

TEXAS LIMITED PERSONAL AUTO POLICY

HOME STATE COUNTY MUTUAL INSURANCE COMPANY

4315 LAKE SHORE DRIVE
WACO, TEXAS 76710

(A COUNTY MUTUAL COMPANY)

Administered by:

MULTI-STATE INSURANCE SERVICES
P.O. BOX 801208
SANTA CLARITA, CA 91380-1208
(214) 447-7933 TOLL FREE (800) 209-4110
TX MGA License #1557695

For Claims: (800) 292-1511

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact your managing general agent at the following toll free number:

1-800-209-4110

You may call Home State County Mutual's toll-free telephone number for information or to make a complaint at:

1-800-792-3224

You may also write to Home State County Mutual at:

**4315 Lakeshore Dr.
Waco, TX 76710**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104

FAX #: (512) 490-1007
EMAIL: ConsumerProtection@tdi.texas.gov
www.tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede comunicarse con su agente general al:

1-800-209-4110

Usted puede llamar al número de teléfono gratuito de Home Estate County Mutual para información o para someter una queja al:

1-800-792-3224

Usted también puede escribir a Home State County Mutual:

**4315 Lakeshore Dr.
Waco, TX 76710**

Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos o quejas al:

1-800-252-3439

Usted puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104

FAX #: (512) 490-1007
EMAIL: ConsumerProtection@tdi.texas.gov
www.tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la compañía primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.

TEXAS LIMITED 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>Page</u>		<u>Page</u>
Agreement	1	Part D - Coverage for Damage to Your Auto	7
Definitions	1	Insuring Agreement	
Part A – Liability Coverage	2	Transportation Expenses	
Insuring Agreement		Exclusions	
Supplementary Payments		Limit of Liability	
Exclusions		Supplemental Payments	
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	4	Part E - Duties After an Accident or Loss	9
Insuring Agreement		General Duties	
Exclusions		Additional Duties for Uninsured /	
Limit of Liability		Underinsured Motorists Coverage	
Other Insurance		Additional Duties for Coverage for	
Assignment of Benefits		Damage to Your Auto	
Part B2 – Personal Injury Protection Coverage	5	Part F - General Provisions	10
Insuring Agreement		Bankruptcy	
Exclusions		Changes	
Limit of Liability		General Exclusions	
Other Insurance		Legal Action Against Us	
Other Provisions		Misrepresentation or Fraud	
Assignment of Benefits		Our Right to Recover Payment	
Part C - Uninsured / Underinsured Motorists Coverage	6	Policy Period and Territory	
Insuring Agreement		Termination	
Exclusions		Transfer of Your Interest in this Policy	
Limit of Liability		Two or More Auto Policies	
Other Insurance		Special Provisions	13
		Endorsements	

TEXAS LIMITED PERSONAL AUTO POLICY

AGREEMENT

In return for payment of the premium and subject to all of 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 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.
- 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. I. **Your covered auto** means:
- a. Any vehicle shown in the Declarations.
 - b. A **"newly acquired auto"**.
 - c. Any **"trailer"** you own.
 - d. 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:
 1. breakdown;
 2. repair;
 3. servicing;
 4. loss; or
 5. destruction.
- This provision (G.I.d.) does not apply to Part D – Coverage for Damage to Your Auto of this policy.
- II. **Newly acquired auto:**
- a. **"Newly acquired auto"** means a private passenger auto, pickup, van, or utility vehicle designed for operation principally upon public roads that you become the **owner** of during the policy period, and that:
 1. has a gross vehicle weight (as determined by the manufacturer's specifications) of 25,000 lbs. or less; and
 2. is not used for the delivery or transportation of goods, materials or supplies other than samples, unless:
 - a. the delivery of goods, materials or supplies is not the primary usage of the vehicle; or
 - b. it is used for farming or ranching.
 - b. Coverage for a **newly acquired auto** is subject to the following conditions:
 1. **We** must be notified and coverage requested on or before the 20th day after the date on which **you** become the owner of the vehicle.
 2. Coverage under this section for a vehicle that replaces **your covered auto** shown in the declarations will be the same as the coverage for the vehicle being replaced. **You** must notify **us** of a replacement vehicle during the time prescribed in II.b.1 above only if **you** wish to:
 - a. add coverage under Part D – Coverage for Damage to Your Auto; or
 - b. continue existing coverage under Part D – Coverage for Damage to Your Auto for the replacement vehicle after the period prescribed by in II.b.1 above expires.
 3. Coverage under this section for a vehicle that is acquired during the policy term in addition to **your covered autos** shown in the declarations for the policy and of which **we** are notified as prescribed in II.b.1 above will be the broadest coverage provided under the policy for any of **your covered autos** shown in the declarations.
- As used in this section (G.II), **"owner"** means the person who:
- a. Holds legal title to the auto or trailer;
 - b. Has legal possession of an auto or trailer subject to a lien or security agreement; or
 - c. Has legal possession of a private passenger type auto or pickup or van that is leased or rented to that person under a written agreement for a continuous period of at least six months.
- H. **Business day** means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

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 one of the following individual(s):

1. **You** for the use of any auto or trailer.
2. Any driver listed in the Declarations or added by endorsement during the policy term prior to loss for the use of **your covered auto**.
3. A person who is using **your covered auto** with your express or implied permission and holds a valid U.S. driver's license.

As used in this Part, "**resident**" means any person living in your household other than **you** or a **family member**.

C. This policy does not provide coverage for **punitive or exemplary** damages.

As used in this Part, "**punitive or exemplary**" damages are those damages assessed by a court specifically to punish a wrongdoer or make an example of a wrongdoer.

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.3.1.) 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, this 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 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 carpool;
 - 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. 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.

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**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701 h, entitled "Texas Motor Vehicle Safety – Responsibility Act."
- D. None of the liability coverages afforded by this policy shall apply while any person who is not a **covered person** is operating **your covered auto** or any other vehicle.

- E. We do not provide Liability Coverage for any person for bodily injury or property damage assumed by or imposed on a **covered person** under any agreement, contract or bailment.
- F. We do not provide Liability Coverage for any person not listed in the Declarations that does not hold a valid U.S. driver's license.

LIMIT OF LIABILITY

- A. If separate limits of liability for bodily injury and property damage liability are shown in the Declarations for this coverage, 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 the limit of liability shown in the Declarations for this coverage is for combined bodily injury and property damage liability, it is 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 specific 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 share-the-expense carpools; 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 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.
- 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. 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.

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.

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. 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.

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 carpool; 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 or property.

LIMIT OF LIABILITY

- A. 1. If separate limits of liability for bodily injury and **property damage** liability are shown in the Declarations for this coverage, 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 the limit of liability shown in the Declarations for this coverage is combined bodily injury and **property damage** liability, it is 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 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;
 - 2. Fire;
 - 3. Theft or larceny;
 - 4. Explosion or earthquake;
 - 5. Windstorm;
 - 6. Hail, water or flood;
 - 7. Malicious mischief or vandalism;
 - 8. Riot or civil commotion;
 - 9. Contact with bird or animal; or
 - 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**.

- C. For coverage to exist under this Part, **your covered auto** must be operated by or in the **control** of an **authorized driver** at the time of loss.

As used in this Part, "**authorized driver**" shall mean:

1. **you**; or
2. any person listed in the Declarations or added by endorsement during the policy term prior to loss; or
3. Any **family member** or **resident** of **your** household who holds a valid U.S. driver's license.

As used in this Part, "**control**" shall mean the direct and immediate pre-loss care and custody of **your covered auto**.

As used in this Part, "**resident**" means any person living in your household other than **you** or a **family member**.

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 carpool;
 - 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 30 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.

12. Loss to any automobile not specifically listed on the Declarations Page.
13. Loss to **your covered auto** while outside any state, territory or possession of the United States and any province or territory of Canada, or while **your covered auto** is being transported between their ports.
14. Loss to **your covered auto** as a result of any obligation assumed by **you**, a **family member** or any **authorized driver** for any estimating, teardown, storage, towing or other charges without our approval.
15. Loss caused by an **authorized driver** operating **your covered auto** that is under the influence of an alcoholic beverage or drug, or has a blood alcohol level of .08 percent or greater; or if the **authorized driver** is under 21 years of age and has a blood alcohol level of .01 or greater.
16. Loss to **your covered auto** while operated in any race, speed or demolition contest including practice or preparation for such event.
17. Loss to **your covered auto** while operated in any off-roading or similar type use.
18. Loss to **your covered auto** resulting from embezzlement, conversion, secretion, theft, larceny, robbery, or pilferage committed by any person including any employee, entrusted by you with either custody or possession of the covered vehicle.
19. Loss due to theft or conversion of **your covered auto**:
 - a. by **you**, a **family member**, or an **authorized driver**;
 - b. prior to its delivery to **you**, a **family member** or an **authorized driver**;
 - c. while in the care, custody, or control of anyone engaged in the automobile business.
20. Loss to **your covered auto** for diminution of value.
21. Loss to **your covered auto** while being driven by a person that does not hold a valid U.S. driver's license and that is not listed on the Declarations.

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 \$500. Our payment for loss will be reduced by any applicable deductible shown in the Declarations.

SUPPLEMENTARY PAYMENTS

In addition to the applicable limit of liability, the Company will reimburse the insured or pay for:

Reasonable towing charges not to exceed \$150 for transporting **your covered auto** as a result of damage occurring from any auto accident or arising from the theft of **your covered auto**. We will pay up to \$35 per day for necessary storage charges incurred as a result of a loss covered by this policy, up to a maximum of \$350.

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:

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:

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:

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:

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 acknowledgement of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgement.
 2. begin any investigation of the claim.
 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 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.

ADDITIONAL DUTIES FOR UNINSURED / UNDERINSURED MOTORISTS COVERAGE

A person seeking Uninsured/Underinsured Motorists Coverage must also:

1. Promptly notify the police if a hit and run driver is involved;
2. Promptly send us copies of the legal papers if 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:

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:

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.

GENERAL EXCLUSIONS

- A. We do not provide any coverage for any person for bodily injury or property damage caused by or sustained:
1. In an incident caused by or at the direction of that person with the intent to injure person or property.
 2. While in the commission of a felony.
 3. While attempting to elude arrest by a law enforcement official.
- B. We will not pay for loss to **your covered auto** for damages sustained:
1. Due to or caused by a willful or intentional act by or at the direction of **you**, a **family member** or anyone with your express or implied permission.
 2. While in the commission of a felony.
 3. While attempting to elude arrest by a law enforcement official.

However, this exclusion does not apply to an insured who did not cooperate in or contribute to the creation of the loss if that insured has: (1) filed a police report; and (2) cooperated with law enforcement investigation or prosecution relating to any other insured causing the intentional loss.

If we pay a claim, our payment to the person insured is limited to their insurable interest in the property less any payments we first made to a mortgagee or other party with a secured interest in the policy. In no event will we pay more than the limit of liability.

Exclusions B.2. and B.3. of this section apply only while **your covered auto** is being used by **you**, a **family member**, or anyone with your express or implied permission.

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**.

MISREPRESENTATION OR FRAUD

This policy includes the declarations Page and the amendments. This policy also includes the application and the endorsements. The statements that you made while you were applying for coverage are representations. To determine your premium and eligibility for coverage under this policy, we relied on the representations that you made

when you applied for coverage. If you omitted material facts or made material misrepresentations that are fraudulent, false, misleading or affect the acceptance of the risk by us, we may void this policy. We may void this policy if you engaged in fraudulent conduct while applying for coverage under this policy in accordance with Texas Insurance Code Chapter 705, Subchapter A.

Even following an accident or loss, we may still void this policy for fraud or where there was a material misrepresentation of fact by you while you were applying for any coverage under this policy, or through any notice of change that you gave under this policy in accordance with Texas Insurance Code Chapter 705, Subchapter A. In such a case, we will not be liable for any claims that would otherwise be covered in the absence of the fraud or material misrepresentation. Examples of material misrepresentation include, but are not limited to:

- A. Failure to disclose all household members;
- B. Misrepresentation of driving safety record for any person insured under this policy;
- C. Misrepresentation of years of driving experience for any person insured under this policy; or
- D. Misrepresentation of number of previous automobile claims for any person insured under this policy.

If we are not allowed to void this policy, any first-party claims will be reduced by the amount of any other premium owed to us. We reserve the right to recover from you any payments made as a result of your fraud.

Any statements you made or will make in a notification of change to your policy are also considered representations and are subject to the provisions set out above.

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, the 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 canceled during the policy period 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 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. If someone other than **you** or a **family member** who is listed in the Declarations becomes the owner of the auto, coverage for that auto will automatically terminate. The termination will correspond with the time that possession or title is conveyed to the new owner.

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 canceled, you may be entitled to a premium refund. If so, we will send you the refund no later than the 15th business day after the effective date of cancellation or termination of the policy. The premium, 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.

SPECIAL PROVISIONS

This Company is licensed to operate under Chapter 912, Texas Insurance Code, and such statutes shall apply to and form a part of this policy the same as if written or printed upon, attached or appended hereto.

This policy is issued subject to the constitution and bylaws and all amendments thereto of the Company, which shall form a part of this policy.

MUTUALS – MEMBERSHIP AND VOTING NOTICE

The insured is notified that by virtue of this policy, he is a member of the Home State County Mutual Insurance Company of Waco, Texas, and is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held at its' Home Office at 4315 Lake Shore Drive, Suite J, Waco, Texas, on the first Tuesday following the second Monday in February in each year, at 10:00 o'clock A.M.

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.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Secretary



President

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE - TEXAS

INSURING AGREEMENT

If the Declarations show Accidental Death and Dismemberment Coverage applies, **we** will pay Accidental Death and Dismemberment Benefits for each **named insured** per accident whose death, dismemberment, or loss of sight:

1. Is the result of bodily injury caused by an accident and sustained while **occupying your covered auto**; and
2. Occurs within one (1) year of the accident.

ADDITIONAL DEFINITIONS

As used in this Endorsement only:

1. **Named insured** means only the person shown on the Declarations as **named insured** and for whom the specific premium for this coverage is paid.
2. **Loss** means:
 - a. Death of the **named insured**.
 - b. With regards to the loss of:
 - (1) A hand or foot, complete severance through or above the wrist or ankle joint; or
 - (2) The thumb and index finger, complete severance through or above metacarpophalangeal joint.
 - c. The entire and irrecoverable loss of sight.

LIMIT OF LIABILITY AND BENEFITS

We will pay the following benefits for **loss**, but not more than the limit of liability per accident shown on the Declarations, for all **loss** sustained by a **named insured**:

Benefits

- | | |
|--|---------------------------------------|
| 1. Death of the Named Insured..... | The Limit of Liability |
| 2. Loss of Both Hands, Both Feet, or Sight of Both Eyes..... | The Limit of Liability |
| 3. Loss of One Hand and One Foot..... | The Limit of Liability |
| 4. Loss of Either Hand or Foot..... | One Half of the Limit of Liability |
| 5. Loss of Sight of One Eye..... | One Half of the Limit of Liability |
| 6. Loss of Thumb and Index Finger of Same Hand..... | One-Quarter of the Limit of Liability |

LIMITS AND CONDITIONS OF PAYMENT

The following conditions apply to the Accidental Death and Dismemberment Coverage limit of liability shown on the Declarations:

1. The insuring of more than one **named insured** or **your covered auto** under this Policy does not increase the limit of liability available to a **named insured** provided by this Accidental Death and Dismemberment Coverage.
2. The limit of liability shown on the Declarations for this Accidental Death and Dismemberment Coverage for the **named insured** applies to each **named insured's loss** shall be enforceable regardless of the number of **named insureds**, claims made, or **your covered auto** or premiums shown on the Declarations, or automobiles involved in the accident.
3. **We** will pay the amount due to the **named insured**, to a parent or guardian if the **named insured** is a minor, to the surviving spouse at **our** option, or to any person or entity authorized by law to receive such payment.

EXCLUSIONS

We do not provide Accidental Death and Dismemberment Coverage for any **loss** resulting from the following:

1. The intentional acts of or at the direction of a **named insured**, including willful acts the result of which the **named insured** knows or ought to know will follow from **named insured's** conduct. This exclusion includes, but is not limited to, **losses** that arise out of fleeing from law enforcement or other legal authority.
2. Suicide or any attempted suicide by the **named insured**.
3. The intentional taking or inhaling of any poisonous gas.
4. Infections, except pyogenic infections caused wholly by a covered injury.
5. Sickness or disease of any kind including surgical or medical treatment.
6. The **named insured** operating **your covered auto** while intoxicated or under the influence of a controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion **6.** does not apply to the legitimate use of prescription drugs by the **named insured** following the orders of a licensed physician and without a warning against operating a motor vehicle under the influence of the drug.
7. The **named insured** operating **your covered auto** for compensation or hire while engaged in any business use.
8. The **named insured** operating or **occupying your covered auto** while racing.
9. Hernia of any kind.
10. War or any act of war, or accident, or **loss** occurring while the **named insured** is in the military, naval or air service of any country.
11. The **named insured occupying your covered auto** operated by an individual with a **named insured's** permission if the **named insured** knows the driver:
 - a. Is under the minimum of age to obtain a valid driver's license in the State where the vehicle is garaged;
 - b. Is under fifteen (15) years of age;
 - c. Does not have a valid driver's license; or
 - d. Has a suspended or revoked driver's license.

PROOF OF CLAIM

We will pay Benefits if written notice of claim is given to **us** within twenty (20) days after the occurrence of any **loss** covered by this Endorsement, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the claimant to the Company or to the authorized agent of the Company, with information sufficient to identify the **named insured**, shall be deemed notice to the Company. The **named insured** must:

1. Submit written proof of the claim to **us** within twenty (20) days after the **loss** or as soon thereafter as is reasonably possible. It must be under oath, if required. It must include details of:
 - a. The nature and extent of injuries;
 - b. Treatment; and
 - c. Any other facts which could affect the amount of payment.
2. Provide all known facts of the accident and the names of all known witnesses.
3. Answer questions under oath as often as **we** require and not in the presence of another person except a parent, guardian, or bona fide legal counsel. At **our** request, the injured **named insured** or his legal representative must promptly authorize **us** to:
 - a. Speak with any doctor, dentist or other health care provider who has provided treatment reasonably related to the accident or **loss**;
 - b. Read all medical history and reports of the injury reasonably related to the accident or **loss**;
 - c. Obtain copies of medical reports and records reasonably related to the accident or **loss**;
 - d. Provide statements and answer questions as requested and permit same to be recorded by the Company as often as reasonably requested by **us**.

Upon receipt of a written notice of claim, **we** will furnish to the claimant such forms as are usually furnished for filing proof of loss. If such forms are not furnished within fifteen (15) days after the giving of such notice, the claimant shall be deemed to have complied with the requirements of this Endorsement as to proof of loss upon submitting, within the time fixed in this Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the **loss** for which claim is made.

PROOF OF LOSS

Written proof of loss must be furnished to **us** within ninety (90) days after the date of such **loss**. Failure to furnish such proof of loss within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof of loss within such time, provided such proof of loss is furnished as soon as reasonably possible.

PHYSICAL EXAMINATION AND AUTOPSY

We, at **our** own expense, shall have the right and opportunity to examine the **named insured** whose bodily injury is the basis of claim when and as often as it may reasonably require while a claim is pending hereunder and to make an autopsy in case of death and where not forbidden by law.

LEGAL ACTION AGAINST US

No action at law or in equity shall be brought to recover on this policy prior to the expiration of sixty (60) days after written proof of loss has been furnished in accordance with the requirements of this policy. No legal action shall be brought to recover on this Policy more than two years and one day after a cause of action accrues.

CONFORMITY WITH STATE STATUTES

Any Policy provision that is in conflict with State statutes in the state where the **named insured** lives at the time the policy is issued is automatically amended to conform with the minimum statutory requirements.

WORKER'S COMPENSATION

This coverage Endorsement is not in lieu of and does not affect any requirements for coverage by Worker's Compensation Insurance.

The following endorsement applies only if indicated on the Declarations page.

Named Insured: _____ Policy Number: _____

This endorsement will become part of your auto policy. Please ensure that you do not sign it unless you understand it.

EXCLUSION OF NAMED DRIVER AND PARTIAL REJECTION OF COVERAGES

WARNING

READ THIS ENDORSEMENT CAREFULLY!

This acknowledgement and rejection is applicable to all renewals by **us** or any affiliated insurer. However, **we** must provide a notice with each renewal as follows: "This policy contains a named driver exclusion."

You agree that none of the insurance coverages afforded by this policy shall apply while an excluded driver listed below is operating **your covered auto** or any other motor vehicle. **You** further agree that this endorsement will also serve as rejection of Uninsured / Underinsured Motorists Coverage and Personal Injury Protection Coverage while **your covered auto** or any other motor vehicle is operated by an excluded driver.

Excluded Driver(s):

Name	Date of Birth	Relationship	Name	Date of Birth	Relationship

Acknowledged By: _____ Date: _____
Signature of Applicant / Named Insured

TX-NDEXCL (06/14)

The following endorsement applies only if indicated on the Declarations page.

BUSINESS USE EXCLUSION

I certify that the vehicles on this policy are NOT used commercially or in business. I understand and agree that the insurance afforded by my policy will NOT benefit any insured or third party claimant when my vehicle(s) are used for any commercial or business usage. I also understand and agree that there will be no insurance coverage afforded by my policy if I or any person using the vehicle(s) is involved in an accident while in the course of any commercial or business usage. This exclusion applies to this policy or any continuation and/or renewal of this policy. This exclusion does not apply to vehicles for which business usage is disclosed and for which a premium has been paid.

I agree that I have read and understand this document.

Acknowledged By: _____ Date: _____
Signature of Applicant / Named Insured

BUSEXCL (1210)

The following endorsement applies only if indicated on the Declarations page.

523C. RENTAL REIMBURSEMENT COVERAGE

The provisions and exclusions that apply to Coverage For Damage To Your Auto also apply to this endorsement except as changed by this endorsement. No deductible applies to this coverage.

When there is a loss to **your covered** auto described in the Declarations for which a specific premium charge indicates that Rental Reimbursement Coverage is afforded:

We will reimburse you for expenses you incur to rent a substitute auto. We will pay up to the maximum of the limits described in the Declarations. This coverage applies only if:

1. **Your covered auto** is withdrawn from use for more than 24 hours, and
2. The loss to **your covered auto** is covered under Coverage For Damage To Your Auto of this policy.

When there is a total theft of the auto, the limit of \$20 per day (maximum of \$600) provided under Coverage For Damage To Your Auto will be supplemented to the extent the limits in the Declarations exceed that \$20 per day limit.

Our payment will be limited to that period of time reasonably required to repair or replace the auto.

The following endorsement applies only if indicated on the Declarations page.

524A. TOWING AND LABOR COSTS COVERAGE

We will pay towing and labor costs incurred each time your covered auto is disabled, up to the amount shown in the Declarations as applicable to that vehicle. We will only pay for labor performed at the place of disablement.

This coverage applies only to **your covered auto** for which a premium charge is shown in the Declarations for Towing and Labor Costs Coverage.

The following endorsement applies only if indicated on the Declarations page.

530A. LOSS PAYABLE CLAUSE

Loss or damage under Coverage for Damage to Your Auto shall be paid as interest may appear to you and the loss payee shown in the Declarations. This insurance covering the interest of the loss payee shall not become invalid because of your fraudulent acts or omissions, unless the loss results from your conversion, secretion or embezzlement of **your covered auto**. However, we reserve the right to cancel the policy as permitted by policy terms and the cancelation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancelation to the loss payee as we give to the named insured shown in the Declarations.

When we pay the loss payee we shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.

The following endorsement applies only if indicated on the Declarations page.

ADDITIONAL INSURED – LESSOR

Any liability coverage provided by this policy for **your leased auto** also applies to the lessor named in the Declarations as an additional insured. This insurance is subject to the following additional provisions:

1. We will pay damages for which the lessor becomes legally responsible only if the damages arise out of acts or omissions of a **covered person**.
2. The lessor is not responsible for paying premiums.
3. The designation of the lessor as an additional insured shall not operate to increase our limits of liability.

We reserve the right to cancel the policy as permitted by the policy terms. The cancellation shall terminate this agreement as to the lessor's interest. We will give the same advance notice of cancellation to the lessor as we give to the named insured shown in the Declarations.

"Your leased auto" in this endorsement means an auto, shown in the Declarations, which you lease for a continuous period of at least six months under a written agreement which requires you to provide primary insurance for the lessor.

TX – ADDINSD (1210)

IMPORTANT NOTICE

NON-RENEWALS FOR NOT-AT-FAULT ACCIDENTS OR CLAIMS (28TAC§5.7016)

We may not use any of the following types of accidents or claims as the only reason for refusing to renew your personal auto policy:

1. A claim involving damage from a weather-related incident that does not involve a collision (some examples being hail, flood, tornado, winds or hurricanes);
2. an accident or claim involving damage by contact with an animal or a fowl;
3. an accident or claim involving damage caused by flying gravel, missiles or falling objects; however, if you have three of these losses in any 36-month period, we may increase your deductible to the higher of \$250 or the next available deductible increment higher than your present deductible amount, at your renewal date;
4. a claim under towing and labor protection; however, if you have four claims of this type in any 36-month period, we have the option of eliminating this coverage from your policy;
5. any other not-at-fault accident or claim unless there are two or more of these accidents or claims in any 12-month period.

"Refusal to renew" means our refusal to renew your personal auto policy in the same company which originally issued the policy.

To the extent of any possible conflict between this notice and the Texas Administrative Code (28 TAC §5.7016), the latter will be controlling.

Consumer Bill of Rights

Personal Automobile Insurance

AVISO: Este document es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compañía y pedir una copia de estos derechos en español.

What is the Bill of Rights?

This Bill of Rights is a summary of your rights and does not become a part of your policy. The Texas Department of Insurance (TDI) adopted the Bill of Rights and requires insurance companies to provide you a copy when they issue your policy.

Texas law gives you certain rights regarding your automobile insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all of your rights. Also, some exceptions to the rights are not listed here. Legislative or regulatory changes to statutes or rules may affect your rights as an insured. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact TDI's Consumer Protection Program at 1-800-252-3439 (463-6515 in Austin), by mail at Mail Code 111-1A, P.O. Box 149091, Austin, TX 78714-9091, or by email at ConsumerProtection@tdi.texas.gov. For a list of the specific law(s) and/or rules summarized in each item, of this Bill of Rights, or if you have questions or comments, contact the Office of Public Insurance Counsel (OPIC) at 1-877-611-6742, by mail at 333 Guadalupe, Suite 3-120, Austin, TX 78701, or visit the OPIC website at www.opic.state.tx.us.

This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights.

Getting Information from the Department of Insurance and your insurance company

1. **INFORMATION FROM TDI.** You have the right to call TDI free of charge at 1-800-252-3439 or 463-6515 in Austin to learn more about:
 - Your rights as an insurance consumer;
 - The license status of an insurance company or agent;
 - The financial condition of an insurance company;
 - The complaint ratio and type of consumer complaints filed against an insurance company;
 - Use of credit information by insurance companies, including which insurance companies use it and access to each company's credit scoring model;
 - An insurance company's rates filed with the state;
 - An insurance company's underwriting guidelines (subject to exemptions in the Public Information Act, also known as the Open Records Act); and
 - other consumer concerns.

You can also find some of this information on the TDI website at www.tdi.texas.gov.

2. **INFORMATION FROM YOUR INSURANCE COMPANY.** You have the right to a toll-free number to call your insurance company free of charge with questions or complaints. You can find this number on a notice accompanying your policy. This requirement does not apply to small insurance companies.

What you should know before you buy insurance.

3. **PROHIBITED STATEMENTS.** Your insurance company or agent is prohibited from making false, misleading, or deceptive statements to you relating to insurance.
4. **EXCESS LIMITS.** An insurer or agent cannot require you to purchase liability limits greater than the limits required by law or require you to purchase other types of coverage as a condition of offering or renewing insurance. The current minimum limits are 30/60/25, which references the maximum amount the policy will pay for each accident: \$30,000 per person for a bodily injury claim /\$60,000 for all bodily injury claims combined /\$25,000 for property damage claims per accident.

NOTE: Texas law requires that automobile insurance policies include personal injury protection (PIP) and uninsured motorist protection (UM/UIM) unless you reject these coverages in writing. Also, as a condition of your automobile loan, your lender may require you to purchase other types of coverage, such as collision, or comprehensive coverage, to pay for any damage to your vehicle.

5. **CREDIT INFORMATION.** An insurance company cannot deny you insurance solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to offer coverage. (For additional information see the section of this Bill of Rights entitled *What you should know about insurance companies' use of credit information*.)
6. **SAFETY NET.** You have the right to buy minimum liability, personal injury protection, and uninsured motorist insurance through the Texas Automobile Insurance Plan Association, also known as TAIPA, if you have been denied coverage by two insurance companies.

NOTE: After 3 consecutive years with no at-fault accidents or traffic violations, you have the right to be insured by your assigned company as a regular policyholder at a rate lower than the TAIPA rate. The company must provide you this offer in writing.

7. **PAYMENT PLANS.** You may have the right to pay your automobile insurance premium in installments. Insurance companies will charge a fee for each installment.

Consumer Bill of Rights

Personal Automobile Insurance

8. ELECTRONIC PAYMENTS. If you authorize your insurer to withdraw your premium payments directly from your financial institution, your insurer cannot increase the amount withdrawn unless:

- The insurer notifies you by U.S. mail of the increase in premium at least 30 days prior to its effective date; and
- You do not notify the insurer that you object to the increase in the amount to be withdrawn at least 5 days prior to the increase.

The notice provided by the insurer must include a toll-free number, a mailing address and an email address (if applicable), through which you can contact the insurer to object to the increase.

NOTE: This does not apply to premium increases specifically scheduled in the original policy, to increases based on policy changes you request, or to an increase that is less than \$10 or 10% of the previous month's payment.

9. NOTICE OF REDUCED COVERAGE. If an insurer uses an endorsement to reduce the amount of coverage provided by your policy, the insurer must give you a written explanation of the change made by the endorsement. The insurer must provide the explanation not later than the 30th day before the effective date of the new or renewal policy. An insurance company cannot reduce coverage during the policy period unless you request the change, if you request the change the company is not required to provide notice.

10. EXPLANATION OF DENIAL. Upon request, you have the right to be told in writing why you have been denied coverage. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

NOTE: The obligation to provide a written explanation applies to insurance companies directly. An independent agent does not have a specific duty to quote the lowest possible rate to a consumer or to provide a written statement explaining why the agent did not offer the consumer the lowest possible rate.

11. RATE DIFFERENTIAL WITHIN A COUNTY. If an insurance company subdivides a county for the purpose of charging different rates for each subdivision, the difference between the lowest and the highest rate cannot exceed 15% unless actuarially justified.

12. RIGHT TO PRIVACY. You have the right to prevent an insurance company, agent, adjuster or financial institution from disclosing your personal financial information to companies that are not affiliated with the insurance company or financial institution. Some examples are income, social security number, credit history and premium payment history.

If you apply for a policy, the insurance company or financial institution must notify you if it intends to share financial information about you and give you at least 30 days to refuse. This refusal is called "opting-out." If you buy a policy, the insurance company or financial institution must tell you what information it collects about you and whether it intends to share any of the information, and give you at least 30 days to opt out. Agents and adjusters who intend to share your information with anyone other than the insurance company or financial institution must give you similar notices.

You can opt out at any time. Your decision to opt out remains in effect unless you revoke it.

These protections do not apply to information:

- publicly available elsewhere;
- insurance companies or financial institutions are required by law to disclose; or
- insurance companies or financial institutions must share in order to conduct ordinary business activities.

What you should know about cancellation and nonrenewal

Cancellation means that before the end of the policy period the insurance company:

- terminates the policy;
- reduces or restricts coverage under the policy; or
- refuses to provide additional coverage to which you are entitled under the policy.

Refusal to renew and non-renewal mean the policy terminates at the end of the policy period.

The **policy period** is shown on the declarations page at the front of your policy.

13. LIMITATION ON CANCELLATION. After your initial policy with your company has been in effect for 60 days, that insurance policy cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- your driver's license or car registration is revoked or suspended;
- the driver's license of any household resident or person who customarily drives a covered auto is suspended or revoked. If you agree to exclude coverage for that person, the insurance company cannot cancel your policy for this reason; or
- TDI determines continuation of the policy would result in violation of insurance laws.

14. NOTICE OF CANCELLATION. To cancel your policy, your insurance company must mail notice at least 10 days prior to the effective date of the cancellation. Your policy may provide for even greater notice.

Consumer Bill of Rights

Personal Automobile Insurance

15. POLICYHOLDER'S RIGHT TO CANCEL. You have the right to cancel your policy at any time and receive a refund of the remaining premium. The refund will be paid to you unless your premium was financed through a premium finance company. In that case, the refund will be paid to the premium finance company to reduce the amount you owe on your loan.

16. CHANGE IN MARITAL STATUS. If your marital status changes, you have the right to continue your insurance coverage. You have a right to a new policy in your name that has coverages which most nearly approximate the coverages of your prior policy, including the same expiration date. The insurance company cannot date the new policy so that a gap in coverage occurs.

17. NOT-AT-FAULT CLAIMS. Your insurance company cannot refuse to renew your policy solely because of any of the following types of claims:

- claims involving damage from a weather-related incident that does not involve a collision, like damage from hail, win, or flood;
- accidents or claims involving damage by contact with animals or fowls;
- accidents or claims involving damage caused by flying gravel or flying objects; however, if you have three of these claims in a three year period, the insurance company may raise your deductible on your next renewal date;
- towing and labor claims; however, once you have made four of these claims in a three year period, the company may eliminate this coverage from your policy on your next renewal date; and
- any other accident or claim that was not your fault unless you have two or more of these claims or accidents in a one year period.

18. USE OF AGE TO NONRENEW. Your insurance company cannot refuse to renew your policy based solely on the age of any person covered by the policy. This includes placing you in a higher priced company or requiring a named driver exclusion for a teenager who reaches driving age.

19. USE OF CREDIT INFORMATION TO NONRENEW. An insurance company cannot refuse to renew your policy solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to renew coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information.*)

20. LENGTH OF POLICY TERM. If the term of your insurance policy is less than one year, your insurance company must renew that policy until it has been in effect for one year. Your insurance company may only refuse to renew your policy effective on the anniversary of the policy's original effective date. For instance, if your policy was originally effective on January 1, Year 1, the insurance company must renew your policy to provide

coverage until January 1, Year 2 and thereafter, may only refuse to renew your policy effective January 1 of any subsequent year.

21. NOTICE OF NONRENEWAL. If the insurance company does not mail you notice of non-renewal at least 30 days before your policy expires, you have the right to require the insurance company to renew your policy.

22. EXPLANATION OF CANCELLATION OR NONRENEWAL. Upon request, you have the right to a written explanation of an insurance company's decision to cancel or non-renew your policy. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

What you should know when you file a claim

23. FAIR TREATMENT. You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly. Call the Department of Insurance at 1-800-252-3439 (463-6515 in Austin) or download a complaint form from the TDI website at www.tdi.texas.gov. You can complete a complaint form online via the Internet or fax it to TDI at 512-475-1771.

24. SETTLEMENT OFFER. You have the right to reject any settlement amount, including any unfair valuation, offered by the insurance company.

25. EXPLANATION OF CLAIM DENIAL. Your insurance company must tell you in writing why your claim or part of your claim was denied.

26. TIMEFRAMES FOR CLAIM PROCESSING AND PAYMENT. When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18% annual interest and attorney's fees in addition to your claim amount.

Generally, within **15 calendar days**, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within **15 business days** after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to **45 days** if it notifies you that more time is needed and tells you why.

After notifying you that your claim is approved, your insurance company must pay the claim **within 5 business days**.

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, these claims handling deadlines are extended for an additional 15 days.

27. CHOICE OF REPAIR SHOP AND REPLACEMENT PARTS. You have the right to choose the repair shop

Consumer Bill of Rights

Personal Automobile Insurance

and replacement parts for your vehicle. An insurance company may not specify the brand, type, kind, age, vendor, supplier, or condition of parts or products used to repair your automobile. The insurance company must provide you notice of the above requirements as follows:

- claims submitted by telephone – written notice within 3 business days or immediate verbal notice, followed by written notice within 15 days;
- claims submitted in person – immediate written notice at the time you present your vehicle to an insurer or an insurance adjuster or other person in connection with a claim for damage repair; or
- claims submitted in writing – written notice must be provided within 3 business days of the insurance company's receipt of the notice.

28. DEDUCTIBLE RECOVERY. If another person is liable for damage to your auto and you file a claim and paid a deductible on your own policy, your insurance company must make a reasonable and diligent effort to recover the deductible from that person within twelve months from the date your claim is paid. If not, your company must:

- Authorize you, at least 90 days prior to the expiration of the statute of limitations, to pursue your own collection efforts, or
- Refund your deductible.

29. NOTICE OF LIABILITY CLAIM SETTLEMENT. Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of the settlement.

30. INFORMATION NOT REQUIRED FOR CLAIM PROCESSING. You have the right to refuse to provide your insurance company with information that does not relate to your claim. In addition, you may refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

What you should know about prohibited discrimination.

31. PROTECTED CLASSES. An insurance company cannot discriminate against you by refusing to insure you; limiting the amount, extent or kind of coverage available to you; charging you a different rate for the same coverage; or refusing to renew your policy:

- because of race, color, religion, or national origin; or
- unless justified by actual or anticipated loss experience, because of age, gender, marital status, geographical location, or disability or partial disability.

32. UNDERWRITING GUIDELINES. Underwriting guidelines may not be unfairly discriminatory and must be based on sound actuarial principles.

33. EQUAL TREATMENT. Unless based on sound actuarial principles, an insurance company may not treat you differently from other individuals of the same class and essentially the same hazard. If you sustain economic damages as a result of such unfair discrimination, you have the right to sue that insurance company in Travis County District Court.

If your suit prevails, you may recover economic damages, court costs and attorney and necessary expert witness fees. If the court finds the insurance company knowingly violated your rights, it may award up to an additional \$25,000 per claimant.

You must bring suit on or before the second anniversary of the date you were denied insurance or the unfair act occurred or the date you reasonable should have discovered the occurrence of the unfair act. If the court determines your suit was groundless and you brought the lawsuit in bad faith, or brought it for the purposes of harassment, you will be required to pay the insurance company's court costs and attorney fees.

What you should know about insurance companies' use of credit information.

34. REQUIRED DISCLOSURE. If an insurance company uses credit information to make underwriting or rating decisions, the company must provide you a disclosure statement within 10 days after receiving your completed application for insurance.

The disclosure indicates whether the insurer will obtain and use your credit information and lists your specific legal rights, including:

- credit information insurance companies cannot use against you;
- how you can get reasonable exceptions that your insurer is required to make to its use of credit information if certain life events, such as divorce, death of a close family member, or identity theft, hurt your credit;
- the notice* an insurer must send you when making a credit-based decision that harms your ability to get or keep insurance or requires you to pay a higher premium; and
- how you can dispute credit information and require an insurer to re-rate your policy if the rate was increased because of inaccurate or unverifiable credit information.

*The notice must include a description of up to four primary factors that influenced the action taken by the insurer. Generalized terms such as "poor credit rating" are not sufficient.

Insurers must use the disclosure form (CD-1) adopted by the Commissioner or an equivalent disclosure form filed prior to use with TDI. The CD-1 is available at www.tdi.texas.gov/forms/pcpersonal/pc328crdtds.pdf or

Consumer Bill of Rights

Personal Automobile Insurance

by calling 1-800-252-3439. Additional information regarding insurers' use of credit information is available at www.tdi.texas.gov/credit/credit.html.

What you should know about enforcing your rights.

35. FILING COMPLAINTS. You have the right to complain to TDI about any insurance company and/or insurance matter and to receive a prompt investigation and response to your complaint. To do so, you should:

- call TDI's **Consumer Help Line** at 1-800-252-3439 (463-6515 in Austin) for service in both English and Spanish;
- write to the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P.O. Box 149091, Austin, Texas 78714-9091;
- email TDI at ConsumerProtection@tdi.texas.gov;
- fax your complaint to 512-475-1771;
- download or complete a complaint form online from the TDI website at <http://www.tdi.texas.gov>; or
- call the TDI Publications/Complaint Form order line at 1-800-599-SHOP (7467), (305-7211 in Austin).

The order line is available 24 hours a day, 7 days a week.

NOTE: TDI offers interpreter services and publications in alternate formats. Persons needing more information in alternate layouts or languages can call the *TDI Consumer Help Line* listed above.

36. RIGHT TO SUE. If an insurance company violates your rights, you may be able to sue that company in court, including small claims court, with or without an attorney.

37. BURDEN OF PROOF. If you sue to recover under your insurance policy, the insurance company has the burden of proof as to any application of an exclusion in the policy and any exception to or other avoidance of coverage claimed by the insurer.

38. REQUESTING NEW RULES. You have the right to ask in writing that TDI make or change rules on any automobile insurance issue that concerns you. Send your written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O. Box 149104, Austin, TX 78714-9104.