

**FRED LOYA INSURANCE AGENCY**

AGENT FOR: Loya Insurance Co., El Paso, Texas

**TEXAS PERSONAL AUTO POLICY**

**FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL:**

Servicing Office: (915) 595-0510  
1-800-554-0595

Claims Office: (915) 590-5692  
1-800-880-0472

Address all correspondence to:

Service Office  
1800 Lee Trevino, Ste 201  
El Paso, Texas 79936

**YOUR TEXAS PERSONAL AUTO POLICY – QUICK REFERENCE**  
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Your Name and Address  
Your Auto or Trailer  
Policy Period  
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## IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact your managing general agent at **1-800-554-0595**.

You may contact Loya Insurance Company's toll-free telephone number for information or to make a complaint at: **1-800-554-0595**

You may also write to Loya Insurance Company at:

**1800 Lee Trevino, Suite 201**

**El Paso, Texas 79936**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at: **1-800-252-3439**

You may write the Texas Department of Insurance:

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

Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

Email: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

To obtain price and policy form comparisons and other information relating to residential property insurance and personal automobile insurance, you may visit the Texas Department of Insurance / Office of Public Insurance Counsel website: **www.helpinsure.com**

## PREMIUM OR CLAIM DISPUTES:

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

## ATTACH THIS NOTICE TO YOUR POLICY:

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

## **AVISO IMPORTANTE**

Para obtener informacion o para someter una queja:

Puede comunicarse con su agente general al **1-800-544-0595**.

Usted puede llamar al numero de telefono gratis de Loya Insurance Company's para informacion o para someter una queja al: **1-800-554-0595**

Usted tambien puede escribir a Loya Insurance Company:

**1800 Lee Trevino, Suite 201**

**El Paso, Texas 79936**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al: **1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

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

Fax: (512) 475-1771

Web: <http://www.tdi.state.tx.us>

Email: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

Para obtener formas de comparacion de precios y poliza y otra informacion acerca del seguro de propiedad residencial y del suguro de automovil, visite el sitio web del Departamento de Seguros de Texas y la Oficina del Asisir Publico de Seguros: **www.helpinsure.com**

### **DISPUTAS SOBRE PRIMAS O RECLAMOS:**

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

### **UNA ESTE AVISO A SU POLIZA:**

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

## **AGREEMENT**

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

### **DEFINITIONS**

**A.** Throughout this policy, "you" and "your" refer to:

1. The "named insured" shown in the Declaration, and
2. The spouse if a resident of the same household.

**B.** "We", "us" and "our" refer to the Company providing this insurance.

**C.** For purposes of this policy, a private passenger type auto or pickup or van shall be deemed to be owned by a person if leased.

1. Under written agreement to that person; and
2. For a continuous period of at least six months.

Other words and phrases are defined. They are boldfaced when used.

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

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

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

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

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

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

1. Any vehicle shown in the Declarations;
- 2.I. Any of the following types of vehicles on the date you became the owner:
  - a. a private passenger auto; or
  - b. a utility type vehicle, with a G.V.W. of 25,000 lbs. or less, of the pickup body, sedan delivery, panel truck, van type and multi-use type, not used for the delivery or transportation of goods, materials or supplies other than samples; unless, (1) the delivery of goods, materials or supplies is not the primary usage of the vehicle, or (2) used for farming or ranching.

II. This provision (G.2.) applies only if you:

- a. acquire the vehicle during the policy period; and
- b. notify us within 30 days after you become the owner.

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

3. Any **trailer** you own.
4. Any auto or trailer you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its
  - a. breakdown;
  - b. repair;
  - c. servicing;
  - d. loss; or
  - e. destruction.

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

## **PART A – LIABILITY COVERAGE INSURING AGREEMENT**

**A.** We will pay damage for bodily injury or property damage for which any **covered person** becomes legally responsible because of an auto accident. Property damage includes loss of use of the damaged property. Damages included prejudgment interest awarded against the **covered person**. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted.

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

1. You or any **family member** for the ownership, maintenance or use of any auto or **trailer**.
2. Any person using **your covered auto**.
3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
4. For any auto or **trailer**, other than your covered auto, any person or organization but only with respect to legal responsibility for acts or omissions of you or any **family member** for whom coverage is afforded under this Part. This provision ( B.4.) applies only if the person or organization does not own or hire the auto or **trailer**.

## SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of a **covered person**:

1. Up to \$250 for the cost of a bail bonds required because of an accident including related traffic law violations. The accident must result in bodily injury or property damage covered under this policy.
2. Premiums on appeal bonds and bonds to release attachment in any suit we defend.
3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

## EXCLUSIONS

A. We do not provide Liability Coverage for any person:

1. Who intentionally causes bodily injury or property damage;
2. For damage to property owned or being transported by that person;
- 3.I. For damage to property:
  - a. rented to;
  - b. used by; or
  - c. in the care of;that person.

II. This exclusion (A.3.I.) does not apply to damage to:

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

vehicle designed for use mainly on public highways. This includes road testing and delivery.

This exclusion (A.6.) does not apply to the ownership, maintenance or use of **your covered auto** by:

1. you;
2. any **family member**; or
3. any partner, agent, or employee of you or any **family member**.

7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion A.6. This exclusion (A.7.) does not apply to the maintenance or use of a:
- a. private passenger auto;
  - b. pickup or van this is **your covered auto**; or
  - c. **trailer** used with a vehicle described in 7.a. or 7.b. above.
8. Using a vehicle without a reasonable belief that that person is entitled to do so. This exclusion (8.) does not apply to you or any **family member** while using your **your covered auto**.
- 9.I. For bodily injury or property damage for which that person:
- a. is an insured under a nuclear energy liability policy; or
  - b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- II. A nuclear energy liability policy is a policy issued by any of the following or their successors:
- a. American Nuclear Insurers;
  - b. Mutual Atomic Energy Liability Underwriters; or
  - c. Nuclear Insurance Association of Canada.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:
- 1. Any motorized vehicle having fewer than four wheels;
  - 2. Any vehicle, other than **your covered auto**, which is:
    - a. owned by you; or
    - b. furnished or available for your regular use.
  - 3.I. Any vehicle, other than **your covered auto**, which is:
    - a. owned by any **family member**.
    - b. furnished or available for the regular use of any **family member**.
  - II. However, this exclusion (B.3.) does not apply to your maintenance or use of any vehicle which is:
    - a. owned by a **family member**; or
    - b. furnished or available for the regular use of a **family member**.
- C. We do not provide Liability Coverage for you or any **family member** for bodily injury to you or to any **family member**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701h, entitled "Texas Motor Vehicle Safety Responsibility Act".

#### **LIMIT OF LIABILITY**

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

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

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

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

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

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

## **OUT OF STATE COVERAGE**

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

- A.** If the state or province has:
1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
  2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.
- B.** No one will be entitled to duplicate payments for the same elements of loss.

## **FINANCIAL RESPONSIBILITY REQUIRED**

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

## **OTHER INSURANCE**

If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any liability insurance we provide to a **covered person** for the maintenance or use of a vehicle you do not own shall be excess over any other applicable liability insurance.

## **PART B1 – MEDICAL PAYMENTS COVERAGE INSURING AGREEMENT**

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

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

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

**B.** “**Covered person**” as use in this Part means:

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

## **EXCLUSIONS**

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

1. Sustained while **occupying** any motorized vehicle having fewer than four wheels.
2. Sustained while **occupying your covered auto** when it is:
  - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
  - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
  - c. rented or leased to another, this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement of operating expenses only.
3. Sustained while **occupying** any vehicle located for use as a residence or premises.
4. Occurring during the course of employment if workers’ compensation benefits are required or available for the bodily injury.
5. Sustained while **occupying** or, when struck by, any vehicle (other than **your covered auto**) which is:
  - a. owned by you; or
  - b. furnished or available for your regular use.
6. Sustained while **occupying** or, when struck by, any vehicle (other than **your covered auto**) which is:
  - a. owned by any **family member**; or
  - b. furnished or available for the regular use of any **family member**.

However, this exclusion (6.) does not apply to you.



7. Sustained while **occupying** a vehicle without a reasonable belief that person is entitled to do so. This exclusion (7.) does not apply to you or any **family member** while using **your covered auto**.
8. Sustained while **occupying** a vehicle when it is being used in the business or occupation of a **covered person**. This exclusion (8.) does not apply to bodily injury sustained while **occupying** a:
  - a. private passenger auto;
  - b. pickup or van that you own; or
  - c. **trailer** used with a vehicle described in (8.a. or 8.b.) above.
9. Caused by or as a consequence of:
  - a. discharge of a nuclear weapon (even in accidental);
  - b. war (declared or undeclared)
  - c. civil war
  - d. insurrection; or
  - e. rebellion or revolution.
10. From or as a consequence of the following whether controlled or uncontrolled or however caused:
  - a. nuclear reaction;
  - b. radiation; or
  - c. radioactive contamination

#### **LIMIT OF LIABILITY**

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

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

**B.** Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expenses under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.

**C.** No payment will be made unless the injured person or that person's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.

#### **OTHER INSURANCE**

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

#### **ASSIGNMENT OF BENEFITS**

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

### **PART B2 – PERSONAL INJURY PROTECTION COVERAGE**

#### **INSURING AGREEMENT**

**A.** We will pay Personal Injury Protection benefits because of bodily injury:

1. resulting from a motor vehicle accident; and
2. sustained by a **covered person**

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

**B.** Personal Injury Protection benefits consist of:

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

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

**II.** Loss of income is the difference between

- a. income which would have been earned had the covered person not been injured; and

b. the amount of income actually received from employment during the disability.  
**III.** If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the accident shall be used.

**3.I.** Reasonable expenses incurred for obtaining services. These services must replace those a **covered person** would normally have performed:

- a. without pay;
- b. during a period of disability; and
- c. for the care and maintenance of the family or household.

**II.** These benefits apply only if, at the time of the accident, the **covered person**:

- a. was not an income producer; and
- b. was not in an occupational status.

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

**C.** "Cover person" as used in this Part means:

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

#### **EXCLUSIONS**

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

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

#### **LIMIT OF LIABILITY**

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

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

#### **OTHER INSURANCE**

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

#### **OTHER PROVISIONS**

**A. Loss Payments.** Benefits are payable:

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

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

#### **ASSIGNMENT OF BENEFITS**

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

**PART C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE  
INSURING AGREEMENT**

**A.** We will pay damages which a covered person is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury sustained by a covered person, or property damage, caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured motor vehicle**.

Any judgment for damages arising out of a suit brought without our consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.

**B. "Covered person"** as used in the Part means:

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

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

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

**D.I. "Uninsured motor vehicle"** means a land motor vehicle of trailer of any type,

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

**II.** However, "**uninsured motor vehicle**" does not include any vehicle or equipment;

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

**EXCLUSIONS**

We do not provide Uninsured/Underinsured Motorists Coverage for any person:

1. For bodily injury sustained while **occupying**, or when struck by, any motor vehicle or trailer of any type owned by you or any **family member** which is not insured for this coverage under this policy.
2. I that person or the legal representative settles the claim without our written consent.
3. When **your covered auto** is:

- a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
  - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
  - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement or operating expenses only.
4. For the first \$250 of the amount of damage to the property of that person as the result of any one accident.
5. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion (A.5.) does not apply to you or any **family member** while using **your covered auto**.
- 6 B.** For any loss to which Uninsured/Underinsured Motorists Coverage (from this or any other policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages but only if:
- 1. Neither one by itself is sufficient to cover the loss;
  - 2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
  - 3. You. For bodily injury or **property damage** resulting from the intentional acts of that person.
- B.** This coverage shall not apply directly or indirectly to benefit:
- 1. Any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
  - 2. Any insurer of property.

#### **LIMIT OF LIABILITY**

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

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

#### **OTHER INSURANCE**

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

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

**A.** We will pay for direct and accidental loss to **your covered auto**, including its equipment less any applicable deductible shown in the Declarations. However, we will pay for loss caused by **collision** only if the Declarations indicate that Collision Coverage is provided.

**B.** "Collision" means the upset, or **collision** with another object of **your covered auto**. However, loss caused by the following are not considered "collision":

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water or flood;
7. Malicious mischief or vandalism
8. Riot or civil commotion
9. Contact with bird or animal; or
10. Breakage of glass.

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

**TRANSPORTATION EXPENSES**

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

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

**EXCLUSIONS**

We do not pay for:

1. Loss to your covered auto while it is:
  - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or
  - b. being used to carry property for a fee; this does not apply to you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
  - c. rented or leased to another; this does not apply if you or any **family member** lends **your covered auto** to another for reimbursement or operating expenses only.
2. Damage due and confined to:
  - a. wear and tear;
  - b. freezing;
  - c. mechanical or electrical breakdown or failure; or
  - d. road damage to tires.

This exclusion (2.) does not apply if the damage results from the total theft of **your covered auto**.

3. Loss due to or as a consequence of:
  - a. radioactive contamination;
  - b. discharge of any nuclear weapon (even if accidental);
  - c. war (declared or undeclared);
  - d. civil war;
  - e. insurrection; or
  - f. rebellion or revolution
4. Loss of stereos, radios and other sound reproducing equipment. This exclusion (4.) does not apply if the equipment is permanently installed in **your covered auto**.
5. Loss of tapes, records or other devices for use with equipment designed for the reproduction of sound.
6. Loss of camper body or **trailer** not shown in the Declarations. This exclusion (6.) does not apply to a camper body or **trailer** you:
  - a. acquire during the policy period; and
  - b. notify us within thirty days after you become the owner.
7. Loss to any vehicle while used as temporary substitute for a vehicle you own which out of normal use because of its:
  - a. breakdown;
  - b. repair;
  - c. servicing;

- d. loss; or
      - e. destruction.
  - 8. When in or upon any **trailer**, loss to:
    - a. TV antennas;
    - b. awnings or cabanas; or
    - c. equipment designed to create additional living facilities.
  - 9. Loss to any of the following or their accessories:
    - a. citizens band radio;
    - b. two-day mobile radio;
    - c. telephone;
    - d. scanning monitor receiver; or
    - e. any device or instrument used for detection of radar or other speed measuring equipment.

This exclusion (9.) does not apply if the equipment is permanently installed in the opening of the dash or console of the auto. This opening must be normally used by the auto manufacturer for the installation of a radio.

- 10. Loss of any custom furnishing or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:
  - a. special carpeting and insulation, furniture, bars or television receivers;
  - b. facilities for cooking and sleeping;
  - c. height-extending roofs; or
  - d. custom murals, paintings or other decals or graphics.

This exclusion (10.) does not apply if the value of the custom furnishings or equipment has been reported to us prior to a loss and included in the premium for this coverage.

- 11. Loss due to or as a consequence of a seizure of your covered auto by federal or state law enforcement officers as evidence in a case against you by the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

#### **LIMIT OF LIABILITY**

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

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

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

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

#### **PAYMENT OF LOSS**

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

- 1. You; or
- 2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

#### **NO BENEFIT TO BAILEE**

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

#### **OTHER INSURANCE**

- A.** If other insurance also covers the loss we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits.
- B.** For any loss to which Uninsured/Underinsured Motorists Coverage (from this or any other policy) and this coverage both apply, you may choose the coverage from which damages will be paid.

You may recover under both coverages but only if:

- 1. Neither one by itself is sufficient to cover the loss;
- 2. You pay the higher deductible amount (but you do not have to pay both deductibles); and
- 3. You will not recover more than the actual damages.

#### **APPRAISAL**

If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

## **PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

### **GENERAL DUTIES**

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

**B.** A person seeking any coverage must:

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

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

1. acknowledge receipt of the claim.
2. begin any investigation of the claim.

### **3. PART E – DUTIES AFTER AN ACCIDENT OR LOSS**

### **GENERAL DUTIES**

specify the information you must provide in accordance with paragraph B. above.

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

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

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

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

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

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

**G.** Loss Payment

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

**H.** Notice of Settlement of Liability Claim

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

### **ADDITIONAL DUTIES FOR UNINSURED/UNDERINSURED MOTORISTS COVERAGE**

A person seeking Uninsured/Underinsured Motorists Coverage must also:

1. Promptly notify the police if a hit and run driver is involved,
2. Promptly send us copies of the legal papers if a suit is brought;
3. Take reasonable steps after loss, at our expense, to protect damaged property from further loss; and
4. Permit us to inspect and appraise the damaged property before its repair or disposal.

### **ADDITIONAL DUTIES COVERAGE FOR DAMAGE TO YOUR AUTO**

A person seeking Coverage for Damage to Your Auto must also:

1. Take reasonable steps after loss, to protect **your covered auto** and its equipment for further loss. We will pay reasonable expenses incurred to do this.
2. Promptly notify the police if **your covered auto** is stolen; and
3. Permit us to inspect and appraise the damaged property before its repair or disposal.

## **PART F – GENERAL PROVISIONS**

### **BANKRUPTCY**

Bankruptcy or insolvency of the covered person shall not relieve us of any obligations under this policy.

### **CHANGES**

**A.** This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.

**B.** If a change requires a premium adjustment, we will adjust the premium as of the effective date of change in accordance with rules prescribed by the Texas Department of Insurance or its successor.

Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

1. The number, type or use classification of the insured autos;
2. Operators using insured autos;
3. The place of principal garaging of insured autos;
4. Coverage, deductible or limits.

**C.** If this policy form is revised to provide more coverage without additional coverage as of the date the revision is effective.

**D.** We will compute the premium at the rates in effect on each anniversary date of the policy's inception date for a policy written for more than a full year.

### **LEGAL ACTION AGAINST US**

**A.** No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Liability Coverage, no legal action may be brought against us until:

1. We agree in writing that the **covered person** has an obligation to pay; or
2. The amount of that obligation has been finally determined by judgment after trial.

**B.** No person or organization has any right under this policy to bring us into any action to determine the liability of a **covered person**.

### **OUR RIGHT TO RECOVER PAYMENT**

**A.** If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:

1. Whatever is necessary to enable us to exercise our rights; and
2. Nothing after loss to prejudice them.

(A release of the insurer of an underinsured motor vehicle does not prejudice our rights.)

However, our rights in this paragraph do not apply under Part D, against any person using **your covered auto** with a reasonable belief that person is entitled to do so.

**B.** If we make a payment under this policy and the person to or from whom payment is made recovers damages from another, that person shall:

1. Hold in trust for us the proceeds of the recovery; and
2. Reimburse us to the extent of our payment. (However, we may not claim the amount recovered from an insurer of any underinsured motor vehicle.)



## **POLICY PERIOD AND TERRITORY**

- A. This policy applies only to accidents and losses which occur:
  - 1. During the policy period as shown in the Declarations; and
  - 2. Within the policy territory.
- B. The policy territory is:
  - 1. The United States of America, its territories or possessions;
  - 2. Puerto Rico; or
  - 3. Canada.

This policy also applies to loss to, or accidents involving, **your covered auto** while being transported between their ports,

## **TERMINATION**

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

**TRANSFER OF YOUR INTEREST IN THIS POLICY**

**A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:

- 1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.
- 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

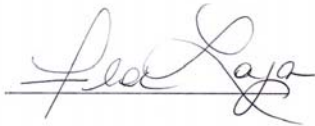
**B.** Coverage will be provided until the end of the policy period.

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

**TWO OR MORE AUTO POLICIES**

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

**In Witness' Whereof,** the company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the company.



PRESIDENT



SECRETARY

**SPECIAL PROVISIONS**

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

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

**ENDORSEMENTS**

**510A. ADDITIONAL INSURED – LESSOR**

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

- 1. We will pay damages for which the lessor becomes legally responsible only if the damages arise out of acts or omissions of:
  - (a) you and any **family member**, or
  - (b) any other person using your **leased auto** except the lessor or any employee or agent or the lessor.
- 2. The lessor is not responsible for paying premiums.
- 3. The designation of the lessor as an additional insured shall not operate to increase our limits of liability.

Any Coverage for Damage to Your Auto provided by this policy for **your leased auto** is subject to the following additional provisions:

1. Loss of damage under Coverage for Damage to Your Auto shall be paid as interests may appear to you and the lessor shown in this endorsement or as Loss Payee in the Declarations.
2. This insurance covering the interest of the lessor shall become invalid only because of your fraudulent acts or omissions.
3. When we pay the lessor we shall, to the extent of payment, be subrogated to the lessor's rights of recovery.

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

"**Your leased auto**" in this endorsement means:

1. an auto, shown in the Declarations or in this endorsement, which you lease for a continuous period of at least six months under a written agreement which requires you to provide primary insurance for the lessor; and
2. any substitute or replacement auto furnished by the lessor named in this endorsement.

#### **515A. EXCLUSION OF NAMED DRIVER AND PARTIAL REJECTION OF COVERAGES WARNING**

##### **READ THIS ENDORSEMENT CAREFULLY!**

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

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

#### **522A. COVERAGE FOR DAMAGE TO YOUR AUTO-SPECIFIED CAUSES OF LOSS**

We will pay for direct and accidental loss to **you covered auto** including its equipment, less any applicable deductible, caused by the following specified causes of loss:

- (a) fire, lightning or explosion;
- (b) theft;
- (c) the sinking, burning, collusion or derailment of any vessel or vehicle in or upon which your auto is being transported;
- (d) windstorm, hail or earthquake;
- (e) flood;
- (f) mischief or vandalism; \*
- (g) collision.

However, we will pay for loss caused by collision only if the declarations indicate the Collision Coverage is provided.

The provisions and exclusions that apply to Coverage for Damage to Your Auto also apply except as amended by this endorsement.

\* \$25 Deductible applies to Mischief or Vandalism.

#### **523C. RENTAL REIMBURSEMENT COVERAGE**

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

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

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

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

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

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

#### **524A. TOWING AND LABOR COSTS COVERAGE**

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

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

#### **530A. LOSS PAYABLE CLAUSE**

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

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

#### **571A. FINANCIAL RESPONSIBILITY CERTIFICATION (SR-22 Filings)**

For the additional premium shown in the Declarations of the policy we certify this policy as proof of financial responsibility as required by the Texas Motor Vehicle Safety Responsibility Act. If this policy is cancelled or terminated, we will give written notice to the Texas Department of Public Safety in accordance with the provisions of the Texas Motor Vehicle Safety Responsibility Act prior to the date of such cancellation or termination.

#### **551. MEXICO COVERAGE - LIMITED WARNING**

##### **READ THIS ENDORSEMENT CAREFULLY!**

Auto accidents in Mexico are subject to the laws of Mexico only – NOT the laws of the United States of America. Unlike the United States, the Republic of Mexico considers an auto accident **CRIMINAL OFFENSE** as well as a civil matter.

In some cases, the coverage under this endorsement may NOT be recognized by Mexican authorities and the company may not be allowed to implement this coverage at all in Mexico. You should consider purchasing auto coverage from a licensed Mexican Insurance Company before driving into Mexico. This endorsement does not apply to trips into Mexico that exceed 25 miles from the boundary of the United State of America.

The coverages for **your covered auto** provided by this policy are extended to accidents occurring in Mexico within 25 miles of the United States border. This extension only applies for infrequent trips to Mexico that do not exceed ten days at any one time.

##### **Additional Exclusions**

We do not provide any coverage.

1. if **your covered auto** is not principally garaged and used in the United States; and
2. to any **covered person** who does not live in the United States.

##### **Special Conditions**

1. Other Insurance. The insurance we provide by this endorsement will be excess over any other collectible insurance.
2. Losses Payable Under Coverage for Damage to Your Auto. We will pay losses Under Coverage for Damage to Your Auto in the United States, not in Mexico. If **your covered auto** must be repaired in Mexico in order to be driven, we will not pay more than the actual cash value of such loss at the nearest United States point where the repairs can be made.

### **573A. SUPPLEMENTARY DEATH BENEFIT**

Coverage under this endorsement is provided and payable only when other benefits are paid or payable under: Personal Injury Protection Coverage, Medical Payments Coverage and/or Auto Death Indemnity as afforded by this policy. This coverage is subject to the provisions of Personal Injury Protection Coverage, Medical Payments Coverage and/or Auto Death Indemnity except as limited by this endorsement.

It is agreed that Medical Payments Coverage, Personal Injury Protection Coverage and/or Auto Death Indemnity as extended to add the following:

#### **INSURING AGREEMENT AND LIMIT OF LIABILITY**

We will pay a supplementary death benefit equal to the limit shown for the applicable coverage but not more than \$10,000 per person because of death:

1. Caused by an automobile accident; and
2. Sustained by a **covered person** while wearing a **seat belt** or protect by an **airbag**.

We will pay benefits only if an auto accident was the proximate cause of death occurring within three years of the date of such accident. However, under Auto Death Indemnity, death must occur within one year of the date of such accident.

#### **PROOF OF CLAIM**

We will pay benefits under this endorsement if the **beneficiary** gave us proof of death of the **covered person** along with a police report or other proof, that the **covered person** at the time of the auto accident, was wearing a **seat belt** or protected by an **air bag**.

#### **OTHER COVERAGE PROVIDED BY THIS POLICY**

Any amounts payable under this endorsement shall not be reduced by any other amounts paid or payable under this policy.

#### **DEFINITIONS**

**"Covered Person"** as used in this endorsement means the same as **"Covered Person"** as defined in the applicable Medical Payments Coverage and/or Personal Injury Protection Coverage. It also means the person or persons designated in Automobile Death Indemnity if afforded.

**"Seat Belt"** means manual or automatic safety belts or seat and shoulder restraints or a child restraints device.

**"Air Bag"** is a functioning airbag designed to protect the occupant or a seat in an automobile.

**"Beneficiary"** means (in order of priority of payment):

1. the surviving spouse if a resident in the same household as the deceased at the time of the accident, or
2. if the deceased is an unmarried minor, either of the surviving parents who had legal custody at the time of the accident, or
3. the estate of the deceased.

#### **COMPLAINT NOTICE:**

Should any dispute arise about your premiums or about a claim you have filed, contact the agent or write the company that issued the policy. If the problem is not resolved, you may also write the State Board of Insurance, P.O. Box 149104, Austin, Texas 78714-9104. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

#### **IMPORTANT NOTICE**

##### **NON-RENEWALS FOR NO-AT-FAULT ACCIDENTS OR CLAIMS (28 TAC§5.7016)**

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

1. A claim involving damage from a weather-related incident that does not involve a collision (some examples being hail, flood, tornado, winds or hurricane);
2. an accident or claim involving damage by contact with an animal or a fowl;
3. an accident or claim involving damage caused by flying gravel, missile or falling objects; however, if you have three of these losses in an 36-month period, we may increase your deductible to the higher of

\$250 of the next available deductible increment higher than your present deductible amount, at your renewal date;

4. a claim under towing and labor protection; however, if you have four claims of this type in any 36-month period, we have the option of eliminating this coverage from your policy;
5. any other not-at-fault accident or claim unless there are two or more of these accidents or claims in any 12-month period.

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

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

NOTICE: The Automobile Theft Prevention Authority fee is payable in addition to the premium due under his policy. This fee reimburses the insurer, as permitted by 28 TAC§5.205, for the \$1.00 fee per motor vehicle year required to be paid to the Automobile Theft Prevention Fund under Texas Civil Statutes, Article 4413(37), §10, which became effective on June 6, 1991.

## **CUSTOMER BILL OF RIGHTS FOR PERSONAL AUTOMOBILE INSURANCE**

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

### **Introduction**

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

Texas law gives you certain rights regarding your automobile insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all your rights. Also, some exceptions to the rights are not listed here. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact TDI Consumer Protection at 1-800-252-3439 (463-6515 in Austin) (111-1A), P.O. Box 149091, Austin, TX 78714-9091. For a list of the specific law(s) and/or rule(s) summarized in each item of the Bill of Rights, or if you have questions or comments, contact the Office of Public Insurance Counsel at 333 Guadalupe, Suite 3-120, Austin, TX 78701 (512-322-4143) or [www.opic.state.tx.us](http://www.opic.state.tx.us).

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

### **Information**

1. You have the right to call TDI free of charge at 1-800-252-3439 or 463-6515 in Austin to learn more about:

- your rights as an insurance consumer;
- the license status of an insurance company or agent;
- the financial condition of an insurance company;
- the complaints filed against an insurance company;
- an insurance company's rate as compared to the range of rates set by the state;
- the Market Assistance Program (MAP) at 1-888-799-MAPP (6277), designed to help those in undeserved areas obtain liability insurance; and
- other consumer concerns.

You can also find some of this information on the TDI website at <http://www.tdi.state.tx.us>.

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

### **Buying Insurance**

3. Your insurance company or agent cannot make false, misleading, or deceptive statements to you relating to insurance.

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

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

5. An insurer or agent cannot require you to purchase liability limits greater than the limits required by law (20/40/15) or require you to purchase other type of coverage as a condition of offering insurance or continued insurance to you.

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

6. You have the right to buy minimum liability, personal injury protection, and uninsured motorist insurance through the Texas Automobile Insurance Plan Association, also known as TAIPA, if you have been denied coverage by two insurance companies.

7. You have the right to pay your automobile insurance premium in installments. Insurance companies may charge a fee for each installment. Your initial down payment cannot exceed the cost of two months' coverage. For a 12-month policy, you have the right to pay the balance in at least four equal monthly installments.

NOTE: You may be offered an installment loan through a premium finance company. These companies offer high-interest loans with fees and obligations that may be beyond those included in installment plans offered directly by insurance companies.

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

- the insurer notifies you of the premium increase at least 30 days prior to its effective date and provides a postage paid form you can use to object to the increase; and
- you do not notify the insurer or financial institution that you object to the increase at least 5 days prior to the increase.

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

### Discounts

9. Your insurance company must give you discounts for the following:

- **Two or more autos** – 20% discount on your liability, medical payments, and personal injury protection coverages and 15% discount on your collision coverage, applied to each type of coverage you have on more than one auto (unless you obtained your coverage through the Texas Automobile Insurance Plan Association or one of the cars is operated by a male driver under 25 years of age or unmarried female under age 21);
- **Air bags or seat belts** – 30% discount on your personal injury protection and medical payments coverages if your auto has air bags or automatic seat belts protecting all front seat occupants or 15% discount if the air bag or automatic seat belt only protects the driver;
- **Anti-theft devices** – a discount on your comprehensive coverage that varies from 2% to 30% depending on where you live and the type and number of qualifying devices installed on your vehicle which help prevent vandalism to or theft of the vehicle.
- **Defensive driving course** – 10% discount on your liability, medical payments, personal injury protection, and collision coverages for completion of a defensive driving course within the last

three years. This discount cannot be applied concurrently with the driver's education discount on any one auto;

- **Driver's education** – 10% discount on your liability, medical payments, personal injury protection, and collision coverages for completion of a driver's education course by a male driver under 25 years of age or unmarried female under age 21. This discount cannot be applied concurrently with the driver's education discount on any one auto; and
- **Alcohol and drug awareness course** – 5% discount on your liability, medical payments, personal injury protection, and collision coverages for completion of an alcohol and drug awareness course within the last three years. Those convicted of DWI or minor in possession are not eligible for this discount for 7 years from the date of the conviction.

If your insurance company is a "county mutual," you may or may not be offered these discounts, and if offered, the amount of the discount is determined by the company and may be different from the percentages listed above.

### **Cancellation of Your Policy and Refusal to Renew Your Policy**

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

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

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

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

**10.** After your initial policy with your company has been in effect 60 days, that insurance company cannot cancel your policy unless:

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

**11.** To cancel your policy, your insurance company must mail you at least 10 days notice of the cancellation.

**12.** Your insurance company cannot refuse to renew your policy solely because of any of the following types of claims:

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

**13.** If the term of your insurance policy is less than one year, your insurance company must renew that policy until it has been in effect for one year. Your insurance company may only refuse to renew your policy effective on the anniversary of the policy's original effective date. For instance, if your policy was originally effective on January 1, 2000, the insurance company must renew your policy to provide coverage until January 1, 2001 and thereafter, may only refuse to renew your policy effective January 1 of any year.



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

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

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

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

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

#### **Claims**

**19.** You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call the Texas Department of Insurance at 1-800-252-3439 (463-6515 in Austin) or download a complaint form from the TDI website at <http://www.opic.state.tx.us>. You can complete a compliant form on-line via the Web or fax it to TDI at 512-475-1771.

**20.** You have the right to reject any settlement amount, including any unfair valuation, offered by the insurance company.

**21.** Your insurance company must tell you in writing why your claim or part of your claim was denied.

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

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

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

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, your insurance company may take 45 additional days to approve or deny your claim and 15 additional days to pay your claim.

**23.** You have the right to choose the repair shop and replacement parts for your vehicle. An insurance company may not specify the brand, type, kind, age, vendor, supplier, or condition of parts or products used to repair your automobile

The insurance company must provide you notice of the above requirements as follows:

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

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

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

**25.** Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10<sup>th</sup> day of the date of the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30<sup>th</sup> day after the date of the settlement.

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

### **Discrimination**

**27.** An insurance company cannot discriminate against you by:

- refusing to insure you or offering you different terms, conditions or benefits because of your race, color, sex, marital status, religion, or national origin.
- determining your rate based on your race, color, religion, or national origin.
- refusing to renew your policy because of your race, color, sex, marital status, religion, age, or national origin.

**28.** Unless justified by actual or anticipated loss experience,

- an insurance company cannot refuse to insure you, or offer you different terms, conditions, or benefits because of a disability or partial disability or where you live.
- an insurance company cannot determine your rate based on your sex (unless you are a male under 25 or an unmarried female under 21) age (unless you are 65 or older, a male under 25, or an unmarried female under 21), marital status (unless you are a male under 25, or an unmarried female under 21) or disability or partial disability, or where you live.
- an insurance company cannot refuse to renew your policy because of your disability or partial disability or where you live.

### **Enforcing Your Rights**

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

- call TDI's **Consumer Help Line** at 1-800-252-3439, in Austin 463-6515; Servicio en español;
- write to the Texas Department of Insurance, Consumer Protection (111-1A), P.O. Box 149091, Austin, TX 78714-9091;
- e-mail TDI at [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us);
- fax your complaint form a line from the TDI website at <http://www.tdi.state.tx.us>, or WOSG-modem: 1-800-227-8392, in Austin 475-1051; or
- call the TDI Publications/Complaint Form order line (24 hours) at 1-800-599-SHOP (7967), in Austin 305-7211.

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

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

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

**32.** If you file a claim under your comprehensive or collision coverage, you have the right to demand appraisal to resolve a dispute over the amount of your property loss. Your insurance company also has the right to demand appraisal. In either case, you must pay a portion of the costs of the appraisal. The appraisal decision is binding on you and your insurance company as to the amount of the loss only.

**33.** You have the right to ask in writing that TDI make or change rules on any automobile insurance issue that concerns you. Send your written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O. Box 149104, Austin, TX 78714-9094.

Prepared by the Office of Public Insurance Counsel (OPIC)

For questions or comments contact OPIC at:

333 Guadalupe, Suite3-120, Austin, TX 78701

512-322-4143 or FAX 512-322-4148

Website: <http://www.opic.state.tx.us>

e-mail: [consumer@opic.state.tx.us](mailto:consumer@opic.state.tx.us)

