

**TEXAS
STANDARD PROVISIONS FOR AUTOMOBILE POLICIES
TEXAS PERSONAL AUTO POLICY
SPECIAL INSTRUCTIONS**

1. Standard Language

This form is expressed in standard language which may not be amended and no part of which may be omitted except (a) as indicated by these instructions, or (b) as indicated in reference notes shown below referring to specific portions of the form, or (c) by an endorsement which states an amendment or exclusion of some provision of the form in accordance with the provisions of a manual rule, the form of which endorsement has been approved by the Board. Provided, however, "**Part B2 — Personal Injury Protection Coverage**" and "**Part C — Uninsured/Underinsured Motorists Coverage**" may not be omitted from any form which includes "**Part A — Liability Coverage**".

2. Optional Sequence and Arrangement — Coverage Designation, Indexes or Titles

The several portions of the form may be rearranged in such sequence or arrangement the company elects, however, the coverage designations, indexes or titles such as "**Part D — Coverage For Damage To Your Auto**," exclusion identifications such as Exclusion **A** and titles of the various provisions such as "General Duties" may not be amended.

3. Addition of Coverage by Endorsement

When insuring agreements and other provisions relating to any particular class of insurance are added to these policies by endorsement, such additional insurance must be expressed in the standard endorsement language prescribed or approved by the Board. Any coverage such as "Rental Reimbursement", "Towing and Labor Costs Coverage", etc. normally provided by endorsement may be incorporated in the policy unless otherwise prohibited. Appropriate connective language which does not amend the expression of coverage is permissible and superfluous language or portions such as the standard attaching clause may be omitted.

4. Definition of "Standard" and "Approved"

"Standard form" or "standard language" or "approved standard language" when used in these instructions means the form and endorsements prescribed or approved by the Board.

5. Renewal Certificate, Continuation Certificate, Premium Notice, etc.

This does not apply to installment payment of premium notices or any premium notice not intended to actually renew or continue a policy.

Policies may be renewed or continued in force by issuance of a renewal certificate or other similar forms indicating the purpose thereof. The form used for this purpose must contain, but is not limited to, the same information as appearing in the standard declarations. Companies may arrange, but not omit the stated requirements in accordance with individual designs to accommodate underwriting procedure. The form may not be used to renew a policy which covers any portion of a risk subject to the Texas Automobile Liability Rating Plan nor any policy the daily report of which must be filed with the Department or a qualified entity in accordance with manual rules. In no event may a renewal certificate or other similar forms be issued for a term in excess of one year. This provision shall not be interpreted to authorize the use of any renewal certificate or other similar forms which, in addition to renewing coverage, adds, changes or removes coverage previously afforded, unless such form, in addition to the above provisions, contains, or has attached thereto, a detailed statement of such change and any premium applicable, broken down by coverage, including limits of liability, for each automobile with respect to which such change applies. A renewal certificate or other similar forms shall not be used to permit or afford a broader coverage than that which would have been the coverage had a new policy been issued at the time of renewal or continuation. Continuous policies with no fixed expiration dates are not permitted.

6. Face of Policies

Companies are authorized to use individual covers or jackets on any or all policies as long as they are not misleading or in conflict with the standard provisions.

7. Optional Provisions

A. Provisions that pertain to Liability, Medical Payments, Personal Injury Protection and Uninsured/Underinsured Motorists Coverage may be deleted if only Coverage For Damage To Your Auto is provided. Provisions that pertain to Medical Payments Coverage and Coverage For Damage To Your Auto may be deleted if a separate liability policy is desired for the Texas Automobile Insurance Plan.

B. The specimen policy in these instructions contains provisions for both single and split limits for Liability and Uninsured/Underinsured Motorists Coverage. A company may elect to print the policy with both or either limit. If only single limits or separate limits are to be included, the appropriate language amendment in the limit of liability provisions explained in the reference notes must be made.

8. Type Size

The Body of the policy must be set in at least 9 point type of an easy to read style. Captions, titles, etc. should be of corresponding larger size type. Printed endorsements should have print size and type to correspond with that used in the policy.

9. Copies of Policies to be Filed

When prescribed forms in the Texas Standard Provisions for Automobile Policies are used, filing is not required; however, if a company wishes to use a policy form adopted by a national organization of insurance companies or similar organization, prior approval by the Board is required. Full responsibility rests with the company to see that all policies are prepared in accordance with these instructions.

10. 800 Number

Each insurance company must display a toll free number in compliance with Title 28, Texas Administrative Code, Section 1.601 (28 TAC § 1.601).

11. Installment Payment Plan

Each insurance company must either print on, stamp on, or attach to the declarations page the following statement: "We agree to make available to you an installment payment plan as described in Rule 14 of the Texas Automobile Rules and Rating Manual, except when an installment payment plan is prohibited by other rule or by statute."

★ 12. Consumer Bill of Rights

Each insurance company must furnish to the policyholder a copy of the Department-promulgated "Consumer Bill of Rights for Personal Automobile Insurance" in accord with Rule 16 of the Texas Automobiles Rules and Rating Manual.

★ 13. Special Conditions for Lloyds, Mutuels, Reciprocal and Participating Stock Companies

When a policy is issued by a Lloyds, a mutual company, a reciprocal association or a participating stock company having special provisions applicable to its membership, dividends and/or policyholders, such provisions, when approved, in accordance with the provisions of the Texas Insurance Code, of 1951, as amended, must be inserted in the policy.

LLOYDS

A Lloyds company shall print into the standard policy as a plan of operation, before its signature at a place to be selected at its option, either of the following according to its Underwriters' agreement:

- (a) "Service of process may be had upon the State Official duly designated for such purpose in the State in which the property insured hereunder is located if _____ Lloyds is licensed in such state; or upon the Commissioner of Insurance of the State of Texas; or upon the duly appointed Attorneys-in-Fact for _____ Lloyds at _____, Texas. Underwriters at _____ Lloyds have complied with the laws of the state of Texas regulating Lloyds plan insurance and said statutes are hereby made a part of this policy. The entire assets of _____ Lloyds supports its policies, but each individual underwriter's liability is several and not joint and is limited by law to the amount fixed by his underwriter's contract and subscription and no underwriter is liable as a partner. This policy is made and accepted subject to the foregoing stipulations and conditions together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto, and no agent or other representative of _____ Lloyds shall have the power to waive any provision or condition of this policy. This policy is non-assessable and no contingent liability of any kind and character attaches to the insured named herein."
- (b) "Wherever in this policy the word 'Company' appears with reference to the insurance carrier, such word shall be construed to mean 'Underwriters at _____ Lloyds,' herein called the 'Underwriters'; and wherever reference is made to any officer of the insurance carrier, such reference shall be construed to mean the Attorneys-in-Fact. Each of the underwriters having deposited with the Attorneys-in-Fact a certain sum, which with the several deposits of the other Underwriters constitutes the Guarantee Deposit, said sums to be held severally in trust to guarantee the payment of any losses sustained by these Underwriters on any of their undertakings in excess of the premium collected therefor, it is hereby expressly stipulated and is a condition of this policy that the liability of each or any of these Underwriters to the Insured herein named for or on any one claim or loss shall be limited to that proportion of the adjusted amount which each or any one Underwriter's original deposit shall bear to the aggregate deposit, and it is further expressly stipulated and made a condition of this policy that the total of the individual responsibility of each or any one Underwriter for the payment of losses to the insured herein named and to the insureds named in all other policies shall be limited, after the application of all surplus standing to his credit with the Attorneys-in-Fact, to double the amount of his original Guarantee Deposit as designated in the Articles of Agreement on file with the Attorneys-in-Fact.

"No term or condition of this policy is intended to create, creates, or shall be construed to create a partnership or mutual insurance association, or to give rise to or create any joint or general liability. It is a condition of this policy, and is hereby expressly stipulated, that the liability of the insured hereby assumed by these Underwriters is several and not joint, and in fact no greater or different with respect to any one Underwriter had issued to the Insured a separate policy for his proportionate share of the risk undertaken; and it is further expressly stipulated that no action shall lie against any one Underwriter for a greater sum than his proportionate and separate share of any loss sustained as determined by the next preceding paragraph of this policy; but to facilitate the enforcement of the rights of the insured and to avoid a multiplicity of suits, each of these Underwriters has stipulated, and does hereby agree, that in any suit brought against the Attorneys-in-Fact, or against the Attorneys-in-Fact and any one or more of the other Underwriters, but not otherwise, service of process on the Attorneys-in-Fact, or on any person or officer appointed by the Attorneys-in-Fact for the purpose of accepting service, shall be personal service on himself and that a personal judgement may be rendered against him for his separate proportion of any amount adjudged to be due within the limits provided in the preceding paragraph of this policy.

"The names and addresses of the Underwriters at _____ Lloyds, for and on behalf of each of whom this policy is signed by the Attorney-in-Fact, the amount of each Underwriter's Guarantee Deposit and the proportion of such Deposit to the aggregate of the Guarantee Deposits of all Underwriters may be obtained from the records on file with _____, Attorneys-in-Fact or their successors, at their office in _____, Texas, where they are subject to inspection by the Insured hereunder or by his duly authorized representative."

A participating Lloyds company shall print into its policy the following:

"The named insured shall be entitled to participate in a distribution of the surplus of the Underwriters as determined by the Underwriters and the Attorneys-in-Fact from time to time after approval in accordance with the provisions of the Texas Insurance Code, of 1951, as amended."

MUTUALS

A mutual company shall print into its policy, before its signature at a place to be selected at its option, the following:

(a) "MUTUALS — MEMBERSHIP AND VOTING NOTICE

The insured is notified that by virtue of this policy, he is a member of the _____ Mutual _____ Insurance Company of _____, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office _____, on the _____ day of _____, in each year, at _____ o'clock _____; or"

(b) "MUTUALS — MEMBERSHIP AND VOTING NOTICE

The (insured) (named insured) is notified that by virtue of this policy the (insured) (named insured) is a member of the _____ Mutual _____ Insurance Company of _____ and is entitled, as is lawfully provided in the charter, constitution, or bylaws, (to vote) (to one vote) (to only one vote regardless of the number of policies owned) (to a number of votes based upon the insurance in force) (to vote in accordance with the number of policies held) (to such votes as determined by the amount of premium paid) either in person or by proxy in any or all meetings of said company. (There may be added the sentence "Each member is entitled to only one vote regardless of the number of policies owned.") The Annual Meetings are held in its Home Office _____, on the _____ day of _____, in each year, at _____ o'clock _____.

A mutual company shall print into its policy, before its signature at a place to be selected at its option, either of the following:

(a) "MUTUALS — PARTICIPATION CLAUSE WITH CONTINGENT LIABILITY

Limit of Liability: The liability of each policyholder of this company is limited to, and by its By-Laws fixed and determined to be, the Deposit Premium or Premium Paid; and the member by accepting this policy, assumed a contingent liability not exceeding the amount of Deposit Premium or Premium Paid named in the policy, which amount shall not exceed one annual premium.

"Mutual Participation: The insured is, by virtue of this policy, a member of the company, subject to the By-Laws, reference to which is had, and shall be entitled to such unabsorbed Deposit Premium or Dividend as may be declared by the Board of Directors or Executive Committee, subject, however, to approval, as provided by the Texas Insurance Code, of 1951, as amended."

(b) "MUTUALS — PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY

No Contingent Liability: This policy is non-assessable. The policyholder is a member of the company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined."

RECIPROCAL

A reciprocal shall use as a **Plan of Operation**, printed in its policy before its signature, the following:

"RECIPROCAL — SPECIAL DEFINITIONS AND PROVISIONS — PLAN OF OPERATION

"Wherever the words 'Policy,' 'Insured,' 'Company,' 'Premium,' and 'President,' occur herein they shall be taken and construed to mean 'Contract,' 'Subscriber,' 'Reciprocal or Inter-Insurance Exchange,' 'Deposit,' and 'Attorney-in-Fact,' respectively.

"This policy is issued, as an Inter-Insurance Exchange, by _____ as Attorney-in-Fact for _____ in accordance with the powers vested in him by an agreement, executed by the subscribers.

"Limit of Liability: The liability of each member of this Exchange is limited to, and by its Articles of Agreement fixed and determined to be, the deposit premium or paid premium; and the member by accepting this policy, assumes a contingent liability not exceeding the amount of deposit premium or premium named in the policy, which amount shall not exceed one annual premium."

Or the following paragraph may be substituted for the paragraph immediately preceding if applicable and approved:

"No Contingent Liability: No policyholder in this Exchange incurs any liability other than Deposit Premium or Premium Paid, the Exchange having a free surplus in the amount defined by Article 19.03 of the Texas Insurance Code, of 1951, as amended, and in accordance with the Exchange's Articles of Agreement."

A participating reciprocal shall print into its policy the following:

"Participation: The insured is by virtue of this policy a member of the Exchange, subject to the Articles of Agreement, reference to which is had and shall be entitled to such unabsorbed premium or dividend as may be declared by the advisory committee, subject, however, to approval in accordance with the provisions of the Texas Insurance Code, of 1951, as amended."

A reciprocal may print in its policy in the caption at the top of the first page the following:

"The subscribers at _____ do hereby severally agree to insure the subscriber named herein."

Reciprocals shall use the following clause:

"In witness whereof the subscribers at _____ have caused these presents to be signed by their Attorney(s)-in-Fact, _____ (Attorney(s)-in-Fact.)"

PARTICIPATING STOCK COMPANIES

A participating stock company shall print into its policy, before its signature at a place to be selected at its option, the following:

"DIVIDEND PROVISION — PARTICIPATING COMPANIES

The named insured shall be entitled to participate in a distribution of the surplus of the Company, as determined by its Board of Directors from time to time, after approval in accordance with the provisions of the Texas Insurance Code, of 1951, as amended."

REFERENCE NOTES

1. The entire Quick Reference Index may be revised or expanded to fit the coverages included in the policy. Page numbers should be altered to correspond with the format or arrangement used. The use of a Quick Reference Index is mandatory.
2. The Declarations page may be rearranged in such sequence as the company may desire; however, specific titles, letter designations or references may not be altered.
3. Matter in brackets may be omitted if the company elects or if it is afforded by endorsement. If included on the Declarations page, and the provisions of the endorsement are not incorporated in the policy, appropriate reference on the Declarations page should be made by listing such endorsement number.
4. Matter in brackets may be included, omitted or amended at the option of the company.
5. Policy number block may be amended to fit the number and identification pattern used by the company.
6. The schedule of autos may be increased to include more autos.
7. The name of the company and the street mailing address of the Home or Administrative office are to be stated.
8. The company name may be inserted to replace "the company."
9. If only combined limits Liability and Uninsured/Underinsured Motorists Coverage are to be included in the policy, the wording in brackets is to be deleted.
10. If only separate limits Liability and Uninsured/Underinsured Motorist Coverage are to be included in the policy, the wording in brackets is to be deleted and the words "shown in the Declarations" must be inserted in the first sentence of the Limit of Liability Section between "liability" and "for."
11. Defined terms may be italicized instead of bold faced. If done, appropriate reference should be made in the policy. However, this procedure must be consistent and include endorsements.

TEXAS PERSONAL AUTO POLICY

BLANK INSURANCE COMPANY⁷
STREET MAILING ADDRESS
ANY CITY, U.S.A.

YOUR TEXAS PERSONAL AUTO POLICY - QUICK REFERENCE

DECLARATIONS PAGE

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

	<u>Beginning On Page</u>		<u>Beginning On Page</u>
AGREEMENT	[2] ¹	Limit of Liability Other Insurance	
DEFINITIONS	[2] ¹	PART D Coverage for Damage to Your Auto....	[8] ¹
PART A Liability Coverage.....	[3] ¹	Insuring Agreement	
Insuring Agreement		Transportation Expenses	
Supplementary Payments		Exclusions	
Exclusions		Limit of Liability	
Limit of Liability		Payment of Loss	
Out of State Coverage		No Benefit to Bailee	
Financial Responsibility Required		Other Insurance	
Other Insurance		Appraisal	
PART B1 Medical Payments Coverage.....	[5] ¹	PART E Duties After an Accident or Loss	[10] ¹
Insuring Agreement		General Duties	
Exclusions		Additional Duties for	
Limit of Liability		Uninsured/Underinsured	
Other Insurance		Motorists Coverage	
Assignment of Benefits		Additional Duties for Coverage	
PART B2 Personal Injury Protection Coverage ...	[6] ¹	for Damage to Your Auto	
Insuring Agreement		PART F General Provisions	[10] ¹
Exclusions		Bankruptcy	
Limit of Liability		Changes	
Other Insurance		Legal Action Against Us	
Other Provisions		Our Right to Recover Payment	
Assignment of Benefits		Policy Period and Territory	
PART C Uninsured/Underinsured Motorists		Termination	
Coverage	[7] ¹	Transfer of Your Interest in this Policy	
Insuring Agreement		Two or More Auto Policies	
Exclusions			

TEXAS PERSONAL AUTO POLICY

AGREEMENT

In return for payment of the premium and subject to all the terms of this policy we agree with you as follows:

DEFINITIONS

- A. Throughout this policy, "you" and "your" refer to:
 1. The "named insured" shown in the Declarations, and
 2. The spouse if a resident of the same household.
- B. "We", "us" and "our" refer to [the company]⁸ providing this insurance.
- C. For purposes of this policy, a private passenger type auto or pickup or van shall be deemed to be owned by a person if leased:
 1. Under a written agreement to that person; and
 2. For a continuous period of at least six months.

Other words and phrases are defined. They are [boldfaced]¹¹ when used.

D. "**Family member**" means a person who is a resident of your household and related to you by blood, marriage or adoption. This definition includes a ward or foster child who is a resident of your household, and also includes your spouse even when not a resident of your household during a period of separation in contemplation of divorce.

E. "**Occupying**" means in, upon, getting in, on, out or off.

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

- 1. Private passenger auto; or
- 2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in F.1. or F.2. above.

G. "**Your covered auto**" means:

- 1. Any vehicle shown in the Declarations;
- 2. I. Any of the following types of vehicles on the date you became the owner:
 - a. a private passenger auto; or
 - b. a pickup or van with a G.V.W. of 10,000 lbs. or less not used for the delivery or transportation of goods, materials or supplies other than samples; unless, (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle, or (2) used for farming or ranching.
- II. This provision (G.2) applies only if you:
 - a. acquire the vehicle during the policy period; and
 - b. notify us within 30 days after you become the owner.

If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced. You must notify us of a replacement vehicle within 30 days only if you wish to add or continue Coverage for Damage to Your Auto.

If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.
- 3. Any trailer you own.
- 4. Any auto or trailer you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

- A. We will pay damages for bodily injury or property damage for which any **covered person** becomes legally responsible because of an auto accident. Property damage includes loss of use of the damaged property. Damages include prejudgment interest awarded against the **covered person**. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted.
- B. "**Covered person**" as used in this Part means:
 1. You or any **family member** for the ownership, maintenance or use of any auto or trailer.
 2. Any person using **your covered auto**.
 3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
 4. For any auto or trailer, other than **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of you or any **family member** for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or trailer.

SUPPLEMENTARY PAYMENTS

- In addition to our limit of liability, we will pay on behalf of a **covered person**:
- 1. Up to \$250 for the cost of bail bonds required because of an accident including related traffic law violations. The accident must result in bodily injury or property damage covered under this policy.
 - 2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
 - 3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.

4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

EXCLUSIONS

- A. We do not provide Liability Coverage for any person:**
1. Who intentionally causes bodily injury or property damage;
 2. For damage to property owned or being transported by that person;
 3. I. For damage to property:
 - a. rented to;
 - b. used by; or
 - c. in the care of; that person.
 - II. This exclusion (A.3.I.) does not apply to damage to:
 - a. a residence or private garage; or
 - b. any of the following type vehicles not owned by or furnished or available for the regular use of you or any **family member**:
 - (1) private passenger autos;
 - (2) **trailers**; or
 - (3) pickups or vans.

However, the exclusion 3.I. does apply to a loss due to or as a consequence of a seizure of an auto listed in 3.II.b. by a federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.
 4. For bodily injury to an employee of that person during the course of employment. This exclusion (A.4.) does not apply to bodily injury to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 5. For that person's liability arising out of the ownership or operation of a vehicle while it is;
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool.
 - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.
 6. While employed or otherwise engaged in the business or occupation of:
 - a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing; or
 - e. parking;

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of **your covered auto** by:

 1. you;
 2. any **family member**; or
 3. any partner, agent or employee of you or any **family member**.
 7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion A.6. This exclusion (A.7.) does not apply to the maintenance or use of a:
 - a. private passenger auto;
 - b. pickup or van that is **your covered auto**; or
 - c. **trailer** used with a vehicle described in 7.a. or 7.b. above.
 8. Using a vehicle without a reasonable belief that that person is entitled to do so. This exclusion (8.) does not apply to you or any **family member** while using **your covered auto**.
 9. I. For bodily injury or property damage for which that person:
 - a. is an insured under a nuclear energy liability policy; or
 - b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
 - II. A nuclear energy liability policy is a policy issued by any of the following or their successors:
 - a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:**
1. Any motorized vehicle having fewer than four wheels;
 2. Any vehicle, other than **your covered auto**, which is:
 - a. owned by you; or
 - b. furnished or available for your regular use.
 3. I. Any vehicle, other than **your covered auto**, which is:
 - a. owned by any **family member**; or
 - b. furnished or available for the regular use of any **family member**.
 - II. However, this exclusion (B.3.) does not apply to your maintenance or use of any vehicle which is:
 - a. owned by a **family member**; or
 - b. furnished or available for the regular use of a **family member**.
- C. We do not provide Liability Coverage for you or any family member for bodily injury to you or any family member.**

LIMIT OF LIABILITY

A. [If separate limits of liability for bodily injury and property damage liability are shown in the Declarations for this coverage]¹⁰ the limit of liability for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one auto accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one auto accident. The limit of liability shown in the Declarations for "each accident" for property damage liability is our maximum limit of liability for all damages to all property resulting from any one auto accident.

[If]⁹ the limit of liability shown in the Declarations for this coverage is [for combined bodily injury and property damage liability, it is]⁹ our maximum limit of liability for all damages resulting from any one auto accident.

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

1. Covered persons;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

We will apply the limit of liability to provide any separate limits required by law for bodily injury and property damage liability. However, this provision will not change our total limit of liability.

B. Any payment under the Uninsured/Underinsured Motorists Coverage or the Personal Injury Protection Coverage of this policy to or for a covered person will reduce any amount that person is entitled to recover under this coverage.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which your covered auto is principally garaged, we will interpret your policy for that accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

FINANCIAL RESPONSIBILITY REQUIRED

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

OTHER INSURANCE

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

However, any liability insurance we provide to a covered person for the maintenance or use of a vehicle you do not own shall be excess over any other applicable liability insurance.

PART B1 - MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

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

1. Caused by accident; and
2. Sustained by a covered person.

We will pay only those expenses incurred within three years from the date of the accident.

B. "Covered person" as used in this Part means:

1. You or any family member:
 - a. while occupying; or
 - b. when struck by;
 - a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while occupying your covered auto.

EXCLUSIONS

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

1. Sustained while occupying any motorized vehicle having fewer than four wheels.
2. Sustained while occupying your covered auto when it is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
 - b. being used to carry property for a fee; this does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any family member lends your covered auto to another for reimbursement of operating expenses only.
3. Sustained while occupying any vehicle located for use as a residence or premises.
4. Occurring during the course of employment if workers' compensation benefits are required or available for the bodily injury.
5. Sustained while occupying or, when struck by, any vehicle (other than your covered auto) which is:
 - a. owned by you; or
 - b. furnished or available for your regular use.
6. Sustained while occupying or, when struck by, any vehicle (other than your covered auto) which is:
 - a. owned by any family member; or
 - b. furnished or available for the regular use of any family member.
 However, this exclusion (6.) does not apply to you.
7. Sustained while occupying a vehicle without a reasonable belief that person is entitled to do so. This exclusion (7.) does not apply to you or any family member while using your covered auto.

8. Sustained while **occupying** a vehicle when it is being used in the business or occupation of a **covered person**. This exclusion (8.) does not apply to bodily injury sustained while **occupying** a:
 - a. private passenger auto;
 - b. pickup or van that you own; or
 - c. **trailer** used with a vehicle described in (8.a. or 8.b.) above.
9. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection; or
 - e. rebellion or revolution.
10. From or as a consequence of the following whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation; or
 - c. radioactive contamination.

LIMIT OF LIABILITY

- A.** The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we pay regardless of the number of:
1. **Covered persons;**
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expenses under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.
- C.** No payment will be made unless the injured person or that person's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.

OTHER INSURANCE

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

ASSIGNMENT OF BENEFITS

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

PART B2 – PERSONAL INJURY PROTECTION COVERAGE**INSURING AGREEMENT**

- A.** We will pay Personal Injury Protection benefits because of bodily injury:
1. resulting from a motor vehicle accident; and
 2. sustained by a **covered person**.

Our payment will only be for losses or expenses incurred within three years from the date of accident.

B. Personal Injury Protection benefits consist of:

1. Reasonable expenses incurred for necessary medical and funeral services.
2. I. Eighty percent of a **covered person's** loss of income from employment. These benefits apply only if, at the time of the accident, the **covered person**
 - a. was an income producer; and
 - b. was in an occupational status.

These benefits do not apply to any loss after the **covered person** dies.
- II. Loss of income is the difference between
 - a. income which would have been earned had the **covered person** not been injured; and
 - b. the amount of income actually received from employment during the disability.
- III. If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the accident shall be used.
3. I. Reasonable expenses incurred for obtaining services. These services must replace those a **covered person** would normally have performed:
 - a. without pay;
 - b. during a period of disability; and
 - c. for the care and maintenance of the family or household.
- II. These benefits apply only if, at the time of the accident, the **covered person**:
 - a. was not an income producer; and
 - b. was not in an occupational status.

The benefits do not apply to any loss after the **covered person** dies.

C. "Covered person" as used in this Part means:

1. You or any family member:
 - a. while **occupying**; or
 - b. when struck by;
 - a motor vehicle designed for use mainly on public roads or a **trailer** of any type.
2. Any other person while **occupying your covered auto** with your permission.

EXCLUSIONS

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

1. In an accident caused intentionally by that person.

2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While **occupying**, or when struck by, any motor vehicle (other than **your covered auto**) which is owned by you.
5. By a **family member** while **occupying**, or when struck by any motor vehicle (other than **your covered auto**) which is owned by a **family member**.

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

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

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

OTHER PROVISIONS

A. Loss Payments. Benefits are payable:

1. Not more frequently than every two weeks; and
2. Within 30 days after satisfactory proof of claim is received.

B. Modification. The General Provision part of this policy entitled "Our Right To Recover Payment" does not apply to this coverage.

ASSIGNMENT OF BENEFITS Payments for medical expenses will be paid directly to a physician or other health care provider if we receive a written assignment signed by the **covered person** to whom such benefits are payable.

PART C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

A. We will pay damages which a **covered person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of bodily injury sustained by a **covered person**, or **property damage**, caused by an accident.
 The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured motor vehicle**.
 Any judgment for damages arising out of a suit brought without our consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.

B. "Covered person" as used in this Part means:

1. You or any **family member**;
2. Any other person **occupying your covered auto**;
3. Any person for damages that person is entitled to recover because of bodily injury to which this coverage applies sustained by a person described in B.1. or B.2. above.

C. "Property damage" as used in this Part means injury to, destruction of or loss of use of:

1. **Your covered auto**, not including a temporary substitute auto.
2. Any property owned by a person listed in B.1. or B.2. of **covered person** while contained in **your covered auto**.
3. Any property owned by you or any **family member** while contained in any auto not owned, but being operated, by you or any **family member**.

D. i. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type,

1. To which no liability bond or policy applies at the time of the accident,
2. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits:
 - a. you or any **family member**;
 - b. a vehicle which you or any **family member** are **occupying**; or
 - c. **your covered auto**.
3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. denies coverage; or
 - b. is or becomes insolvent.
4. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either:
 - a. is not enough to pay the full amount the **covered person** is legally entitled to recover as damages; or
 - b. has been reduced by payment of claims to an amount which is not enough to pay the full amount the **covered person** is legally entitled to recover as damages.

ii. However, "**uninsured motor vehicle**" does not include any vehicle or equipment:

1. Owned by or furnished or available for the regular use of you or any **family member**.
2. Owned or operated by a self-insurer under any applicable motor vehicle law.
3. Owned by any governmental body unless:
 - a. the operator of the vehicle is uninsured; and
 - b. there is no statute imposing liability for damage because of bodily injury or **property damage** on the governmental body for an amount not less than the limit of liability for this coverage.
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 as a residence or premises.

EXCLUSIONS

- A. We do not provide Uninsured/Underinsured Motorists Coverage for any person:
1. For bodily injury sustained while **occupying**, or when struck by, any motor vehicle or trailer of any type owned by you or any **family member** which is not insured for this coverage under this policy.
 2. If that person or the legal representative settles the claim without our written consent.
 3. When **your covered auto** is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
 - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.
 4. For the first \$250 of the amount of damage to the property of that person as the result of any one accident.
 5. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion (A.5.) does not apply to you or any **family member** while using **your covered auto**.
 6. For bodily injury or **property damage** resulting from the intentional acts of that person.
- B. This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
 2. Any insurer of property.

LIMIT OF LIABILITY

- A. I. [If separate limits of liability for bodily injury and **property damage** liability are shown in the Declarations for this coverage]¹⁰ the limit of liability for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one motor vehicle accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one motor vehicle accident. The limit of liability shown in the Declarations for "each accident" for **property damage** liability is our maximum limit of liability for all damages to all property resulting from any one motor vehicle accident.
- [If]⁹ the limit of liability shown in the Declarations for this coverage is [for combined bodily injury and **property damage** liability, it is]⁹ our maximum limit of liability for all damages resulting from any one motor vehicle accident.
- This is the most we will pay regardless of the number of:
- a. **Covered persons**;
 - b. Claims made;
 - c. Policies or bonds applicable;
 - d. Vehicles or premiums shown in the Declarations; or
 - e. Vehicles involved in the accident.
- II. Subject to this maximum, our limit of liability will be the lesser of:
- a. The difference between the amount of a **covered person's** damages for bodily injury or **property damage** and the amount paid or payable to that **covered person** for such damages, by or on behalf of persons or organizations who may be legally responsible; and
 - b. The applicable limit of liability for this coverage.
- B. In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.
- C. Any payment under this coverage to or for a **covered person** will reduce any amount that person is entitled to recover for the same damages under the Liability Coverage of this policy.

OTHER INSURANCE

- A. If there is other applicable similar insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.
- B. For any **property damage** to which the Coverage for Damage to Your Auto of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:
1. Neither one by itself is sufficient to cover the loss;
 2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
 3. You will not recover more than the actual damages.

PART D – COVERAGE FOR DAMAGE TO YOUR AUTO**INSURING AGREEMENT**

- A. We will pay for direct and accidental loss to **your covered auto**, including its equipment less any applicable deductible shown in the Declarations. However, we will pay for loss caused by **collision** only if the Declarations indicate that Collision Coverage is provided.
- B. "**Collision**" means the upset, or **collision** with another object of **your covered auto**. However, loss caused by the following are not considered "**collision**":
- | | |
|---------------------------------|-------------------------------------|
| 1. Missiles or falling objects; | 6. Hail, water or flood; |
| 2. Fire; | 7. Malicious mischief or vandalism; |
| 3. Theft or larceny; | 8. Riot or civil commotion; |
| 4. Explosion or earthquake; | 9. Contact with bird or animal; or |
| 5. Windstorm; | 10. Breakage of glass. |

If breakage of glass is caused by a **collision** or if loss is caused by contact with a bird or animal, you may elect to have it considered a loss caused by **collision**.

TRANSPORTATION EXPENSES

In addition, we will pay up to \$20 per day, to a maximum of \$600 for transportation expenses incurred by you. This applies only in the event of the total theft of **your covered auto**. We will pay only transportation expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when **your covered auto** is returned to use or we pay for its loss.

EXCLUSIONS

We will not pay for:

1. Loss to **your covered auto** while it is:
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
 - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.
2. Damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure; or
 - d. road damage to tires.This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto**.
3. Loss due to or as a consequence of:
 - a. radioactive contamination;
 - b. discharge of any nuclear weapon (even if accidental);
 - c. war (declared or undeclared);
 - d. civil war;
 - e. insurrection; or
 - f. rebellion or revolution.
4. Loss to stereos, radios, and other sound reproducing equipment. This exclusion (4.) does not apply if the equipment is permanently installed in **your covered auto**.
5. Loss to tapes, records or other devices for use with equipment designed for the reproduction of sound.
6. Loss to a camper body or **trailer** not shown in the Declarations. This exclusion (6.) does not apply to a camper body or **trailer** you:
 - a. acquire during the policy period; and
 - b. notify us within thirty days after you become the owner.
7. Loss to any vehicle while used as a temporary substitute for a vehicle you own which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.
8. When in or upon any **trailer**, loss to:
 - a. TV antennas;
 - b. awnings or cabanas; or
 - c. equipment designed to create additional living facilities.
9. Loss to any of the following or their accessories:
 - a. citizens band radio;
 - b. two-way mobile radio;
 - c. telephone;
 - d. scanning monitor receiver; or
 - e. any device or instrument used for detection of radar or other speed measuring equipment.This exclusion (9.) does not apply if the equipment is permanently installed in the opening of the dash or console of the auto. This opening must be normally used by the auto manufacturer for the installation of a radio.
10. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:
 - a. special carpeting and insulation, furniture, bars or television receivers;
 - b. facilities for cooking and sleeping;
 - c. height-extending roofs; or
 - d. custom murals, paintings or other decals or graphics.This exclusion (10.) does not apply if the value of the custom furnishings or equipment has been reported to us prior to a loss and included in the premium for this coverage.
11. Loss due to or as a consequence of a seizure of **your covered auto** by federal or state law enforcement officers as evidence in a case against you by the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

LIMIT OF LIABILITY

Our limit of liability for loss will be the lesser of the:

1. Actual cash value of the stolen or damaged property;
2. Amount necessary to repair or replace the property with other of like kind and quality; or
3. Amount stated in the Declarations of this policy.

The most we will pay for loss to equipment listed in Exclusion 4. is \$1500. Our payment for loss will be reduced by any applicable deductible shown in the Declarations.

PAYMENT OF LOSS	We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to: <ol style="list-style-type: none"> 1. You; or 2. The address shown in this policy. If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.
NO BENEFIT TO BAILEE	This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.
OTHER INSURANCE	A. If other insurance also covers the loss we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. B. For any loss to which Uninsured/Underinsured Motorists Coverage (from this or any other policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if: <ol style="list-style-type: none"> 1. Neither one by itself is sufficient to cover the loss; 2. You pay the higher deductible amount (but you do not have to pay both deductibles); and 3. You will not recover more than the actual damages.
APPRAISAL	If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will: <ol style="list-style-type: none"> 1. Pay its chosen appraiser; and 2. Bear the expenses of the appraisal and umpire equally. We do not waive any of our rights under this policy by agreeing to an appraisal.

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES	A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses. If we show that your failure to provide notice prejudices our defense, there is no liability coverage under the policy. B. A person seeking any coverage must: <ol style="list-style-type: none"> 1. Cooperate with us in the investigation, settlement or defense of any claim or suit. 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss. 3. Submit, as often as we reasonably require, to physical exams by physicians we select. We will pay for these exams. 4. Authorize us to obtain: <ol style="list-style-type: none"> a. medical reports; and b. other pertinent records. 5. When required by us: <ol style="list-style-type: none"> a. submit a sworn proof of loss; b. submit to examination under oath.
ADDITIONAL DUTIES FOR UNINSURED/UNDERINSURED MOTORISTS COVERAGE	A person seeking Uninsured/Underinsured Motorists Coverage must also: <ol style="list-style-type: none"> 1. Promptly notify the police if a hit and run driver is involved; 2. Promptly send us copies of the legal papers if a suit is brought; 3. Take reasonable steps after loss, at our expense, to protect damaged property from further loss; and 4. Permit us to inspect and appraise the damaged property before its repair or disposal.
ADDITIONAL DUTIES FOR COVERAGE FOR DAMAGE TO YOUR AUTO	A person seeking Coverage for Damage to Your Auto must also: <ol style="list-style-type: none"> 1. Take reasonable steps after loss, to protect your covered auto and its equipment from further loss. We will pay reasonable expenses incurred to do this; 2. Promptly notify the police if your covered auto is stolen; and 3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART F – GENERAL PROVISIONS

BANKRUPTCY	Bankruptcy or insolvency of the covered person shall not relieve us of any obligations under this policy.
CHANGES	A. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. B. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change in accordance with rules prescribed by the Texas Department of Insurance or its successor. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in: <ol style="list-style-type: none"> 1. The number, type or use classification of the insured autos; 2. Operators using insured autos; 3. The place of principal garaging of insured autos; 4. Coverage, deductible or limits. C. If this policy form is revised to provide more coverage without additional premium charge, we will automatically provide the additional coverage as of the date the revision is effective. D. We will compute the premium at the rates in effect on each anniversary date of the policy's inception date for a policy written for more than a full year.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Liability Coverage, no legal action may be brought against us until:
 - 1. We agree in writing that the **covered person** has an obligation to pay; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring us into any action to determine the liability of a **covered person**.

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:
 - 1. Whatever is necessary to enable us to exercise our rights; and
 - 2. Nothing after loss to prejudice them.
 (A release of the insurer of an underinsured motor vehicle does not prejudice our rights.)
 However, our rights in this paragraph do not apply under Part D, against any person using **your covered auto** with a reasonable belief that person is entitled to do so.
- B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for us the proceeds of the recovery; and
 - 2. Reimburse us to the extent of our payment. (However, we may not claim the amount recovered from an insurer of any underinsured motor vehicle.)

POLICY PERIOD AND TERRITORY

- A. This policy applies only to accidents and losses which occur:
 - 1. During the policy period as shown in the Declarations; and
 - 2. Within the policy territory.
- B. The policy territory is:
 - 1. The United States of America, its territories or possessions;
 - 2. Puerto Rico; or
 - 3. Canada.
 This policy also applies to loss to, or accidents involving, **your covered auto** while being transported between their ports.

TERMINATION

- A. **Cancellation.** This policy may be cancelled during the policy periods as follows:
 - 1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to us; or
 - b. giving us advance written notice of the date cancellation is to take effect.
 - 2. We may cancel by mailing at least 10 days notice to the named insured shown in the Declarations at the address shown in this policy.
 - 3. After this policy is in effect for 60 days or if this is a renewal or continuation policy, we will cancel only:
 - a. if you submit a fraudulent claim; or
 - b. for nonpayment of premium; or
 - c. if your driver's license or motor vehicle registration or that of:
 - (1) any driver who lives with you; or
 - (2) any driver who customarily uses **your covered auto**
 has been suspended or revoked. However, we will not cancel if you consent to the attachment of an endorsement eliminating coverage when **your covered auto** is being operated by the driver whose license has been suspended or revoked.
 - 4. We may not cancel this policy based solely on the fact that you are an elected official.
- B. **Non-renewal.** If we decide not to renew or continue this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period. If the policy period is other than 1 year, we will have the right not to renew or continue it only at each anniversary of its original effective date. We will not refuse to renew because of a **covered person's** age. We may not refuse to renew this policy based solely on the fact that you are an elected official.
- C. **Automatic Termination.** If, at any time, you obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance. If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- D. **Other Termination Provisions.**
 - 1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
 - 2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund promptly. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. However, making or offering to make the refund is not a condition of cancellation.
 - 3. The effective date of cancellation stated in the notice shall become the end of the policy period.
 - 4. Any cancellation or restriction of coverage made without your consent will be of no effect, except as
 - a. provided for in this Termination provision under:
 - (1) Cancellation;
 - (2) Non-renewal; or
 - (3) Automatic Termination; or
 - b. required by the Texas Department of Insurance

**TRANSFER OF
YOUR INTEREST
IN THIS POLICY**

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.
 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.
- B. Coverage will be provided until the end of the policy period.

NOTE: Refer to Medical Payments and/or Personal Injury Protection Coverages for Assignment of Benefits.

**TWO OR MORE
AUTO POLICIES**

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

★ **In Witness Whereof**, the company has caused this policy to be executed and attested.

Secretary

President

DECLARATIONS

TEXAS PERSONAL AUTO POLICY

BLANK INSURANCE COMPANY
STREET MAILING ADDRESS
ANY CITY, U.S.A.

[Renewal of Number]⁴

[No.]⁵

Named Insured and Mailing Address (No. Street, Apt., Town or City, County, State, Zip Code)

Policy Period:

From:
To:

12:01 A.M., Standard Time at the address of the named insured as stated herein.

The Auto(s) or Trailer(s) described in this policy is principally garaged at the above address unless otherwise stated. (No., Street, Apt., Town or City, County, State, Zip Code)

Coverage is provided where a premium and a limit of liability are shown for the coverage.

COVERAGES		LIMITS OF LIABILITY			PREMIUMS	PREMIUMS	PREMIUMS			
					Auto 1	Auto 2	Auto 3			
A	LIABILITY COVERAGE	BODILY INJURY LIABILITY	\$	000 EACH PERSON	9	\$	\$			
			\$	000 EACH ACCIDENT						
		PROPERTY DAMAGE LIABILITY	\$	000 EACH ACCIDENT	\$	\$	\$			
		COMBINED BODILY INJURY & PROPERTY DAMAGE LIABILITY	\$	000 EACH ACCIDENT	10	\$	\$	\$		
B1	MEDICAL PAYMENTS COVERAGE	\$		EACH PERSON	\$	\$	\$			
B2	PERSONAL INJURY PROTECTION COVERAGE	\$		EACH PERSON	\$	\$	\$			
C	UNINSURED/ UNDERINSURED MOTORISTS COVERAGE (\$250 DEDUCTIBLE APPLICABLE TO P.D. LIABILITY	BODILY INJURY LIABILITY	\$	000 EACH PERSON	9	\$	\$			
			\$	000 EACH ACCIDENT						
		PROPERTY DAMAGE LIABILITY	\$	000 EACH ACCIDENT	\$	\$	\$			
		COMBINED BODILY INJURY & PROPERTY DAMAGE LIABILITY	\$	000 EACH ACCIDENT	10	\$	\$	\$		
D	COVERAGE FOR DAMAGE TO YOUR AUTO	OTHER THAN COLLISION	Actual Cash Value	Auto 1	Auto 2	Auto 3	6	\$	\$	\$
			unless otherwise stated	\$	\$	\$				
			Less Deductible	\$	\$	\$				
		COLLISION	Actual Cash Value	Auto 1	Auto 2	Auto 3	\$	\$	\$	
			unless otherwise stated	\$	\$	\$				
			Less Deductible	\$	\$	\$				
3	TOWING AND LABOR COSTS	\$		PER DISABLEMENT	\$	\$	\$			
Form numbers of endorsements attached to policy at date of issue					Sub Total Premium	\$	\$	\$		
					Total Premium	\$	\$	\$		
Description of auto or trailer.										
A U T O	Year of Model	Trade Name	Body Type Model	Identification Number	F.O.B. List Price or Delivered Price at Factory	Class & Rating Symbol	Terr			
1 2 3										
A U T O	Any loss under Part D is payable as interest may appear to the named insured and					(include name and address)				
1 2 3										

TEXAS
STANDARD PROVISIONS FOR AUTOMOBILE POLICIES

★ **593 E. TEXAS PERSONAL AUTO POLICY — AMENDATORY ENDORSEMENT**

This endorsement forms a part of Policy No. _____ issued to _____
by the _____ at its Agency
(Name of Insurance Company)
located (city and state) _____ and is effective from _____
(12:01 A.M. Standard Time)

(The information above is required only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement forms a part of the policy to which attached, effective from its date of issue unless otherwise stated herein.

1. DEFINITIONS is amended to add the following:

H. "**Business day**" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

2. PART E — DUTIES AFTER AN ACCIDENT OR LOSS — GENERAL DUTIES — is amended as follows:

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses. If we show that your failure to provide notice prejudices our defense, there is no liability coverage under the policy.

B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
3. Submit, as often as we reasonably require, to physical exams by physicians we select. We will pay for these exams.
4. Authorize us to obtain:
 - a. medical records which are reasonably related to the injury or damage asserted; and
 - b. other pertinent records.
5. When required by us:
 - a. submit a sworn proof of loss;
 - b. submit to examination under oath.

C. Within 15 days after we receive your written notice of claim, we must:

1. acknowledge receipt of the claim.

If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.

2. begin any investigation of the claim.
3. specify the information you must provide in accordance with paragraph B. above.

We may request more information, if during the investigation of the claim such additional information is necessary.

D. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

1. within 15 **business days**; or
2. within 30 days if we have reason to believe the loss resulted from arson.

E. If we do not approve payment of your claim or require more time for processing your claim, we must:

1. give the reasons for denying your claim, or
2. give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.

F. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.

G. Loss Payment

1. If we notify you that we will pay your claim, or part of your claim, we must pay within 5 **business days** after we notify you.
2. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 **business days** after the date you perform the act.

H. Notice of Settlement of Liability Claim

1. We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.
2. We will notify you in writing of any settlement of a claim against you under the liability section of this policy. We will give you notice within 30 days after the date of the settlement.

3. **PART A — LIABILITY — EXCLUSION** — is amended as follows: [] 1

C. We do not provide Liability Coverage for you or any **family member** for bodily injury to you or any **family member**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701h, entitled "Texas Motor Vehicle Safety-Responsibility Act."

4. **PART D — COVERAGE FOR DAMAGE TO YOUR AUTO — LIMIT OF LIABILITY** [] 1

This section is amended by adding the following sentence (as a separate paragraph) at the end:

At the mutual agreement of you and us, we will not apply the applicable deductible for a glass loss if the glass is repaired rather than replaced.

★ 5. **DEFINITIONS—G.2 I. b.** — is amended as follows: [] 1

b. a utility type vehicle, with a G.V.W. of 25,000 lbs. or less, of the pickup body, sedan delivery, panel truck, van type and multi-use type, not used for the delivery or transportation of goods, materials or supplies other than samples; unless, (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle, or (2) used for farming or ranching.

Note 1: The provision of this endorsement may be overprinted on the Texas Personal Auto Policy or incorporated therein. In the event of the latter, matter in brackets is to be omitted.

Instruction

The provisions of this endorsement must be made a part of all policies affording Personal Auto Liability and Coverage For Damage To Your Auto Coverages. For policies affording solely Coverage For Damage To Your Auto, only those applicable provisions will be used.