

# **AMERICAN FREEDOM INSURANCE COMPANY**

Arlington Heights, IL  
A Stock Company

## **IMPORTANT:**

- 1. For your protection, immediately notify the claim Customer Service Department of the American Freedom Insurance Company of every accident no matter how slight or serious, and regardless of cause or fault.**
- 2. Please examine the coverages listed on the Declarations Page that you have purchased and read the entire insurance policy which contains coverage information, your obligations, the Company's obligations, definitions, conditions, limitations and exclusions.**

If you have purchased Automobile Physical Damage Coverage, please immediately examine your policy for the complete provisions on Automobile Physical Damage Coverage, Stated Value and other details and if you have any questions about the stated value, your deductible amount, the depreciation charge, the Company's payment or other options or on the insurance policy, please call the Company immediately.

## **UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE**

Illinois law requires insurance companies to make available to applicants for automobile insurance and current automobile insurance policyholders (who do not already carry collision coverage) uninsured motorist property damage coverage.

- WHAT IS UNINSURED MOTORIST PROPERTY DAMAGE? U.M.P.D. coverage will pay for property damage to your automobile which has been caused by an uninsured motorist.**
- WHAT AMOUNT OF COVERAGE IS AVAILABLE UNDER U.M.P.D.? The actual cash value of the motor vehicle described in the policy or \$15,000 whichever is less, subject to a \$250 deductible.**
- WHAT MUST I, THE INSURED, DO IN ORDER TO COLLECT UNDER U.M.P.D. COVERAGE? You must be able to provide the insurance Company with the name of the owner or operator of the at-fault uninsured motor vehicle or hit-and-run motor vehicle. You must read the policy and provisions and declarations.**

The premium for uninsured motorist property damage coverage on your automobile policy is available by contacting your producer.

**IF YOU WOULD LIKE TO OBTAIN THIS COVERAGE** or if you have any questions, please contact your producer.

Please review your Application and the Declarations of your policy for the limits and nature of coverages in your policy. To request additional coverage or to make a change in coverage, please contact your producer.

## **FRAUD AND MISREPRESENTATION**

This policy has been issued based upon reliance of the statements and representations on the application and in the event that any representation contained in the application or if any notification of change is false, misleading or materially affects the acceptance or rating of this risk by the Company, by either direct misrepresentation, omission, concealment of facts or incorrect statement, this policy at the Company's option shall be declared null and void and of no benefit whatsoever from its inception. This paragraph shall also apply to misstatement of use and omissions of fact. This policy shall not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy. Please notify the Company of any misinformation, corrections or changes.

If you have any questions, please immediately notify the Customer Service Department of the American Freedom Insurance Company at

AMERICAN FREEDOM INSURANCE COMPANY  
CONSUMER SERVICE AND INFORMATION  
559 West Golf Rd.  
Arlington Heights, IL 60005

847-758-9300 Telephone  
847-758-9685 Facsimile

## Privacy Notice

American Freedom Insurance Company and its affiliated companies appreciate your business when you purchase our insurance products. You provide us with your private personal information when you purchase insurance and we in turn are committed to protecting your privacy. We do not sell information about you.

### Our sources of information

We collect personal information about you from:

- What is provided on applications or other forms, (your name, address and Drivers License Number, etc.)
- Your transactions with us, our affiliates or others (such as your payment history and claims information)
- The information we receive from a regulatory reporting agency (such as your motor vehicle record)
- Your insurance agent or financial advisor (such as updated information pertaining to your account)

### American Freedom Insurance Company's use of information

We treat your information with concern for your privacy and we do not disclose any nonpublic personal information about our customers except as permitted by law.

We may share any or all of your information with our affiliated companies and independent American Freedom Insurance Company representative – Independent Insurance Agents authorized to sell American Freedom Insurance Company products. We may also disclose any or all information we have collected about you to companies that perform services on our behalf and to other financial institutions with whom we have joint marketing agreements.

When we make this type of disclosure it is done to service your account or policy, or to inform you about products and services.

### Independent Insurance Agents

The Independent Insurance Agents authorized to sell our products and services are not our employees and not subject to our Privacy Policy. They have a unique business relationship with you, and have additional personal information about you that we do not have and they may use this information differently than we would.

This consumer statement applies to our web sites.

### Protecting your personal information from unauthorized access

We limit employee access to customer information to those who have a legitimate business reason.

### Medical Information

We obtain medical information only in connection with specific underwriting or claims. We will not use or share medical information for any purpose other than the underwriting or processing of your policy, claim or account.

# Personal Automobile Insurance Policy

## AMERICAN FREEDOM INSURANCE COMPANY

ARLINGTON HEIGHTS, ILLINOIS

(A stock company herein called the Company)

Agrees with the named insured, listed in the Declarations made a part hereof, in consideration of the payment of the premium by cash, or automatic authorized withdrawal, check or credit card that is valid and not dishonored by your bank, and in reliance upon the statements and representations in the application and Declarations and subject to all the terms of this policy:

### Part I

- A. Bodily Injury Liability Coverage**
- B. Property Damage Liability Coverage**
- C. Medical Payments Expense**
- Non Owners Policy**

To pay on behalf of the insured all amounts to the extent of the applicable limits which the insured shall become legally obligated to pay as compensatory damages only and not for punitive or exemplary damages because of:

#### **Part I. A. Bodily Injury, or Part I. B. Property Damage**

Caused by accident 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 appropriate.

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. It is understood and agreed that the Company has the sole right to settle or defend any suit including, but not limited to, the right to accept or reject arbitration awards entered in such 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 on 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;
- (c) Premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy;
- (d) All reasonable expenses, other than loss of earnings, incurred by the insured at the Company's request.

**Part I. C. Medical Payments Expense** – To pay all reasonable expenses incurred by a person insured 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 incurred as a result of an accident.

- 1. To or for the named Insured and each relative who sustains bodily injury, sickness or disease, including death resulting therefrom, hereinafter called "bodily injury" caused by accident, while occupying or through being struck by an automobile;
- 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 be applied toward the settlement of any claim or the satisfaction of any judgment for damages entered in his/her favor, against any insured because of bodily injury arising out of an accident to which the Liability Coverage applies.

**Persons Insured.** The following are insured under Part I – A. Bodily Injury, B. Property Damage and C. Medical Payments Expense

- (a) With respect to the owned automobile,
  - (1) The named insured,
  - (2) Any other person using such automobile to whom the named Insured has given permission, provided the use is within the scope of such permission; and provided that the person driving or giving permission is not an Excluded Driver under the policy of insurance.

- (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 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.

**All Disputes** under Part I. C. Medical Payments Expense shall be resolved through Arbitration (See Condition 8. (c) page 14 and 15).

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 limit of liability stated in the Declarations for the liability coverages.

**Definitions.** Under **Part I** and throughout this policy: See Page 3 for Additional Definitions under **Part I. Non-Owners Policy**; See Pages 4 and 5 for Additional Definitions under **Part II**; See Pages 8, 9 and 10 for Additional Definitions under **Part III**.

**“Private Passenger Automobile” or “Automobile”** means a four wheel private passenger, station wagon or jeep type land motor vehicle designed for use principally upon public roads, and except under Part II, includes a trailer, while used therewith, but “automobile” shall include any vehicle while located for use as a residence or premises;

**“Automobile Business”** means the business or occupation of selling, leasing, loaning, renting, repairing, servicing, storing, transporting, parking, washing, providing fuel or lubricants or otherwise dealing with automobiles;

**“Accident”** means sudden, unexpected, unforeseen, unplanned, non-intentional event or circumstance of a vehicular occurrence and excludes other intentional assaults, battery or other acts of violence;

**“Owned Automobile”** means

- (a) a private passenger four wheel, farm or utility automobile described in the declarations of this policy,
- (b) a private passenger four wheel, 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/her household retains ownership of the described replaced automobile, and that the named Insured notifies the Company in writing within 30 days after the acquisition of his/her intention to make this policy applicable to such acquired replacement automobile;
  - (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/her 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 an automobile not owned by the named Insured or any relative or resident of the same household, while temporarily used as a substitute for an owned automobile when withdrawn from normal use for servicing or repair or because of its breakdown, repair, loss or destruction and is not a non-owned automobile;

**“Non-Owned Automobile”** means a private passenger four wheel, farm, or utility automobile not owned by or furnished for the regular use of either the named Insured or any resident of the same household;

**“Farm Automobile”** means a four wheel automobile of the truck type with a load capacity of fifteen hundred pounds or less, not used for business, delivery or commercial purposes other than farming;

**“Utility Automobile”** means a four wheel 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, delivery or commercial purposes;

**“Bodily Injury”** means bodily injury and sickness or disease and death from an accident and unrelated to mold or fungus;

**“Insured”** means a person or organization described under “Persons Insured” above;

**“Medical Expense”** means expenses for necessary medical, surgical, X-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

**"Named Insured"** means the individual or husband and wife named in item 1 of the Declarations, but if only one individual is named the term "named Insured" also includes his/her spouse if a resident of the same household;

**"Occupying"** means in or upon, entering into or alighting from;

**"Relative"** means a relative of the named Insured or his/her spouse by blood, legal marriage or adoption who is a resident of the same household as the named Insured, and is listed on the application for this insurance as driver and neither he/she nor his/her spouse owns a private passenger automobile;

**"Spouse"** means the insured's husband or wife who is legally married under the laws of the state of Illinois and who resides in the same household;

**"Use"** of an automobile includes the loading and unloading thereof;

**"Trailer"** means

- (1) a trailer designed for use with a private passenger automobile, if not being used for business, delivery or commercial purposes and if not a home, office, store, display or passenger trailer or
- (2) a farm wagon or farm implement while used with a farm automobile;

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

**Part I. Non-Owners Policy.** This Part I. Non-Owners Coverage applies only if the term "NON OWNER" appears in the Declarations. NON OWNER coverage is only for licensed drivers who are specifically named in the Declarations with respect to the use of a non-owned automobile as defined in this Policy. Non Owner Coverage does not insure any person with respect to an owned automobile or with respect to an automobile furnished for the regular use of the named insured or a member of his or her household. If the term "NON OWNER" appears in the declarations, then the coverage under this policy is subject to all of the provisions of the policy except as modified as follows:

**"Persons Insured"** The only person insured under this policy is the named insured and his or her spouse if a resident of the same household, and then only with respect to a non-owned automobile, provided the use thereof is with the permission of its owner and within the scope of said permission. All other definitions of "insured(s)" do not apply.

The provisions of this Part I. Non-Owners Policy. control to the extent that there is any discrepancy or contradiction between the provisions of this Part and those of any other Part or Condition of the policy.

**Limits of Liability.** The limit of bodily injury liability coverage as stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages, including damages for care and loss of services, society and loss of consortium to others resulting from this bodily injury, sustained by one person as the result of any one occurrence; the limit of such liability stated in the Declarations as applicable to "each occurrence" is subject to the above provision respecting each person and is the total limit of the Company's liability for all such damage arising out of bodily injury sustained by two or more persons as the result of any one occurrence. The limits of liability are not increased because more than one person is insured at the time of the accident and if you purchased increased liability limits over the minimum liability mandated by the state of Illinois the increased limits of liability apply only to the named insured, spouse and resident relatives of the named insureds household. The limit of property damage liability Coverage B, 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.

The limit for Medical Payment Coverage, stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all medical expense incurred by or on behalf of each person who sustains bodily injury as the result of any one accident.

The limits of liability for "Coverage A Bodily Injury Liability" and for "Coverage B Property Damage Liability" are the most the Company will pay under each said coverage regardless of the number of:

- (1) insured;
- (2) claims made or suits brought on account of bodily injury or property damage;
- (3) automobiles or separated itemizations of premiums stated in the Declarations;
- (4) automobiles involved in the accident

The limits for any coverage for any automobile under this policy may not be aggregated with the limits for any similar coverage, whether provided by the Company or another insurer, applying to other motor vehicles, for purposes of determining the total limits of insurance coverage available for bodily injury suffered by a person in any one accident. Therefore, the total limit of liability under all the policies, whether provided by the Company or another insurer shall not exceed the highest applicable limit of liability under any one policy.

**Financial Responsibility Laws.** In the event that 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 Part I of this 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 the declarations page of 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.

**Other Insurance.** If the Insured has other insurance or self insurance against a loss covered in 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 under this policy bears to the total applicable limit of liability of any valid and collectible insurance and self insurance against such loss provided however, the insurance with respect to a temporary substitute or non-owned automobile shall be excess insurance over any other valid and collectible insurance or self insurance applicable to such temporary automobile or non-owned automobile. If there is other automobile medical payments insurance against a loss covered by Coverage C of 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 automobile medical payments insurance; 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 automobile or self insurance medical payments insurance.

## PART II – AUTOMOBILE PHYSICAL DAMAGE COVERAGE

If your vehicle is insured for comprehensive and/or collision, it is agreed as follows:

**Coverage D. Comprehensive (excluding Collision):** To pay the insured for or to have repaired, at the Company's option, loss caused other than by collision to the owned automobile or equipment but only for the amount of each such loss in excess of the deductible amount stated in the Declarations as applicable hereto. For the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft, larceny, explosion, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion shall not be deemed to be a loss caused by collision.

**Coverage E. Collision:** To pay the insured or to have repaired at the Company's option, loss caused by collision to the owned automobile or equipment but only for the amount of each such loss in excess of the deductible amount stated in the Declarations applicable hereto.

Definitions- The definitions in Part I-A. B. C. except the definition of "Insured" apply to Part II Automobile Physical Damage Coverage.

**"Insured"** means 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 other bailee for hire, maintained, using or having custody of said automobile with the permission of the named Insured, and within the scope of such permission.

**Additional Definitions.** For purpose of Part II –Automobile physical damage coverage.

**"Loss"** means each direct and accidental physical damage to or destruction of the owned automobile (or equipment which is common to the use of the owned automobile) which occurs during the policy period as the result of an accident or happening which is neither expected nor intended by the named Insured and/or any other person using or having custody of the owned automobile to whom the named Insured has given permission but "loss" does not include diminution in value.

**"Collision"** means an upset of the owned automobile or a physical contact between the owned automobile and another motor vehicle, physical object or person. Collision does not include

- (1) breakage of glass or
- (2) loss caused by missiles, falling objects, fire, theft, larceny, explosion, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion.

**"Forcible Entry"** means unauthorized entry and use of actual force and tampering evidenced by visible marks or damage to the exterior of the vehicle;

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

**"Non-original equipment manufacturer (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"** includes but is not limited to a replacement part for any vehicle from another vehicle;

**"Equipment"** means the standard or optional equipment which is available from the manufacturer for that make, model and model year of automobile which was permanently installed in the automobile in the place designed by the manufacturer at the time of original sale;

**"Special Equipment"** means, but is not limited to CD player, DVD Player, F.M. and vibrasonic radio, stereo tape players, disc players, speakers, amplifiers, phone, special paint, decals, stripes, wire wheels, magnesium wheels, aluminum wheels, chrome wheels, polycast wheels, wheel covers, targa tops, t-tops, sunroofs, moon roofs, flip up roofs, convertible tops, spoilers and/or ground effect packages;  
**"Repair"** means physical repair and does not mean restoration to pre-accident value or condition;  
**"Diminution in value"** means the actual or perceived decrease of market or resale value of an automobile or part thereof, measured after repair of physical damage;  
**"Physical Damage"** means the actual physical damage to tangible property and does not include intangible economic loss such as diminution in value;

**In the Event of Loss Under Part II:** Any portion of this policy to the contrary notwithstanding, in the event of a loss under Coverage I Comprehensive (excluding Collision) or Coverage E Collision, wherein the physical damage sustained or the destruction to the owned automobile approximates the stated value under STATED VALUE Comprehensive/Collision listed in item 1a. on the Declarations page the Company's liability under Part II is limited to the smallest of the following:

- (1) To the payment of the stated value less depreciation charges hereinafter set forth and less any applicable Declarations page deductible(s) amount(s) and less any deduction for the cost to replace missing equipment and/or repair any old unrepaired physical damage that occurred after the inception of the policy, and prior to the subject loss to the owned automobile.
- (2) The actual cash value of stolen or damaged property or part thereof at the time of the accident or theft;
- (3) 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. If a repair is made or if a replacement part is used that is of better than like kind and quality, the Company may make a monetary adjustment for betterment.
- (4) The amount necessary to replace the stolen or damaged property at the time of the accident with like kind and quality property less depreciation.

**Deductible:** The deductible amount stated on the Declarations Page shall be applicable to each individual loss, regardless of whether the insured reports the loss to the Company or a claim is made for the loss under the policy.

**Depreciation:** Depreciation shall be computed at the rate of 2% per month of the stated value of the owned automobile as listed on the Declarations Page for every month or part thereof that the policy shall have been in force. The total percentage deduction for depreciation shall be computed on the whole amount in one sum and not by monthly deductions.

**Diminution of Value:** There shall be no payment for diminution of value.

**Coverage M. Rental Reimbursement Coverage:** If you have Collision coverage and you have purchased Rental Reimbursement coverage it is agreed that commencing 48 hours after direct or accidental loss or damages to the insured automobile (hereinafter called loss) caused by collision of the automobile which is reported timely to the Company and covered by the Company, the Company will reimburse the insured for rental fees incurred from a bonafide licensed rental agency or a licensed common carrier the maximum daily reimbursement benefit as specified on the Declarations page for a maximum of fifteen (15) days (excluding mileage charges) for the rental of a substitute automobile while the insured automobile is in the custody of a licensed business, garage or facility repairs.

**Coverage I - Towing:** In the event your Declarations Page indicates your vehicle is insured for towing, the Company will pay for towing necessitated by the disablement of an owned automobile not to exceed the coverage limit for towing stated in the Declarations, provided, that towing is to the nearest point at which the disablement can be remedied.

**SUPPLEMENTARY PAYMENTS.** Payments will be made in addition to the applicable limit of liability to pay average general salvage charges up to \$100.00 for which the Insured becomes legally liable as to the automobile being transported.

**OTHER INSURANCE.** 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.

### EXCLUSIONS (PARTS I AND II)

**This policy does not apply:**

#### 1. Under Coverage A. Bodily Injury Liability Coverage, B. Property Damage Liability Coverage, or Non Owners Policy of Part I.

- (a) To bodily injury to, or sickness disease or death of any fellow employee of the Insured injured in the course of his employment, if such injury arises out of the use of an owned automobile or non owned automobile in the business of his employer, but this exclusion does not apply to any such injury arising out of and in the course of domestic employment by insured unless benefits are in whole or in part either payable or required to be provided under any worker's compensation
- (b) To property damage to
  - (1) Property owned or transported by the Insured,

- (2) Property rented to or in charge of the Insured, other than a residence or private garage. An automobile used, operated or maintained by an insured is considered in charge of the insured.
- (3) Property as to which the Insured is for any purpose exercising physical control.
- (c) To any automobile 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;
- (d) To bodily injury or property damage to, or sickness, disease, or death of the named Insured, his spouse or any relative of either of them related by blood, marriage or adoption residing in the same household when the person against whom suit is brought is also a member of that household except when said suit is brought as an action of Contribution. This exclusion is not applicable when any person not in the household of the insured was driving the vehicle of the insured involved in the accident which is the subject of the claim or lawsuit;
- (e) To punitive or exemplary damages.
- (f) This insurance does not apply to any automobile owned by or furnished for the regular use of the named Insured, or the spouse of the named Insured or any person residing in the same household of the named Insured other than an automobile which qualifies as an "owned automobile" as defined in this policy.
- (g) To any accident arising out of the operation of any automobile in connection with a n automobile sales agency, repair shop, service station, storage garage or parking facility.

If the term "NON OWNER" (Part I. Non-Owners Policy.) appears on the Declarations of the policy, then all the terms and conditions apply except as modified in Part I Non-Owners Policy and to the extent that any definition, term or provision of Part I. Non-Owner Policy conflicts with any definition, term or provision of any other Part of this policy, the purpose, definition, term and provisions of Part I. Non-Owners Policy. shall control the other Parts of this policy.

**PART B - AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

**2. Under Part I. Coverage A or B or C or Non-Owners Policy**

- (a) 1) To any automobile while used as a public, livery or delivery conveyance, or 2) to bodily injury to any passenger or passengers carried for hire.  
This exclusion does not apply to the extent such use is specifically declared and described in the policy and Part 1) of this exclusion does not apply with respect to the occupancy of a non-owned automobile by the named Insured or relative, other than as an operator thereof;
- (b) To any automobile designed for racing while being tested, repaired, serviced or exhibited; or to any automobile or motor vehicle while used, operated, manipulated, exhibited or maintained in any pre-arranged or organized racing or speed test, including "Hot-rod" or "stock car" racing;
- (c) To bodily injury or property damage with respect to which an Insured under this policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriter or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limits of liability;
- (d) To bodily injury or property damage arising out of the operation of farm machinery;
- (e) To any bodily injury or property damage caused intentionally by or at the direction of the Insured.
- (f) To bodily injury to 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 the owned automobile or non-owned automobile.
- (g) Loss to any automobile arising out of usage (1) in the automobile business or (2) in the automobile business by the insured or (3) in any other business or occupation of the insured except a private passenger automobile operated or occupied by the named Insured or by his/her private chauffeur or domestic servant, or a trailer used therewith or with an owned automobile.
- (h) 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 acts or 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.
- (i) 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.
- (j) To any mold or fungus related illness.
- (k) To any bodily injury, sickness, disease, death or other loss due to war.

**3. Under Part I Coverage C, to bodily injury, sickness, disease or death incurred in an accident:**

- (a) Sustained by the named Insured or a relative
  - (1) While occupying an automobile owned by or furnished or available for the regular use of either the named Insured or any resident of the same household, other than an automobile which qualifies as an "owned automobile" as defined in this policy; or
  - (2) While occupying or through being struck by
    - (i) A farm type tractor or other equipment designed for use principally off public roads, while not upon public roads, or
    - (ii) A vehicle operating on rails or crawler-treads;

- maintained in any prearranged or organized racing or speed test, including "hot-rod" or "stock car" racing;
- (c) Sustained while occupying any vehicle while located for use as a residence or premises;
- (d) Resulting from the hazardous property of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
- (e) To the extent that any medical expense is paid or payable to or on behalf of the injured person under the provision of any
  - (1) Automobile or premises insurance affording benefits for medical expenses, or
  - (2) Individual, blanket or group health, accident, disability or hospitalization insurance, or
  - (3) Medical or surgical reimbursement plan, or
  - (4) Workmen's compensation or disability benefits law or any similar law;
- (f) Unless the injury results from the operation of a non-owned automobile by such named Insured or spouse or arises out of the occupation of a non-owned automobile by the named Insured or spouse;

#### **4. Under All Coverages described in Part II,**

- (a) To any automobile while used as a public or livery conveyance or for delivery of food, mail, newspapers, magazines or packages for an employer or business.
- (b) To loss to any automobile not described in this policy if
  - (1) there is other collectible insurance against such loss available to the Insured, or
  - (2) with respect to an additional automobile, or an automobile which replaces an automobile described in the policy, and respecting which the named Insured has not notified the Company in writing within 30 days after such acquisition of his election to make Part II of this policy applicable to such automobile.
- (c) 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.
- (d) To tires, unless damaged by fire, stolen or unless the loss is coincident with and from the same cause as other loss covered by this policy.
- (e) To loss due to radioactive contamination.
- (f) To loss to any automobile designed for racing while being tested, repaired, serviced or exhibited, or maintained, or to any automobile or motor vehicle while used, operated, manipulated, exhibited or while in practice or reparation for an organized racing or demolition contest or in any stunting activity or in any prearranged or organized racing or speed test, including "hot rod" or "stock car" racing.
- (g) Loss of or damage to telephones, televisions, radar detectors, scanning, monitors, receivers or any related accessories or any device or instrument designated 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.
- (h) Loss of or damage to any tape, wire, record, disc or other medium for use with any device or instrument designed for the recording, and reproduction of sound.
- (i) To any loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, riot and civil commotion, or to any act or condition incident to any of the foregoing.
- (j) To loss due to confiscation, towing or impounding by a duly constituted government or civil authority or damages incurred during repossession by a loss payee or its agent.
- (k) To any loss while the automobile is used in any illicit trade or transportation or intentional act.
- (l) To any loss to robes, wearing apparel, tools, personal property or any other personal effects including tapes, records, DVD's or compact discs.
- (m) To a non-owned vehicle while used in the automobile business.
- (n) To any camper units, detachable living quarters, attachments or camper body, whether or not permanently attached to a pickup or open bed vehicle chassis.
- (o) To loss due to theft if evidence exists that forcible entry was not required to gain access to the vehicle or that evidence exists that keys were left in the automobile while it was unattended or that no evidence exists that the ignition wires, ignition locks, steering locks or other security devices installed to prevent operation by an unauthorized person were altered to operate the automobile without keys.
- (p) Loss of or damage to any equipment other than standard or optional equipment which is available from the manufacturer of the automobile named in the Declarations for that make, model and model year.
- (q) 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.
- (r) 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.
- (s) To any contents not installed by the manufacturer or normally sold as part of the vehicle. Provided, however, that this exclusion does not apply to a child restraint system that was in use by a child during an accident to which coverage is applicable.
- (t) With respect to policies providing physical damage coverage for Vans, Pick-Ups or Panel Trucks, coverage shall be excluded for customized equipment including but not limited to: special carpeting and insulation, furniture, bars or television receivers;

facilities for cooking and sleeping, including enclosures; height-extending roofs; custom murals, paintings or other decals or graphics.

- (u) A pick-up cover, cap or shell, awning or cabana.
- (v) Any ornamental or protective accessories, which may include shields, bras, engine accessories, racing slicks, oversized or special tires, special wheels or special wheel covers.
- (w) Any loss due to earthquake.
- (x) To loss to any automobile owned by the named Insured and not described in this policy or to any temporary substitute automobile, while being used when the vehicle described in the declarations is either being repaired due to a loss or mechanical breakdown, or any other reason that would cause the vehicle described in the declarations to be non-operational.
- (y) To any automobile while in the control of any operator excluded by endorsement to this policy or any renewal.
- (z) To loss resulting from the alteration of any automobile beyond the manufacturers specifications.
- (aa) To loss to any automobile while used in the commission of a criminal act, other than a traffic violation, and/or while used to flee and elude the police or other law enforcement or government authorities. Provided, 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 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.
- (bb) To loss by theft or conversion by an insured, a member of the household, or any person using the automobile with permission. Provided, 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 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.
- (cc) To loss to any trailer.
- (dd) To loss with respect to such automobile of which ownership is acquired by the named Insured during the policy period, and the named Insured has not notified the Company in writing within 30 days of such acquisition and his/her election to make Part II of this policy applicable to such automobile.
- (ee) To towing charges in excess of \$100.00.
- (ff) To storage charges which are excessive due to the insureds' own actions.
- (gg) To payment for unauthorized repairs to the vehicle.
- (hh) To breakage of glass if insurance with respect to such breakage is otherwise afforded
- (ii) There is no coverage under Part II, "Automobile Physical Damage Coverage" when the owned automobile qualifies as a temporary substitute automobile.
- (jj) To diminution in value to any automobile.

### **PART III – UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE**

**Coverage J – Uninsured Motorist Coverage (Damages for Bodily Injury).** To pay all sums which the Insured is legally entitled to recover from the owner or operator of an uninsured automobile because of bodily injury, sustained by the Insured, caused by accident and arising out of the ownership, maintenance or use of such uninsured automobile; provided, for the purpose of this coverage determination as to whether the Insured is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the Insured and the Company or, if they fail to agree, by arbitration.

**Coverage L – Uninsured Motorist Property Coverage (Damages for Property Damage).** Recovery under this part for "property damage" is subject to the payment of a specific separate premium for uninsured motorist property damage liability coverage and contingent on the fact that you provide the name of the owner or operator of the at-fault uninsured motor vehicle or hit and run motor vehicle. No judgment against any person or organization alleged to be legally responsible for the bodily injury 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 judgement 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," apply to Part III.

**"Insured" means**

- (a) the named Insured and any relative of the named Insured except Excluded Driver if driving;
- (b) any other person while lawfully occupying an insured automobile; and
- (c) any person, with respect to damages he is entitled to recover because of bodily injury to which this Part applies and sustained by an Insured under (a) or (b) above.

The insurance afforded under Part III, applies separately 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**

- (a) an automobile described in the policy for which a specific premium charge indicates that coverage is afforded;
- (b) the Company insured 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

(c) a temporary substitute automobile for an insured automobile as defined in (a) or (b) above.  
(d) A non-owned automobile while being operated by the named insured, and the term "insured automobile" includes a trailer while being used with an automobile described in (a), (b), or (c) above, but shall not include:

- (1) Any automobile or trailer owned by a resident of the same household as the named Insured, or
- (2) Any automobile while used as a public or livery or delivery conveyance, or
- (3) Any automobile while being used without the permission of the owner.

**"Uninsured Motor Vehicle/Automobile"** includes a trailer of any type and means:

- (a) 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, 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.
- (b) A hit-and-run motor vehicle.
- (c) A motor vehicle where 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 the entry by a court of competent jurisdiction of a order or rehabilitation or liquidation by reason of insolvency on or after the accident date, provided, however, that the insured notifies the Company of his/her claim under this provision within the later of six months from the date of such court order of rehabilitation or insolvency or two years from the date of the accident. To the extent that this provision conflicts with this policy's exclusion for claims submitted to the Company more than two years after the accident, this provision shall control.

However, notwithstanding the above definition, the term "uninsured motor vehicle" shall not include:

- (1) An insured motor vehicle or a motor vehicle furnished for the regular use of the named insured or a relative which causes bodily injury or property damage in excess of the limit required under the Illinois Financial Responsibility Law;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) A farm type tractor or equipment designed for use principally off public roads, except while actually upon public roads; or
- (6) A motor vehicle owned by, or furnished or available for the regular use of the Insured, a resident spouse or resident relative, that motor vehicle is not described in the policy under which a claim is made or is not a newly acquired or replacement motor vehicle covered under the terms of the policy.

**"Hit-and-Run Automobile"** means an automobile which causes bodily injury to an Insured arising out of physical contact of such automobile with the Insured or with an automobile which the Insured is occupying at the time of the accident, 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 within 24 hours to the police, and shall have filed with the Company within 30 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 his legal representative makes available for inspection the automobile, which the Insured was occupying at the time of the accident.

**"Occupying"** means in or upon or entering or alighting from.

**"State"** includes the District of Columbia, a state within the contiguous United States, or a province of Canada.

For purposes of this part only, **"Relative"** means a relative related by blood, legal marriage or adoption of the named Insured who is a resident of the same household, provided neither he/she nor his/her spouse owns a private passenger automobile.

**Coverage K - Underinsured Motorist Coverage.** 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 underinsured automobile because of bodily injury, sickness, or disease including death resulting therefrom, hereinafter called "bodily injury", sustained by the Insured, caused by accident and arising out of the ownership, maintenance or use of such underinsured automobile, provided:

- (1) That the limits of liability for underinsured motorists coverage as stated in the Declarations shall be reduced by the total limits of all bodily injury liability insurance policies applicable to the person or persons legally responsible for such damage;
- (2) That the Company's obligations hereunder shall apply only to such damages that are in excess of the total limits of all bodily injury liability insurance policies applicable to the person or persons legally responsible for such damages and available to cover the Insured damage have been exhausted by payment of judgements or settlements;

- (3) Provided further that the purpose of this coverage, determination as to 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. No judgment against any person or organization alleged to be legally responsible for the bodily injury 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.

**Definitions.** The definitions under Part I A. B. C. and Part I. Non-Owners Policy, except the definition of "Insured" and where limited or altered under the Limits of Liability of this coverage, apply to Part III.

**"Insured"** means the named insured and any relative of the named insured.

**"Underinsured Automobile"** means a motor vehicle whose ownership, maintenance or use has resulted in bodily injury or death of the insured, as defined in the policy, and for which the sum of the limits of liability under all bodily injury liability insurance policies or bonds or other security required to be maintained under Illinois law applicable to the driver or to the person or organization legally responsible for such vehicle and applicable to the vehicle, is less than the limits for Underinsured Motorist Coverage as stated on the Declarations or endorsement to this policy at the time of the accident.

But the term "Underinsured Automobile" shall not include (1) through (11) inclusive:

- (1) A vehicle owned by or furnished or available for the regular use of the named Insured, spouse, any family member or relative;
- (2) An automobile 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;
- (3) An automobile or trailer owned by the United States of America, Canada, a state, a political subdivision of any such government or an agency of any of the foregoing;
- (4) 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;
- (5) A farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads;
- (6) Bodily injury, sickness, disease, or death resulting therefrom, 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 policy under which a claim is made or is not a newly acquired or replacement motor vehicle covered under the terms of the policy;
- (7) While located for use as a residence or premises;
- (8) To any vehicle owned or operated by a person qualifying as a self-insured under any applicable motor vehicle law;
- (9) To any vehicle to which a bodily injury liability bond or policy applies at the time of the accident, but the bonding or insuring company denies coverage or is or becomes insolvent;
- (10) To any vehicle that is defined as an "uninsured motor vehicle" under Part III;
- (11) To injuries arising out of the operation, use or maintenance of a motor vehicle owned by or furnished for the regular use of the named insured or of a person residing in the household of the named insured.

### **EXCLUSIONS – PART III**

**This policy does not apply under Part III:**

1. To any person while occupying the owned automobile when it is being used to carry persons or property for a fee.
2. To any person using a vehicle without a reasonable belief that the person is entitled to do so.
3. To any claim against the Company submitted more than two years after the date of accident.
4. To any Bodily Injury and/or damage occurring to any person other than the persons insured.
5. To bodily injury to an Insured while occupying a motor vehicle (other than an insured automobile) owned by the named Insured or a relative or available for the regular use of the insured, a resident spouse or resident relative or a person residing in the same household as the named Insured, if that motor vehicle is not described in this policy or is not a newly acquired or a replacement motor vehicle covered under the terms of this policy, or through being struck by such a motor vehicle.
6. To bodily injury 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 therefore.
7. 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.
8. To any claim for which the Company does not receive a written demand for arbitration within two years of the date of accident or, if coverage for the claim is based on a court order of rehabilitation or liquidation by reason of insolvency of an insurer, within the later of two years of the date of the accident or six months of entry of the court order of rehabilitation or liquidation by reason of insolvency.
9. To any claim for punitive or exemplary damages against the owner or driver of an uninsured motor vehicle.
10. Any amount payable under Part III shall be reduced by all sums paid to the insured for property damage on behalf of the owner or operator of the uninsured motor vehicle and any other person or organization jointly or severally liable together with such owner or operator.
11. 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 this policy. Provided, however, that this exclusion does not apply to a child restraint system that was in use by a child during an accident to which coverage is applicable.

13. 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 vehicle cannot be identified.
14. There shall be no coverage for the deductible amount of damages, as shown in the Declarations, to the property insured as the result of any one accident.

**Limits of Liability.**

- (a) The limit of liability for uninsured motorists coverage stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all damages, including damages for care or loss of services, because of bodily injury sustained by one person as the result of any one accident and subject to the above provision respecting each person, the limit of liability stated in the Declarations as applicable to "each Accident" is the total limit of the Company's liability for all damages, including damages for care or loss of services, society and loss of consortium, because of bodily injury sustained by two or more persons as the result of any one accident. The limit of liability for uninsured motorist property damage shall not exceed the actual cash value to the maximum set forth on the Declarations Page.

The limit of liability as shown in the declarations for "each person" for Underinsured Motorists Coverage is the Company's maximum limit of 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 liability as shown in the declarations for "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 accident. The limits of liability are not increased because more than one person is insured at the time of the accident.

The Company shall not be obligated to make payment under this coverage until the limits of liability or portion thereof under all bodily injury liability insurance policies applicable to the underinsured motor vehicle and its operators have been partially or fully exhausted by payment of judgment or settlement.

If the Company and the insured or his legal representative agree that that insured has suffered bodily injury as a result of negligent operation, use or maintenance of an underinsured motor vehicle and also agree on the damages resulting therefrom, then a judgment or settlement of the bodily injury claim in an amount less than the limits of liability coverages applicable to the claim shall not preclude the claimant from making an underinsured motorist claim under this policy. The maximum amount payable pursuant to such a settlement agreement shall not exceed the amount by which the limits of the underinsured motorist coverage exceed the limits of bodily injury liability insurance of the owner or operator of the underinsured motor vehicle. Such agreement shall be final as to the amount due and shall be binding upon the insured and the Company regardless of the amount of any judgment, or any settlement reached between any insured and the person or persons responsible for the accident. No such settlement shall be concluded unless: (i) the insured has complied with all other applicable policy terms and conditions; and (ii) before the conclusion of the settlement agreement, the insured has filed suit against the underinsured motor vehicle owner or operator and has not abandoned the suit, or settled the suit without preserving the rights of the Company, provided, however, that suit against the underinsured owner and operator may be dismissed where the Company has been given notice in advance of a settlement between the insured and the underinsured motorist and the Company fails to advance a payment to the insured in an amount equal to the tentative settlement within 30 days following receipt of such notice.

In no event shall the Company's liability to pay underinsured motorist benefits under this Part exceed the difference between the limit of such coverage as stated in the declarations of this policy and the total limit of liability coverage available to the underinsured motorist under all liability policies, bonds or other security available to such underinsured motorist for the loss.

- (b) Any amount payable under the terms of this Part because of bodily injury sustained in an accident by a person who is an Insured under this Part shall be reduced by:
  - (1) 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 Coverage A, and;
  - (2) The amount paid and the present value of all amounts payable on account of such bodily injury under any workmen's compensation law, disability insurance benefits other than social security benefits or any other insurance benefits.
- (c) Any payment made under this Part to or for any insured shall be applied in reduction of the amount of damages which he may be entitled to recover from any person insured under Coverage A.
- (d) 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 any uninsured automobile which represents expenses for medical services paid or payable under Coverage C of Part I.
- (e) If more than one policy issued by this Company applies to Part III, the total limit of the Company's liability under all such policies shall not exceed the amount applicable under only one policy.
- (f) 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 premium

therefore; and the coverage under this section shall not be "stacked" with any other similar or identical coverage that may be issued

under this policy, including Underinsured Motorist Coverage (Part III).

(g) Underinsured Motorist Coverage does not apply nor is it applicable to any accident or loss where the Insured has Underinsured Motorist

Coverage, which applies to such accident.

(h) If coverage is provided to a motor vehicle, defined herein as an uninsured motor vehicle, under a bond or insurance policy having

limits less than required by the Illinois Financial Responsibility Law, then the Company's maximum limit of liability under this Part for

"each person" is the difference between the minimum limit required by the Illinois Financial Responsibility Law for injury to one

person and the corresponding limit provided in such bond or insurance policy, and the Company's maximum limit of liability under

this Part for "each accident" is the difference between the minimum limit required under the Illinois Financial Responsibility Law for

injury to two or more persons and the corresponding limit provided in such bond or insurance policy.

**Other Insurance.** With respect to bodily injury to an Insured while occupying a motor vehicle or automobile not owned by the named

Insured, the insurance under Part III shall apply only as excess insurance over any other similar insurance or self insurance available to such

Insured and applicable to such motor vehicle as primary insurance, and this insurance shall then apply only in the amount by which the limit

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.

**Other Automobile Insurance in the Company.** With respect to any occurrence, accident, death or loss to which this and any other

automobile insurance policy issued to the named Insured by the Company also applies, the total limit of the Company's liability under all

such policies shall not exceed the highest applicable limit of liability or benefit amount under any one such policy.

**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 2 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 as stated in the declarations and in

accordance with the usual rules governing procedure and admission of evidence in courts of law of that County and not 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 limits then that portion of the award which exceeds the policy

limits is void and not binding on either the insured or the Company. All expenses of any arbitration hereunder shall be shared equally by

the parties.

**Trust Agreement.** In the event of payment to any person under this Part III:

(a) The Company shall be entitled to the extent of such payment to the proceeds of 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 right of recovery which he shall have against such other person

or organization because of the damages which are the subject of claim made under this Part III;

(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 action

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, jury fees, and Sheriff's 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.

**Limitation on Suits, Actions or Arbitrations.** No suit, action, or arbitration proceeding for the recovery of any claim under this section

shall be sustainable in any court of law or equity unless the insured, as a condition precedent to such action, has fully complied with all

terms and provisions of this policy, not unless said suit, action, or arbitration proceeding is commenced within two years of the date of

accident (except under Coverage K, Underinsured Motorist) to any claim against the Company submitted more than 2 years after the date of

accident or within 120 days of the entry of judgment against the underinsured whichever is later, provided the Insured protects the

Company's right of subrogation.

## CONDITIONS

These conditions apply to all Parts and Coverages unless otherwise noted.

