



American Heartland Insurance Company

YOUR POLICY ENCLOSED

PO BOX 1004
SKOKIE, IL 60076

AMERICAN HEARTLAND INSURANCE COMPANY

SKOKIE, ILLINOIS

(A Stock Insurance Company, herein called the company)

agrees with the insured, named in the Declarations made a part hereof, in consideration of the payment of the premium by cash, check or credit card that is not dishonored by your bank, and in reliance upon the statements in the Application attached and subject to the Declarations and all terms of this policy:

PART I – LIABILITY

A—Bodily Injury Liability; B—Property Damage Liability. To pay on behalf of the insured, but only to the extent of the applicable policy limits, all sums which the insured shall become legally obligated to pay as damages because of:

- A. bodily injury, or
- B. property damage

arising out of the ownership, maintenance or use of the owned automobile or any non-owned automobile, and the Company shall defend any suit alleging such bodily injury or property damage and seeking damages which are payable under the terms of this policy, even if any of the allegations of the suit are groundless, false or fraudulent; but the Company may make such investigation and settlement of any claim or suit as it deems expedient.

It is understood and agreed that the Company has no obligation to any insured after applicable limits of the policy have been exhausted by payment; it is further understood and agreed that the Company is not obligated to pay, and shall not pay, attorney fees for any legal or investigative work unless such attorneys are specifically selected by the Company; it is further understood and agreed that the Company is not obligated to pay, and shall not pay, any sum which the insured may be legally obligated to pay as a result of a lawsuit unless the Company received actual notice of said suit before any judgment had been entered in said suit.

Supplementary Payments. To pay, in addition to the applicable limits of liability:

- (a) all expenses incurred by the Company, all costs taxed against the insured in any such suit and all interest of the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for any amount not in excess of the applicable limit of liability of this and the cost of bail bonds required of the insured because of accident or traffic law violation arising out of the use of an automobile insured hereunder, not to exceed \$100 per bail bond, but without any obligation to apply for or furnish any such bonds;
- (c) expenses incurred by the insured for such immediate medical and surgical relief to others as shall be imperative at the time of an accident involving a automobile insured hereunder and not due to war;
- (d) all reasonable expenses, other than loss of earnings, incurred by the insured at the Company's request.

Persons Insured. The following are insured under Part I:

- (a) with respect to the owned automobile,
 - (1) the named insured;
 - (2) any other person using the owned automobile to whom the named insured has given permission, provided the use is within the scope of such permission;
- (b) with respect to a non-owned automobile;
 - (1) the named insured, provided the named insured received the permission of its owner, and the use is within the scope of such permission.
 - (2) a relative, but only with respect to a private passenger automobile, provided the person using such automobile has received the permission of its owner and the use is within the scope of such permission;
- (c) any other person or organization legally responsible for the use of
 - (1) an owned automobile, or
 - (2) a non-owned automobile, if such automobile is not owned or hired by such person or organization, provided the actual use thereof is by a person who is an insured under (a) or (b) above with respect to such owned automobile or non owned automobile. The insurance afforded under Part I applies separately to each insured against whom claim is made or suit is brought, but neither the inclusion herein of more than one insured nor the application of the policy to more than one automobile shall operate to increase the limits of liability stated in the Declarations for the liability coverages.

Definitions. Under Part I:

"named insured" means the individual named in Item 1 of the Declarations and, for the purpose of coverage under this policy, also includes that person's spouse, if a resident of the same household. However, for Conditions 17 and 18 of this policy, named insured means only the individual named in item 1 of the declarations;

"insured" means a person or organization described under "Persons Insured";

"relative" means a person related to the named insured by blood, marriage or adoption and who is a resident of the named insured's household and is either not licensed as a driver or is listed on the application for this insurance as a driver, provided neither such relative nor the spouse of such relative owns a private passenger automobile.

"owned automobile" means:

- (a) a private passenger, farm or utility automobile described in this policy.
- (b) a private passenger, farm or utility automobile, ownership of which is acquired by the named insured during the policy period provided:
 - (1) that the acquired automobile replaces an automobile described in this policy; that neither the named insured nor any resident of his household retains ownership of the described replaced automobile, and that the named insured notified the Company in writing within 30 days after the acquisition and of his intention to make this policy applicable to such acquired replacement automobile, or
 - (2) that the Company insures all private passenger, farm and utility automobiles owned by the named insured on the date of such acquisition and the named insured notifies the Company in writing within 30 days after the date of such acquisition of his election to make this and no other policy issued by the Company applicable to such automobile, or
- (c) a temporary substitute automobile;

"temporary substitute automobile" means any automobile not owned by the named insured, or any resident of the same household, while temporarily used as a substitute for the owned automobile when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction;

"non-owned automobile" means a private passenger, farm or utility automobile not owned by or furnished for the regular use of either the named insured or any resident of the named insured's household. An automobile qualifying under this policy as a "temporary substitute automobile" shall be deemed not to be a "non-owned automobile".

"private passenger automobile" means a four wheel private passenger, station wagon or jeep type automobile;

"farm automobile" means an automobile of the truck type with a load capacity of fifteen hundred pounds or less not used for business or commercial purposes other than farming;

"utility automobile" means an automobile, other than a farm automobile, with a load capacity of fifteen hundred pounds or less of the pick-up body, sedan delivery or panel truck type not used for business or commercial purposes;

"trailer" means a trailer designed for use with a private passenger automobile, if not being used for business or commercial purposes with other than a private passenger, farm or utility automobile, or a farm wagon or farm implement while used with a farm automobile, and if not a home, office, store, display or passenger trailer;

"automobile business" means the business or occupation of selling, repairing, servicing, storing or parking automobiles;

"use" of an automobile includes the loading and unloading thereof;

"war" means war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing;

"occupying" means in or upon or entering into or alighting from.

Exclusions. This policy does not apply under Part I:

- (a) to bodily injury, or property damage to the named insured and any relative of the insured related by blood, marriage or adoption residing in the same household as the insured. The term "insured" as used in this exclusion means the person against whom the claim is made or suit is brought. This exclusion shall not apply when: i) a third party acquires the right of contribution against a member of the injured person's family, or ii) any person not in the household of the insured, was driving the insured's vehicle at the time of the accident.
- (b) to any automobile while used as a public or livery conveyance, but this exclusion does not apply to the named insured with respect to bodily injury or property damage which results from the named insured's occupancy of a non-owned automobile other than as the operator thereof;
- (c) to bodily injury or property damage caused intentionally by or at the direction of the insured;
- (d) to bodily injury or property damage arising out of the operation of farm machinery;
- (e) to bodily injury of any employee of the insured arising out of and in the course of employment by the insured if such injury arises out of the ownership, maintenance or use of an owned automobile or of a non-owned automobile;
- (f) to bodily injury to any fellow employee of the insured injured in the course and scope of his or her employment if such injury arises out of the ownership, maintenance or use of an automobile in the business of the insured's employer;
- (g) to an owned automobile while used in the automobile business, but this exclusion does not apply to the named insured, a relative, a partnership in which the named insured or such relative is a partner, or any partner, agent or employee of the named insured, such relative or partnership;
- (h) to a non-owned automobile while used (1) in the automobile business by the insured or (2) in any other business or occupation of the insured except a private passenger automobile operated or occupied by the named insured or by his private chauffeur or domestic servant, or a trailer used therewith or with an owned automobile;
- (i) to injury to or destruction of (1) property owned or transported by the insured or (2) property rented to or in charge of the insured other than a residence or private garage or (3) property as to which the named insured is for any purpose exercising physical control. An automobile used, operated or maintained by an insured is considered property in the charge of that insured;
- (j) to any automobile, farm automobile or utility automobile, or any other type of motor vehicle, rented or leased by the insured where other valid and collectible insurance has been purchased by or furnished to the insured in connection with such rental or lease;
- (k) to bodily injury or property damage with respect to which an insured under the policy is an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;
- (l) to any automobile designed for racing while being tested, repaired or serviced, or to any automobile or motor vehicle while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (m) to bodily injury or property damage due to war, whether or not declared, civil war, riot, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing;
- (n) to any automobile while being operated or used in the commission of a crime, other than a traffic violation;
- (o) to the payment of punitive or exemplary damages, except that if a suit shall have been brought against the insured with respect to a claim for alleged acts falling within the coverage hereof, seeking both compensatory and punitive or exemplary damages, then the company will afford a defense to such action without liability payment for such punitive or exemplary damages.
- (p) while any automobile is pushing or pulling another automobile or vehicle or is being pushed or pulled by another automobile or vehicle except for a trailer rented by an insured;
- (q) to any person operating the owned automobile or a non-owned automobile without a reasonable belief that he or she is entitled to do so.
- (r) To bodily injury or property damage arising out of the ownership or maintenance, or use of an automobile while being used to carry persons or property for compensation or a fee, including, but not limited to, delivery of food, or any other products.

Financial Responsibility Laws. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by the policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability stated in this policy. The insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

Limits of Liability. The limit of bodily injury liability stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages due to bodily injury to one person. Bodily injury to one person includes all injury and damages, including loss of services, society or consortium, to others resulting from this bodily injury. The limit of bodily injury liability stated in the declarations as applicable to "each occurrence" is the maximum amount of coverage, subject to the above provision respecting each person, for all bodily injury to two or more persons in the same occurrence. The limits of liability are not increased because more than one person is insured at the time of the accident.

The limit of property damage liability stated in the Declarations as applicable to "each occurrence" is the total limit of the Company's liability for all damages arising out of injury to or destruction of all property of one or more persons or organizations, including the loss of use thereof, as the result of any one occurrence.

Other Insurance. If the insured has other insurance against a loss covered by Part I of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectible insurance against such loss; provided, however, the insurance with respect to a temporary substitute automobile or non-owned automobile shall be excess insurance over any other valid and collectible insurance or self insurance applicable to such temporary substitute automobile or non-owned automobile.

PART II — UNINSURED MOTORIST COVERAGE

J—UNINSURED MOTORIST BODILY INJURY; K—UNINSURED MOTORIST PROPERTY DAMAGE. To pay all sums which the insured or his legal representative shall be legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle because of property damage to a vehicle described in the policy and bodily injury, including death resulting therefrom sustained by the insured, caused by accident and arising out of the ownership, maintenance or use of such uninsured motor vehicle, provided, for the purposes of this coverage, determination of whether the insured or such representative is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the insured or such representative and the Company or, if they fail to agree, by arbitration. Recovery under this Part for "property damage" is subject to the payment of a specific separate premium for uninsured motorist property damage liability.

No judgment against any person or organization alleged to be legally responsible for the bodily injury or property damage shall be conclusive, as between the insured and the Company, of the issues of liability of such person or organization or of the amount of damages to which the insured is legally entitled unless such judgment is entered pursuant to an action prosecuted by the insured with the written consent of the Company.

Definitions. The definitions under Part I, except the definition of "insured" and where limited or altered under the Limits of Liability of this coverage, apply to Part II and under Part II:

"insured" means:

- the named insured and any relative of the named insured;
- any other person while lawfully occupying an insured automobile; and
- any person, with respect to damages he is entitled to recover because of bodily injury to which this Part applies sustained by an insured under (a) or (b) above. The insurance afforded under Part II applies to each insured, but the inclusion herein of more than one insured shall not operate to increase the limits of the Company's liability.

"insured automobile" means:

- an automobile described in the policy for which a specific premium charge indicated that coverage is afforded;
- a private passenger, farm or utility automobile, ownership of which is acquired by the named insured during the policy period, provided
 - it replaces an insured automobile defined in (a) above and the insured notifies the Company in writing within 30 days after the date of said replacement, or
 - the Company insures under this coverage all private passenger, farm and utility automobiles owned by the named insured on the date of such acquisition and the named insured notifies the Company in writing within 30 days after the date of such acquisition of his election to make the Liability and Uninsured Motorist Coverages under this and no other policy issued by the Company applicable to such automobile;
- a temporary substitute automobile for an insured automobile as defined in (a) or (b) above, and
- a non-owned automobile while being operated by the named insured, but shall not include:
 - any automobile or trailer owned by a resident of the same household as the named insured;
 - any automobile while used as a public or livery conveyance or any automobile while being used without the permission of the owner;

"uninsured motor vehicle" includes a trailer of any type and means:

- a motor vehicle or trailer with respect to the ownership, maintenance or use of which, there is no bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such automobile, or said bond or insurance policy has limits less than that required by the Illinois Financial Responsibility Law;
- a hit-and-run motor vehicle;
- a motor vehicle when, on, before or after the accident date the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified in the policy because of the entry by a court of competent jurisdiction of an order of rehabilitation or liquidation by reason of insolvency on or after the accident date, provided however, that the Company has received a written claim under this provision by or on behalf of the insured within the later of: six (6) months from the date of such court order of rehabilitation or insolvency or two (2) years from the date of the accident. To the extent that this provision conflicts with this policy's exclusion for claims received by the Company more than two (2) years after the accident, this provision shall control.

Provided, however, the term "uninsured motor vehicle" shall not include:

- an insured motor vehicle or a motor vehicle furnished for the regular use of the named insured or a relative who causes bodily injury or property damage in excess of the limit required under the Illinois Financial Responsibility Law.
- a motor vehicle or trailer owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law.
- a motor vehicle or trailer owned by the United States of America, Canada, a state, a political subdivision of any such government or any agency of any of the foregoing.
- a land motor vehicle or trailer if operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle or
- a farm type tractor or equipment designed for use principally off public roads, except while actually upon public roads;

"hit-and-run motor vehicle" means a motor vehicle which hits or causes an object to hit the insured or an automobile which the insured is occupying at the time of the accident which causes bodily injury to an insured, provided,

- there cannot be ascertained the identity of either the operator or the owner of such "hit-and-run motor vehicle";
- the insured or someone on his behalf shall have reported the accident within 24 hours to a police, peace or judicial officer, to the Commissioner of Motor Vehicles, and shall have filed with the company within 120 days thereafter a statement under oath that the insured or his legal representative has a cause or causes of action arising out of such accident for damages against a person or persons whose identity is unascertainable, and setting forth the facts in support thereof; and
- at the Company's request, the insured or his legal representative makes available for inspection the motor vehicle which the insured was occupying at the time of the accident;

"occupying" means in or upon or entering into or alighting from;

"state" includes the District of Columbia, a territory or possession of the United States, and a province of Canada.

Exclusions. This policy does not apply under Part II:

- to bodily injury or property damage to an insured with respect to which such insured, his legal representative or any person entitled to payment under this coverage shall, without written consent of the Company, make any settlement with any person or organization who may be legally liable therefor;
- so as to inure directly or indirectly to the benefit of any workmen's compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any workmen's compensation or disability benefits law or any similar law;
- to any claim for punitive or exemplary damages against the driver of an uninsured automobile;
- to property damage when the owned automobile has collision coverage or is described in any other policy of automobile insurance;
- to any claim for which the Company has not received a written claim by or on behalf of the insured within two years of the date of the accident;
- to bodily injury or death of an insured while occupying a motor vehicle owned by, or furnished or available for the regular use of the insured, a resident spouse or resident relative, if that motor vehicle is not described in the declarations or is not a newly acquired or replacement motor vehicle covered under subsection (b) of the definition of "insured automobile" in Part I.
- arising out of the operation of any vehicle insured under this policy, which is designed or equipped for so-called "hot rod" or "stock car" racing either while being so operated or while being tested, repaired or serviced; or to the operation of any vehicle in any prearranged or organized race or speed contest, or while operating or occupying any two or three wheeled motor driven vehicle.
- to any person operating the owned automobile or a non-owned automobile without a reasonable belief that he or she is entitled to do so.

Limits of Liability.

- The limit of uninsured motorist coverage stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages due to bodily injury to one person. Bodily injury to one person includes all injury and damages, including loss of services, society or consortium, to others resulting from this bodily injury. The limit of uninsured motorist coverage stated in the declarations as applicable to "each occurrence" is the maximum amount of coverage, subject to the above provisions respecting each person, for all bodily injury to two or more persons in the same accident. The limits of uninsured motorist coverage are not increased because more than one person is insured at the time of the occurrence. The Limit of Liability stated in the Declarations for "each occurrence" for uninsured motorist property damage coverage is the limit of the Company's maximum liability for all damages to all property resulting from any one automobile accident.
- Any amount payable under the terms of Part II because of bodily injury sustained in an accident by a person who is an insured under Part II shall be reduced by:
 - all sums paid on account of such bodily injury by or on behalf of (i) the owner or operator of the uninsured automobile and (ii) any other person or organization jointly or severally liable together with such owner or operator for such bodily injury including all sums paid under A of Part I, and
 - the amount paid and the present value of all amounts payable on account of such bodily injury under any workmen's compensation law, disability benefits law or any similar law.
- Any payment made under Part II to or for any insured shall be applied in reduction of the amount of damages which the insured may be entitled to recover from any person under A of Part I.
- The Company shall not be obligated to pay under this coverage that part of the damages which the insured may be entitled to recover from the owner or operator of an uninsured automobile which represents medical payments paid or payable under Part III.
- If more than one policy issued by this Company applies to Part II, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy.
- It is agreed between the insured and the Company that in no event shall the total limit of the Company's liability exceed the limits set forth in the Declarations regardless of the number of vehicles insured under the policy or the separated itemization of premiums therefor; and that coverage under this section shall not be "stacked" with any other similar or identical coverage that may be issued under this policy.
- Any amount payable under Part II shall be reduced by all sums paid to the insured for property damage on behalf of the owner or operator of the uninsured automobile and any other person or organization jointly or severally liable together with such owner or operator.
- Property damage losses recoverable hereunder shall be limited to damages caused by the actual physical contact of an uninsured motor vehicle with the vehicle described in the policy.

- (f) There shall be no coverage for loss of use of the insured motor vehicle and no coverage for loss or damage to personal property located in the insured motor vehicle.
- (g) There shall be no liability imposed under the Uninsured Motorist Property Damage Coverage if the owner or the operator of the vehicle at fault or the hit-and-run motor vehicle cannot be identified.
- (h) There shall be no coverage for the deductible amount of damage, as shown in the Declarations, to the property insured as the result of any one accident.
- (i) The amount recoverable under this Part for property damage to the owned automobile shall be limited to the lesser of the reasonable cost of repairs or the fair market value of the automobile at the time of the accident. In no event shall the amount payable under this Part for property damage exceed \$15,000. All property damage claims under this Part are subject to a \$250 deductible.

Other Insurance. With respect to bodily injury to an insured while occupying an automobile not owned by the named insured, the insurance under Part II shall apply only as excess insurance over any other similar insurance available to such insured and applicable to such automobile as primary insurance, and this insurance shall then apply only in the amount by which the limits of liability for this coverage exceeds the applicable limit of liability of such other insurance.

Except as provided in the foregoing paragraph, if the insured has other similar insurance available to him and applicable to the accident, the damages shall be deemed not to exceed the higher of the applicable limits of liability of this insurance and such other insurance, and the Company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

Arbitration. If any person making claim hereunder and the Company do not agree that both the vehicle(s) and the driver(s) of the vehicles with which any person making claim has had an accident were not covered by liability insurance at the time of the accident, or do not agree that such person is legally entitled to recover damages from the owner or operator of an uninsured motor vehicle, where applicable, or do not agree as to the amount payable hereunder, then these matters shall be submitted to arbitration. Any dispute with respect to the coverage and the amount of damages shall be submitted for arbitration to the American Arbitration Association and be subject to its rules for the conduct of arbitration hearings as to all matters except medical opinions. Alternatively, such disputes shall be determined in the following manner: Upon the insured or the Company requesting arbitration, the insured and the Company shall each select an arbitrator and the two arbitrators so named shall select a third arbitrator. The three arbitrators so selected shall hear and determine the questions in dispute. If such arbitrators are not selected within 45 days from such request, either party may request that the arbitration be submitted to the American Arbitration Association. Any decision made by the arbitrators shall be binding for the amount of damages not exceeding \$50,000 for bodily injury to or death of any one person, \$100,000 for bodily injury to or death of 2 or more persons in any one motor vehicle accident, or the corresponding policy limits for bodily injury or death, whichever is less. Except as required by law or as provided above, all arbitration hearings, either before the American Arbitration Association or before a three arbitrator panel shall be conducted in the County and State in which the insured resides and in accordance with any court mandated arbitration or mediation rules. It is agreed that the arbitrator(s) shall not enter an award in excess of the applicable policy limits, and, if an award is entered in excess of the applicable policy then that portion of the award that exceeds the policy limits is void and not binding on either the insured or the Company.

Trust Agreement. In the event of payment to any person under Part II:

- (a) the Company shall be entitled to the extent of such payment to the proceeds on any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the bodily injury because of which such payment is made;
- (b) such person shall hold in trust for the benefit of the Company all rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under Part II;
- (c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;
- (d) if requested in writing by the Company, such person shall take, through any representative designated by the Company, such actions as may be necessary or appropriate to recover such payment as damages from such other person or organization, such action to be taken in the name of such person; in the event of a recovery, the Company shall be reimbursed out of such recovery for expenses, costs and attorneys' fees incurred by it in connection therewith;
- (e) such person shall execute and deliver to the Company such instruments and papers as may be appropriate to secure the rights and obligations of such person and the Company established by these provisions.

PART III — MEDICAL PAYMENTS

C—Medical Payments. To pay all usual and customary expenses incurred within one year from the date of accident for reasonable and necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services.

Division 1. To or for the named insured and each relative who sustains bodily injury, including death resulting therefrom, hereinafter called "bodily injury", caused by accident, while occupying or through being struck by an automobile;

Division 2. To or for any other person who sustains bodily injury, caused by accident, while occupying

- (a) the owned automobile, while being used by an insured; or
- (b) a non-owned automobile, if the bodily injury results from its operation by an insured; provided that no such payment shall be made unless the person to or for whom such payment is made shall have executed a written agreement that the amount of such payment shall
 - (1) be applied toward the settlement of any claim or the satisfaction of any judgment for damages entered in his favor, against any insured because of bodily injury arising out of an accident to which the Liability Coverage applies.

Definitions. The definitions under Part I apply to Part III "occupying" means in or upon or entering into or alighting from.

Exclusions. This policy does not apply under Part III to bodily injury:

- (a) sustained while occupying
 - (1) an owned automobile while used as a public or livery conveyance or
 - (2) any vehicle while located for use as a residence or premises;

(b) sustained by the named insured or a relative

- (1) while occupying an automobile owned by or furnished for the regular use of either the named insured or any relative, other than an automobile defined herein as an "owned automobile", or
 - (2) while occupying or through being struck by (i) a farm type tractor or other equipment designed for used principally off public roads, while not upon public roads, or (ii) a vehicle operated on rails or crawler-treads;
- (c) sustained by any person other than the named insured or a relative, resulting from use of
- (1) a non-owned automobile in the automobile business or as a public or livery conveyance, or
 - (2) a non-owned automobile in any other business or occupation except operation or occupancy of a private passenger automobile by the named insured or by his private chauffeur or domestic servant or of a trailer used therewith or with an owned automobile;
- (d) sustained by any person who is employed in the automobile business, if the accident arises out of the operation thereof and if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (e) to injury, sickness, disease, death or loss due to war;
- (f) the extent that any medical expense is paid or payable to or on behalf of the injured person under the provision of any (i) automobile or premises insurance affording benefits for medical expenses, (ii) individual, blanket or group accident, disability or hospitalization insurance, (iii) medical or surgical reimbursement plan, or (iv) workmen's compensation or disability benefits law or any similar law;
- (g) resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
- (h) arising out of the operation of any automobile insured under this policy, which is designed for racing while being tested, repaired or serviced, or to any motor vehicle while used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing.
- (i) sustained while occupying an additional automobile, ownership which is acquired by the named insured, and the named insured has not notified the company in writing within thirty (30) days of such acquisition of his intention to make Part III of this policy applicable to such automobile.

Limit of Liability. The limit of liability for medical payments stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains bodily injury as the result of any one accident. If more than one policy issued by this Company applies to this part, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy.

Limits of Liability For Multiple Vehicles Insured By And/Or Multiple Policies Issued By The Company. The total limit of the Company's liability to or on behalf of an insured arising out of the ownership, maintenance or use of a vehicle described in the declarations of this policy or in the declarations of any other policy issued to such insured by the Company shall be the limit as stated with respect to that vehicle on the declarations of the policy in which that vehicle is described. For a covered claim not arising out of the ownership, maintenance or use of a vehicle described in the declarations of this or any other policy issued to the insured by the Company, the limit of the Company's liability shall be the highest limit for any one vehicle as stated on the declarations on any one policy issued by this Company providing such coverage.

Other Insurance. If there is other automobile medical payments insurance against a loss covered by Part III of this policy then the insurance afforded under Part III of this policy shall be excess over such other valid and collectible insurance or the benefits provided under such service plan. The Company shall be entitled to recover all sums paid to any person under Part III to the extent of the proceeds of any settlement or judgment such person may recover from any other person, organization or the insurer who is wholly or partially responsible for injuries sustained by such person. The Company shall have a lien to the extent of its payments to such person on such person's right to recover against other persons or organizations. In the event such person does receive amounts in excess of the actual medical expenses, such amounts shall be held in trust for the Company, to the extent of the Company's payments.

PART IV — PHYSICAL DAMAGE

D — COMPREHENSIVE (excluding Collision). At the Company's option and subject to subtraction of the deductible amount stated in the Declarations, to pay to or for the insured the cost of replacing the owned automobile or a non-owned automobile or to pay the cost of repairing loss to the owned automobile or to a non-owned automobile, caused other than by collision. For the purpose of this coverage, 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 shall not be deemed to be loss caused by collision. Damage to an automobile incurred during or as a result of theft shall be deemed loss due to theft.

E — COLLISION. At the Company's option and subject to subtraction of the deductible stated in the Declarations, to pay to or for benefit of the insured the cost of replacing the owned automobile when deemed by the Company a total loss due to collision or to pay to or for the insured the cost of repairing loss to the owned automobile or a non-owned automobile when caused by collision.

Supplementary Payments. In addition to the applicable limit of liability:

- (a) to reimburse the insured for transportation expenses not exceeding \$8 per day or totaling more than \$200, incurred during the period commencing 72 hours after a theft covered by this policy if the entire automobile has been reported to the Company and the police, and terminating on the date the whereabouts of the automobile becomes known to the named insured or Company or on such earlier date as the Company tenders settlement for such theft;
- (b) to pay average general and salvage charges for which the insured becomes legally liable as to the automobile being transported.

Definitions. The definitions of "named insured," "relative," "owned automobile," "farm automobile," "utility automobile," "automobile" "business," "war" in Part I apply to Part IV and under Part IV:

"insured" means

- (a) with respect to the owned automobile
 - (1) the named insured and
 - (2) any person or organization, other than a person or organization engaged in the automobile business or as a carrier or the bailee for hire, maintaining, using or having custody of said automobile with the permission of the named insured;

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(b) with respect to a non-owned automobile, the named insured and any relative provided the actual use thereof is with the permission of the owner;

"non-owned automobile" means an automobile not owned by or furnished for the regular use of either the named insured or any relative, other than a temporary substitute automobile, while said automobile is in the possession or custody of the insured or being operated by him;

"loss" means direct and accidental physical damage to the automobile or its parts but does not include diminution in value.

"collision" means collision of an automobile covered by this policy with another object or with a vehicle to which it is attached or by upset of such automobile;

"trailer" means a trailer designed for use with a private passenger automobile, if not being used for business or commercial purposes with other than a private passenger, farm or utility automobile, and if not a home, office, store, display or passenger trailer;

"forcible entry" means unauthorized entry to the vehicle and use of actual force or tampering to operate it evidenced by marks or damage to the ignition, ignition locks, steering locks, or other security devices installed to prevent operation by unauthorized persons.

"equipment" means standard or optional equipment which is available from the manufacturer for that make and model of automobile, and was installed at the time of original sale or inception of this policy.

"special equipment" means, but not limited to, F.M. and vibrasonic radio, stereo tape players, disc players, speakers, amplifiers, phones, special paint, decals, stripes, wire wheels, magnesium wheels, aluminum wheels, chrome wheels, polycast wheels, wheel covers,arga tops, t-tops, sunroofs, moon roofs, flip up roofs, convertible tops, spoilers and/or ground effect packages.

"aftermarket crash part" means the replacement for any of the non-mechanical sheet metal or plastic parts that generally constitute the exterior of the motor vehicle, including inner and outer panels.

"non-original equipment manufacturer crash part" (Non-OEM aftermarket crash part) means an aftermarket crash part not made for or by the manufacturer of the motor vehicle.

"like kind and quality part" means a replacement part for any vehicle obtained from another vehicle.

"repair" means the physical repair or replacement of damaged property or parts thereof in a workmanlike manner but does not mean restoration to pre-accident value or condition.

"damage" means physical damage to tangible property and does not include intangible economic such as diminution in value.

"hit and run automobile" means an automobile which causes damages to insured automobile arising out of physical contact of such automobile with the insured automobile provided: (a) there cannot be ascertained the identity of either the operator or the owner of such (hit and run automobile); (b) the insured or someone on his behalf shall have reported the accident promptly to the Company and shall have filed with the Company within thirty days thereafter, a statement under oath that the insured or his legal representative has a cause or causes of action, arising out of such accident for damages against a person or persons whose identity is unascertainable, and setting forth the facts in support thereof; and (c) at the Company's request the insured or legal representative makes available for inspection the automobile which the insured was occupying at the time of the accident.

Exclusion. This policy does not apply under Part IV:

- (a) to any automobile while used as a public or livery conveyance;
- (b) to loss of equipment that is not available from the manufacturer of the automobile named in the policy for that make, model and model year, provided, however, that this exclusion shall not operate to exclude coverage for a child restraint system that was in use by a child during an accident to which this Part is applicable;
- (c) to loss of equipment which is available from the manufacturer of the automobile named in the policy for that make, model, and model year, but which is not permanently installed in the dash or console opening specified by the manufacturer of the automobile for the installation of such equipment;
- (d) if the automobile is or at any time becomes subject to any bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance not, specifically declared or described in this policy;
- (e) to loss to a non-owned automobile arising out of its use by the insured in the automobile business;
- (f) to loss to a private passenger, farm or utility automobile or trailer owned by the named insured and not described in this policy or any temporary substitute automobile therefor, if the insured has other valid and collectible insurance against such loss;
- (g) to damage which is due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such damage results from a theft covered by this policy;
- (h) to tires, unless damaged by fire, malicious mischief, vandalism, stolen or unless loss is coincident with and from same cause as other loss covered by this policy;
- (i) to loss due to radioactive contamination;
- (j) under E of Part IV, to breakage of glass if insurance with respect to such breakage is otherwise afforded;
- (k) to loss to any automobile designed for racing while being tested, repaired or serviced or to any automobile or motor vehicle used, operated, manipulated or maintained in any prearranged or organized race or speed test, including "hot rod" or "stock car" racing;
- (l) to loss of or damage to any device or instrument designed for the recording, reproduction, receiving, or transmittal of sound, radio waves, microwaves or television signals unless such device or instrument is permanently installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment;
- (m) to loss of or damage to any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound;
- (n) to loss with respect to an automobile, ownership of which is acquired by the named insured during the policy period, the named insured has not notified the Company in writing within 30 days of such acquisition, of his election to make Part IV of this policy applicable to such automobile;
- (o) to loss due to theft under Part IV (1) if there is no evidence that forcible entry was required to operate or move the automobile, (2) if the key or keys to the automobile were left in or on the automobile, or (3) if evidence indicates that the ignition wiring was not altered or the ignition cylinder was not forced or altered to allow the operation of the automobile without keys. However, this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss. In such instance, payment to the innocent co-insured shall be limited to his or her ownership interest in the property as reduced by any payments to a mortgagor or other secured interest;
- (p) to loss to any custom furnishing or equipment in or upon any pick-up, panel truck, or van, including, but not limited to, special carpeting, insulation, furniture, bars, television receivers, facilities for cooking or sleeping, height-extending roofs, custom murals, painting or other decals or graphics;
- (q) to damage caused intentionally by or at the direction of the insured. However this exclusion does not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic

violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss. In such instance, payment to the innocent co-insured shall be limited to his or her ownership interest in the property as reduced by any payments to a mortgagor or other secured interest;

- (r) to any loss arising out of or during its use for the transportation of a hazardous substance.
- (s) to loss due to war, declared or undeclared, riot or civil commotion.
- (t) to any loss or damage to any special equipment as described under "special equipment", unless such equipment is specifically described in the policy and a premium charged therefore, and only in excess of the deductible on the coverage applicable.
- (u) to any contents not normally sold as part of the vehicle, provided, however, that this exclusion shall not operate to exclude coverage for a child restraint system that was in use by a child during an accident to which this Part is applicable;
- (v) while the automobile is used in any illicit trade or transportation or in the commission of any felony.
- (w) to loss of any automobile not described in this policy if:
 - (1) there is other valid and collectible insurance against such loss available to the insured, or
 - (2) with respect to an automobile, ownership of which is acquired by the named insured during the policy period, the named has not notified the company in writing within thirty (30) days of such acquisition, of his intention to make Part IV of this policy applicable to such automobile.
- (x) to diminution in value to any vehicle.

Limit of Liability. Subject to the deductible stated on the declarations, the Company's liability under Part IV except for non-owned trailers shall not exceed the smallest of the following:

- (a) the actual cash value of stolen or damaged property or part thereof at the time of the loss;
- (b) the amount necessary to repair the damaged property using, at the sole discretion of the Company, new parts from the vehicle's manufacturer, aftermarket crash parts or non-original equipment manufacturer (Non-OEM) aftermarket crash parts or like kind and quality parts. Non original equipment manufacturer (Non-OEM) aftermarket crash parts will be identified on the repair estimate;
- (c) the amount necessary to replace stolen or damaged property at the time of the accident with like kind and quality property less depreciation.

The Company's liability for loss under Part IV for non-owned trailers shall not exceed \$500.00.

Other Insurance. If the insured has other insurance against a loss covered by this policy, the Company shall not be liable under this policy for a greater proportion of such loss than the amount calculable under the Limit of Liability of this policy bears to the total of all valid and collectible insurance against such loss; provided, however, that with respect to a temporary substitute automobile or non-owned automobile, this insurance shall be excess over any other valid and collectible insurance or self insurance.

CONDITIONS

(Unless otherwise noted, conditions apply to all Parts.)

1. **Policy period, Territory.** This policy applies only to accidents, occurrences and losses during the policy period, as stated in the Declarations, while the automobile is within the United States of America, its territories or possessions, or Canada or is being transported between parts thereof. This policy may be renewed for a successive policy period by payment of the required premium to the Company on or before the effective date of each successive policy period. If such premium is not paid when due, or if you pay your premium with a check that is dishonored by your bank, the policy shall terminate as of that date being null and void, and be of no benefit to anyone with respect to any accident or loss for which coverage or a benefit is sought under this policy or renewal. Such premium shall be computed in accordance with the manuals then in use by the Company. Each policy period shall begin and end at 12:01 A.M. Central Standard Time at the address of the named insured.
2. **Premium.** If the named insured disposes of or replaces a private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days of such change. If the named insured acquires ownership of an additional private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days following the date of its delivery of his election to make this policy applicable to such owned automobile. Any premium adjustment necessary shall be made as of the date of such change or acquisition in accordance with the manuals in use by the Company. The named insured shall, upon request, furnish proof of the number of such automobiles or trailers and a description thereof.
3. **Notice.** In the event of an accident, occurrence or loss, written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and address of the injured and of available witnesses, shall be given by or for the insured to the Company as soon as practicable. However, in the case of a "hit and run" claim under Part II, notice must be given to the Company in writing within 120 days of the accident. A suit seeking recovery against the Company under Part II must be filed within two years of the accident; this condition does not enlarge the notice provision in Part II. Uninsured Motorist Coverage Definitions — "Hit & Run Motor Vehicle" 1. (b). In the event of a theft or hit and run the insured or someone on the insured's behalf shall report the loss within 24 hours after discovery of occurrence or reasonable knowledge thereafter, to the police. If claim is made or suit is brought against an insured, he shall immediately forward to the Company every demand, notice, summons or other process received by him, his representative or agent. The Company will not be obligated to pay, and shall not pay under Part I, unless the Company received actual notice of a lawsuit before a judgment had been entered in said suit. If, before the Company makes a payment of loss under Part II, the insured or his legal representative shall institute any legal action for bodily injury against any person or organization legally responsible for the use of an automobile involved in the accident, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the Company by the insured or his legal representative.
4. **Fraud and Misrepresentation.** It is your duty to give full and complete information on all policy documents such as the application, renewal forms, change forms, and claim documents. This policy is null and void and of no benefit if any information or omission by you or made on your behalf in your application, the declarations, your renewal or in any change request is misrepresented either fraudulently or mistakenly and is material to our decision to issue, renew or change this policy or with respect to the premium rate charged. This policy is null and void and of no benefit and provides no coverage or benefit to anyone who makes a fraudulent statement or omission or engages in fraudulent conduct with respect to any accident or loss for which coverage or a benefit is sought under this policy or renewal. The Company shall not declare this policy void from its inception due to material misrepresentation or false warranty in the application after the policy has been in effect for one year or one policy term, whichever is less.

5. **Two or More Automobiles** — Part I, III, IV. When two or more automobiles are insured hereunder, the terms of this policy shall apply separately to each, but an automobile and a trailer attached thereto shall be held to be one automobile as respects to limits of liability under Part I and III of this policy, and separate automobiles under Part IV of this policy, including any deductible provisions applicable thereto.
6. **Assistance and Cooperation of the Insured.** As a condition precedent to the Company's duty of indemnity with respect to suits against an insured, the insured shall cooperate with the Company and, upon the Company's request attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceeding in connection with the subject matter of this insurance. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of accident. After the notice of claim under any part of this policy, the Company may require the insured to take such actions as may be necessary or appropriate to preserve his right to recover damage from any person or organization alleged to be legally responsible for the bodily injury; and in any action against the Company, the Company may require the insured to join such person or organization as a party defendant.
7. **Action Against Company** — Part I. No action shall lie against the Company unless, as a condition precedent thereto, the insured shall have fully complied with all terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the insured to determine the insured's liability, nor shall the Company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or the insured's estate shall not relieve the Company of any of its obligations hereunder. Parts II, III and IV. No action shall lie against the Company unless, as a condition precedent thereof, there shall have been full compliance with the terms of this policy nor under Part IV until 30 days after proof of loss is filed with the Company and the amount of loss is determined as provided in this policy. In no event shall suit, arbitration or appraisal be commenced against the Company more than two years after the date of accident, except only under Part II, if coverage is based on entry of a court order of rehabilitation or liquidation by reason of insolvency of an insurer, suit or arbitration shall not be commenced against the Company after the later of: two years after the date of the accident or six months after the entry of such court order of rehabilitation or liquidation by reason of insolvency. Wherever this Condition limits the period within which the insured may bring suit, the running of such period is tolled from the date proof of loss is filed with the Company, in whatever form is required by this policy, until the date the claim is denied in whole or in part.
8. **Medical Report; Proof and Payment of Claim** — Part III. As soon as practicable the injured person or someone on his behalf shall give to the Company written proof of claim, under oath if required, and shall, after each request from the Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Company.
9. **Insured's Duties in Event of Loss** — Part IV. In the event of loss the insured shall:
 - (a) protect the automobile, whether or not the loss is covered by this policy, and any further loss due to the insured's failure to protect shall not be recoverable under this policy; reasonable expenses incurred in affording such protection shall be deemed incurred at the Company's request;
 - (b) file with the Company, within 91 days after loss, his sworn proof of loss in such form and including such information as the Company may reasonably require and shall upon the Company's request, exhibit the damaged property and submit to examination under oath.
 - (c) promptly report any loss to the Company and, in event of theft, promptly report the theft to the police.
 - (d) in the event of a hit and run the insured or someone on his behalf shall have reported the loss promptly to the Company.
10. **Proof of Claim; Medical Report** — Part II and Part III. As soon as practicable, the insured or other person making claim shall give to the Company written proof, under oath, if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering into determination of the amount payable. The insured and every other person making claim shall submit to examinations under oath by any person named by the Company and subscribe the same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the Company unless the Company shall have failed to furnish such forms within 15 days after receiving notice of claim. The injured person shall submit to physical examinations by physicians selected by the Company when and as often as the Company may reasonably require and he, or in the event of his incapacity his legal representative, or in the event of his death his legal representative or the person or persons entitled to sue therefor, shall upon each request from the Company execute authorization to enable the Company to obtain medical reports and copies of records.
11. **Appraisal — Part IV.** If the insured and the company fail to agree as to the amount payable, then the dispute shall be decided by appraisal as described herein. The insured and the Company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value of the vehicle at the time of the accident and the amount payable to repair the damage under Part V and, failing to agree, submit their differences to the umpire. An award in writing of either the two appraisers or one appraiser and the umpire shall determine the amount payable under this policy and shall be binding on the parties. The award shall specify the application of the deductible. The insured and the Company shall each pay his/her or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be deemed to have waived any of its rights by any act relating to appraisal.
12. **Payment of Loss.** Any amount due is payable
 - (a) to the insured, or
 - (b) if the insured be a minor to his parent or guardian, or
 - (c) if the insured be deceased to his surviving spouse, otherwise
 - (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents; provided, the Company may at its option pay any amount due in accordance with division hereof.
 Part IV. The Company may pay for the loss in money; or may repair or replace the damaged or stolen property; or may, at any time before the loss is paid or the property is so replaced, at its expense return any stolen property to the named insured, or at its option to the address shown in the declarations, with payment for any resultant damage thereto; or may take all or such part of the property at the agreed appraised value but there shall be no abandonment to the Company. The Company may settle any claim for loss either with the insured or the owner of the property. If the insured or owner elects to have the automobile repaired

- at a facility of his or her choosing and that facility charges more than the Company would pay for the repair at another licensed auto repair facility reasonably available, then the company may tender the amount payable under its estimate, and the insured or owner will be responsible to pay the difference to the repair facility of his or her choosing. If hidden or additional damage is found, and is related to the loss, then the Company shall be given an opportunity to estimate the cost of such additional repair and the Company may tender such additional amount payable pursuant to its additional estimate.
13. **No Benefit to Bailee** — Part IV. The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire liable for loss to the automobile.
 14. **Subrogation.**
 - (a) In the event of any payments under Parts I, II and IV of this policy, the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.
 - (b) In the event of any payment under Part III the Medical Payments of this policy, the Company shall be subrogated to all the rights of recovery therefor which the insured person or anyone receiving such payment may have against any person or organization and such person shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.
 15. **Changes.** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of the policy or stop the Company from asserting any rights under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.
 16. **Assignment.** Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the insured named in Item 1 of the Declarations, or his spouse if a resident of the same household, shall die, this policy shall cover
 - (1) the survivor as named insured,
 - (2) his legal representative as named insured but only while acting within the scope of his duties as such,
 - (3) any person having proper temporary custody of an owned automobile, as an insured, until the appointment and qualification of such legal representative, and
 - (4) under Division 1 of Part II any person who was a relative at the time of such death.
 17. **Cancellation.** This policy may be canceled by the insured named in Item 1 of the declarations by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be canceled by the Company by mailing to the mortgagee or lienholder at the last mailing address known by the Company and to the insured named on Item 1 of the Declarations at the last address known to the Company written notice stating when not less than 30 days thereafter such cancellation shall be effective; however, the Company shall not exercise its right to cancel such policy after it has been in effect for 60 days or any policy which has been renewed except for a reason set forth in Section 143:19 of the Illinois Insurance Code. No notice of cancellation of policy to which Section 143:19 applies is effective unless mailed by the Company to the mortgagee or lienholder and to the named insured at least 30 days prior to the effective date of cancellation; however, where cancellation is for nonpayment of premiums, at least 10 days notice of cancellation is given. The mailing of notice as aforesaid on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service shall be sufficient proof of notice. In the event of the cancellation of this policy by the Company or the named insured, earned premium shall be computed pro-rata to the date of cancellation. Any refund of the premium shall be without prejudice to any claim arising prior to the cancellation, and such refund will be made to the insured by the Company within 30 days from (1) the date of the notice of cancellation by the Company, or (2) the date the Company receives the request for cancellation from the named insured or its representative, but payment or tender of unearned premium is not a condition of cancellation. If this policy has been cancelled and reinstatement is requested, the company may at its sole option reinstate the policy and determine the effective date of the reinstatement. Coverage under a reinstated policy shall be prospective only as of the effective date stated in the reinstatement endorsement and is not retroactive to the prior cancellation date. No coverage is provided under a reinstatement of this policy relative to any accident, loss or occurrence between a prior cancellation and the effective date of reinstatement.
 18. **Nonrenewal.** If the Company decides not to renew or continue this policy, the Company will mail notice to the named insured shown in the Declarations at the address last known by the Company. Notice will be mailed at least 30 days before the end of the policy period and will include a specific explanation of the reasons for nonrenewal. If the policy period is other than 1 year, the Company will have the right not to renew or continue it only at each semiannual expiration date from its original effective date. If this policy has been in effect for 5 years or more, the Company will only nonrenew or refuse to continue the policy if the Company;
 - (1) Mails you notice of the company's intent 60 days prior to the expiration date; or
 - (2) As otherwise permitted to by Illinois Law.
 19. **Duty of Disclosure.** To ensure that the policy is properly rated by the Company and that the Company's underwriting guidelines are followed, it is the duty of the named insured to disclose to the Company in the application for this policy or for renewal thereof all persons who are not resident in the household of the named insured who have regular use of an owned automobile and also all residents age 15 years and older of the household of the named insured.
 20. **Declarations.** By acceptance of this policy, the insured named in Item 1 of the Declarations agrees that the statements contained in the Application, a copy of which is attached to and forms a part of the policy, have been made by him or on his behalf and that said statements and the statements of the Declarations and in any subsequent Application accepted by the Company are offered as an inducement to the Company to issue or continue this policy and that the same are his agreements and representations, and that this policy is issued and continued in reliance upon the truth of such statements and representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance. If at the time of an accident a person is identified on the declarations or an endorsement to this policy as an Excluded Driver, and if the accident involves operation of any motor vehicle by such person, then, notwithstanding any other provision of this policy, no coverage of any kind under this policy is owing or payable by the Company to any person with respect to such accident and the Company is not obligated to defend any person in any legal action concerning the accident.

OPTIONAL PROVISIONS

Each of the following Optional Provisions applies to this policy or renewal thereof ONLY if the provision number appears on the declarations or on an endorsement to the declarations and a specific premium is paid with respect thereto.

1. NON-OWNER POLICY ENDORSEMENT IL-01-004A

This policy is modified as follows:

- The unqualified terms "insured", "persons insured" and "named insured" under all parts of the policy mean only the individual named in Item 1 of the declarations.
- The insurance does not apply:
 - to any automobile unless operated by such Named Insured;
 - to any accident arising out of the operation of an automobile sales agency; repair shop, service station, storage garage or public parking place;
 - under Part III Expenses for Medical Services, unless the injury results from the operation of the automobile by such Named Insured;
 - to any automobile owned or leased by the Named Insured.
- This insurance shall be excess insurance over any other insurance for Bodily Injury Liability, for Property Damage Liability, Uninsured Motorist Bodily Injury, and for Automobile Medical Expenses.

The terms of this optional provision supercede all terms and conditions of the policy which are inconsistent herewith.

2. AUTOMOBILE LOSS PAYABLE ENDORSEMENT IL01-013 AH (7/04) Eff 9/04

With respect to the interest of the Lien-Holder, its successors and assigns, in its capacity as conditional Vendor or Mortgagee or otherwise, in the property insured under this policy, this company hereby agrees as follows:

Loss or damage, if any, under the policy shall be payable as interest may appear to the Loss Payee Named in the Declarations and this insurance as to the interest of the Bailment Lessor, Conditional Vendor, Mortgagee or other secured party or Assignee of Bailment Lessor, Conditional Vendor, Mortgagee or other secured party (herein called the lienholder) shall not be invalidated by any change in the title or ownership of the property, provided, however, that the conversion, embezzlement or secretion by the Lessee, Mortgagor, Purchasor or other Debtor in possession of the property insured under a bailment lease, conditional sale, mortgage or other security agreement is not covered under such policy, unless specifically insured against and premium paid therefor; and provided, also, that in case the Lessee, Mortgagor, Owner or other Debtor shall neglect to pay any premium due under such policy the lienholder shall, on demand, pay the same.

Provided also, that the Lienholder shall notify the company of any change of ownership or increase of hazard which shall come to the knowledge of said Lienholder and, unless permitted by such policy, it shall be noted thereon and the Lienholder shall, on demand pay the premium for such increased hazard for the term of the use thereof; otherwise such policy shall be null and void.

If the company elects to cancel this policy at any time as provided by its terms, the company shall notify the Lienholder when not less than ten days thereafter such cancellation shall be effective to the interest of said Lienholder therein.

If the insured fails to render proof of loss within the time granted in the policy conditions, such Lienholder shall do so within sixty days thereafter, in form and manner as provided by the policy, and further, shall be subject to the provisions of the policy relating to appraisal and time of payment and of bringing suit.

Whenever the company shall pay the Lienholder any sum for loss or damage under such policy and shall claim that, as to the Lessee, Mortgagor, Owner or other Debtor, no liability therefore existed, the company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the debt, or may at its option, pay to the Lienholder the whole principal due or to grow due on the mortgage or other security agreement with interest, and shall thereupon receive a full assignment and transfer of the mortgage or other security agreement and of all such other securities; but no subrogation shall impair the right of the Lienholder to recover the full amount of its claim.

Whenever a payment of any nature becomes due under the policy, separate payment may be made to each party at interest provided the company protects the equity of all parties:

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, agreements or limitations of such policy, other than as above stated.

3. EMERGENCY ROAD SERVICE COVERAGE - ILLINOIS IL01-024A

COVERAGE R SCHEDULE

R-1 EMERGENCY TOW REIMBURSEMENT

Limit of Liability - \$35.00 Per Occurrence

Coverage:

The Company will pay an Emergency Towing benefit of up to \$35 for each covered towing occurrence.

- Expenses must be incurred for emergency towing due to the mechanical breakdown of an owned automobile.
- The named insured must be driving an owned automobile at the time of the disablement.

Limit of Liability:

Limited to one towing per disablement of an owned automobile while being operated by the named insured. Disablement must be the result of mechanical failure of the vehicle and not the result of a traffic accident.

Exclusions from Coverage:

- Towing as a result of a traffic accident.
- Parts, labor, gasoline, tire repair, rental of towing equipment, storage fees, or any labor performed at a garage or service facility.
- Motorcycles, trucks over one ton capacity, taxis, vehicles used for commercial purposes, camping trailers, travel trailers, mobile

homes or any vehicles in tow.

- Any form of impound towing or towing by other than a licensed, commercial service station, or garage, or towing facility.
- Private citizen's assistance.
- Claims not made within 30 days of the towing occurrence.
- Emergency Tow service is not intended to be a substitute for proper vehicle maintenance or repair. Repeated service calls which are considered to be excessive are not covered.
- Claims made using receipts that do not detail the nature of the service, that do not indicate a paid status, or can not be validated by an identifiable service facility.

Instructions:

- Locate the tow facility of your choice.
- Pay for the service and obtain a receipt.
- Write your policy #, name and address on the receipt.
- Mail the tow receipt to:
American Heartland Insurance Co.
Claims Department
5700 Old Orchard Rd.
Skokie, Illinois 60077

You will be reimbursed up to \$35 for covered expense per occurrence as put forth above in the Coverage and Limit of Liability sections.

R-2 AUTOVISOR MECHANICAL REPAIR ASSISTANCE SERVICE

Coverage:

The Company will provide you with direct access to trained auto service technicians who will consult with you concerning mechanical auto repairs and maintenance needed on your insured vehicle. Company will also act on your behalf by calling the repair facility of your choice to discuss repairs or maintenance required to be performed on your insured vehicle.

Exclusions from Coverage:

- The cost of any parts, labor, gasoline, lubricants, tire repair, or any labor performed at a garage or service facility.
- Autovisor does not become involved in any mechanical breakdown resulting from a traffic accident.

Autovisor Operations

Whenever you are in need of mechanical auto repairs or service anywhere in the USA, obtain an estimate at the repair facility of your choice, and call AUTOVISOR at 1-888-252-6384. After receiving your call, a fully trained professional AUTOVISOR representative will immediately contact the repair facility you have chosen and work on your behalf to:

- Consult with the repair facility before work gets underway.
- Separate immediate repair needs from suggested repair work, explain the difference, and often suggest alternate repair methods and/or pricing.
- Determine whether needed repairs are covered by your manufacturer's warranty or recall program.
- Discuss with the repair facility the cost of needed repairs to guard against paying for unnecessary parts and labor and to prevent overcharging for needed parts and service.
- Review with the insured the results of the discussion allowing the insured to make an informed repair decision.
- Be available to assist members whenever and wherever a member is in need of assistance whether at home or traveling anywhere in the USA.

The Autovisor representative will call you after the consultation is completed, discuss the findings and offer an opinion. At this point you are ready to make a final and informed decision concerning the real need for repair and the price that should be paid. A follow-up, confirmation will be sent to you providing a written summary of the consultation.

R-3 EMERGENCY ROADSIDE SERVICE (Service Provided by Nation Safe Drivers, NSD)

Coverage:

When an auto rated on the named insured's policy is disabled, NSD will dispatch an emergency service vehicle to your aid, and you are covered for a maximum per disablement for road service, (one tow per disablement or every 72 hours). If for any reason road service cannot be dispatched, the member must receive authorization from NSD to use a garage of their choice, and upon presentation of the original paid tow, company receipt, NSD shall reimburse the member up to the maximum benefit allowed \$60.

Emergency Road Service Consists Of:

Toll free 24 Hour Dispatch at 1-800-745-6791

Mechanical First Aid: ANY SERVICE REQUIRING A MINOR ADJUSTMENT (exclusive of parts) to enable a disabled vehicle to proceed under its own power.

Tire Service: Changing an inflated spare from mount to wheel.

Battery Service: Attempting to start vehicle with a booster battery.

Delivery Service: Delivery of an emergency supply of gasoline, oil or water and other accessories and supplies as may be required and available. Cost of materials delivered shall be paid for by the member.

A. Towing Service: When a vehicle cannot be started, it can be towed to a destination of your choice by authorized towing service up to 15 miles.

B. Locksmith Service: If keys are locked inside the member's vehicle, NSD will dispatch a locksmith for service

C. Map Service: Your service allows you to request and receive specially prepared maps for travel. Merely call your toll-free line two weeks in advance of your trip, giving your trip origin and destination.

D. Theft Reward: NSD will pay a person, (excluding member's family or relatives) \$500 for information leading to the arrest and conviction of a person for the theft of an automobile listed on the named insured's policy.

E. Excessive Claims: Your ERS service is limited to 5 dispatch calls in a policy period.

F. Customer Service- (800) 338-2680

Exclusions from Coverage:

- Any violation of motor vehicle or traffic laws relating to the operation of a motor vehicle. Driving under the influence of intoxicating

liquors, narcotics or psychedelic drugs. Driving without a valid operator's permit, or leaving the scene of an accident without disclosing identity, or failing to stop to ascertain injury or lend assistance, commonly known as "hit and run."

- When any motor vehicle is operated without permission of the owner thereof.
- Under section 1 hereof, service for trucks in excess of 1-ton chassis, busses, trailers, tractors, or vehicles of dual wheel class.
- For any service requiring snow removal or ice removal from or around member's motor vehicle, or from any driveway or premises, or street, highway or parking area.
- Gas/credit card receipts are not accepted.
- Reimbursement sought for any bill that is found by the Company to be false or fraudulent, and not for the claimed services.
- All parts of motor vehicle, rental battery, return of rental battery, supplies or accessories furnished by garage or service station shall be at the sole expense of the member.
- All repairs and material used in repairing flat tire, or services requiring more than one trip by garage or service station shall be at the sole expense of the member.
- By being involved in any traffic accident or any accident involving a motor vehicle in which a Police Traffic Report is not filed or made a matter of record.
- Any claim not reported to the Company or to ERS within 60 days after occurrence.

R-4 LEGAL EXPENSE REIMBURSEMENT

Coverage

Legal Expense Reimbursement. The Company will reimburse the named insured, up to \$500, for attorney's fees and expenses incurred by the named insured for services rendered by an attorney to defend the named insured against citation(s) alleging a moving violation of the Illinois Vehicle Code (625 ILCS 5/ et. seq.), or any such similar code of a municipality within the State of Illinois, while driving his or her owned automobile. The maximum benefit payable under this coverage is \$500 during the policy period stated in the declarations of the policy to which this endorsement is attached.

Definitions. Except as defined herein, the definitions under Part I of the policy apply to this endorsement:

"moving violation" means any traffic violation committed while an automobile is in motion;

"punitive or exemplary damages" means sums awarded by a court of competent jurisdiction against the named insured as a punishment or deterrent;

Exclusions. The coverage provided by this endorsement does not apply to:

- any citation alleging violation of the Criminal Code of 1961 (720 ILCS 5/ et. seq.), Cannabis Control Act (720 ILCS 550/et. seq.), Illinois Controlled Substances Act (720 ILCS 570/et. seq.), Liquor Control Act of 1934 (234 ILCS 5/ et. Seq.), or Illinois Identification Card Act (15 ILCS 335/ et. seq.);
- any citation alleging a violation other than a moving violation;
- any citation issued outside the State of Illinois;
- any citation issued to anyone other than the named insured;
- any citation issued to the named insured while not driving his or her owned automobile
- expenses or fees incurred with an attorney unlicensed to practice law in Illinois;
- any fine, penalty or assessment payable on a citation;
- any punitive or exemplary damages payable on a citation or otherwise; or
- the named insured's out-of-pocket expenses regardless of whether incurred by the named insured or his or her attorney, including but not limited to, court costs, towing charges, impound fees, travel expenses or any other incidental expenses relation to the citation(s).

Proof of Loss. Written proof of loss must be given to the Company within ninety- (90) days of the date of the citation(s). Proof of loss must include a copy of the citation(s) and a copy of any bills or invoices incurred by the named insured for services rendered by his or her attorney to defend the named insured against citation(s) alleging a moving violation while driving an owned automobile. Failure to furnish such proof of loss within the time required shall invalidate the coverage provided by this endorsement. However, failure to provide copies of bills or invoices for attorney's fees or expenses incurred after proof of loss has been provided hereunder shall not invalidate or reduce the coverage provided by this endorsement, provided such bills or invoices are furnished as soon as reasonably possible and in no event later than one (1) year from the time proof of loss is initially required to be furnished hereunder. All bills or invoices for attorney's fees and expenses submitted hereunder shall provide an itemization of the attorney's fees and expenses by citation. Following receipt of proof of loss, the Company shall have the right to request additional documentation to support the claim for coverage under this endorsement.

Action Against Company. Notwithstanding anything to the contrary stated in the policy to which this endorsement is attached, no action at law or in equity shall be brought to recover under the coverage provided by this endorsement prior to the expiration of sixty- (60) days after written proof of loss has been furnished in accordance with the requirements of this endorsement. No such action shall be brought after the expiration of one (1) year after the time proof of loss is initially required to be furnished hereunder, except that the time limit for bringing such action shall be tolled from the date proof of loss is filed with the Company, in the form required above, until the claim is denied in whole or in part.

Selection of Attorney. Notwithstanding the Company's right to select counsel and control the defense of suits against an insured as described in Part I of the policy, the Company is not obligated to select and will not select an attorney for the named insured and shall not control the attorney the named insured selects for purposes of the coverage described in this endorsement. The named insured has the right to choose his or her own attorney under the coverage provided by this endorsement and the named insured shall be solely responsible to choose and retain his or her own attorney. The choice of attorney and the attorney's fees and expenses charged by that attorney shall not expand or enlarge the Company's obligation under this endorsement and the named insured shall be solely responsible to his or her own attorney for attorney's fees and expenses in excess of the Company's limit of liability under this endorsement.

4. RENTAL REIMBURSEMENT ENDORSEMENT IL-01-264A

(Available on policies with Physical Damage Coverage)

If you have a "Comprehensive" loss, other than the total theft of your vehicle, or a "Collision" loss, we will reimburse you up to (\$20.00) twenty dollars per day, up to a maximum of (\$420.00) four hundred and twenty dollars for your cost to rent an automobile from an automobile rental agency or a collision repair garage.

Coverage will begin 24 hours after the loss if your vehicle is rendered not driveable as a result of the loss. If your vehicle is driveable, coverage will begin the day after the covered auto is taken to the collision repair facility for repairs. Coverage will end when one of the following occurs:

- You receive a replacement auto;
- completion of repairs;
- twenty-one days of coverage.

In the event of a total theft of your vehicle, this coverage will not apply. Please see Part IV - Physical Damage, "Supplementary Payments" of your policy booklet.

5. SPECIAL MEDICAL COVERAGE - ILLINOIS IL-01-265A - PRINCIPAL SUM - \$2,000

BENEFIT SCHEDULE

	Per Person
Loss of Life	\$ 1,000.00
Loss of Both Hands, Feet or Entire Sight of Both Eyes	\$ 1,000.00
Loss of One Hand and One Foot	\$ 750.00
Loss of The Entire Sight of One Eye	\$ 500.00
Loss of Either One Hand or One Foot	\$ 500.00

COVERAGE:

The Company will pay the amount shown in the Benefit Schedule to You or Your estate in the event of a Loss occurring as a result of an automobile accident involving an Owned Automobile described in this Policy. This endorsement provides coverage for Losses occurring only to the Named Insured and the Named Insured's resident spouse.

DEFINITIONS:

Injury: This means an accidental Bodily Injury which is suffered by the Named Insured which results from driving or riding as a passenger in (including getting in, on, or out of) any Owned Automobile.

Loss: Hand or Foot means the complete severance through or above the wrist or ankle joint, but below the elbow or joint; and when used with reference to Eye, means the irrevocable loss of the entire sight thereof.

LIMITS:

Limitation of Payment:

Only one of the amounts shown above (the largest applicable) will be paid for injuries or loss of life per Named Insured. Notwithstanding the amounts specified above the maximum payable under this Policy for all losses sustained by the Named Insured as a result of the same accident shall not exceed the Principal Sum.

EXCLUSIONS:

In addition to Exclusions (b) through (o) listed in Part I of your Policy, we will not pay for a loss resulting from:

- A bacterial infection which does not result from an accidental injury.
- Operating, entering or alighting from any vehicle which is being tested, time tested, or participating in races, speed contests or exhibitions, or any vehicle which is being used for emergency purposes.

CONDITIONS:

Disappearance: If the Named Insured is not found within one (1) year after the date of disappearance, sinking or wrecking of the Covered Automobile in which the Named Insured was riding at the time of the accident and under such circumstances as would otherwise be covered hereunder, it will be presumed the Named Insured suffered loss of life resulting from Bodily Injury caused by an accident at the time of such disappearance, sinking or wrecking. If the Named Insured is subsequently found to be living, any sum paid shall immediately be refunded to the Company by the person or persons to whom it was paid.

In witness whereof, the Company has caused this policy to be signed by its president and secretary, but this policy shall not be valid unless completed by the attachment hereto of the Application and the Declarations page designated as Part Two and countersigned on the aforesaid Declarations page by a duly authorized representative of the Company.

Secretary

President

Section 143c of the Illinois Insurance Code requires notification of the following address:

American Heartland Insurance Company
P.O. Box 1004
Skokie, IL 60076-8004
1-800-831-8330

Illinois Department of Financial
and Professional Regulation
Division of Insurance
Consumer Services Section
Springfield, IL 62767