

TOPA INSURANCE COMPANY

Administered By Multi-State Insurance Services, Inc., License # 0D08447

Es muy importante que usted entienda este documento como el tiene alguna restricciones. Esta forma no sera traducida en espanol – por favor hable con su agente o con alguien que lo pueda traducir.

This is a restricted policy please make sure you have read and understand it including all the policy limitations and restrictions.

CALIFORNIA PERSONAL AUTO POLICY

Important Message - Unless all drivers residing with you or in your household or residence are listed on the application and declarations, coverage will not be afforded. If you desire coverage for drivers other than those shown at anytime during the policy, you must request us to have your policy amended to list all additional drivers.

WARNING: No Coverage provided in Mexico

Unless you have automobile insurance written by a Mexican insurance company, you may spend many hours or days in jail, if you have an accident in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write such insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your vehicle.

FUTURE LIMITS OF COVERAGE

There are specified reasons why Topa Insurance Company may cancel or refuse to renew your policy or increase your policy premium for the same coverage. Reasons why your policy premium may be increased, or your policy cancelled or non-renewed are:

1. Involvement by an insured in an accident based on a determination that the insured is at fault.
2. The replacement, addition or change in an insured vehicle.
3. The addition of an insured or change in the risk of an insured.
4. A change in the location of where an insured vehicle is garaged.
5. A change in the usage of an insured vehicle.
6. Convictions for Vehicle Code or Penal Code violations that relate to the operation of a motor vehicle.
7. The payment made by an insurer due to a claim filed by an insured or a third party.

Some premium increases, cancellations or non-renewals may result from reasons not given above but are both lawful and not unfairly discriminatory.

NOTE: The Named Insured has the right to be informed, upon request, of any traffic convictions and accidents that may have resulted in an increase of their premium.

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GENERAL PROVISIONS

AGREEMENT

We will provide the insurance **you** have selected in return for the premium due **us** and compliance with the policy provisions and endorsements. **Your** coverages appear on the **declarations** which is part of **your** policy. The **declarations**, in addition to telling **you** which automobiles **you** have elected to insure, tells **you** the policy period and the amount and kinds of insurance **you** have selected.

POLICY PERIOD AND TERRITORY

This policy applies only to **accidents** and losses occurring during the policy period shown on the **declarations** and which occur within any state, territory, or possession of the United States of America, or any province of Canada, or while an **automobile** insured under this policy is being transported between their ports. A coverage applies only when a premium for it is shown on the **declarations** and coverage is afforded only if the premiums are paid when due.

STATEMENTS IN THE APPLICATION FOR INSURANCE

By **your** acceptance of this policy **you** agree the facts and information contained in **your** application and those in the **declarations** of this policy are correct and accurate and the policy contains all the agreements between **you** and **us**. By **your** acceptance of this policy **you** represent to **us** that **you** have not failed to disclose, intentionally or otherwise, any material facts relating to the risks insured with this policy. **We** have issued this policy in reliance upon the truth of such statements and representations. **We** will void this policy or deny coverage for an **accident** or loss if **you** or any person insured have concealed any material fact or circumstance or engaged in fraudulent conduct, in the presentation or settlement of a claim. However, if **we** make a payment on a loss or claim for which coverage is voidable under this paragraph, the person insured must reimburse **us**.

PREMIUM PAYMENT

You must pay the premium stated in the **declarations** and any additional premium required because of any change to **your** policy.

Additional premium due **us** resulting from acquisition of an **automobile** by **you** will be charged from the date of delivery to **you** if coverage is provided under **our** policy.

If **your** initial premium payment or initial renewal payment is not honored upon presentment, this policy will be deemed void from the inception of the policy period. This means that **we** will not be liable for any claims, losses or damages which would otherwise be covered if the check, draft or remittance had been honored upon presentment.

If **we** offer to renew **your** policy and **your** required premium payment is not received when due **you** will have rejected **our** renewal offer. This means that the coverage described in the renewal offer will not become effective. The payment of premium for this policy does not create a fiduciary relationship between **you** and **us**.

NAMED DRIVER EXCLUSION

If **you** have asked **us** to exclude any person from coverage under this Policy, then **we** will not provide any coverage for any claim arising from an **accident** or loss involving an **insured automobile** or **additional insured automobile** that occurs while it is being operated by the excluded person. This includes any claim for damages made against **you**, a **relative** or any other person or organization that is vicariously liable for an **accident** arising out of the operation of an **insured automobile** or **additional insured automobile** by the excluded driver.

POLICY CHANGES

This policy, **your** application for insurance (which is made a part of this policy as if attached hereto), and endorsements issued by **us** to this policy contain all the agreements between **you** and **us**. Subject to the following, its terms may not be changed or waived except by an endorsement issued by **us**.

The premium for each **automobile** is based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete, and **you** will notify **us** if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, **we** may adjust **your** premium during the policy period or take other appropriate action. To properly insure **your** vehicle, **you** must promptly notify **us** when any information changes on **your** policy whether **you** believe it will affect the premium or not.

Changes that may result in a premium adjustment are contained in **our** rates and rules. These include, but are not limited to:

- 1) changes in the number, type or **use** classification of **insured automobiles**;
- 2) changes in operators **using insured automobiles**, their ages, driving records (including accidents) or marital status;
- 3) a relative or anyone else in the household obtaining a driver's license or operator's permit;
- 4) changes in the place of principal garaging or changes in coverage or deductibles of any **insured automobile**;
- 5) changes in rating territory or discount eligibility.

Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a change in any part of this policy; nor shall the terms of this policy be waived or changed except by endorsement issued by **us**.

YOUR DUTIES IN CASE OF ACCIDENT OR LOSS:

In the event of an **accident** or loss:

- (a) **we** must be notified as soon as possible and no later than 21 days of the time, place and circumstances surrounding the **accident** or loss;
- (b) any person insured must, at **our** request, provide statements under oath, as often as **we** require, completely describing all facts and circumstances surrounding the **accident** or loss, including facts which may assist **us** in determining whether the policy will provide coverage for the **accident** or loss;
- (c) any person insured must provide to **us** any papers, photographs or documents related to the **accident** or loss or related to any issue regarding the applicability of this policy to the **accident** or loss;
- (d) if claim is brought against any insured, any legal papers received by any insured relating to such claim or lawsuit must be sent to **us** promptly;
- (e) any person insured must make available for **our** inspection any motor vehicle, object or premises involved;
- (f) any person insured must take reasonable steps to protect the **insured automobile** or other property from further damage or loss, failure to do so will result in further damages not being covered under this policy.

TRANSFER OR ASSIGNMENT

This policy may not be transferred to another person without **our** written consent. If **you** die, this policy will provide coverage until the end of the policy period for **your** legal representative, while acting as such, and for persons covered under this policy on the date of **your** death. Notice of cancellation addressed to the named insured and mailed to the address shown on the policy shall be sufficient notice to effect cancellation of this policy.

CANCELLATION OR NON-RENEWAL

- (a) **You** may cancel this policy by calling or writing **us**, and stating on what future date **you** wish to stop coverage. Cancellation at **your** request or due to non-payment of premium will be subject to a shortrate cancellation fee.
- (b) When this policy has been in effect less than 60 days, **we** may cancel for any reason by mailing notice of **our** cancellation to **you** at least 10 days before the cancellation takes effect. After it has been in force 60 days **we** will provide at least 20 days notice other than for nonpayment of premium.
- (c) After **your** policy has been in effect 60 days, **we** won't cancel the policy unless:
 - (1) the premium isn't paid when due;
 - (2) of substantial increase in the hazard insured against;
 - (3) **you** or any member of **your** household has had a driver's license suspended, expired or revoked;
 - (4) **you** have moved out of California;
 - (5) **we** have mailed notice within the first 60 days that **we** don't intend to continue the policy;
 - (6) there is discovery of **your** fraud in pursuing a claim under the policy provided **we** do not rescind the policy;
 - (7) there is discovery of material misrepresentation of any of the following information concerning **you** or any **resident** of the same household;
 - (a) Driving safety record.
 - (b) Annual miles driven in prior years.
 - (c) Number of years of driving experience.
 - (d) Number of automobile claims.
 - (e) Persons driving the vehicles
 - (f) Any factor found by the Insurance Commissioner to have a substantial relationship to the risk of loss.
- (d) If **we** decide to non-renew **your** policy, **we** will mail **our** notice to **you** at the address shown in the **declarations** at least 30 days prior to **your** policy expiration. In the event **our** notice is mailed less than 30 days prior to **your** policy expiration, **your** policy will remain in effect for 30 days from the date the notice is mailed.
- (e) **Our** mailing or giving notice to **your** address shown in the **declarations** will constitute proof of notice as of the date **we** mail it. **We** will make any premium refund **you** are due as soon as **we** are reasonably able to do so after the date of cancellation.

POLICY TO CONFORM TO STATUTES

If any provision of this policy fails to conform with the legal requirements of the state listed on **your declarations** as **your** residence, the provision shall be deemed amended to conform with such legal requirements. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law in the state listed on **your declarations**.

DEFINITIONS

Defined words or phrases used in this policy are printed in **bold italic type**. The following are found in the indicated parts of this policy.

Accident- means a sudden event resulting in **bodily injury** or property damage, neither expected nor intended by an insured. (Parts I,II and III).

Automobile- means a 4-wheel land motor vehicle, whether operable or inoperable, designed for **use** principally upon public highways as a private passenger or station wagon type vehicle including a **utility automobile** but does not include a motor-home. (Parts I,II,III and IV)

Automobile Business- means to be employed or otherwise engaged in the **business** of selling, repairing, servicing, delivering, testing, road testing, parking or storing **automobiles**. (Parts I, II, III and IV)

Bodily injury- means bodily harm, sickness or disease, including death therefrom, and including consequential damage from any of these. (Part I,II and III)

Business- means commercial enterprise, trade, profession or occupation. (Parts I, II,III and IV)

Declarations - means the report from **us** listing the types of coverage **you** have elected and the limit for each **coverage**.

Owned- means having acquired ownership or being the lessee of any motor vehicle leased for a period of six months or longer. (Parts I, II, III and IV)

Relative- means any person related to **you** by blood, marriage or adoption who is a **resident** of the same household in which **you reside**. (Parts I, II, III, and IV)

Reside- means to live in or at a particular household. (Parts I, II, III, IV)

Resident- means a person actually living in the household in which **you reside** when the **accident** or loss occurs and having the intention of continuing to **reside** there. (Parts I, II, III, IV)

Use, Used- means operating, maintaining, loading or unloading. (Parts I, II, III, and IV)

Utility Automobile- means an **automobile** with a rated load capacity of 2000 pounds or less of the pickup, van or panel truck type. (Parts I, II and IV)

Utility Trailer- means a trailer designed for **use** with a private passenger **automobile** or **utility automobile** if not being used for **business** purposes with other than a private passenger or **utility automobile**. (Parts I, II, III, IV)

We, Us, Our or **Company-** means the TOPA Insurance Company. (Parts I, II, III, IV)

You, Your- means the insured named in the **declarations** and, if the insured named is one person, the spouse (not including common-law marriage) if the spouse is a **resident** of the same household and disclosed on the application for this policy. (Parts I, II, and IV)

OTHER DEFINITIONS MAY DIFFER IN VARIOUS PARTS OF THE POLICY AND THEY ARE DEFINED SEPARATELY IN THE PART TO WHICH THEY APPLY.

PART I – LIABILITY

COVERAGE A - BODILY INJURY COVERAGE B - PROPERTY DAMAGE

OUR AGREEMENT WITH YOU - PART I

If **you** pay the premium for **Bodily injury** and **Property Damage** Liability coverage, **we** will pay damages, other than punitive or exemplary damages, for which an insured is legally liable because of **bodily injury** and/or **property damage** caused by **accident** and arising out of the ownership, or **use** of an **automobile** or **utility trailer** insured under this part.

We will defend, through attorneys selected by **us**, any lawsuit claiming damages for **bodily injury** and/or **property damage** if covered by **your** policy. **We** may make settlement of any claim or lawsuit as **we** think appropriate.

ADDITIONAL PAYMENTS - PART I

In addition to the limits of liability, **we** will pay:

- (a) expenses incurred by **us** and costs taxed against any **insured** in any lawsuit **we** defend;
- (b) interest on damages awarded in any lawsuit defended by **us** and covered under this part after judgment has been entered and before **we** have paid, offered to pay or deposited in court that portion of a judgment which is not more than **our** limit of liability, unless otherwise required by law but this does not apply if **we** have not been given notice of lawsuit or the opportunity to defend **our** insured;
- (c) reasonable expenses, excluding loss of earnings, any insured incurs at **our** request up to \$50 per day;
- (d) premiums on:
 1. appeal bonds required in any lawsuit against any insured, defended by **us**, but the face amount of these bonds may not exceed the limits of liability as stated in the **declarations**;
 2. bonds to release attachments for an amount not in excess of the limits of liability.

Our obligation is only to pay for, not apply for or furnish any such bonds.

PERSONS INSURED - PART I

- (a) In the **use** of an **insured automobile**, the following are insureds:
 1. **you**;
 2. a **relative**, provided they were disclosed on the application for this policy;
 3. any person **using your insured automobile** with **your** permission, provided that the actual operation and/or **use** thereof is within the scope of such permission, unless that person is excluded by endorsement to this policy.
- (b) In the **use** of an **additional insured automobile**, the following are insured if **you** are one person or a husband and wife:
 1. **you**;
 2. a **relative**, provided they were disclosed on the application for this policy.

AUTOMOBILES INSURED - PART I

- (a) **Insured Automobile**, as defined in this part.
- (b) **Additional Insured Automobile**, as defined in this part.

DEFINITIONS - PART I

Additional Insured Automobile - means an **automobile** that is not **owned** nor available for regular **use** by **you**, a **relative** or a **resident** of the same household in which **you reside**, which is

used with the permission of the owner and which does not otherwise qualify as an insured automobile under definition (b).

Insured automobile - means:

- (a) an **automobile** described in the **declarations** and includes a **utility trailer owned by you**;
- (b) an **automobile** or **utility trailer** not owned by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** or **utility trailer** insured under this part which is **owned** by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 1. the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 10 days; or
 2. **we** insure all **automobiles** then owned by **you**, and **you** notify **us** within 10 days after **you** take delivery requesting **us** to provide insurance.

Property Damage - means injury to or destruction of tangible property, including any resulting loss of use.

WHAT IS NOT COVERED - EXCLUSIONS - PART I

Under Part 1, this policy does not apply to liability for, nor will **we** provide or pay for a defense of a lawsuit for:

- (a) **bodily injury** or **property damage** arising from the **use** of any **automobile** while carrying persons for a charge, but this exclusion does not apply to **you** while **occupying** an **additional insured automobile** as a passenger or to shared expense car pools;
- (b) **bodily injury** or **property damage** arising from the **ownership, maintenance or use** of any **automobile** while being used for the purposes of your business or in the course of or carrying out the duties of your employment.
- (c) any liability assumed by any insured under a contract;
- (d) **bodily injury** or **property damage** caused intentionally by or at the direction of any insured;
- (e) **bodily injury** or **property damage** arising out of the loading or unloading of any **automobile** insured under this part but this exclusion does not apply to **you** or a **relative**;
- (f) **bodily injury** or **property damage** if insurance is or can be afforded under a nuclear energy liability policy;
- (g) **bodily injury** to **you**, a **relative** or any other insured;
- (h) **bodily injury** to **you**, a **relative** or any other insured whenever the ultimate benefits of that indemnification accrue directly or indirectly to **you**, a **relative** or any other insured;
- (i) **bodily injury** to any employee of any insured if the **bodily injury** arises out of and in the course of employment;
- (j) **bodily injury** to any fellow employee of any insured who is injured in the course of employment if the injury arises out of the **use** of an **automobile** in the **business** of the employer of any insured;
- (k) any obligation for which any insured may be held liable under any workers' compensation law, unemployment compensation or disability benefits law or similar law;
- (l) **bodily injury** or **property damage** arising from the **use** of an **insured automobile** in the **automobile business**;
- (m) **bodily injury** or **property damage** arising from the **use** of an **additional insured automobile** in the **automobile business** by any insured;
- (n) **bodily injury** or **property damage** arising from the **use** of an **additional insured automobile** while used in any **business** activity of any insured unless the **additional insured automobile** is being **used** by **you**;

- (o) **property damage** to property owned by, rented to, transported by, or in charge of any insured. This exclusion does not apply to a residence, a garage or a carport rented to any insured;
- (p) **bodily injury** or **property damage** arising from the use of any **automobile** in any race or speed contest;
- (q) punitive or exemplary damages;
- (r) **bodily injury** or **property damage** resulting from a **relative's** use of an **automobile**, other than an **insured automobile**, owned by a person who **resides** with **you**;
- (s) **bodily injury** or **property damage** resulting from **your use** of an **automobile** owned by **you**, other than an **insured automobile**;
- (t) **bodily injury** or **property damage** occurring outside any state, territory or possession of the United States and any province or territory of Canada, or while the **automobile** is being transported between their ports;
- (u) **bodily injury** or **property damage** arising from the **use** of any **automobile** while **used** by any person who does not maintain a valid and currently active United States or Canadian automobile drivers license at the time of **accident**.

LIMITS OF LIABILITY - PART I

- (a) The **bodily injury** limit for each person as stated in the **declarations** is the maximum **we** will pay for **bodily injury** sustained by one person in any one **accident**, including damages for care, loss of consortium and/or loss of services by that person or any other person.
- (b) Subject to the limit for each person, the limit for each **accident** as stated in the **declarations** is the maximum **we** will pay for **bodily injury** sustained by two or more persons in any one **accident**.
- (c) The **property damage** liability limit for each **accident** as stated in the **declarations** is the maximum **we** will pay for all damages to all property in any one **accident**. No one will be entitled to duplicate payments for the same element of damages.
- (d) **Our** insuring of more than one person, **automobile** or **utility trailer** under this policy shall not increase **our** liability under this part beyond the amount shown for any one **automobile** on the declarations, even though **we** have charged a separate premium for each **automobile**.
- (e) If a claim is made under Part III - Uninsured Motorist Coverage - or because **your** policy is extended to comply with the laws of any other state, and a claim including the same damages is also made against any insured under Part I - Bodily injury - any payment made to the insured person shall be applied to reduce the amount **we** owe under this part.
- (f) If a loss involves two or more **automobiles** insured by **us**, the limits of liability shall apply separately to each **automobile**, but an **automobile** insured by **us** and an attached **utility trailer** shall be held to be one **automobile** with respect to the limits of liability.

- (g) The limits of liability shown on the **declarations** for coverage found under this Part I are amended or reduced to the minimum limits required by the applicable financial responsibility law of the state of California (\$15,000 bodily injury per person/\$30,000 bodily injury per accident/\$5,000 property damage per accident) for any coverage provided to a person other than
 1. **you**; or
 2. a **relative** – if listed on the application.

OTHER INSURANCE - PART I

In the **use** of an **additional insured automobile** or **insured automobile** not **owned** by any insured, the insurance under this part shall be excess over any other collectible insurance or bond or certificate of self-insurance. If more than one policy applies to **your insured automobile**, **we** will bear **our** proportionate share with other collectible liability insurance.

FINANCIAL RESPONSIBILITY LAWS - PART I

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

SUITS AGAINST US - PART I

Suit may not be brought against **us** unless all terms of this policy have been fully complied with and the obligation to pay, by any insured, is finally determined either by judgment against the person insured after actual trial or by written agreement of the person insured, the claimant and **us**. No one shall have the right to make **us** a party to a lawsuit to determine the liability of any insured.

DUTIES - PART I

In addition to fulfilling the required duties set forth in the General Provisions of this policy, any person insured under this Part I must cooperate with **us** and at **our** request attend hearings and trials and assist in making settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in the conduct of suits.

Persons insured shall not, except at their own cost make any payment, assume any obligation or incur any expense.

No attorney fees or costs incurred by or on behalf of any insured prior to the date notice is given to **us** of a lawsuit shall be reimbursable under this policy. No other costs incurred by or on behalf of any insured prior to the date notice is given to **us** a claim is covered under this policy shall be reimbursable under this policy.

If a claim is made or lawsuit is brought against any insured, any papers, including legal papers received by any insured relating to such claim or lawsuit must be sent to **us** immediately.

PART II - MEDICAL PAYMENTS

COVERAGE C - MEDICAL PAYMENTS

OUR AGREEMENT WITH YOU - PART II

If **you** pay the premium for Medical Payments Coverage, **we** will pay **reasonable expenses** incurred within one year from the date of **accident** by or on behalf of a person insured for necessary medical and funeral services because of **bodily injury** caused by an **automobile accident** and sustained by a person insured under this part.

PERSON INSURED - PART II

- (a) **you**, while **occupying** any **automobile** insured under this part; or while not **occupying** an **automobile**, when struck by a **motor vehicle**;
- (b) a **relative**, while **occupying** an **automobile** insured under this part; or while not **occupying** an **automobile**, when struck by a **motor vehicle**;
- (c) any other person **occupying** an **insured automobile** while the **automobile** is **used** by **you** or a **relative** or with **your** permission;

- (d) any other person **occupying** an **additional insured automobile** while the **automobile** is **used** by **you** or a **relative**.

AUTOMOBILES INSURED - PART II

- (a) **Insured Automobile**, as defined in this part.
(b) **Additional Insured Automobile**, as defined in this part.

DEFINITIONS - PART II

Reasonable Expenses - means an amount which **we** determine represents a customary charge for medical and/or funeral services in the geographical area in which the service is rendered. **We** shall determine this customary charge through the **use** of independent sources of **our** choice. Please note that Reasonable Expenses for chiropractic treatment is capped at \$1,500.

Additional Insured Automobile- means an **automobile** not **owned** nor available for regular **use** by **you**, a **relative** or a **resident** of the household in which **you reside**, used with the permission of the owner.

Insured automobile - means:

- (a) an **automobile** described in the **declarations** and includes any **utility trailer owned** by **you**;
(b) an **automobile** not **owned** by **you** while temporarily **used**, with the permission of the owner, as a substitute for any **automobile** insured under this part which is **owned** by **you** when withdrawn from normal **use** for service or repairs or because of its breakdown, loss or destruction;
(c) an **automobile**, ownership of which is acquired by **you**, provided;
1. the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 10 days; or
2. **we** insure all **automobiles** then owned by **you**, and **you** notify **us** within 10 days after **you** take delivery requesting **us** to provide insurance.

Motor Vehicle- means any four wheel vehicle designed for **use** principally upon streets and highways and subject to motor vehicle registration under the laws of this state.

Occupying - means in or upon or entering into.

WHAT IS NOT COVERED - EXCLUSIONS - PART II

- (1) Under Part II, this policy does not apply to expenses for medical or funeral services because of **bodily injury**:
(a) sustained while **occupying** any motor vehicle with less than 4 wheels;
(b) sustained while **occupying** any **insured automobile** or any other vehicle if **used** as a residence;
(c) sustained by any person while **occupying** an **automobile** while **used** to carry persons for a charge, but this exclusion does not apply to **you** or a **relative** while **occupying** an **additional insured automobile** as a passenger or to shared-expense car pools;
(d) sustained by any person other than **you** or a **relative** resulting from the **use** of an **additional insured automobile** in the **automobile business**;
(e) sustained while struck by any **automobile** which is owned by **you**, available or furnished for regular **use** by **you** or a **relative** unless the **automobile** is insured by this part;
(f) if benefits are, in whole or in part, either payable or required to be provided under any workers' compensation or similar law;

- (g) sustained while **occupying** or **using** any **automobile** operated in any race or speed contest;
(h) when expenses are paid or required to be paid for or will benefit the United States of America, any state or political subdivision thereof;
(i) due to war, acts of terrorism, civil war, insurrection, rebellion, revolution, nuclear reaction or any consequence of any of these;
(j) to the owner of an **additional insured automobile**;
(k) sustained while **occupying** or **using** any **automobile** without the permission or consent of the owner;
(l) sustained while outside any state, territory, or possession of the United States and any province or territory of Canada, or while the **automobile** is being transported between their ports;
(m) arising from the **use** of any **automobile** while **used** by any person who does not maintain a valid and currently active United States or Canadian automobile drivers license at the time of **accident**.

- (2) Under Part II, this policy does not apply to:
(a) medical or funeral expenses paid, payable, or eligible for payment under any:
(1) **motor vehicle** or premises policy affording benefits for medical or funeral expenses;
(2) individual, blanket, group **accident**, disability, health or hospitalization insurance; or
(3) medical, surgical, hospital or funeral service, benefits or reimbursement plan.
(b) physical or massage therapy which is not legally administered under the laws of California by a physician, chiropractor or physical therapist who is licensed in the United States or Canada.

LIMITS OF LIABILITY-PART II

Regardless of the number of **automobiles** described in the **declarations**, number of persons insured, number of claims, number of policies or number of vehicles involved in the **accident**, **we** will pay no more than the limit of liability shown for this coverage in the **declarations**, for each person injured in any one **accident**.

Any payment for medical or funeral expenses **we** make to or on behalf of a person because any part of this policy is extended to comply with the laws of any other state, shall be applied to reduce the amount **we** owe that person under this part.

There shall be no duplication of payments between any other part of this policy and this part. All payments under this part to or on behalf of any person shall be considered as an advance payment to that person. Amounts payable under any other part of this policy to that person will be reduced by that amount.

OTHER INSURANCE- PART II

Insurance afforded to a person insured under this part shall be excess over any other collectible medical payments insurance.

PAYMENT OF CLAIMS- PART II

We may pay **you** or any other person making a claim under this policy Part II or any person or organization rendering medical or funeral services. The total amount available under this part shall be reduced by any payment made by **us** under this part. Payment by **us** shall not constitute an admission that the medical or funeral expenses were reasonable, necessary or otherwise covered under this part.

REIMBURSEMENT TO US

If **we** pay to or on behalf of a person **insured** under Coverage C, **we** shall, to the extent of **our** payment, be entitled to the proceeds of any settlement or judgment that may result from that person's exercise of any rights of recovery against a person or organization legally responsible for the **bodily injury** because of which **we** made payment. These proceeds must be held in trust for **us** and be reimbursed to the extent of **our** payment. These proceeds must be reimbursed to **us** within 30 days of the receipt of such proceeds by or for a person **insured**.

PART III – UNINSURED MOTORIST

COVERAGE D – DAMAGES FOR BODILY INJURY CAUSED BY UNINSURED AND UNDERINSURED MOTOR VEHICLES

OUR AGREEMENT WITH YOU- PART III UNINSURED MOTORIST BODILY INJURY PROTECTION

If **you** pay the premium for Uninsured Motorist Bodily Injury coverage **we** will pay all sums which a **person** insured shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by a **person** insured caused by **accident** and arising out of the ownership, maintenance or **use** of an **uninsured motor vehicle**.

Coverage for **bodily injury** sustained by a **person** insured caused by **accident** and arising out of the ownership, maintenance or **use** of an **uninsured motor vehicle** will apply only after the limits of liability under any applicable **bodily injury** liability bond or policy have been exhausted by the payment of judgments or settlements, and proof of such is submitted to **us**.

If **your** uninsured motorist limits are less than or equal to the limits of liability under the **underinsured motor vehicle's bodily injury** liability bond or policy there is no underinsured motorist coverage available.

PERSONS INSURED- UNINSURED MOTORIST BODILY INJURY PROTECTION

- (a) **you**, while **occupying** an **insured automobile**, an **additional insured motor vehicle** or, while not **occupying** a **motor vehicle**, when struck by a **motor vehicle**;
- (b) a **relative**, provided they were disclosed on the application for this policy, while **occupying** an **insured automobile**, an **additional insured motor vehicle** or, while not **occupying** a **motor vehicle**, when struck by a **motor vehicle**;
- (c) any **person occupying** an **insured automobile** while operated by **you** or any **person** with **your** permission and any **person occupying** an **additional insured motor vehicle** while operated by **you**.

AUTOMOBILES INSURED- UNINSURED MOTORIST BODILY INJURY PROTECTION

- (a) **Insured Automobile**, as defined in this section of Part III.
- (b) **Additional Insured Motor Vehicle**, as defined in this section of Part III.

DEFINITIONS- UNINSURED MOTORIST BODILY INJURY PROTECTION

Additional Insured Motor Vehicle- means a **motor vehicle** not owned, available or furnished for regular **use** by **you**, or any **resident** of the same household in which **you reside**, while that motor vehicle is being operated with the permission of the owner by

DUTIES-MEDICAL REPORTS AND EXAMINATIONS-PART II

In addition to fulfilling the required duties set forth in the General Provisions of this policy, any insured person making a claim must at, **our** request, execute authorizations enabling **us** to obtain medical records. The insured person must, at **our** request, submit to physical examinations by physicians selected by **us**.

SUITS AGAINST US- PART II

Suit may not be brought against **us** unless there is full compliance with all of the terms of this policy.

the insured named in the **declarations** or his or her spouse if a **resident** of the same household.

Hit and Run Motor Vehicle- means a **motor vehicle** which causes **bodily injury** to a **person** insured through physical contact with the **person** insured or with a **motor vehicle** which the **person** is **occupying** at the time of the **accident**, if:

- (a) the identity of the owner and the operator of such **hit and run motor vehicle** is unknown; and
- (b) the **person** insured or someone on behalf of the **person** insured shall have reported the **accident** within 24 hours to the police and shall have filed with **us** within 21 days thereafter a statement under oath that the **person** insured or the legal representative of the **person** insured has a cause of action arising out of such **accident** for damages against a **person** or organization whose identity is unascertainable and set forth facts in support thereof.

At **our** request, the **person** insured or the legal representative of the **person** insured must make available for inspection the **motor vehicle** which the injured **person** was **occupying** at the time of the **accident**.

Insured Automobile-means:

- (a) an **automobile** described in the **declarations** page and includes a **utility trailer owned** by **you**;
- (b) an **automobile** not **owned** by **you** while temporarily used, with the permission of the owner, as a substitute for any **automobile** insured under this section which is **owned** by **you** when withdrawn from normal **use** for servicing and repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an **insured automobile** and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 10 days; or
 - (2) **we** insure all **automobiles** then owned by **you**, and **you** notify **us** within 10 days after **you** take delivery requesting **us** to provide insurance.

Insured Motor Vehicle- means an **insured automobile** or **additional insured motor vehicle**.

Motor Vehicle- means any four wheel vehicle designed for **use** principally upon streets and highways and subject to motor vehicle registration under the laws of this state.

Occupying, Occupied- means in or upon or entering into.

Person- means a human being.

Uninsured motor vehicle- means:

- (a) a **motor vehicle** with respect to the ownership, maintenance or **use** of which there is no **bodily injury** liability insurance or bond applicable at the time of the **accident**, or where the company writing such insurance or bond denies coverage or is unable to make payment on behalf of its insured because of insolvency occurring within one year of the **accident**.
- (b) a **hit and run motor vehicle** as defined.
- (c) an **underinsured motor vehicle** as defined.

Underinsured Motor Vehicle- means a **motor vehicle** insured by a liability bond or policy at the time of the **accident** which provides **bodily injury** liability limits less than the limit of liability for **your** uninsured motorist coverage as stated in the **declarations**.

You, Your- means the insured named in the **declarations** and that person's spouse.

WHAT IS NOT COVERED –EXCLUSIONS UNINSURED MOTORIST BODILY INJURY PROTECTION

Under Coverage D, this policy does not apply:

- (a) unless within one year from the date of the **accident** wherein **bodily injury** is sustained agreement as to the amount due under this part has been concluded or the person insured under this part or the legal representative of said person has formally instituted arbitration proceedings by notifying **us** in writing by certified mail, return receipt requested, or has commenced action for **bodily injury** in a court of competent jurisdiction against the uninsured motorist;
- (b) damages because of **bodily injury** if without **our** written consent, there is a settlement with or judgment against any **person** or organization who may be liable for such damages;
- (c) to damages because of **bodily injury** to a **person** insured **occupying** a motor vehicle owned by any **person** insured unless the occupied vehicle is an **insured motor vehicle**;
- (d) to damages because of **bodily injury caused** by a motor vehicle owned or operated by a named insured, any **person** on the **declarations** page or any **resident** of the named insured's household;
- (e) to damages because of **bodily injury** sustained while **occupying** any **insured motor vehicle** operated by **you** while such vehicle is **used** as a public or livery conveyance, but this exclusion does not apply to shared-expense car pools;
- (f) to damages because of **bodily injury caused** by a motor vehicle which is self-insured within the meaning of the financial responsibility law of the state in which it is registered;
- (g) to damages because of **bodily injury caused** by a motor vehicle which is owned by the United States of America, Canada, a state of political subdivision of any such government or an agency of any of the foregoing;
- (h) to damages because of **bodily injury caused** by a land motor vehicle or trailer while located for **use** as a residence or premises and not as a vehicle;
- (i) to damages because of **bodily injury caused** by any equipment or vehicle designed or modified for **use** primarily off public roads;
- (j) to damages because of **bodily injury** to any **person** insured while **occupying** any **additional insured motor vehicle** if the owner thereof has insurance similar to that provided in this section. Similar insurance means identical limits;
- (k) so as to benefit:
 - (1) any worker's compensation or disability benefits carrier; or
 - (2) any **person** or organization qualifying as a self-insurer under any worker's compensation or disability law; or
 - (3) the United States of America or any state or any political subdivision thereof;

- (l) to damages because of **bodily injury caused** by a motor vehicle furnished for regular **use** by **you** or any relative;
- (m) to damages because of **bodily injury caused** by any **person** while **using** or **occupying** an **insured motor vehicle** without **your** permission;
- (n) to damages because of **bodily injury** sustained by any **person using** or **occupying** an **automobile** without the permission of the owner;
- (o) to punitive damages claimed against an owner or operator of an **uninsured motor vehicle**;
- (p) to damages resulting from an **accident** involving an **automobile** owned by a **person** excluded from coverage under this policy;
- (q) to damages resulting from an **accident** occurring outside any state, territory or possession of the United States and any province or territory of Canada, or while the **automobile** is being transported between their ports;
- (r) to damages resulting from an **accident** while **occupying** a motorcycle or other 2-wheel motorized cycle or vehicle;
- (s) to damages arising from **occupying** or **using** any vehicle in the **automobile business**;
- (t) due to war, acts of terrorism, civil war, insurrection, rebellion, revolution, nuclear reaction or any consequence of any of these;
- (u) to **bodily injury** arising from the **use** of any **automobile** while **used** by any person who does not maintain a valid and currently active United States or Canadian automobile drivers license at the time of **accident**.

LIMITS OF LIABILITY-UNINSURED MOTORIST BODILY INJURY PROTECTION

- (a) The limit for each **person** stated in the declaration is the maximum **we** will pay for **bodily injury** sustained by one **person** in any one occurrence, including damages for care, loss of consortium and loss of services resulting from said **bodily injury** by that **person** or any other **person**.
- (b) Subject to the limit for each **person**, the limit for each **accident** as stated in the **declarations** under Uninsured Motorist Coverage, reduced by all amounts identified under any applicable provisions for reduction of payments, is the maximum **we** will pay for **bodily injury** sustained by two or more **persons** in any one occurrence.
- (c) The limits for Underinsured Motorist Coverage will be reduced by all amounts paid by or on behalf of the owner or operator of the **underinsured motor vehicle**, or any other **person** or organization that may be legally liable.
- (d) Any amounts payable to or for a **person** insured shall be reduced by the amount paid to any **person** or organization and the present value of all amounts payable to such **person** insured under any workers' compensation law, exclusive of non-occupational disability benefits.
- (e) The damages which a **person** insured is entitled to recover from the owner or operator of an **uninsured motor vehicle** shall be reduced by the amounts paid or due to be paid under any valid and collectible **automobile** medical payments insurance available to such **person** insured.
- (f) If a claim is made against any **person** insured under Part I-Liability – or because **your** policy is extended to comply with the laws of any other state, and a claim including the same damages is also made under Part III-Uninsured Motorist- any payment made to the **person** insured shall be applied to reduce the amount **we** owe under this part.
- (g) The limits as stated in the **declarations** under Uninsured Motorist Coverage are the maximum **we** will pay for any one motor vehicle **accident** regardless of the number of claims made, vehicles or **persons** shown on the **declarations**, or vehicles involved in the **accident**.

COVERAGE D1-DAMAGE TO YOUR VEHICLE CAUSED BY UNINSURED MOTOR VEHICLES

OUR AGREEMENT WITH YOU-PART III UNINSURED MOTORIST PROPERTY DAMAGE

If **you** pay the premium for Uninsured Motorist Property Damage and if a motor vehicle insured under this part does not carry Collision Coverage under this or any other policy, **we** will pay all sums up to a maximum of \$3,500 which the **person** insured shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of property damage to the **insured motor vehicle** arising from collision involving direct physical contact between the **uninsured motor vehicle** and the **insured motor vehicle**.

COLLISION DEDUCTIBLE WAIVER-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

If **you** have purchased Uninsured Motorist Property Damage Coverage, and the motor vehicle insured under this part carries Collision Coverage under this or any other policy, **we** will pay the deductible amount that applies to such coverage, in the event of a collision involving direct physical contact between the **uninsured motor vehicle** and the **insured motor vehicle**.

MOTOR VEHICLES INSURED-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

We insure an insured **automobile** as defined in this section of Part III.

PERSONS INSURED-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

In the **use** of an **insured automobile**, the following are insureds:

- (a) **you**;
- (b) a relative, **provided they were disclosed on the application for this policy**;
- (c) any **person** or organization **using** or having custody of **your insured automobile** with **your** permission, other than any bailee in the **automobile business** or any agent or employee thereof.

DEFINITIONS-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

Insured automobile-means:

- (a) an **automobile** described in the **declarations**;
- (b) an **automobile** not owned by **you** while temporarily **used**, with the permission of the owner, as a substitute for **your insured automobile** insured under this section which is owned by **you** when withdrawn from normal **use** for servicing or repairs or because of its breakdown, loss or destruction;
- (c) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an insured **automobile** and **you** have transferred possession and title of the replaced **automobile** and have notified **us** within 10 days; or
 - (2) **we** insure all **automobiles** then **owned** by **you**, and **you** notify **us** within 10 days after **you** take delivery requesting **us** to provide insurance.

Loss or Damage-means the lesser of the following amounts:

- (a) the amount necessary to repair or replace the property or portion damaged; or
- (c) the actual cash value of the property damaged.

Person- means a human being.

Property Damage –means **loss or damage** to the **insured automobile** caused by collision with an **uninsured motor vehicle**, but does not include damage for loss of use of the **insured automobile**. Loss of use includes car rental.

Uninsured Motor Vehicle-means;

- (a) a **motor vehicle** with respect to the ownership, maintenance or **use** of which there is no **property damage** liability insurance or bond applicable at the time of the **accident**, or where the company writing such insurance or bond denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation or is unable to make payment on behalf of its insured because of insolvency occurring within one year of the **accident**, and
- (b) the owner or operator of the vehicle causing **property damage** is identified, or the vehicle causing **property damage** is identified by its license number.

You, Your-means the insured named in the **declarations** and that **person's** spouse.

WHAT IS NOT COVERED-EXCLUSIONS-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

Under Coverage D-1, this policy does not apply:

- (a) if, without **our** written consent, there is a settlement with or judgment against any **person** or organization that may be liable for such damages;
- (b) to **property damage** caused by any **motor vehicle owned** or operated by any insured, or any **resident** of **your** household;
- (c) to **property damage** caused by a **motor vehicle** which is self-insured within the meaning of the financial responsibility law of the state in which it is registered;
- (d) to **property damage** caused by a **motor vehicle** which is owned by the United States of America, Canada, a state or political subdivision of any such government or any agency of any of the foregoing;
- (e) to **property damage** caused by a land **motor vehicle** or trailer operated on rails or crawler-treads or while located for **use** as a residence or premises and not as a vehicle;
- (f) to **property damage** caused by a farm type tractor or equipment designed for **use** principally off public roads;
- (g) to **property damage** caused by a **motor vehicle** identified only by license number unless the insured, or someone on their behalf has reported the **accident** to **us** within 10 business days;
- (h) to **property damage** in excess of the deductible amount shown on the **declarations**, if coverage is provided under Part IV of this policy;
- (i) to punitive damages claimed against the owner or operator of an **uninsured motor vehicle**.
- (j) if there is no actual, direct physical contact between the **uninsured motor vehicle** and the **insured automobile**;
- (k) to **property damage** caused by radioactive contamination;
- (l) to **property damage** caused due to war, terrorism, civil war, insurrection, rebellion, nuclear reaction or any consequence of any of these;
- (m) to any claim or damage for loss of use of an automobile;
- (n) to **property damage** arising from the **use** of any **automobile** while **used** by any person who does not maintain a valid and currently active United States or Canadian automobile drivers license at the time of **accident**.

LIMITS OF LIABILITY-UNINSURED MOTORIST PROPERTY DAMAGE PROTECTION

If Uninsured Motorist Property Damage applies and is shown on the **declarations**, the limit of liability for **property damage** to the **automobile** insured is the amount of damages the **person** insured is legally entitled to recover from the owner or operator of an **uninsured motor vehicle**, not to exceed the limit of liability shown for Uninsured Motorist Property Damage Coverage. An adjustment for depreciation in physical condition will be made in determining the limit of liability at the time of the **accident**.

OTHER INSURANCE-PART III

If **you** have other valid and collectible uninsured motorist insurance that applies to an **insured automobile** newly acquired by **you**, this part does not apply.

If other uninsured motorist coverage applies and the limits are not identical to this policy, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages. All such policies will pay their proportionate share as the limits of each policy bear to the total limits that apply. Any insurance **we** provide shall be excess over any other uninsured or underinsured motorist coverage, except for **bodily injury** to **you** or a **relative**, provided they were disclosed on the application for this policy, while **occupying** an **insured automobile**. If any insured **person** is injured while not **occupying** a **motor vehicle**, the coverage provided under this policy shall be excess to any uninsured or underinsured motorist coverage provided by any other policy.

ARBITRATION-PART III

If **we** and a **person** insured do not agree as to whether he or she is legally entitled to recover damages from an Uninsured Motorist or the amount of such damages, then upon written demand of either,

the disagreement shall be submitted to a single neutral Arbitrator for decision, in accordance with the law of California. All other issues between **us** and any **person** insured, including the existence or limits of coverage, may not be decided by the Arbitrator, but must be decided by a Court of competent jurisdiction.

The decision of the Arbitrator in writing, to the limits of **our** coverage, may be entered as a judgment in a proper Court. The Arbitrator shall have no jurisdiction to make an award in excess of the limits of **our** coverage nor to give an advisory opinion or award in excess of the limits of **our** coverage. The Arbitrator's fees shall be divided equally between the parties, and all other costs, including attorney's fees shall be paid by the party incurring them.

NOTICE OF LEGAL ACTION-PART III

If, before **we** make payment of loss under this part, any insured shall institute any legal action for **bodily injury** or **property damage** against any **person** or organization legally responsible therefor, a copy of the summons and complaint or other process served in connection with such action shall be forwarded immediately to **us** by an insured or the legal representative of a **person** insured.

SUBROGATION-PART III

When **we** pay, any rights of recovery from anyone become **ours** up to the amount **we** have paid. Any insured must protect these rights and help **us** enforce them.

SUITS AGAINST US-PART III

Suit may not be brought against **us** unless there has been compliance with all terms of this policy.

PART IV-DAMAGE TO YOUR CAR

COVERAGE E-COMPREHENSIVE

COVERAGE F-COLLISION

COVERAGE G-TOWING & LABOR

COVERAGE H-RENTAL REIMBURSEMENT

COVERAGE I- ADDITIONAL EQUIPMENT

OUR AGREEMENT WITH YOU-PART IV COMPREHENSIVE AND COLLISION

If **you** pay the premium for **Comprehensive** and **Collision** coverages **we** will pay for **loss** to an **insured automobile** under this part for the coverage specified in the **declarations** provided that the **insured automobile** is operated by **you** and/or under **your** custody and control. The payment will be reduced by the applicable deductible.

OUR AGREEMENT WITH YOU-PART IV TOWING AND LABOR

If **you** pay the premium for Towing and Labor Coverage **we** will pay for reasonable and necessary towing and labor costs incurred because of disablement of an **insured automobile**, as long as the disablement does not occur at **your** residence. The labor must be performed at the place of disablement. The total limit of **our** liability for each **loss** is stated on the declaration page subject to a maximum of three in any 12 month period.

OUR AGREEMENT WITH YOU-PART IV RENTAL REIMBURSEMENT

If **you** pay the premium for Rental Reimbursement Coverage **we** will reimburse **you** up to \$20 per day when **you** rent an **automobile** from a public automobile rental agency or garage due to a **loss** to an **insured automobile** which would be payable under either

Collision or **Comprehensive** coverage. **We** will not pay mileage or fuel charges. **We** will not pay collision damage waiver or other insurance charges.

Reimbursement will begin on:

- (a) the date the **insured automobile** is delivered to a garage for repairs, if the **insured automobile** is driveable; or
- (b) the date the **loss** is reported to **us**, if the **insured automobile** is disabled or stolen.

Reimbursement ends;

- (a) when repairs to the **insured automobile** are completed; or
- (b) the day following the settlement offer, if **we** offer settlement in lieu of repairs; or
- (c) when **you** incur 20 days rent; whichever occurs first.

Any reimbursement payable under Coverage H (Rental Reimbursement) is reduced to the extent it is payable under **Comprehensive** or **Collision** coverage.

ADDITIONAL EQUIPMENT – PART IV

There is no coverage for additional equipment unless installed by the original manufacturer of the **insured automobile** at the time of assembly at the factory.

ADDITIONAL PAYMENTS-PART IV

- (a) **We** will pay a maximum of \$20 a day for the cost of renting an **automobile** from a public automobile rental agency or garage because of the theft of **your** entire **insured automobile** insured under this part for **comprehensive**. This coverage

begins 48 hours after **you** have reported the theft to **us** and ends after 30 days or when the **automobile** is returned to use or when **we** offer settlement, whichever comes first.

AUTOMOBILES INSURED-PART IV

(a) **Insured Automobile**, as defined in this part.

DEFINITIONS-PART IV

Additional Equipment-means equipment, wheels, paint, camper shells and attachments, devices, accessories, enhancements, and changes, other than those which are original manufacturer installed, which alter the appearance or performance of a vehicle. This includes any electronic equipment, antennas, and other devices **used** exclusively to send or receive audio, visual, or data signals, or play back recorded media, other than those which are original manufacturer installed, that are permanently installed in an **insured automobile** using bolts or brackets, including slide-out brackets.

Camper Body-means a detachable unit designed to be used as temporary living quarters including all equipment and accessories built into and forming a permanent part of the unit.

Collision-means the colliding of an **automobile** with another object or upset of an **automobile**.

Comprehensive-means loss **caused** by other than **collision** and includes, but is not limited to, breakage of glass and **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion or contact with an animal or bird.

Breakage of glass and **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion or contact with an animal or bird shall not be deemed **loss** caused by **collision** or upset.

Insured automobile-means :

- (a) an **automobile** or **utility trailer** described in the **declarations**;
- (b) an **automobile**, ownership of which is acquired by **you**, provided:
 - (1) the acquired **automobile** has replaced an insured **automobile** which had coverage under this Part IV (Comprehensive and Collision) and **you** have transferred title and possession of the replaced **automobile** and have notified **us** within 10 days; or
 - (2) **we** insure all **automobiles** then **owned** by **you** with at least one of the vehicles having coverage under this Part IV (Comprehensive and Collision) and **you** notify **us** within 10 days after **you** take delivery requesting **us** to provide insurance.

Loss-means direct and accidental damage or theft.

WHAT IS NOT COVERED-EXCLUSIONS-PART IV

Under Part IV, this policy does not apply to **loss** or damage:

- (a) to any **automobile** or **utility trailer** while **used** to carry **persons** for a charge, but this exclusion does not apply to shared-expense car pools;
- (b) to any **automobile** or **utility trailer** while rented or leased to others;
- (c) due and confined to wear and tear, deterioration or depreciation, freezing, mechanical or electrical breakdown or failure, unless such damage results from a theft covered under this part;

- (d) due to a lack of lubricant coolant, or **loss** resulting from seepage or water;
- (e) to tires, unless caused by fire, malicious mischief, vandalism, theft, or unless the damage occurs at the same time and from the same cause as other damage covered under this part;
- (f) to any **automobile** while operated in any race or speed contest;
- (g) due to confiscation by government or civil authority or repossession by such authority or by any **person** or entity acting on behalf of the **automobile's** true owners;
- (h) due to theft or conversion of an **insured automobile**, or **utility trailer**:
 - (1) by **you** or a **relative**;
 - (2) prior to its delivery to **you** or a **relative**;
 - (3) while in the care, custody or control of anyone engaged in the **automobile business**.
- (i) due to war, acts of terrorism, civil war, insurrection, rebellion, revolution, nuclear reaction, radioactive contamination or any consequence of any of these;
- (j) to any electronic sound reproducing or transceiving equipment and its component parts, unless installed where the vehicle manufacturer would have installed such equipment in an **automobile** or **utility trailer** insured under this part;
- (k) any tapes, compact discs or similar items **used** with electronic sound reproducing or transceiving equipment;
- (l) to a camper body or van conversion whether permanently installed or detachable unless **we** are requested and agree to provide insurance prior to **loss**;
- (m) as a result of any obligation assumed by you, a **person** insured or any registered owner for any of the following costs:
 - (1) estimating and handling fees;
 - (2) tear-down charges;
 - (3) negotiating and administrative fees;
 - (4) storage or towing fees higher than **we** would pay or beyond a reasonable length of time; or
 - (5) any other charges which are not part of the necessary costs of repairing the vehicle.
- (n) due to theft by any **person** excluded from coverage under this policy;
- (o) due to destruction or confiscation by governmental or civil authorities of an **insured automobile**, or **utility trailer** because **you** or any **relative** engaged in any illegal activities;
- (p) to an **insured automobile**, or **utility trailer** caused by an intentional act of **you** or a **relative** or at the direction of **you** or a **relative**;
- (q) to **additional equipment** in excess of the applicable limit of liability;
- (r) to an **insured automobile** or **utility trailer** for diminution of value;
- (s) under **comprehensive** coverage for any **automobile** not specifically listed on the **declarations**;
 - (t) to non-factory installed equipment and nonstandard parts or accessories;
- (u) while outside any state, territory or possession of the United States and any province or territory of Canada, or while the **automobile** is being transported between their ports;
- (v) to any rented or leased automobile which does not qualify as an **insured automobile**;
- (w) while the **insured automobile** is used in any illegal occupation or in the commission of a criminal act;
- (x) if the operator of the vehicle at the time of a **loss** is under the influence of an alcoholic beverage or of a drug or has a blood alcohol level of .08 percent or greater whether convicted of any of these offenses or not;

- (y) while the **insured automobile** is being driven by an operator who is not shown on the **declarations** page or listed in the application for this policy, or by an excluded driver listed on the **declarations** page or by endorsement. This is true whether or not **we** would either have charged a higher premium or not for this policy or not have issued the policy had **we** known of such operator. If the **insured automobile** is unoccupied and away from the garaging location stated on the applications at the time of the **loss**, it shall be deemed to have been driven by the person who was the last operator.;
- (z) resulting from the **use** of an **insured automobile** in the **automobile business**;
- (aa) arising from the **use** of any **automobile** while **used** by any person who does not maintain a valid and currently active United States or Canadian automobile drivers license at the time of **accident**;
- (bb) for an **insured automobile** while being **used** in any **business** pursuit or during the course of employment unless such **use** is specifically disclosed to **us** and a corresponding premium charge is generated.

LIMITS OF LIABILITY-PART IV

- (a) If the **loss** involves the **insured automobile** described in the **declarations**, **we** will pay the actual cash value of damaged or stolen property, or the amount necessary to repair or replace the property, whichever is less, up to a maximum payment of \$40,000 for any one **automobile**. This maximum will not apply if all drivers listed on the policy are "Good Drivers" as defined by the California Insurance Code.
- (b) If the **loss** involves an **insured automobile** not described in the **declarations**, **we** will pay the lesser of the actual cash value of the damaged or stolen property or the amount necessary to repair or replace the property, up to a maximum payment of \$40,000 for any one **automobile**.
- (c) If any parts for any **automobile** insured under this part are not obtainable in the United States of America, **our** liability shall not exceed the price if such or similar parts were available in the United States of America.
- (d) If a **loss** involves two or more **automobiles** insured by **us**, the applicable deductible shall apply separately to each **automobile owned** by **you** and insured by **us**.
- (e) **We** will pay no more than \$500 for a **utility trailer**.
- (f) The limit of liability for **loss** to **additional equipment** is the amount shown on the **declarations**. Coverage for **additional equipment** shall not cause any Limit of Liability under this Part IV to be increased to an amount in excess of the actual cash value of any stolen or damaged vehicle.
- (g) The applicable deductible under this Part IV for a **loss** which occurs within thirty (30) days after the inception of the policy shall be twice the amount shown on the **declarations**;

OTHER INSURANCE-PART IV

If there is other **automobile** physical damage insurance for a **loss** covered by this part, **we** will pay no greater portion of the **loss** than the limits of this policy bear to the combined limit of all policies that apply to the **loss**.

If **you** have other valid and collectible physical damage insurance that applies to an **insured automobile** newly acquired by **you**, this part does not apply.

Any insurance afforded under this part for an **insured automobile** not **owned** by **you** shall be excess over any other valid and collectible **automobile** physical damage insurance. If coverage is applied it will be subject to the highest deductible on any **insured automobile**.

PAYMENT OF LOSS-PART IV

Payment for **loss** covered under this part is subject to the following: At **our** option **we** may:

- (a) pay for a **loss** taking into consideration age, physical condition, betterment or depreciation;
- (b) repair or replace any damaged or stolen property taking into consideration age, physical condition, betterment or depreciation;
- (c) before settlement return stolen property to **you** or to the address shown in the **declarations**, having repaired any damage covered;
- (d) take title and possession of all or part of the property at the agreed value, but there shall be no abandonment to **us**; or
- (e) settle this claim or **loss** either with **you** or the owner of the property; or
- (f) require that repair or replacement be effected by a "Preferred Repair Facility". "Preferred Repair Facility" means an organization that meets and maintains repair and replacement standards required by **us** and which ensures quality repair and replacement services on all business that **we** direct to them. If **you** decide to have repairs or replacement services performed by other than a "Preferred Replacement Facility", **we** will pay only eighty percent (80%), less any applicable deductible, of the amount necessary to repair or replace the damaged or stolen property.

In determining the amount necessary to repair damaged property to its pre-**loss** condition, **our** estimate will be based on:

- (a) the prevailing competitive labor rates charged in the area where the property is to be repaired, as reasonably determined by **us**; and
- (b) the cost of repair or replacement parts, which may be new, refurbished, restored, or used, including, but not limited to:
 - (1) original manufacturer parts or equipment; and
 - (2) nonoriginal manufacturer parts or equipment.

Any amount paid or payable to a **person** under this Part shall be reduced by any amount paid for property damage under Uninsured/Underinsured Motorist Coverage.

NO BENEFIT TO BAILEE

Coverage under this Part will not directly or indirectly benefit any carrier or other bailee for hire.

LOSS PAYEE AGREEMENT

Payment for damage to an **insured automobile** will be made according to **your** interest and the interest of any Loss Payee or lienholder shown on the **declarations** or designated by **you**. Payment may be made to both jointly, or separately, at **our** discretion.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **relative**, the Loss Payee or lienholder's interest will not be protected.

We will be entitled to the Loss Payee of lienholder's rights of recovery, to the extent of **our** payment to the Loss Payee or lienholder.

RIGHT TO 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 an appraiser. 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 an umpire chosen by them. A decision

agreed by any two of these three **persons** will be binding. Each party will:

- (a) pay its chosen appraiser; and
- (b) 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.

SUBROGATION-PART IV

When **we** pay, any rights of recovery from anyone become ours to the amount **we** have paid. Any insured must protect these rights and help **us** enforce them.

SUIT AGAINST US-PART IV

Suit may not be brought against **us** unless all terms of this policy have been fully complied with and until 30 days after proof of **loss** is filed and the amount is determined as provided by this policy.

DUTIES-PART IV

In addition to fulfilling the required duties, any **person** insured under this policy shall:

- (a) Cooperate with **us** and, at **our** request, attend hearings and trials and assist in making settlements, in securing and giving evidence, in obtaining the attendance of witnesses and in the conduct of suits.
- (b) Take reasonable steps after **loss** to protect an **automobile** insured under this part and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing that protection.
- (c) Promptly report the theft of an **automobile** insured under this Part or its equipment or parts to the police.
- (d) Allow **us** to inspect and appraise any **loss** covered under this part, and at **our** discretion obtain such estimates as **we** deem necessary before repair or disposal of the vehicle.

If **we** are unable to resolve any problem related to this policy and its coverage to **your** satisfaction, **you** may call or write the California Insurance Department at:

**Consumer Affairs Division
California Department of Insurance
300 S. Spring Street
Los Angeles, California 90013**

1-800-927-4357

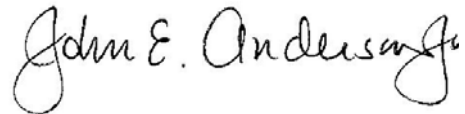
TOPA Insurance Company

Administered By:

**Multi-State Insurance Services, Inc. License # 0D08447
PO BOX 801208 Santa Clarita Ca, CA 91380-1208
800-209-4110 or 661-977-9749**



John Donahue
President



John E. Anderson, Jr.
Vice Chairman

TOPA INSURANCE COMPANY

NOTICE TO POLICYHOLDERS OF AVAILABLE DISCOUNTS

The following discounts are available to Topa Insurance Company policyholders that qualify:

Good Driver Discount

A discount of 20% will apply to every driver that qualifies as a California Good Driver per CIC §1861.025. Vehicles that do not have a driver assigned will be rated with the Good Driver Discount only if all drivers on the policy qualify as Good Drivers per CIC §1861.025. In addition, if all drivers on the policy qualify as Good Drivers, the discount will be applied to applicable fees, as required by law.

Mature Driver Discount

A discount will apply to applicable coverages for rated drivers age 55 and over that meet the following requirements:

1. The driver has been issued a driver improvement course certificate by a DMV certified school within the previous 3 years and a copy of the certificate has been submitted to the Company; and
2. The driver must not have taken the course pursuant to a court order.

The discount will be applied effective the date the certificate is received by the Company and will apply for up to three years from the completion date of the course. The course must be taken every three years to continue eligibility for the discount. The discount will be removed at renewal if the driver has a chargeable accident.

Multi-Car Discount

A discount will apply to applicable coverages when there is more than one vehicle on the policy and they are garaged at the same address.

Important Notice About Our Information Practices And The Protection Of Your Privacy
Multi-State Insurance Services, Inc. - CA License #0D08447, FL License #W137320, TX License #1557695, WA License #794312
Multi-State General Agency, Inc. – TX License #1695738
The Company authorization shall be valid for 12 months

We value your business and trust you've placed with us. That's why we want to assure you that we are serious about keeping your personal information private before, during and after your business relationship with us. This notice describes our policy regarding the collection, disclosure and protection of your non-public personal information.

Information We Collect. We obtain most of our information directly from you. Depending on the nature of your insurance transaction, we may also collect information about you or other individuals proposed for insurance from other sources. The type and source of information we collect about you or other persons proposed for insurance is as follows:

- Information the insurance agent receives from you as part of your application for insurance or contained in other insurance forms, such as your name, address, and telephone number; and
- Claims, billing, payment history, and other transaction information we receive from you, our affiliates and others; and
- Information we receive from other agents, brokers, administrators, investigators, insurance support agencies, legal counsel, consumer reporting agencies and government reporting agencies. The information received from these sources may include inspections and investigative reports, audits, consumer reports, driving records, asset information, insurance underwriting records, records relating to prior insurance, and legal opinions.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional information will be collected about you.

Information We May Disclose To Affiliates And Third Parties. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may disclose some or all of the nonpublic personal information described above that we collect about you to the following affiliates and nonaffiliated third parties to effect, administer, or enforce your insurance transaction:

- Claims administrators;
- Insurance agents or brokers;
- Appraisers, Inspectors, and other insurance support services;
- Consumer reporting agencies;
- Governmental agencies when required to do so;
- An affiliate or third party for the purpose of conducting an audit of the insurance institution or agent in connection with the operations or services provided;
- To a lien holder, mortgagee, assignee, or other person having a legal or beneficial interest in the policy of insurance; and
- To persons or agencies lawfully entitled to such information pursuant to a facially valid subpoena or court order.

Information obtained from a report prepared by an insurance support organization may be retained by the insurance support organization and disclosed to other persons. Personal information and other privileged information collected by us or your agent may in certain circumstances be disclosed to third parties without your authorization, as permitted or required by law.

Our Practices Regarding Use of your Personal Information for Marketing Purposes. We do not share your financial information with our affiliates to market products or services to you. We do not sell your personal information to anyone. Nor do we share it with entities or organizations outside of our company that would use that information to contact you about their own products and services. Should our practice ever change, we will offer you the ability to prohibit this type of information sharing and would offer you the opportunity to opt-out of this type of information sharing, and we would offer you the opt-out with time for you to respond before the change in our practice takes place.

Our Practices Regarding Information Confidentiality And Security. We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. A more detailed description of our information practices and your right to privacy is available to you by submitting a request in writing to us at the address indicated below.

Access to and Correction of Your Information. You may write to us at if you have any questions about the information that we may have in our records about you. If you wish, you may inspect this information in person or receive a copy at a reasonable charge by sending us a written request. You can notify us in writing if you believe any information should be corrected, amended, or deleted and we will review your request. We will either make the requested change or explain why we did not do so. If we do not make the requested change, you may submit a short written statement identifying the disputed information, which will be included in all future disclosures of your information. You may send your written request to us at: Multi-State Insurance, P.O. Box 801208, Santa Clarita CA 91380-1208 Attn: Operations. All written requests must include your name, address, telephone number, policy number, and a photocopy of a picture ID for identification purposes.