AGAINST US.....	30
OUR RECOVERY RIGHTS.....	31
NAMED DRIVER EXCLUSION	31
NON-OWNER COVERAGE.....	31
EXECUTION OF POLICY.....	32

ARIZONA AUTO POLICY

This policy is a contract between **you** and **us**. This contract, the **declarations page**, **your** application, and any endorsements that apply to this policy contain all of the agreements between **you** and **us**. If **you** pay the required premium when due, **we** will provide the insurance described in this policy.

YOUR DUTIES

WHAT YOU MUST DO IN CASE OF AN ACCIDENT OR LOSS

Coverage will not apply unless **you** have paid the required premium when due and there is full compliance with the duties stated in this policy.

Notify Us As Soon As Practicable

If a person or **auto** insured by this policy is involved in an **accident** or **loss** for which this insurance may apply, the **accident** or **loss** must be reported to **us** within 24 hours or as soon as practicable. This applies even if **you** or the person insured are not at fault. **We** must receive the following information as soon as it is available:

- A. the time and place of the **accident** or **loss**;
- B. all facts and circumstances, including the driving conditions, who was involved, and all injury, damage and witness information;
- C. the names and addresses of all persons involved;
- D. the names and addresses of any injured persons and witnesses; and
- E. the license plate numbers of the vehicles involved.

You or the person insured must also notify the police or civil authority within 24 hours or as soon as practicable if:

- A. **you** cannot identify the owner or operator of the vehicle involved in the **accident**; or
- B. theft or vandalism has occurred.

You or a person claiming coverage under this policy must promptly do all of the following:

- A. Cooperate with **us** in the investigation, settlement, and defense of any claim or lawsuit.
- B. Provide any written proof of **loss** and **bodily injury we** may reasonably require.
- C. Submit to medical exams and tests at **our** expense by physicians **we** select as often as **we** reasonably require.
- D. Allow **us** to take signed and recorded statements, including sworn statements and examinations under oath, and answer all questions **we** reasonably ask, as often as **we** may reasonably require.
- E. Provide **us** with all photographs and documents the person has related to the **accident** or **loss**.
- F. Send **us** any and all legal papers and notices relating to any claim or lawsuit when received. Such papers and notices must be received by **us** no later than 20 days after **you**, or any person claiming coverage under this policy, receive them. **We** have no duty to provide coverage or defense of a claim or action under Part A – Liability Coverage of this policy unless **we** have received actual notice of a lawsuit before judgment on such suit is entered.
- G. Attend hearings and trials as **we** require.
- H. Take reasonable steps after a **loss** to protect the property from further **loss**.
- I. Allow **us** to inspect, photograph, and appraise any damaged property before any repair or disposal.
- J. Authorize **us** to move the damaged property to a storage facility of **our** choice at **our** expense.

- K. Provide **us** with signed authorization to obtain any of the following: medical and other health care records; business records; personal records; accident and claim records; earnings and wage loss information; and all other records **we** reasonably require.
- L. Authorize **us** to obtain any information on any device installed in a **covered auto** if the device records information that **we** determine to be relevant to the facts of the **accident** or **loss**, unless prohibited by law.
- M. Notify **us** of all information pertaining to any other policy of insurance and self-insurance that may apply to a driver, vehicle, person, or property involved in the **accident** or **loss**.
- N. Assume no obligation, make no payment, and incur no expense with respect to any **bodily injury**, **property damage**, or **loss** without **our** consent, except at that person's own cost without any obligation upon **us**.
- O. Convey title to, and possession of, any damaged, destroyed, or stolen **auto** or other property if **we** pay, subject to any deductible, the actual cash value, or the cost to replace it.

GENERAL DEFINITIONS

The following terms, and their plural and possessive forms, will have the following meaning throughout the policy when shown in **bold** typeface, unless otherwise noted.

- A. "**Accident**" means a sudden, unexpected, and unintended occurrence.
- B. "**Auto**" means any licensed and registered self-propelled land motor vehicle of the private passenger type with neither more than, nor less than, four wheels and made for **use** upon public roads or streets. **Auto** also means a pickup, sport utility vehicle, or van type motor vehicle rated no greater than US GVWR Class 3 (Max. GVWR 14,000) and not **used** in any business other than farming or ranching. **Auto** does not include the following: motorcycles; midget cars; golf carts; any vehicle operated on rails or crawler treads; farm-type tractors; farm implements; any vehicle **used** as a residence or premises; or any equipment designed for **use** principally off public roads and streets.
- C. "**Bodily injury**" means bodily harm, sickness, or disease sustained by a person or death resulting therefrom. It does not include mental or emotional injury, suffering, or distress that does not result from physical injury to a person.
- D. "**Business**" means a trade, profession, or occupation, whether engaged in full-time or part-time. It includes, but is not limited to, travel between work locations or offices, whether or not such travel is compensated or reimbursed.
- E. "**Car pool operator**" means a person insured under this policy who engages, regularly or occasionally, in carrying one or more other persons by motor vehicle on a public highway, with or without compensation, if the carriage of the other person or persons is both:
 - 1. not for profit; and
 - 2. incidental to another purpose of the operator.
 For purposes of this definition, the operator is conclusively presumed not to be carrying persons for profit if either:
 - 1. the operator receives compensation of not more than 20 cents per mile for total vehicle miles traveled, except that the proportionate share of the operator must be included in that amount; or
 - 2. the operator carries one or more passengers in consideration of the operator being carried in like situations by the passenger or passengers.
 The receipt of compensation of more than 20 cents per mile for total vehicle miles traveled does not preclude the operator from showing that this compensation does not result in a profit to the operator or that the operator did not intend that a profit result. Also for purposes of this definition, except in usual circumstances, carriage is "incidental to another purpose of the operator" if the operator is not making the trip solely for the purpose of carrying a passenger.
- F. "**Car pool vehicle**" means any motor vehicle when operated by a **car pool operator**.
- G. "**Covered auto**" means:
 - 1. any **auto** shown on the **declarations page**, unless **you** have asked **us** to delete that **auto** from **your** policy;

2. any additional **auto** on the date **you** become the **owner** if:
 - a. **you** acquire the **auto** during the policy period shown on the **declarations page**;
 - b. **you** notify **us** of the additional **auto** within 30 days of the date **you** become the **owner**;
 - c. **we** insure all **autos owned by you**;
 - d. no other insurance policy provides coverage for that **auto**; and
 - e. **you** pay any additional premium due.

An **auto you** acquire in addition to any **auto** shown on the **declarations page** will have the broadest coverage **we** provide for any **auto** shown on the **declarations page**. If **you** ask **us** to insure the additional **auto** more than 30 days after the date **you** become the **owner**, any coverage for that **auto** will begin when **you** request the coverage and pay any additional premium due;

3. any replacement **auto** on the date **you** become the **owner** if:
 - a. **you** acquire the **auto** during the policy period shown on the **declarations page**;
 - b. **you** notify **us** of the replacement **auto** within 30 days of the date **you** become the **owner**;
 - c. the **auto** replaces one shown on the **declarations page**;
 - d. no other insurance policy provides coverage for that **auto**; and
 - e. **you** pay any additional premium due.
4. as used under Part A – Liability Coverage of this policy only, a **temporary substitute auto**. As used in this paragraph, a "**temporary substitute auto**" means an **auto**:
 - a. not **owned** by, or furnished or available for the regular **use** of, **you**, a **relative**, or **your** non-resident spouse;
 - b. that is **used** as a temporary substitute for an **auto** described in paragraphs 1 – 3 above, while such **auto** is out of service due to breakdown, repair, or maintenance; and
 - c. that is furnished by, or through, a commercial servicing center or commercial rental company under a written agreement for the temporary **use** of such **auto**, while an **auto** described in paragraphs 1 – 3 above is out of service due to breakdown, repair, or maintenance.

Temporary substitute auto does not include an **auto** furnished or available for **use** through a **peer-to-peer car sharing program**.

5. any **trailer** while it is attached to an **auto** described in paragraphs 1-4 above.
- H. "**Declarations page**" means the document from **us** listing:
 1. the types of coverage **you** have elected;
 2. the limit for each coverage;
 3. the cost for each coverage;
 4. the specified **autos** covered by this policy;
 5. the types of coverage for each **auto**; and
 6. other information that applies to this policy.
 - I. "**Digital network or software application**" means any online-enabled application, software, website, or system that is offered or used by a **TNC** and that enables a potential passenger to arrange a ride with a **TNC driver**.
 - J. "**Director**" means the Director of the Arizona Department of Insurance.
 - K. "**Loss**" means sudden, direct, and accidental damage or theft.
 - L. "**Non-owned auto**" means any **auto** that is not **owned** by, or furnished or available for the regular **use** of, **you**, a **relative**, or **your** non-resident spouse. This does not include an **auto** furnished or available for **use** through a **peer-to-peer car sharing program**.
 - M. "**Occupying**" means in, upon, on, entering into, or exiting from.
 - N. "**Own**" or "**owned**" means the person:
 1. holds legal title to the **auto**;
 2. has legal possession of the **auto** subject to a lien or written security agreement with an original term of six months or more; or
 3. has legal possession of the **auto** that is leased or rented to that person under a written agreement for a continuous period of six months or more.
 - O. "**Owner**" means any person who, with respect to an **auto**:
 1. holds legal title to the **auto**;

2. has legal possession of the **auto** subject to a lien or written security agreement with an original term of six months or more; or
 3. has legal possession of the **auto** that is leased or rented to that person under a written agreement for a continuous period of six months or more.
- P. "**Peer-to-Peer car sharing**" means the authorized **use** of a "**shared vehicle**" by an individual other than the "**shared vehicle owner**" through a "**peer-to-peer car sharing program**". The term does not include the **use** of a private passenger motor vehicle from a rental company under the terms and conditions of a rental agreement.
- Q. "**Peer-to-Peer car sharing program**" means a business platform that connects vehicle **owners** with drivers to enable the "**peer-to-peer car sharing**" of vehicles for financial consideration. The term does not include the **use** of a private passenger motor vehicle from a rental company under the terms and conditions of a rental agreement.
- R. "**Regular operator**" means any person who operates an insured **auto** and to whom such **auto** is made available for his/her regular **use**.
- S. "**Relative**" means a person residing in the same household as **you**, who is related to **you** by blood, marriage, or adoption. It does not include any person who, or whose spouse, **owns** a motor vehicle other than an off-road motor vehicle. If the named insured shown on the **declarations page** is not a natural person, no insurance is provided for a **relative**.
- T. "**Resident operator**" means any person who resides in the insured's household and who at any time during the policy period **uses** or operates an insured **auto**.
- U. "**Shared vehicle**" means a vehicle that is available for sharing through a "**peer-to-peer car sharing program**". The term does not include the **use** of a private passenger motor vehicle from a rental company under the terms and conditions of a rental agreement.
- V. "**Shared vehicle driver**" means an individual who has been authorized to drive the "**shared vehicle**" by the "**shared vehicle owner**".
- W. "**Shared vehicle owner**" means the registered **owner**, or a person or entity designated by the registered **owner**, of a vehicle that is made available for sharing to "**shared vehicle drivers**" through a "**peer-to-peer car sharing program**".
- X. "**Temporary substitute auto**" is defined in paragraph 4 of the definition of **covered auto** above.
- Y. "**Trailer**" means a vehicle that is not self-propelled and designed to be pulled by an **auto**. It also means a farm wagon or farm implement while towed by a **covered auto**. It does not mean a vehicle:
1. being **used** in a **business** or for commercial purposes;
 2. being **used** with an **auto** not shown on the **declarations page**; or
 3. functioning as a home, office store, display, or passenger trailer.
- Z. "**Transportation network company**" or "**TNC**" means an entity that has been issued a permit to operate as a **TNC** under Arizona law, that operates in Arizona, that uses a **digital network or software application** to connect passengers to **transportation network services** provided by **transportation network company drivers**, and that may, but is not deemed to, own, operate or control a personal motor vehicle of a **transportation network company driver**. **TNC** does not include the following:
1. The State of Arizona or a county, city, town, or political subdivision of Arizona and any related entity, a nonprofit agency, or any other public body that coordinates, operates, promotes, or sponsors public transportation or carpool or vanpool services.
 2. A program that is in place to meet federal air quality standards under Section 49-404 of the Arizona Revised Statutes.
 3. Any individual, company, or activity that meets the requirements of a rental car agent or rental company as defined in Section 20-331 of the Arizona Revised Statutes if all of the following apply:
 - a. Transportation is provided to another person or is arranged by the rental company, but provided by another person.
 - b. The route is predetermined.
 - c. Any money exchanged between the provider of the transportation and the recipient does not exceed the cost of providing the transportation.
- AA. "**Transportation network company driver**" or "**TNC driver**" means an individual who receives connections to potential passengers and related services from a **TNC** in exchange for payment of a fee

to the **TNC** and who operates a motor vehicle that is owned, leased, or otherwise authorized for **use** by the individual and **used** to provide **transportation network services**.

- BB. "**Transportation network company vehicle**" or "**TNC vehicle**" means a motor vehicle that meets all of the following:
- a. has a seating capacity not exceeding eight passengers (including the driver);
 - b. is authorized by a **TNC**; and
 - c. is **used** by a **TNC driver** to provide **transportation network services**.
- CC. "**Transportation network services**" means the transportation of a passenger between points chosen by the passenger and arranged with a **TNC driver** through the use of a **TNC's digital network or software application** that:
1. begin when a **TNC driver** accepts a request for such services received through the **TNC's digital network or software application**;
 2. continue while the **TNC driver** provides such services in a **TNC vehicle**; and
 3. end when the passenger exits the **TNC vehicle** or when the trip is canceled.
- DD. "**Use**", "**used**", and "**using**" mean operating, **occupying**, or maintaining.
- EE. "**Volunteer work**" means work performed without compensation other than reimbursement of actual expenses incurred, or disbursement of meals or other incidental benefits.
- FF. "**We**", "**us**", and "**our**" mean the company providing the insurance as shown on the **declarations page**.
- GG. "**You**" and "**your**" mean:
1. the person shown as the named insured on the **declarations page**; and
 2. the named insured's spouse if the spouse is a resident of the same household as the named insured during the policy period.

PART A - LIABILITY COVERAGE

INSURING AGREEMENT

Subject to the Limits of Liability and all other terms and conditions under this Part A, if **you** pay the premium for Liability Coverage under this Part A, **we** will pay damages, other than punitive or exemplary damages, for which an **insured** becomes legally liable to others because of **bodily injury** or **property damage** that results from a motor vehicle **accident**.

When coverage under this Part A applies, **we** will settle or defend, as **we**, in **our** sole discretion, consider proper and with counsel of **our** choice, any claim for damages covered by this Part A. If a lawsuit is brought against an **insured** with respect to a claim for acts or alleged acts covered by this Part A seeking both compensatory and punitive or exemplary damages, **we** will provide a defense to such lawsuit, but without liability for any such punitive or exemplary damages. **Our** duty to settle or defend ends when **we** pay **our** Limits of Liability under this Part A for payment of a judgment or settlement. **We** have no duty to settle or defend any claim that is not covered by this policy.

We have no duty to provide coverage or defense of a claim or action under this Part A unless **we** have received actual notice of a lawsuit before judgment on such suit is entered.

No payment or payments made by **us** under this Part A shall constitute an admission of liability or waiver of defenses as to **bodily injury** or **property damage** that results from a motor vehicle **accident**. Further, no such payment shall be admissible in evidence in any action brought against an **insured** or **us** for damages, indemnity, or benefits arising out of **bodily injury** or **property damage**, unless pleaded as a defense to that action. Any payment under this Part A shall be credited upon any settlement made by, or judgment rendered in any action against, **us** or an **insured** and in favor of any person to whom, or on whose account, payment was made.

ADDITIONAL DEFINITIONS

When used in this Part A:

A. "**Insured**" and "**insureds**" mean:

1. **you** or a **relative** with respect to an **accident** arising out of the ownership, maintenance, or **use** of any **covered auto**, or arising out of the **use** of a **non-owned auto** with the express or implied permission of the **owner**; and
2. any person with respect to an **accident** arising out of that person's **use** of a **covered auto** with **your** express or implied permission, but only if:
 - a. **your covered auto** is not furnished or available for that person's regular **use**; and
 - b. such person is not insured by any other motor vehicle liability policy, self-insurance or bond;
3. any person or organization with respect only to vicarious liability for an **accident** arising out of the **use** of an **auto** by a person described in 1 or 2 above.

B. "**Property damage**" means physical damage to, or destruction of, tangible property, including loss of use of that property caused by an **accident** covered under this policy and occurring while this policy is in force.

ADDITIONAL PAYMENTS

In addition to the Limits of Liability under this Part A, **we** will pay for an **insured**:

- A. all expenses that **we** incur in the settlement of any claim or defense of any lawsuit, subject to the terms and conditions of this Part A;
- B. interest accruing after judgment is entered in any suit **we** defend, until **we** have paid or tendered that portion of the judgment that does not exceed **our** Limits of Liability for this coverage. This does not apply if **we** have not been given notice of suit or the opportunity to defend an **insured**;
- C. the premium on any appeal bond or attachment bond required in any lawsuit **we** defend. **We** have no duty to purchase a bond in an amount exceeding **our** Limits of Liability. **We** have no duty to apply for or furnish these bonds; and
- D. reasonable expenses, not including loss of earnings, incurred at **our** request.

EXCLUSIONS

There is no coverage under this Part A if one or more of the following exclusions apply.

Coverage under this Part A, including **our** duty to defend, does not apply to:

- A. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or **use** of an **auto** or **trailer** while being **used** as a livery or public conveyance or to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products.
- B. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or **use** of an **auto** or **trailer** while the driver is logged into a **TNC's digital network or software application** to be a driver or is providing **transportation network services**. This exclusion does not apply while an **insured** is:
 1. acting as a **car pool operator**; or
 2. **using an auto** in the course of the **insured's volunteer work** for a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.
- C. Any liability arising out of the ownership, maintenance, or **use** of a vehicle that **you** do not **own** in the course of any **business** or for any commercial purpose.
- D. Any liability assumed by an **insured** under any contract or agreement.

- E. **Bodily injury to you, an insured, a relative, or any other person who resides in your household.** This exclusion applies only to damages in excess of the minimum limits of liability required by Arizona's financial responsibility law.
- F. **Bodily injury to an employee of an insured arising out of, or within the course of, employment.** This does not apply to domestic employees if benefits are neither paid nor required to be provided under workers' compensation, disability, or similar laws.
- G. **Bodily injury or property damage arising out of an accident involving an auto while being used by a person while employed or engaged in the business of:**
 - 1. selling;
 - 2. leasing;
 - 3. repairing;
 - 4. parking;
 - 5. storing;
 - 6. servicing
 - 7. towing;
 - 8. delivering;
 - 9. testing;
 - 10. road testing; or
 - 11. renting; vehicles.
- H. **Bodily injury or property damage resulting from participation in any racing, speed, or demolition contest, stunting activity, or from practice or preparation for any such contest or activity.** This exclusion applies regardless of whether such contest or activity is prearranged, organized, or informal. This exclusion applies only to damages in excess of the minimum limits of liability required by Arizona's financial responsibility law.
- I. **Bodily injury or property damage resulting from the operation of any auto on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or use on a track or course used for such purposes.**
- J. **Bodily injury or property damage for which insurance is afforded under a nuclear energy liability insurance contract or would be afforded under any such policy but for its termination upon exhaustion of its limit of liability.**
- K. **Bodily injury or property damage resulting from the operation, maintenance, or use of an auto, other than a covered auto, that is owned by, or furnished or available for the regular use of, you, a relative, or a person who resides with you.**
- L. **Bodily injury or property damage that is intended or is caused intentionally by a willful act of, or at the direction of, an insured.**
- M. Punitive damages or an award of attorney fees based upon punitive damages.
- N. **Property damage to any property:**
 - 1. owned by;
 - 2. rented to;
 - 3. used by;
 - 4. transported by; or
 - 5. in the care, custody, or control of; an insured, an employee of an insured, or a person residing in your household.
- O. **Bodily injury or property damage arising out of the operation, maintenance, or use of a covered auto while leased or rented to others.**
- P. **Bodily injury or property damage arising out of the use of an auto to push, pull, or tow another auto, except for a trailer rented or owned by an insured.**
- Q. **Bodily injury or property damage arising out of the operation or use of a rented auto while being used by a person not authorized by, or excluded under, the terms of the rental agreement.**
- R. **Bodily injury or property damage arising out of the ownership or use of an auto while it is parked and being used:**
 - 1. as a residence or premises; or

2. as premises for office, store, or display purposes.
- S. **Bodily injury** or **property damage** that results from, or occurs in the course of, a criminal act or omission of an **insured**, or while attempting to elude law enforcement. This includes, but is not limited to, **bodily injury** or **property damage** that results from, or that occurs in the course of, leaving the scene of a crime. For purposes of this exclusion, "crime" does not include a traffic violation. This exclusion applies only to damages in excess of the minimum limits of liability required by Arizona financial responsibility law.
 - T. **Bodily injury** or **property damage** caused by, or as a consequence of, war (declared or undeclared), civil war, insurrection, civil commotion, rebellion, usurpation of power, or revolution. This includes any warlike action by any military force, government, sovereign or other authority using military personnel or agents and any action taken to hinder or defend against an actual or expected attack.
 - U. **Bodily injury** or **property damage** arising out of the **use** of a rented or leased **auto** by the **insured** where other valid or collectible coverage in the form of an insurance policy, bond, or self-insurance has been furnished to the **insured** in connection with such rental or lease.
 - V. **Bodily injury** resulting from the discharge of any weapon or firearm used in connection with any vehicle.
 - W. **Bodily injury** or **property damage** incurred while any vehicle is **used** for towing a trailer not designed to be towed by that vehicle.
 - X. Emergency response fees, clean up fees or other fees imposed by local municipalities, law enforcement agencies, or other governmental or volunteer agencies as a result of a motor vehicle **accident**.
 - Y. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or **use** of a **covered auto** when it is made available to others under a **peer-to-peer car sharing program**.

LIMITS OF LIABILITY

- A. The Limits of Liability for this Part A are shown on the **declarations page**.
 - 1. The amount shown for "per person" is the most **we** will pay for all damages due to a **bodily injury** sustained by one person in any one **accident**.
 - 2. Subject to the "per 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**.
 - 3. The amount shown for "**property damage**" is the most **we** will pay for all damages due to **property damage** sustained in any one **accident**.
- B. The "per person" limit of liability applies to:
 - 1. the total of all claims made for **bodily injury** to a person and all claims of others derived from the **bodily injury** including, but not limited to:
 - a. loss of consortium;
 - b. loss of services;
 - c. loss of society;
 - d. loss of companionship; and
 - e. wrongful death; and
 - 2. all claims and lawsuits for emotional distress and mental anguish due to witnessing the occurrence of the **accident** or **bodily injury**.
- C. **We** will not pay more than the Limits of Liability for this Part A regardless of the number of:
 - 1. claims made;
 - 2. **covered autos**;
 - 3. **insureds**;
 - 4. lawsuits filed;
 - 5. vehicles involved in an **accident**;
 - 6. heirs or survivors of persons with **bodily injury**; or
 - 7. premiums paid.
- D. The stacking or combining of coverage or limits under this policy is not allowed even if separate premiums are shown on the **declarations page** for each **covered auto**.

- E. Any amount paid or payable to a person for **bodily injury** under this Part A shall reduce, or be reduced by, any amount paid or payable to such person for **bodily injury** under Part B – Medical Payments Coverage or Part C - Uninsured Motorist Coverage and Underinsured Motorist Coverage of this policy.
- F. Any amount paid or payable for **property damage** under this Part A shall reduce, or be reduced by, any amount paid or payable under Part D – Physical Damage Coverage of this policy for such **property damage**.
- G. No one will be entitled to duplicate payments for any elements of damages under this policy or any other source.
- H. A **covered auto** and attached **trailer** are considered one vehicle. Therefore, the limits of liability are not increased for an **accident** involving a **covered auto** with an attached **trailer**.

OTHER INSURANCE

If any other liability insurance policies, bonds, or self-insurance applies to any **accident** covered under this Part A, the maximum limit of liability under all policies and insurance (including any other policy issued by **us** or an affiliate) shall not exceed the highest applicable limit of liability that applies to any one policy. Any insurance **we** provide under this Part A for an **insured** while **occupying** or **using** any vehicle, other than a **covered auto**, will be excess over all other insurance, bonds, or other forms of coverage covering that vehicle.

Subject to the other terms of this Other Insurance clause, if **we** provide coverage under this Part A on a primary basis, **we** will not pay more than **our** share of the damages that must be paid under policies or terms of coverage that apply on a primary basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.

Similarly, if coverage is provided under this Part A on an excess basis, **we** will not pay more than **our** share of the damages that must be paid under policies or terms of coverage that apply on an excess basis. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

FINANCIAL RESPONSIBILITY

When this policy is certified as proof of financial responsibility, this policy will comply with the law to the extent required. **You** must reimburse **us** if **we** make a payment that **we** would not have made if this policy was not certified as proof of financial responsibility.

OUT-OF-STATE COVERAGE

If an **accident** to which coverage under this Part A applies occurs in any state, territory, or possession of the United States of America or any province or territory of Canada, other than the one in which a **covered auto** is principally garaged, and the state, province, territory, or possession has:

- A. a financial responsibility or similar law requiring limits of liability for **bodily injury** or **property damage** higher than the limits shown on the **declarations page**, and it is required by law that this policy conform to those higher limits, this policy will provide the higher liability limits; or
- B. a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident **uses an auto** in that state, province, territory or possession, and it is required by law that this policy conform to those requirements, this policy will provide the required liability limits and types of coverage.

If **we** make any payment under this policy beyond the terms, conditions, changes, exclusions, endorsements, and limits included in this policy and stated on the **declarations page** resulting from an **accident** occurring outside the State of Arizona, then **you** agree to reimburse **us** for any such payment.

PART B - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to **our** Limit of Liability under this Part B, if **you** pay the premium for Medical Payments Coverage, **we** will pay the **usual and customary charge** for reasonable and necessary **medical expenses** incurred within one year from the date of an **accident**, and for reasonable expenses incurred for funeral services:

- A. resulting from **bodily injury**;
- B. sustained by an **insured**; and
- C. caused by an **accident** that arises out of the ownership, maintenance, or **use** of an **auto**.

We have the right to review the **medical expenses** to determine if they are reasonable and necessary for the diagnosis and treatment of the **bodily injury**. **We** may refuse to pay for any portion of a **medical expense** that is unreasonable because the fee for the service is greater than the **usual and customary charge** for that service. **We** may also refuse to pay for any **medical expense** because the service rendered is unnecessary for the treatment of the **bodily injury** sustained. **We** may use independent sources of information selected by **us** to determine if any **medical expense** is reasonable and necessary. These sources may include, but are not limited to:

- A. exams by physicians **we** select;
- B. review of medical records and test results by persons and services selected by **us**;
- C. computerized programs for the analysis of medical treatment and expenses; and
- D. published sources of medical expense information.

ADDITIONAL DEFINITIONS

When used in Part B:

- A. "**Insured**" and "**insureds**" mean:
 - 1. **you** or a **relative** while **occupying a covered auto**, or while **occupying a non-owned auto** with the express or implied permission of the **owner**; and
 - 2. any other person while **occupying a covered auto** with **your** permission.
- B. "**Medical expenses**" mean medical treatment services and products provided by a licensed health care provider, including necessary ambulance, hospital, surgical, medical, dental, x-ray, professional nursing, prosthetic devices, eye glasses, and pharmaceutical services.
- C. "**Usual and customary charge**" means an amount that **we** determine, through the use of independent sources of **our** choice, represents a customary charge for services in the geographical area in which the service is rendered.

EXCLUSIONS

There is no coverage under this Part B if one or more of the following exclusions apply.

Coverage under Part B does not apply to **bodily injury**:

- A. Sustained while operating or **occupying an auto** while being **used** to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products. This exclusion also applies to the **use** of an **auto** while the driver is logged into a **TNC's digital network or software application** to be a driver or is providing **transportation network services**. This exclusion does not apply while an **insured** is:
 - 1. acting as a **car pool operator**; or
 - 2. **using an auto** in the course of the **insured's volunteer work** for a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.

- B. Arising out of the ownership or **use** of a vehicle in the course of any **business**.
- C. Occurring within the course of employment if workers' compensation benefits are available for the **bodily injury**.
- D. Arising out of an **accident** involving an **auto** while being **used** by a person while employed or engaged in the **business** of:
 - 1. selling;
 - 2. leasing;
 - 3. repairing;
 - 4. parking;
 - 5. storing;
 - 6. servicing;
 - 7. towing;
 - 8. delivering;
 - 9. testing; or
 - 10. renting; vehicles.
- E. Resulting from an **insured's** participation in any racing, speed, or demolition contest, stunting activity, or from practice or preparation for any such contest or activity. This exclusion applies regardless of whether such contest or activity is prearranged, organized, or informal.
- F. Resulting from an **insured's** operation of any **auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation or any contest or **use** on a track or course used for such purposes.
- G. For which the United States Government is liable under the Federal Tort Claims Act.
- H. Sustained by any person while **occupying a covered auto** without the express or implied permission of **you** or a **relative**.
- I. Sustained by **you** or a **relative** while **occupying a non-owned auto** without the express or implied permission of the **owner** of such **auto**.
- J. Arising out of the **use** of a **covered auto** while leased to, or rented by, others.
- K. When struck by or **using** an **auto**, other than a **covered auto, owned** by, or furnished or available for regular **use** of **you**, a **relative**, or a person who resides with **you**.
- L. Resulting from any intentional discharge, dispersal, or release of radioactive, pathogenic, or hazardous material for any purpose other than its safe and useful purpose.
- M. Arising out of the ownership, maintenance, or **use** of an **auto** while it is parked and being **used**:
 - 1. as a residence or premises; or
 - 2. as a premises for office, store, or display purposes.
- N. That is intentionally inflicted on an **insured** or that is self-inflicted. This includes any **bodily injury** sustained by an **insured occupying a covered auto** who is complicit in the intentional act or acts of the driver of the **covered auto**.
- O. Caused by or as a consequence of:
 - 1. nuclear reaction, exposure, radiation, or radioactive contamination, or for which insurance is afforded under a nuclear energy liability insurance contract;
 - 2. discharge of a nuclear weapon;
 - 3. war;
 - 4. civil war;
 - 5. insurrection or civil commotion; or
 - 6. rebellion, riot, or revolution.
- P. That arises out of **occupying** or **using** a motor vehicle with:
 - 1. less than four wheels; or
 - 2. four or more wheels if the motor vehicle is not designed for operation principally upon public roads.
- Q. That is caused by, or reasonably expected to result from, a criminal act or omission of the **insured** or while attempting to elude law enforcement. This includes, but is not limited to, **bodily injury** that results from, or that occurs in the course of, leaving the scene of a crime. For purposes of this exclusion, "crime" does not include a traffic violation.

- R. Arising out of the **use** of any vehicle by a person who has not been disclosed to **us**: and,
 - 1. does not have a driver's license; or
 - 2. has a driver's license that has been revoked or is under suspension; or
 - 3. has a restricted driver's license and is **using** the vehicle outside of the scope of that restriction.
- S. Sustained while a **covered auto** is made available to others under a **peer-to-peer car sharing program**.

LIMIT OF LIABILITY

- A. The Limit of Liability shown on the **declarations page** for this Part B is the most **we** will pay for each **insured** sustaining **bodily injury** in any one **accident**, regardless of the number of:
 - 1. claims made;
 - 2. **covered autos**;
 - 3. **insureds**;
 - 4. lawsuits filed;
 - 5. motor vehicles involved in an **accident**; or
 - 6. premiums paid.
- B. There will be no stacking or combining of coverage afforded to more than one **auto** under this policy.
- C. Any amount paid or payable to an **insured** under this Part B shall reduce, or shall be reduced by, any amount paid or payable for the same expense under Part A – Liability Coverage or Part C - Uninsured Motorist Coverage and Underinsured Motorist Coverage of this policy.
- D. No one will be entitled to duplicate payments for any elements of **bodily injury**, damages, or expenses under this policy or from any other source.

OTHER INSURANCE

If there is other applicable **auto** medical payments insurance, **we** will pay only **our** share of the **medical expenses**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any insurance **we** provide under this Part B for an **insured** while **occupying** or **using** any vehicle, other than a **covered auto**, will be excess over all other insurance, bonds, or other forms of coverage covering that vehicle. The insurance provided by this Part B is excess over any other insurance providing benefits for medical expenses including, but not limited to, the following types of insurance: individual, blanket, or group accident; disability; medical; surgical; or hospitalization.

PART C – UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENTS

- A. **Insuring Agreement - Uninsured Motorist Coverage**
 Subject to the Limits of Liability under this Part C, if **you** pay the premium for Uninsured Motorist Coverage, **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 motor vehicle** because of **bodily injury**:
 - 1. sustained by an **insured**;
 - 2. caused by an **accident**; and
 - 3. arising out of the ownership, maintenance, or **use** of the **uninsured motor vehicle**.
- B. **Insuring Agreement - Underinsured Motorist Coverage**
 Subject to the Limits of Liability under this Part C, if **you** pay the premium for Underinsured Motorist Coverage, **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 **underinsured motor vehicle** because of **bodily injury**:
 - 1. sustained by an **insured**;
 - 2. caused by an **accident**; and

3. arising out of the ownership, maintenance, or **use** of the **underinsured motor vehicle**.

ADDITIONAL TERMS AND DUTIES

- A. If coverage applies under this Part C, **we** will pay only after the limits of liability under all other applicable liability bonds and policies have been exhausted by the payment of judgments or settlements.
- B. If a settlement offer has been made to an **insured** by or on behalf of the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, **we** must be given:
 1. not less than 30-days written notice of the offer including, in the case of an **accident** involving an **underinsured motor vehicle**, proof of the liability coverage limits of the **owner** or operator of such **underinsured motor vehicle**; and
 2. the opportunity to advance payment to the **insured** in an amount equal to the offer within the 30-day period after **we** receive notice.
- C. **We** may require an **insured** to file a legal action against the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** before **we** negotiate a claim under this Part C. If a legal action is filed at **our** request, **we** will advance all court costs, jury fees, and sheriff's fees arising from the action.
- D. If a lawsuit is filed without prior notice to **us**, **we** are not bound by any judgment that arises out of that lawsuit as to:
 1. the liability of an **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**;
or
 2. the amount of damages arising from an **accident**.
- E. If a settlement is entered into with the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, but without **our** written consent, **we** are not bound by that settlement.
- F. Any lawsuit or arbitration against **us** under this Part C must be initiated within three years from the date of the **accident**. Notice of an **insured's** intent to pursue any claim against **us** under this Part C must be given in writing and within the earliest of 3 years from the date of the **accident** or 3 years from the date the **insured** knew or should have known that the person the **insured** is legally entitled to recover from does not have sufficient liability insurance.

ADDITIONAL DEFINITIONS

When used in Part C:

- A. "**Hit-and-run motor vehicle**" means a motor vehicle that causes **bodily injury** to an **insured**, provided:
 1. the identity of the **owner** or operator of such **hit-and-run motor vehicle** cannot be ascertained;
 2. the **insured**, or someone on his or her behalf, reported the **accident** to the police or other proper civil authority within 24 hours or as soon as practicable after the **accident**; and
 3. if there was no physical contact between the motor vehicle and the **insured** or a vehicle occupied by the **insured**, the **insured** provided corroboration that the motor vehicle caused the **accident**. "Corroboration" means any additional and confirming testimony, fact, or evidence that strengthens and adds weight or credibility to the **insured's** representation of the **accident**.
- B. "**Insured**" and "**insureds**" mean:
 1. **you** or a **relative**;
 2. any other person operating a **covered auto** with **your** permission, if being operated within the scope of that permission; and
 3. any person who is legally entitled to recover damages covered by Part C because of **bodily injury** sustained by a person described in 1 or 2 above. This will not increase **our** Limits of Liability to an amount more than the limit that applies to the person who has sustained the **bodily injury**.
- C. "**Underinsured motor vehicle**" means a land motor vehicle for which one or more **bodily injury** liability policies or bonds apply at the time of the **accident**, but the sum of all limits available under all applicable policies or bonds for **bodily injury** liability is less than the total damages that an **insured** is legally entitled to recover from the **owner** or operator of the motor vehicle. It does not include any vehicle:

1. insured under Part A – Liability Coverage of this policy;
 2. operated on rails or crawler treads;
 3. not required to be registered as a motor vehicle;
 4. while located for **use**, or while being **used**, as a residence or premises;
 5. designed mainly for **use** off public roads, while not on public roads;
 6. shown on the **declarations page** of this policy; or
 7. that is an **uninsured motor vehicle**.
- D. "**Uninsured motor vehicle**" means a land motor vehicle of any type:
1. to which no **bodily injury** liability bond, policy, or form of self-insurance applies at the time of the **accident**;
 2. which is not otherwise in compliance with the financial responsibility requirements of Arizona;
 3. that is a **hit-and-run motor vehicle**; or
 4. to which a **bodily injury** liability policy or bond applies at the time of the **accident**, but the bonding or insuring company:
 - a. legally denies coverage; or
 - b. is unable to make payment with respect to the legal liability of its insured within the limits specified in the policy or bond because of insolvency.

An "**uninsured motor vehicle**" does not include any vehicle:

1. insured under Part A – Liability Coverage of this policy;
2. shown on the **declarations page**;
3. **owned** or operated by a self-insured under any applicable vehicle law, except a self-insured that is or becomes insolvent;
4. operated on rails or crawler treads;
5. designed mainly for **use** off public roads, while not on public roads;
6. while located for **use**, or while being **used**, as a residence or premises;
7. not required to be registered as a motor vehicle;
8. that is an **underinsured motor vehicle**.

EXCLUSIONS

There is no coverage under this Part C if one or more of the following exclusions apply.

A. Coverage under this Part C is not provided for:

1. **Bodily injury** that occurs while an **insured** is **using** a motor vehicle to carry persons or property for compensation or a fee. This exclusion also applies to the **use** of an **auto** while the driver is logged into a **TNC's digital network or software application** to be a driver or is providing **transportation network services**. This exclusion does not apply while an **insured** is:
 - a. acting as a **car pool operator**; or
 - b. **using** an **auto** in the course of the **insured's volunteer work** for a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.
2. **Bodily injury** that occurs while the **insured** is **occupying** or **using** any:
 - a. **covered auto** without the permission of **you** or a **relative** or outside of the scope of that permission; or
 - b. other vehicle without the permission of its **owner** or outside of the scope of that permission.
3. **Bodily injury** resulting from an **insured's** operation of any **auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or **use** on a track or course used for such purposes.
4. **Bodily injury** resulting from the operation of any **covered auto** or other motor vehicle **owned** by **you** for which no premium has been paid.
5. **Bodily injury** that occurs while a **covered auto** is made available to others under a **peer-to-peer car sharing program**.

6. **Bodily injury** that occurs while the **insured** is **occupying** or **using** any vehicle furnished or made available through a **peer-peer car sharing program**.
- B. No coverage applies under this Part C for any **insured** who, directly or through his or her representative, settles any claim without **our** written consent.
- C. Coverage under this Part C shall not benefit, directly or indirectly, any insurer or self-insurer under any workers' compensation law, disability benefits law, or similar law.

LIMITS OF LIABILITY

- A. The Limits of Liability for this Part C are shown on the **declarations page**.
 1. The amount shown for "per person" is the most **we** will pay for all damages due to **bodily injury** sustained by one person in any one **accident**.
 2. Subject to the "per 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**.
- B. The "per person" limit of liability applies to:
 1. the total of all claims made for **bodily injury** to a person and all claims of others derived from the **bodily injury**, including but not limited to:
 - a. loss of consortium;
 - b. loss of services;
 - c. loss of society;
 - d. loss of companionship; and
 - e. wrongful death; and
 2. all claims and lawsuits for emotional distress and mental anguish due to witnessing the occurrence of the **accident** or **bodily injury**.
- C. **We** will not pay more than the Limits of Liability for this Part C regardless of the number of:
 1. claims made;
 2. **covered autos**;
 3. **insureds**;
 4. lawsuits filed;
 5. vehicles involved in an **accident**;
 6. heirs or survivors of persons with **bodily injury**; or
 7. premiums paid.
- D. The maximum amount payable under this Part C for damages for **bodily injury** that an **insured** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle** shall not exceed the lesser of:
 1. the difference between the sum of all limits of liability available under all applicable policies or bonds for **bodily injury** liability and the total damages for **bodily injury** that an **insured** is legally entitled to recover from the **owner** or operator of the **underinsured motor vehicle**; and
 2. the Limits of Liability for Underinsured Motorist Coverage shown on the **declarations page**.
- E. The stacking or combining of coverage or limits under this Part C is not allowed even if separate premiums are shown for each **covered auto**.
- F. If there is more than one **covered auto** under this policy, the limits of liability available to a permissive user shall be the limits associated with the **covered auto used** by the permissive user when the **accident** occurred.
- G. The amount of damages paid or payable to a person for **bodily injury** under this Part C shall reduce, or shall be reduced by, any amount paid or payable to such person for **bodily injury** under Part A – Liability Coverage or Part B – Medical Payments Coverage of this policy.
- H. No one will be entitled to duplicate payments for any elements of damages under this policy or any other source.

OTHER INSURANCE

If other uninsured or underinsured motorist coverage, similar to the coverage provided by this Part C, applies to an **accident**, the following provisions apply:

- A. Subject to B. below, the maximum limit of liability under all policies, bonds, or other forms of coverage shall be no more than the highest applicable limit of liability under one policy, bond, or form of coverage.
- B. If multiple policies or coverages purchased by **you** from **us** or any of **our** affiliate companies on different vehicles apply to an **accident** or claim, only one policy or coverage, selected by **you**, shall apply to any one **accident**. **You** have the right to select one such policy or coverage within 30 days after **we** receive notice of the **accident**.
- C. Any insurance we provide under this Part C for an **insured** while **occupying** or **using** any vehicle, other than a **covered auto**, will be excess over all other insurance, bonds, or other forms of coverage covering that vehicle.
- D. Subject to the other terms of this Other Insurance section, if **we** provide coverage under this Part C, **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 with the same priority, either primary or excess.
- E. **We** will not pay for any damages that would duplicate any payment made for damages under other insurance.

ARBITRATION

If **we** and an **insured** cannot agree on:

- A. the legal liability of the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle** as the result of an **accident** to which this Part C applies; or
- B. the amount of damages sustained by the **insured** as the result of such **accident**;

then the disagreement shall be determined by arbitration if both **we** and the **insured** agree to arbitration prior to the expiration of the statute of limitations applicable to such **accident**.

If **we** and the **insured** agree to arbitration, each party shall select an arbitrator. The two arbitrators shall select a third. If the two arbitrators cannot agree on a third arbitrator within 30 days then, on joint application by **us** and the **insured**, the third arbitrator shall be appointed by a court having jurisdiction.

Each party shall pay the fees and costs of its arbitrator and any other expenses such party incurs. The fees and costs of the shared arbitrator shall be shared equally by **us** and the **insured**.

Unless the parties agree otherwise, arbitration shall take place in the county in which the **insured** resides. Local rules of evidence and procedure shall apply. The **insured** agrees to:

- A. promptly respond to requests for production;
- B. submit to examinations under oath when and as often as **we** reasonably require;
- C. promptly respond to interrogatories; and
- D. promptly respond to, and otherwise comply with, any other discovery **we** may require during the course of any arbitration.

A decision agreed to by two of the arbitrators shall be binding. The arbitrators may not award an amount in excess of the applicable Limit of Liability under this Part C.

The arbitrators have no authority to award punitive or exemplary damages.

PART D – PHYSICAL DAMAGE COVERAGE

INSURING AGREEMENT - COLLISION COVERAGE

If **you** pay the premium for Collision Coverage then, subject to **our** Limit of Liability and the applicable deductible, **we** will pay for **loss** to a **covered auto** for which Collision Coverage has been purchased when it overturns or has physical impact with another vehicle or object (not including impact with an animal, bird, or any falling object).

INSURING AGREEMENT - COMPREHENSIVE COVERAGE

If **you** pay the premium for Comprehensive Coverage then, subject to **our** Limit of Liability and the applicable deductible, **we** will pay for a **comprehensive loss** to a **covered auto** for which Comprehensive Coverage has been purchased.

In the event of the theft of an entire **covered auto** for which Comprehensive Coverage applies under this Part D, **we** will pay, in addition to the Limit of Liability, up to \$10 per day, not to exceed \$200 in total, for reasonable and necessary transportation expenses incurred beginning 72 hours after the theft has been reported to **us** and to the applicable authorities and ending on the earlier of:

- A. the date and time the location of the stolen **covered auto** becomes known to **you** or **us**; or
- B. the date **we** make a payment for the theft.

If **you** pay the premium for Comprehensive Coverage, and have elected full coverage for **safety equipment**, then, subject to the terms and conditions of this Part D, **we** will cover the repair or replacement of **safety equipment** used in a **covered auto** for which Comprehensive Coverage has been purchased if that **safety equipment** has been damaged as a result of a **comprehensive loss**.

INSURING AGREEMENT – ROADSIDE ASSISTANCE COVERAGE

If **you** pay the premium for Roadside Assistance Coverage for a **covered auto** as shown on the **declarations page** then, subject to the per occurrence limit shown on the **declarations page**, **we** will pay for up to two occurrences per **covered auto** per policy period for the following emergency roadside assistance services necessitated by the disablement of the **covered auto**:

- A. reasonable towing and labor costs for towing the **covered auto** to the nearest point at which the disablement can be remedied;
- B. reasonable costs for a tire change;
- C. reasonable costs for a battery jump start;
- D. reasonable costs for key lockout services; and
- E. reasonable costs for fuel, oil, and water delivery service limited to the amount of fuel, oil, and water necessary for the **covered auto** to be driven to the nearest point where fuel and oil may be purchased by the driver or **owner**.

If the **covered auto** must be towed, **you** must arrange necessary towing services through the roadside assistance service authorized by **us**. **We** shall not pay for unreasonable or excessive towing charges assessed by an unauthorized towing or roadside assistance service.

INSURING AGREEMENT – RENTAL REIMBURSEMENT COVERAGE

Subject to **our** Limits of Liability for this coverage, if **you** pay the premium for Rental Reimbursement Coverage, **we** will reimburse rental charges incurred by **you** when **you** rent an **auto** from a rental agency or **auto** repair shop due to a **loss**:

- A. to a **covered auto** for which Rental Reimbursement Coverage has been purchased as shown on the **declarations page**; and
- B. for which Comprehensive Coverage or Collision Coverage applies.

Our limits of liability for this coverage are the amount and the number of days shown on the **declarations page**.

If Rental Reimbursement Coverage applies, no other coverage under this policy for rental expenses shall apply.

Rental charges will be reimbursed beginning 48 hours after the **loss**, if timely reported by **you**.

Reimbursement for rental charges will end when **our** limit of liability for this coverage has been reached or, if earlier, when the **covered auto** has been:

- A. returned to **you**;
- B. repaired;
- C. replaced; or
- D. deemed by **us** to be a total **loss**, 72 hours after **we** make an offer to pay the applicable Limit of Liability under this Part D.

You must provide **us** written proof of **your** rental charges. Duplicate recovery for any expense or charge is not permitted under this policy.

ADDITIONAL DEFINITIONS

When used in this Part D:

- A. "**Comprehensive loss**" includes **loss** caused by:

- 1. contact with an animal or a bird;
- 2. explosion or earthquake;
- 3. fire;
- 4. malicious mischief or vandalism;
- 5. missiles or falling objects;
- 6. riot or civil commotion;
- 7. theft or larceny; or
- 8. windstorm, hail, water, or flood.

It does not include a **loss** that is payable under Collision Coverage.

- B. "**Safety equipment**" means:

- 1. the glass used in the windshield, doors, and windows of a **covered auto**; and
- 2. the glass, plastic, or other material used in the lights of a **covered auto**.

EXCLUSIONS

There is no coverage under this Part D if one or more of the following exclusions apply.

No coverage under this Part D shall apply to **loss**:

- A. To a **covered auto** while being **used** to carry persons or property for compensation or a fee. This exclusion applies to, but is not limited to, the wholesale or retail delivery of goods, magazines, newspapers, food, or any other products. This exclusion also applies to the **use** of an **auto** while the driver is logged into a **TNC's digital network or software application** to be a driver or is providing **transportation network services**. This exclusion does not apply while **you** or a **relative** are:
 - 1. acting as a **car pool operator**; or
 - 2. **using** an **auto** in the course of **volunteer work** for a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.
- B. To a **covered auto** while being **used** to plow or remove snow for compensation or a fee.
- C. Arising out of the ownership, maintenance, or **use** of a vehicle in the course of any **business**.
- D. To a **covered auto** while it is leased or rented to others.
- E. To a **covered auto** while being **used** or driven by a person while employed or engaged in the **business** of:
 - 1. selling;
 - 2. leasing;
 - 3. repairing;
 - 4. parking;
 - 5. storing;
 - 6. servicing;
 - 7. delivering;
 - 8. towing;
 - 9. road testing; or
 - 10. renting;vehicles.
- F. To a **covered auto** resulting from participation in any racing, speed, or demolition contest, stunting activity, or from practice or preparation for any such contest or activity. This exclusion applies regardless of whether such contest or activity is prearranged, organized, or informal.
- G. To a **covered auto** that results from the operation of the **covered auto** on a track or course designed or used for racing or high performance driving, or in practice or preparation for any contest or **use** on a track or course used for such purposes.
- H. Due to nuclear reaction, exposure, radiation, or contamination.
- I. For which insurance is afforded under a nuclear energy liability insurance contract.
- J. To a **covered auto** due to destruction or confiscation by governmental or civil authorities, or due to repossession by a loss payee or lienholder.
- K. To a **covered auto** due to abandonment.
- L. That is intended or is caused intentionally by a willful act of **you** or a **relative**, or at the direction of **you** or a **relative**.
- M. To a **covered auto** that results from, or occurs in the course of, a criminal act or omission of **you**, a **relative**, or anyone **using** the **covered auto**, or while attempting to elude law enforcement. This includes, but is not limited to, **loss** that results from, or that occurs in the course of, leaving the scene of a crime. For purposes of this exclusion, "crime" does not include a traffic violation.
- N. To a **covered auto** that is due and confined to:
 - 1. wear and tear;
 - 2. freezing;
 - 3. mechanical or electrical breakdown or failure; or
 - 4. road damage to tires.This exclusion does not apply if the damage results from the theft of the **covered auto**.
- O. Due to theft or conversion of a **covered auto**:
 - 1. by **you**, a **relative**, or any resident of **your** household;
 - 2. prior to its delivery to **you** or a **relative**; or
 - 3. while in the care, custody, or control of anyone engaged in the **business** of selling vehicles.

- P. To equipment, devices, accessories, and any other personal effects that are not permanently installed by the original manufacturer in, or attached by brackets or bolts to, a **covered auto**. This includes, but is not limited to:
1. tapes, compact discs, cassettes, DVDs, and other recording or recorded media;
 2. any case or other container designed for storing or carrying tapes, compact discs, cassettes, or other recording or recorded media;
 3. any device used for the detection or location of radar, laser, or other speed measuring equipment or its transmissions;
 4. mobile phones, navigation devices, computers, DVD players, Internet devices, iPods, MP3 players, satellite radio or receiver devices, entertainment systems, or wireless audio devices;
 5. CB radios, telephones, two-way mobile radios, or televisions;
 6. all other video, audio, computing, navigation and communication devices and accessories; and
 7. any non-original equipment manufacturer custom furnishings or equipment in or upon any **covered auto**. These include, but are not limited to:
 - a. special carpeting and insulation, furniture, bars or television receivers;
 - b. facilities for cooking and sleeping;
 - c. height extending roofs; or
 - d. custom murals, paintings, or other decals or graphics.
- Q. To a **covered auto** for diminution of value, or any actual or perceived loss in market or resale value, that results from a **loss**.
- R. To a **covered auto** caused directly or indirectly by mold, mildew or fungus, including any type or form of:
1. decomposing or disintegrating organic material or micro-organism;
 2. organic surface growth on moist, damp, or decaying matter;
 3. yeast or spore-bearing plant-like organism; or
 4. spores, scents, toxins, bacteria, viruses, or any other by-products produced or released by any mold, mildew, fungus, or other microbes.
- S. To a **covered auto** caused directly or indirectly by:
1. war (declared, undeclared, and civil war);
 2. warlike action by any military force, government, sovereign, or other authority using military personnel or agents. This includes any action taken to hinder or defend against an actual or expected attack;
 3. insurrection, civil commotion, rebellion, revolution, usurped power, or any action taken by a governmental authority to hinder or defend against any of these acts; or
 4. any discharge, dispersal, or release of radioactive, nuclear, pathogenic, flammable, or hazardous material or from the transportation of such materials.
- T. That occurs to a **covered auto** while being **used** as a primary residence.
- U. That is, or results from, the theft of a **covered auto** if it is determined that, at the time of the theft, the keys were left in the ignition of the **covered auto** or that the wiring or operation of the **covered auto** was not altered or changed to allow the operation of the **covered auto** without keys. This does not apply if the **loss** occurred due to car-jacking or due to other forcible means used to overtake the operation of the **covered auto**.
- V. That occurs while a **covered auto** is being operated or **used** by a person who is intoxicated or under the influence of any narcotics including prescribed narcotics.
- W. Arising out of the **use** of any vehicle by a person who has not been disclosed to **us**: and,
1. does not have a driver's license;
 2. has a driver's license that has been revoked or is under suspension; or
 3. has a restricted driver's license and is **using** the vehicle outside of the scope of that restriction.
- X. That occurs while a **covered auto** is being operated or **used** by a **relative**, or any other person residing in **your** household, who has not been disclosed to **us**.
- Y. For any **loss** that **you** do not report to **us** within 30 days of the date of loss.
- Z. To a **covered auto** while it made available to others under a **peer-to-peer car sharing program**.

We shall not pay for breakage of glass if other insurance is afforded for such breakage. **We** have no duty under this Part D to pay for or replace any insignia, stickers, decals, logos, trademarks, or decorative markings on windshields or other glass that is replaced as a result of a covered **loss**.

If the **covered auto** is disabled as a result of an **accident**, **you** must arrange necessary towing services through a towing service authorized by **us**. **We** shall not pay for unreasonable or excessive towing charges assessed by an unauthorized towing service.

LIMIT OF LIABILITY

- A. **Our** Limit of Liability for **loss** covered under Collision Coverage or Comprehensive Coverage is lesser of the:
1. actual cash value of the stolen or damaged **covered auto** at the time of the **loss**, reduced by the applicable deductible shown on the **declarations page**, and by its salvage value if **we** allow **you** or the **owner** to retain the salvage;
 2. amount necessary to replace the stolen or damaged **covered auto**, reduced by the applicable deductible shown on the **declarations page** and by its salvage value if **we** allow **you** or the **owner** to retain the salvage; or
 3. amount necessary to repair the **covered auto** to its pre-loss condition, reduced by the applicable deductible shown on the **declarations page**.
- B. Payments for **loss** covered under Collision Coverage or Comprehensive Coverage are subject to the following provisions:
1. **Our** payment shall not include the amount of the applicable deductible shown on the **declarations page**.
 2. If **loss** occurs to more than one **covered auto** in the same **accident**, a separate deductible shall apply to each **covered auto**.
 3. If **loss** to a **covered auto** is the result of more than one **accident** or **loss**, a separate deductible shall apply to each **accident** or **loss**.
 4. Any deductible that applies to a loss payee or lienholder shall not reduce any deductible that applies to **you**.
 5. A deduction for depreciation, betterment, wear and tear, or prior damage, will be made in determining **our** Limit of Liability for a **loss**. Except as otherwise expressly stated in this paragraph, **you** are responsible to pay for any betterment.
 6. In determining the amount necessary to repair damaged property to its pre-loss condition, the amount to be paid by **us**:
 - a. shall not exceed the prevailing competitive labor rates charged in the area where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by **us**; and
 - b. will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - i. original manufacturer parts or equipment; or
 - ii. non-original manufacturer parts or equipment.
 7. The actual cash value is determined by the local market value, age, and condition of the **covered auto** at the time the **loss** occurs as reasonably determined by **us** using data that **we** reasonably determine to be reliable.
 8. No one will be entitled to duplicate payments for any elements of damages under this policy or any other source.
 9. Any amount paid or payable for a **loss** under this Part D shall reduce, or be reduced by, any amount paid or payable for that **loss** under Part A – Liability Coverage of this policy.

NO BENEFIT TO BAILEE

Coverage under this Part D shall not directly or indirectly benefit any party handling, caring for, or acting as custodian or bailee of property for a fee or other compensation.

PAYMENT OF LOSS

For any **loss** covered under this Part D, **we** shall, at **our** option:

- A. pay for the **loss** in money; or
- B. repair or replace the damaged or stolen property.

We may make payment for a **loss** to **you**, the **owner**, or the loss payee or lienholder of the **covered auto** as **we** see fit and as the interest of each appears to **us**. **We** may make payment for a partial **loss** covered under this Part D directly to the repair facility with **your** consent.

At **our** expense, **we** may return any recovered stolen property to **you** or to the address shown on the **declarations page**, with payment for any damage resulting from the theft.

We may keep all or part of the property at the agreed or appraised value. If **we** allow **you** or the **owner** to keep salvage, **we** will reduce the amount to be paid by **us** for the **loss** by the value of the salvage. **We** have no duty to preserve salvage. There can be no abandonment to **us** of any **covered auto** or salvage.

TRANSFER OF TITLE

If **we** make a payment due to theft of an **auto** under this Part D and **we** make a demand for title from the **owner** of that **auto**, the **owner** of that **auto** shall transfer that title to **us**.

LIENHOLDER - LOSS PAYEE AGREEMENT

- A. **We** have no duty to make any payment to a loss payee or lienholder unless the **loss** is payable to **you** and all policy terms and conditions have been met.
- B. If payment is made to a loss payee or lienholder, payment may be made to **you** and the loss payee or lienholder, jointly or separately, at **our** discretion.
- C. A loss payee's or lienholder's interest will not be protected where:
 - 1. fraud, misrepresentation, material omission, intentional damage, conversion, secretion and/or embezzlement of an **auto** has been committed by or at the direction of **you** or a **relative**; or
 - 2. the **loss** is otherwise not covered under the terms of this policy.
- C. If this policy is cancelled, nonrenewed, or otherwise terminated, **we** will give notice to a loss payee or lienholder when required by law. Any such notice may be delivered electronically.
- D. **We** shall be subrogated to the loss payee's or lienholder's rights of recovery to the extent of **our** payment to the loss payee or lienholder.

OTHER INSURANCE

If there is other applicable insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** Limit of Liability under this Part D bears to the total of all applicable limits of liability.

APPRAISAL

If **we** cannot agree with **you** on the amount of a **loss**, then either **we** or **you** may demand an appraisal of the **loss**. If this demand is made, each party shall appoint a competent and impartial appraiser. The appraisers will determine the amount of **loss**. If they fail to agree, the disagreement will be submitted to a qualified and impartial umpire chosen by the appraisers. If the two appraisers are unable to agree upon an umpire within 15 days, either **we** or **you** may request that a judge of a court of record, in the county where **you** reside, select an umpire. The appraisers and umpire will determine the amount of **loss**. The amount of **loss** agreed to by both appraisers, or by one appraiser and the umpire, will be binding. **You** will pay **your** appraiser's fees and expenses. **We** will pay **our** appraiser's fees and expenses. Payment of the umpire and the umpire's expenses of the appraisal will be shared equally between **you** and **us**. Each party will pay any other expenses it incurs, including any costs incurred for the following: legal counsel; witnesses; or experts. Neither party waives any rights under this policy by agreeing to an appraisal.

GENERAL PROVISIONS

POLICY PERIOD

This policy applies only to **accidents** and **losses** that occur during the policy period shown on the **declarations page**.

POLICY TERRITORY

This policy applies only to **accidents** and **losses** that occur within the United States of America or the Dominion of Canada.

MEXICO INSURANCE

The coverages for **your covered auto** provided by this policy are NOT extended to any **accident** or **loss** occurring within Mexican territory. **WARNING:** Unless **you** have auto insurance written by a Mexican insurance company, **you** may spend many hours or days in jail if **you** have an **accident** in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance. This may avoid complications and other penalties under the laws of Mexico. Penalties may include the possible impoundment of **your covered auto**.

POLICY CHANGES

- A. This policy, **your** insurance application (which is made a part of this policy), the **declarations page**, as amended, and endorsements to this policy issued by **us** contain all the agreements between **you** and **us**. Subject to the following, the policy terms may not be changed or waived except by an endorsement issued by **us**.
- B. The premium for each **covered auto** is based upon information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** must notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period, or take other appropriate action. To properly insure **your auto**, **you** must promptly notify **us** when:
 1. **you** change **your** address;
 2. any **resident operators** or **regular operators** are added or deleted;
 3. **you** acquire an additional or replacement **auto**;
 4. **you** or a **relative** get married or divorced; or
 5. **you** or a **relative** obtain a driver's license or have a driver's license suspended or revoked.

If a claim is made under the Collision or Comprehensive coverages of this policy, **we** may at **our** option deduct the premium adjustment from any settlement amount under these coverages.

- C. Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to, **you** or a **relative** obtaining a driver's license or operator's permit, or changes in:
1. the number, type, or use classification of **covered autos**;
 2. operators **using covered autos**;
 3. an operator's marital status;
 4. the place of principal garaging of any **covered auto**;
 5. coverage, deductibles, or limits of liability; or
 6. rating territory or discount eligibility.

CONFORMITY WITH STATE LAW

- A. Any provision of this policy that conflicts with a statute of the state shown in **our** records as **your** state of residence at the time **you** applied for this insurance shall be changed to conform to such law. All remaining provisions shall remain unchanged.
- B. Any disputes as to the coverages provided under, or the provisions of, this policy shall be governed by the law of the state shown in **our** records as **your** state of residence.

TRANSFER

- A. This policy may not be transferred or assigned to another person without **our** written consent.
- B. If a named insured shown on the **declarations page** dies, this policy will provide coverage, subject to all of the duties, limitations and other terms of this policy, until the end of the policy period for:
1. any surviving spouse if a resident in the same household as the named insured at the time of death; and
 2. the legal representative of the deceased named insured, but only with respect to the representative's legal duty to maintain or **use a covered auto**.

FRAUD OR MISREPRESENTATION

- A. To determine **your** eligibility for coverage under this policy and to determine **your** premium, **we** relied upon the statements and representations **you** provided to **us**.
- B. **We** have the right to void this policy from its inception. **We** may do so if there is any failure to pay the initial premium down payment or any portion of that down payment.
- C. If **we** void this contract:
1. there is no coverage for any **accident** or **loss**, except to the extent required by law;
 2. any partial premium payment **we** have received from **you** will be returned; and
 3. **you** must repay **us** for any amounts **we** paid to, or on behalf of, any person insured under any part of this policy.
- D. If **you**, **your** assignee, or **your** representative disputes **our** right to rescind, and **we** prevail in such dispute, **you** must reimburse **us** for all of **our** lawyer fees, costs, and expenses.
- E. **We** may deny coverage under this policy as to any claim made by **you** or the covered person if the attestations or statements in the application or in any claim against **us** shall prove to be fraudulent in nature, material to the acceptance of the risk or to the hazard assumed by **us** and **we** in good faith would either not have issued the policy or would not have issued a policy in as large amount or would not have provided coverage with respect to the hazard resulting in the **loss**, if the true facts had been known to **us** as required either by the application for the policy or otherwise.

PAYMENT OF PREMIUM

If **your** initial premium payment is by check, draft, or any remittance other than cash, coverage under this policy is conditioned upon the check, draft, or remittance being honored upon presentment to the bank or other financial institution. If the check, draft, or remittance is not honored upon presentment, this policy may, at **our** option, be deemed void from its inception. This means that **we** will not be liable under this policy for any claims or damages that would otherwise be covered if the check, draft, or remittance had been honored upon presentment. For any premium other than the initial premium payment, **you** are entitled to a grace period of 7 days, during which grace period the policy shall continue in full force.

CANCELLATION

- A. **You** may cancel this policy by returning it to **us** or by giving **us** written notice of the future effective date of cancellation.
- B. **We** may cancel this policy by mailing notice of cancellation to the named insured shown on the **declarations page** at his or her last known address appearing in **our** records. Notification shall also be sent to the named insured's broker, if known, or the agent of record, if known, and to the mortgagee or lienholder listed on the policy. Notice to any broker, agent of record, mortgagee, or lienholder may be given electronically.
- C. **We** will mail or deliver a notice of cancellation to the named insured:
 1. Upon expiration of the 7 day grace period after the premium payment is due if the cancellation is due to nonpayment of premium, other than the initial premium; or
 2. At least 10 days before the effective date of cancellation if this policy is to be cancelled for any other reason.
- D. The effective date and time of cancellation stated in a notice is the end of the policy period.
- E. During the first 59 days of the first policy period, **we** may cancel the policy for any lawful reason.
- F. Once this policy has been in effect for 60 days, or if this is a renewal policy, **we** may cancel only for one or more of the following reasons:
 1. **Your** failure to discharge when due any of **your** obligations in connection with the payment of premiums for this policy, other than the initial premium, or any installment of such premium. This applies whether the premium is payable directly to **us**, to **our** agent, or indirectly under any premium finance plan or extension of credit.
 2. The insurance was obtained through fraudulent misrepresentation.
 3. **You** or any person who resides in the same household as **you** and who customarily operates a motor vehicle insured under this policy, or any other person who regularly and frequently operates a motor vehicle insured under this policy:
 - a. has had his or her driver's license suspended or revoked during the policy period;
 - b. develops a permanent disability, either physically or mentally, and such individual does not produce a certificate from a physician or a registered nurse practitioner testifying to such person's ability to operate a motor vehicle; or
 - c. is or has been convicted during the thirty-six months immediately preceding the effective date of this policy or during the policy period of:
 - i. criminal negligence resulting in death, homicide, or assault and arising out of the operation of a motor vehicle;
 - ii. operating a motor vehicle while in an intoxicated condition or while under the influence of drugs;
 - iii. leaving the scene of an accident;
 - iv. making false statements in an application for a driver license; or
 - v. reckless driving.
 4. **We** are placed in rehabilitation or receivership by the insurance supervisory official in **our** state of domicile or by a court of competent jurisdiction or the **Director** has suspended **our** certificate of authority based upon **our** financially hazardous condition.

5. **You**, any person who resides in the same household as **you** and who customarily operates a motor vehicle insured under this policy, or any other person who regularly and frequently operates a motor vehicle insured under this policy, **uses** a motor vehicle rated or insured under this policy as a private passenger motor vehicle regularly and frequently for commercial purposes. This does not include **your use** of a private passenger motor vehicle in the course of **your volunteer work** for a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code.
6. **You**, any person who resides in the same household as **you** and who customarily operates a motor vehicle insured under this policy, or any other person who regularly and frequently operates a motor vehicle insured under this policy, **uses** a motor vehicle rated or insured under this policy to provide **transportation network services** unless, while the driver is logged in to the **TNC's digital network or software application** to be a driver or is providing **transportation network services**, **you** either:
 - a. have procured an endorsement to this policy that expressly provides that coverage; or
 - b. are covered by a motor vehicle liability insurance policy issued by another insurer expressly providing that coverage.
7. The **Director** determines that the continuation of this policy would place **us** in violation of the laws of Arizona or would jeopardize **our** solvency.
- G. With respect to any cancellation of this policy, this policy is not severable or divisible. Any cancellation, whether by **you** or **us**, shall be effective for all persons and all vehicles no matter the reason for the cancellation.
- H. The renewal of this policy does not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.
- I. Nothing in this Cancellation provision shall waive **our** rights to void this policy to the extent allowed by law.

CANCELLATION REFUND

- A. Upon cancellation, **you** may be entitled to a premium refund. **Our** making or offering of a refund is not, however, a condition of cancellation.
- B. If this policy is canceled, any refund due will be computed on a daily pro rata basis, subject to any fully-earned fees.

NONRENEWAL

- A. **We** may nonrenew this policy if **you** establish a primary residence in a state other than Arizona, if **you** fail to pay the renewal premium when due, or for any other lawful reason. **We** may not refuse to renew this policy solely because of the location of **your** residence (except if **you** establish a primary residence in a state other than Arizona) or solely because of **your** age, race, color, religion, sex, national origin, or ancestry. If **we** nonrenew this policy, **we** will mail a notice of nonrenewal to the named insured shown on the **declarations page** at his or her last known address appearing in **our** records. Notification shall also be sent to the named insured's broker, if known, or the agent of record, if known, and to the mortgagee or lienholder listed on the policy. Notice to any broker, agent of record, mortgagee, or lienholder may be given electronically if such party opts to accept electronic notification.
- B. Except as otherwise provided in this Nonrenewal provision, notice will be mailed to the named insured at least 45 days before the end of the policy period. This does not apply if **we** have manifested **our** willingness to renew or in the case of nonpayment of premium.
- C. If **we** nonrenew this policy, **we** will give notice at least 45 days before the nonrenewal is effective. However, this does not apply when the nonrenewal is because the required premium, or any installment thereof, has not been paid when due. In this case, notice will be provided as described in the Offer To Renew provision.
- D. Nothing in this Nonrenewal provision shall waive **our** rights to void this policy to the extent allowed by law.

PROOF OF NOTICE

Proof of mailing any cancellation notice or nonrenewal notice to the named insured at the address shown on the **declarations page** shall be sufficient proof of notice.

AUTOMATIC TERMINATION

The coverage provided by this policy will automatically terminate at the end of the current policy period if **you** notify **us** in writing that **you** do not want this policy to renew or continue. **We** will send notice of any such termination to the named insured at the address shown on the **declarations page**.

OFFER TO RENEW

If **we** offer to renew or continue this policy, and **you** or **your** representative does not pay the required premium for renewal or continuation within 7 days after the due date, then **you** have not accepted **our** offer and **we** may terminate this policy on or after the 8th day following the due date.

We will send written notice of the termination to the named insured at the address shown on the **declarations page**. Termination will take effect on the earlier of the following dates:

- A. the date on which the notice is mailed; or
- B. the effective date of any other insurance **you** have obtained for the **covered auto**.

However, this does not apply if **you** or **your** representative have notified **us** in writing that **you** have obtained other insurance for the **covered auto** or that **you** do not want this policy to renew or continue this policy as described in the Automatic Termination provision.

LEGAL ACTION AGAINST US

- A. **We** may not be sued unless and until there has been full compliance with all terms of this policy.
- B. In any lawsuit against any person or party insured under this policy, **we** shall not be bound by any:
 1. stipulated judgment;
 2. confessed judgment;
 3. default judgment or adverse entry due to failure to appear, respond, or plead; or
 4. motion granted due to any failure to appear, respond or plead;unless **we** have consented in writing to the entry of that judgment, default, or granting of that motion.
- C. No legal action may be filed against **us** by anyone insured under this policy until **we** receive proof of **loss** and the claim representative assigned to the claim has received 30 days written notice, by certified U.S. mail, return receipt requested, of the intent to file suit and the details of the nature of the dispute.
- D. With respect to Part A – Liability Coverage of this policy, except to the extent required by law, no one other than an **insured** under Part A shall have any interest in this policy prior to the entry of a verdict against the **insured**. No one shall have any right to make **us** a party to a lawsuit to determine the liability of an **insured** under Part A. No legal action may be brought against **us** for payment under Part A until:
 1. **we** agree in writing that the **insured** under Part A has an obligation to pay damages; or
 2. the amount of the damages due under Part A has been decided by final judgment after trial or any appeal.
- E. As to Part C – Uninsured Motorist Coverage and Underinsured Motorist Coverage of this policy, any lawsuit against **us** by a person seeking coverage under Part C must be brought within three years after the date of the **accident**.
- F. As to Part D – Physical Damage Coverage of this policy, no one may sue **us** due to a dispute over the amount of **loss** payable until after having complied with the Appraisal clause under Part D.

- G. **We** have no duty to preserve or retain salvage of any sort for any purpose including, but not limited to, as evidence for any type of court or other proceeding.
- H. **We** have no duty to file any appeal. **We** reserve the right, however, to file an appeal, at **our** expense, if any part of a judgment could fall within the scope of coverage provided under this policy. **We** must be given timely notice of any judgment to which this policy may apply. **We** will not be liable for more than the applicable limit of liability under this policy, plus the reasonable lawyer fees and expenses incurred with **our** consent, as a result of any appeal **we** file.

OUR RECOVERY RIGHTS

- A. In the event of any payment under this policy, any person to whom payment was made to, or made on behalf of, must cooperate with **us**. Such person must take all actions necessary to protect **our** rights to recover and avoid doing anything to prejudice or harm such rights.
- B. If **we** make a payment under this policy, **we** shall be subrogated to all rights of recovery that the person or party to whom, or for whom, payment was made, may have against another person or party, subject to any limitations specified by applicable law.
- C. If any person to whom, or for whom, a payment is made under this policy recovers from a liable person or party, or their insurer, such person must hold the proceeds of that recovery in trust for **us** and reimburse **us** to the extent of **our** payment.
- D. If **we** seek to recover from a liable party, **you** authorize **us** to seek recovery of any deductible that may apply, unless the deductible has been otherwise recovered by **you**. **We** will notify **you** if **we** are unable to collect the deductible. **We** reserve the right to compromise or settle any deductible and **property damage** claims against the responsible parties for less than the full amount. For those sums, **you** agree to be bound by a settlement agreement entered into by **us** and the liable party or the outcome of any arbitration or appraisal. 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. If an outside attorney is retained to collect the recovery, any reimbursement to **you** by **us** will be reduced by a pro rata share of the allocated loss adjustment expense incurred due to the recovery including, but not limited to, expenses for attorney's fees, collection fees, and adjuster 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 which is compelled by law, **you** must reimburse **us** to the full extent of that payment. **You** must also reimburse **us** for **our** claims adjustment expense.

NAMED DRIVER EXCLUSION

If **you** have asked **us** to exclude any named person from coverage under this policy, then **we** will not provide coverage under this policy for any claim arising from an **accident** or **loss** involving a motorized vehicle being operated by that excluded person. This includes any claim for negligence that may be imputed by law to **you** arising out of the maintenance, operation, or **use** of the motor vehicle by the excluded person.

This Named Driver Exclusion provision does not apply to coverage under Part C - Uninsured Motorist Coverage and Underinsured Motorist Coverage of this policy.

NON-OWNER COVERAGE

If **you** have elected Non-Owner Coverage, this policy applies only to the permissive **use** by the **named insured** of an **auto** that is:

- A. not **owned** by, or registered to, **you**, a **relative**, or any person who resides in **your** household; and
- B. not furnished or made available for the regular **use** of **you**, any **relative**, or any resident of **your** household.

For purposes of this Non-Owner Coverage, the term “**named insured**” means the person shown as the named insured on the **declarations page**.

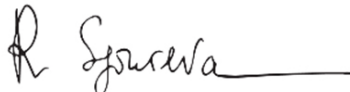
The following policy changes shall also apply:

- A. The general policy definitions of **you** and **your** are revised to mean only the **named insured**.
- B. No party or person other than the **named insured** is insured under this policy.
- C. The definition of **insured** is revised in all parts of the policy to mean and only cover the **named insured**. No party or person other than the **named insured** has any insurance under this policy.
- D. No coverage applies under this policy for **use** of any vehicle other than the **use** of an **auto** that is not:
 - 1. **owned** by, or registered to, **you**, a **relative**, or any person who resides in **your** household;
 - 2. furnished or made available for the regular **use** of **you**, a **relative**, or any person who resides in **your** household; or
 - 3. used for **business** purposes.
- E. No coverage applies under the policy for anyone other than the **named insured**.
- F. The “Other Insurance” clause in each part of this policy is deleted and provides in its place that any insurance **we** provide shall be excess over any other applicable insurance, self-insurance, or bond providing the same or similar insurance or benefits.
- G. No coverage applies under Part D – Physical Damage Coverage of this policy.

EXECUTION OF POLICY

In **Witness Whereof**, the company has caused this policy to be signed by its authorized representatives, but this policy shall not be valid unless completed by the attachment hereto of a **declarations page**.

President



Secretary

