

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINSURED MOTORISTS COVERAGE – CALIFORNIA

SCHEDULE

Uninsured Motorists Coverage	Limit Of Liability	Premium		
		Auto 1	Auto 2	Auto 3
1. Bodily Injury	\$ each person \$ each accident	\$	\$	\$
2. Property Damage	\$ 3,500 each accident	\$	\$	\$

With respect to the coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

I. Part C – Uninsured Motorists Coverage

Part C is replaced by the following:

As used in this endorsement, "you" and "your" refer to the "named insured" shown in the Declarations and spouse.

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident, and
2. "Property damage" caused by an accident if the Schedule or Declarations indicates that "property damage" Uninsured Motorists Coverage applies to that auto. Only Items 1. and 4. under the definition of "uninsured motor vehicle" apply to "property damage".

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle". With respect to coverage under Item 2. of the definition of "uninsured motor vehicle", we will pay only after the limits of liability under any liability bonds or policies applicable to the "uninsured motor vehicle" have been exhausted by payment of judgments or settlements.

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this endorsement 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 in 1. or 2. above.

However, with respect to coverage for "bodily injury", "insured" does not include any person who sustains "bodily injury" while "your covered auto" is being used as a public or livery conveyance. This exception does not apply to a share-the-expense car pool.

C. "Property damage" as used in this endorsement means injury to or destruction of "your covered auto". However, "property damage" does not include:

1. Loss of use of "your covered auto"; or
2. Damage to personal property contained in "your covered auto" other than a child passenger restraint system that:
 - a. Meets the applicable federal motor vehicle safety standards; and
 - b. Was in use by a child at the time of the accident for which this coverage applies.

D. "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, with respect to damages for "bodily injury" only, 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 for liability is less than the limit of liability for this coverage.

3. Which, with respect to damages for "bodily injury" only, is a hit-and-run vehicle whose owner or operator cannot be identified and which makes physical contact with:
 - a. You or any "family member";
 - b. A vehicle which you or any "family member" are "occupying"; or
 - c. "Your covered auto".
4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. Denies coverage;
 - b. Refuses to admit coverage except conditionally or with reservation; or
 - c. Is or becomes insolvent within one year of the date of the accident.

With respect to coverage for "property damage", the accident must involve direct physical contact between "your covered auto" and the "uninsured motor vehicle", and:

1. The owner or operator of the "uninsured motor vehicle" must be identified; or
2. The "uninsured motor vehicle" must be identified by its license number.

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

1. Owned by you or any "family member" unless the vehicle is being operated, or caused to be operated, by a person without the consent of the owner of such vehicle in connection with criminal activity that has been documented in a police report.
2. Furnished or available for the regular use of you or any "family member".
3. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
4. Owned by any governmental unit or agency.
5. Designed or modified for use primarily 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 Motorists Coverage for "bodily injury" sustained:

1. By an "insured" while "occupying", or when struck by:
 - a. Any motor vehicle; or
 - b. A trailer of any type used with a motor vehicle;

owned by that "insured" which is not insured for this coverage under this policy.
2. By any "family member" while "occupying", or when struck by any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

However, this Exclusion **(A.)** shall not apply to "bodily injury" sustained by an "insured" when struck by any motor vehicle or trailer:

1. Owned by that "insured"; and
2. Being operated, or caused to be operated, by a person without that "insured's" consent in connection with criminal activity that has been documented in a police report and that "insured" is not a party to the criminal activity.

B. We do not provide Uninsured Motorists Coverage for "bodily injury" sustained by any "insured":

1. If that "insured" or the legal representative settles the "bodily injury" claim and such settlement prejudices our right to recover payment.

This Exclusion **(B.1.)** does not apply to a settlement made with the insurer of a vehicle described in Section 2. of the definition of "uninsured motor vehicle".

2. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion **(B.2.)** does not apply to a "family member" using "your covered auto" which is owned by you.
3. While "occupying" a motor vehicle rented or leased to that "insured" for use as a public or livery conveyance.

C. We do not provide Uninsured Motorists Coverage for "property damage" sustained by any "insured" while "occupying" or when struck by any motor vehicle owned by you or any "family member" which is not insured for this coverage under this policy.

D. This coverage shall not apply:

1. To "property damage" to:
 - a. A trailer of any type;
 - b. Any motor vehicle owned by you to which Collision Coverage applies under this policy; or
 - c. Any other motor vehicle to the extent that there is valid and collectible Collision Coverage applicable to that damage under any other policy.
2. Directly or indirectly to benefit:
 - a. Any insurer or self-insurer under any of the following or similar law:
 - (1) Workers' compensation law; or
 - (2) Disability benefits law.
 - b. Any insurer of property.
3. Directly to the benefit of the United States or any state or political subdivision thereof.

E. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

LIMIT OF LIABILITY

A. The limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

Our maximum limit of liability for all damages for "property damage" resulting from any one accident will be the lesser of:

1. The Limit of Property Damage Liability shown in the Schedule or in the Declarations;
2. The actual cash value of "your covered auto"; or
3. The amount of any deductible if there is valid and collectible Collision Coverage under any other policy.

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of the loss.

The limit of Bodily Injury Liability or Property Damage Liability shown in the Schedule or in the Declarations is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or Declarations; or
 4. Vehicles involved in the accident.
- B. With respect to coverage under Item 2. of the definition of "uninsured motor vehicle", the limit of liability shall be reduced by all sums:
1. Paid because of the "bodily injury" by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of the policy; and
 2. Paid or payable because of the "bodily injury" under any automobile medical payments coverage. This includes all sums paid under Part B.
- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part A or Part B of this policy.
- D. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- E. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any workers' compensation law exclusive of non-occupational disability benefits.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.
3. If the coverage under this policy is provided:
 - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage 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.
 - b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage 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.

ARBITRATION

- A. If we and an "insured" do not agree:
 1. Whether that person is legally entitled to recover damages under this coverage; or
 2. As to the amount of damages;
 then the matter will be settled by arbitration. Such arbitration may be initiated by a written demand for arbitration made by either party. The arbitration shall be conducted by a single neutral arbitrator. With respect to "property damage", arbitration proceedings must be formally instituted by the "insured" within 1 year from the date of the accident. Disputes concerning coverage under this part may not be arbitrated.
- B. Each party will:
 1. Pay the expenses it incurs; and
 2. Bear the expenses of the arbitrator equally.
- C. Any decision of the arbitrator will be binding as to:
 1. Whether the "insured" is legally entitled to recover damages; and
 2. The amount of damages.

II. Duties After An Accident Or Loss

Paragraph C. of Part E is replaced by the following:

- C. A person seeking Uninsured Motorists Coverage must also:
 1. Promptly notify the police if a hit-and-run driver is involved.

2. Send us copies of the legal papers if a suit is brought.

A person seeking coverage for "bodily injury" sustained in an accident involving a vehicle described in Item 2. of the definition of "uninsured motor vehicle" must:

1. Provide us with a copy of the complaint by personal service or certified mail, if the "insured" brings action against the owner or operator of the "uninsured motor vehicle".
2. Within a reasonable time, make available all pleadings and depositions for copying by us or furnish us copies at our expense.
3. Provide us with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

A person seeking Uninsured Motorists Coverage for "property damage" must also notify us or our agent within 10 business days of the accident.

III. General Provisions

Part F is amended as follows with respect to Uninsured Motorists Coverage:

- A. The **Legal Action Against Us** Provision is replaced by the following:

LEGAL ACTION AGAINST US

No legal action may be brought against us until:

1. There has been full compliance with all the terms of the policy; and
2. With respect to an accident involving a vehicle described in Items 1., 3. and 4. of the definition of "uninsured motor vehicle", one of the following actions are taken within 2 years from the date of the accident:
 - a. Agreement as to the amount of damages for "bodily injury" due under this coverage has been concluded;
 - b. The "insured" or his legal representative has formally instituted arbitration proceedings by notifying us in writing.
 With respect to "bodily injury", such notification must be sent by certified mail, return receipt requested; or

c. Suit for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction. Written notice of the suit must be provided to us within a reasonable time after the "insured" knew or should have known of the uninsured status of the other motorist. In no event will such notice be required before two years from the date of the accident. Failure of the "insured" or his representative to provide such notice will not be a basis for a denial of coverage unless such failure prejudices our rights.

B. The **Our Right To Recover Payment** Provision is amended as follows:

OUR RIGHT TO RECOVER PAYMENT

1. Paragraph **A.** of this provision does not apply to coverage under Item **2.** of the definition of "uninsured motor vehicle".
2. Paragraph **B.** of this provision does not apply to coverage under Items **1., 3. and 4.** of the definition of "uninsured motor vehicle".

This endorsement must be attached to the Change Endorsement when issued after the policy is written.