



Unique  
Insurance  
Company

**COMMERCIAL AUTOMOBILE INSURANCE POLICY  
ILLINOIS**

**IMPORTANT**

**Notify the Company** at 7400 N. Caldwell Ave., Niles, IL 60714, (773)299-7500, of **EVERY** accident, however slight, immediately upon its occurrence.

Delay in giving notice may jeopardize your rights. Send a completed report as soon as practicable.

**PLEASE READ YOUR POLICY AND REPORT IN WRITING ANY ERRORS IMMEDIATELY TO THE COMPANY.**

**NOTICE** - This policy has been issued based upon the reliance of your statements and representations on the application. **Read it carefully** and notify the Company immediately of any misinformation or changes which have occurred or may occur.

# COMMERCIAL AUTO POLICY

UNIQUE INSURANCE COMPANY  
(NILES, ILLINOIS)  
(A stock company, herein called the "Company")

In consideration of the payment of the premium, and in reliance upon the statements in the Application and the Declarations and subject to the limits of liability, exclusions, conditions, deductibles and other terms of this policy, agrees with the **named insured** as follows:

The insurance for each of the following coverages applies only if there is a premium charge for that coverage on the Declarations Page or if coverage is added by subsequent endorsement.

## PART I - LIABILITY

The Company will pay on behalf of the **insured** all sums, except for punitive or exemplary damages, which the **insured** shall become legally obligated to pay as damages because of:

**Cov. A Bodily Injury Liability** or  
**Cov. B Property Damage Liability**

to which this insurance applies, caused by an **accident** and arising out of the ownership, maintenance or use of an **owned vehicle** or any **temporary substitute vehicle**; and the Company shall defend any suit alleging such **bodily injury** or **property damage** and seeking damages which are payable under the terms of this policy, even if any of the allegations of the suit are groundless, false or fraudulent; but the Company may make such investigation and settlement of any claim or suit as it deems expedient. 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, however, for such punitive or exemplary damages. However, the Company will not defend any suit after it has paid the applicable limit of its liability for the **accident** which is the basis of the lawsuit. It is understood and agreed that the Company has no obligation to any **insured** after applicable limits of the policy have been exhausted by payment. It is further understood and agreed that the Company is not obligated to pay, and shall not pay, attorney fees for any legal or investigative work unless such attorneys are specifically selected by the Company. It is further understood and agreed that the Company is not obligated to pay, and shall not pay, any sum which the **insured** may be legally obligated to pay as a result of a lawsuit unless the Company received actual notice of said suit before any judgment had been entered in said suit.

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

- (a) all expenses incurred by the Company, all costs taxed against the **insured** in any such suit and all interest 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) if the Company determines an appeal should be taken, premiums on appeal bonds required in any such suit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy and the cost of bail bonds required of the **insured** because of **accident** or traffic law violation arising out of the use of a **vehicle** insured hereunder, not to exceed \$250 per bail bond, but without any obligation to apply for or furnish any such bonds,
- (c) all reasonable expenses incurred by the **insured** at the Company's request, including actual loss of earning, not to exceed \$25 per day.

**Persons Insured.** Each of the following is an **insured** under Part I:

- (a) With respect to the **owned vehicle**:
  - (1) the **named insured**, an owner if the **named insured** is a business organization, a partner if the **named insured** is a partnership, an executive officer if the **named insured** is a corporation, a manager if the **named insured** is a limited liability company, and,
  - (2) any other person while operating or using the **owned vehicle** with the permission of the **named insured**.
- (b) With respect to a **temporary substitute vehicle**:
  - (1) the **named insured** and, if the **named insured** is a business organization, partners and executive officers thereof, provided the operation or use of such **temporary substitute vehicle** is within the course and scope of business of the **named insured**, and,
  - (2) any other person operating or using such **temporary substitute vehicle** provided such operation or use is with the permission of the **named insured** and is within the course and scope of the business of the **named insured**.
- (c) any other person or organization but only with respect to his or her or its liability because of acts or omissions of an **insured** under (a) or (b) above.

Notwithstanding the above, none of the following is an **insured**:

- (i) any person while engaged in the business of his/her employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his/her employment,
- (ii) except as stated under (b) above, the owner of the **temporary substitute vehicle**, or any agent or employee of such owner,

- (iii) any person or organization, other than the **named insured**, with respect to:
- (1) a motor **vehicle** while used with any **trailer** owned or hired by such person or organization and not covered by like insurance in the Company (except a **trailer** designed for use with a four (4) wheel **private passenger type vehicle** and not being used for business purposes with another type motor **vehicle**), or
  - (2) a **trailer** while used with any motor **vehicle** owned or hired by such person or organization and not covered by like insurance in the Company.
- (iv) any person while employed in or otherwise engaged in duties in connection with an **automobile business**, other than an **automobile business** operated by the **named insured**.

**Definitions.** Under Part I:

**“accident”** means a sudden event neither expected nor intended from the standpoint of the **insured** which results in **bodily injury** or **property damage**.

**“automobile business”** means the business or occupation of selling, leasing, repairing, servicing, storing or parking vehicles.

**“bodily injury”** means bodily injury sustained by any person which occurs during the policy period, including death at any time resulting therefrom.

**“insured”** means any person or organization qualifying as an insured in the **persons insured** provision of the applicable insurance coverage. Subject to the Limits of Liability, the coverage afforded applies separately to each **insured** who is seeking coverage or against whom a claim or suit is brought.

**“medical expense”** means reasonable expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices and necessary ambulance, hospital, professional nursing and funeral services.

**“mobile equipment”** means a land **vehicle** (including any machinery or apparatus attached thereto) whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the **named insured**, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills, concrete mixers (other than the mix-in transit type), graders, scrapers, rollers and other road construction or repair equipment, air compressors, pumps and generators, including spraying, welding and building cleaning equipment and geophysical exploration and well servicing equipment.

**“named insured”** means the person or organization named in Item I. of the Declarations of this policy.

**“occupying”** means in or upon or entering into or alighting from.

**“owned vehicle”** means either:

- (a) a **vehicle** which is owned by and titled in the name of the **named insured** and described on the Declarations Page; or
- (b) a **vehicle** ownership of which is newly acquired by the **named insured** during the policy period, provided:
  - (i) it replaces an owned vehicle as defined in (a) above and no **insured** retains ownership of the replaced **vehicle**. As a condition precedent to coverage, the **insured** must notify the Company in writing within thirty (30) days following the acquisition of the replacement **vehicle**, that the original **vehicle** has been replaced, or
  - (ii) newly acquired **vehicles** that do not replace **vehicles** described in the policy are covered only at such time that they are added to the policy by endorsement, or
- (c) any **vehicle** leased by the **named insured** under a written agreement for a period of not less than one (1) year and described in the policy, or
- (d) a **trailer** described in this policy.

**“permission”** means permission from the **named insured** if the **named insured** is an individual. If the **named insured** is an organization, then “permission” means permission from an executive officer if the **named insured** is a corporation, from a partner if the **named insured** is a partnership or, from a manager if the **named insured** is a limited liability company.

**“private passenger type”** means a four (4) wheel land motor vehicle of the private passenger, van, or station wagon type;

**“property damage”** means (1) the physical injury to or destruction of tangible property which occurs during the policy period, including the **loss of use** thereof at any time resulting therefrom, or (2) **loss of use** of tangible property which has not been physically injured or destroyed provided such **loss of use** has been caused by an **accident** during the policy period.

**“relative”** means a person related to an **insured** by blood, marriage or adoption and who is a resident of the household of the **insured** at the time of an auto **accident**.

**“spoliation”** means the intentional alteration or destruction of a document, “**vehicle**” or “**trailer**”.

**“spouse”** means a lawfully wedded spouse and also means a person joined in a civil union according to statute;

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

**“temporary substitute vehicle”** means a **vehicle** while temporarily used in the course and scope of business of the **named insured** with the permission of its owner as a substitute for an **owned vehicle** when withdrawn from normal use for servicing or repair or because of its breakdown, loss or destruction, provided, however, that such vehicle is not owned by or furnished for the regular use of the **named insured**, of an executive officer if the **named insured** is a corporation, of a partner if the **named insured** is a partnership, of a manager if the **named insured** is a limited liability company,

of an **insured**, or of any person related to or resident with any of the foregoing.

**“trailer”** means a trailer which does not exceed 36,000 pounds in gross weight, but does not include **mobile equipment**.

**“use”** of a vehicle includes loading and unloading the vehicle.

**“vehicle”** means a land motor vehicle, or **trailer**, designed for travel on public roads (including its equipment and other equipment permanently attached thereto) but not including **mobile equipment**, however **vehicle** does not include:

- (a) a farm-type tractor or other equipment designed for use principally off public roads,
- (b) a **vehicle** operated on rails or crawler-treads,
- (c) a **vehicle** while located for use as a residence or premises,
- (d) a motorcycle or other similar vehicle with fewer than four wheels,
- (e) a bus or other vehicle for the transportation of passengers,
- (f) a golf cart, all terrain vehicle or other recreational vehicle, or,
- (g) any vehicle which exceeds 45,000 pounds in gross weight.

**“war”** includes declared or undeclared war, insurrection, riot, rebellion or revolution, or any act or condition incident to any of the foregoing.

**Exclusions.** This insurance does not apply to:

- (a) liability assumed by the **insured** under any contract or agreement, but this exclusion shall not apply to a liability the **insured** would have had absent such contract or agreement.
- (b) any obligation for which the **insured** or any carrier as his/her insurer may be held liable under any worker's compensation, unemployment compensation or disability benefits' law or under any similar law.
- (c) **bodily injury** to an employee of the **insured** arising out of and in the course of his/her employment by the **insured** or to any obligation of the **insured** to indemnify another because of damages arising out of such injury, but this exclusion does not apply to any such injury arising out of and in the course of domestic employment by the **insured**, unless benefits therefore are in whole or in part either payable or required to be provided under any worker's compensation law.
- (d) **property damage** to:
  - (1) property owned or being transported by the **insured**, or
  - (2) property rented to or in the care, custody or control of the **insured**, other than **property damage** to a residence or private garage by a **vehicle** covered by this insurance, or
  - (3) property as to which an **insured** is for any purpose exercising physical control. A vehicle used, operated or maintained by the **insured** shall be considered property as to which the **insured** is exercising physical control.
- (e) **bodily injury** or **property damage** due to war, whether or not declared, civil war, insurrection, riot, rebellion or revolution or to any act or condition incident to any of the foregoing.
- (f) **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, or use of any **owned vehicle** or **temporary substitute vehicle** while such **vehicle** is being used as a public or livery conveyance, unless such use is specifically declared and described in the Declarations.
- (g) **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.
- (h) **bodily injury** or **property damage** arising out of any snow removal activities performed by or at the direction of any **insured**, unless such use is stated on the declarations.
- (i) **bodily injury** or **property damage** caused by an **insured** vehicle while it is being used for retail delivery of pizza or other fast foods, unless such use is stated on the declarations.
- (j) **bodily injury** or **property damage** to the **insured** and any relative of the **insured** related by blood, marriage or adoption residing in the same household as the **insured**. The term **insured** as used in this exclusion means the person against whom the claim is made or suit is brought. This exclusion shall not apply when a third party acquires the right of contribution against a member of the injured person's family. Nor shall this exclusion apply when any person not residing in the household of the **insured** was driving the vehicle insured under this policy at the time of the "accident" that is the subject of the claim or lawsuit.
- (k) **bodily injury** or **property damage** caused intentionally by or at the direction of the **insured**.
- (l) the payment of punitive or exemplary damages, however the Company may provide a defense to a suit brought against an **insured** seeking both compensatory and punitive or exemplary damages, but by providing such defense shall not be deemed to be estopped to assert or to have waived this exclusion.
- (m) any person operating or using a vehicle without a reasonable belief that he/she is entitled to do so.
- (n) **bodily injury** or **property damage** resulting from the hazardous properties of nuclear material owned, used or transported by an **insured**.
- (o) any **vehicle** when used in a pre-arranged race or speed test.
- (p) any **vehicle** when used in the commission of a crime, other than a traffic violation.
- (q) **bodily injury** or **property damage** resulting from the handling of property before it is moved from the place where it is accepted by the **insured** for movement into or onto an **owned vehicle** or **temporary substitute vehicle** and after it is moved from an **owned vehicle** or **temporary substitute vehicle** to the place where it is delivered by the **insured**.
- (r) **bodily injury** or **property damage** resulting from the movement of property by mechanical device.
- (s) **bodily injury** or **property damage** arising out of the insured's work after that work has been completed or abandoned. For the purpose of this exclusion, work includes work or operations performed by or on behalf of the **named insured** and includes materials, parts or equipment furnished in connection therewith, including any warranties or representations made with respect to the fitness, quality, durability or performance of any items. Work will be deemed completed at the earliest of the following times: (1) when all of the work called for in the **named insured's** contract has been completed, (2) when all of the work to be done at the site has been completed if the **named insured's** contract calls for work at more than one site, or (3) when part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- (t) **bodily injury** or **property damage** arising out of any medical procedure done by any insured or caused to be done by any insured or the furnishing of medicine or medical equipment of any kind to any person while in the care of any insured.
- (u) **bodily injury** or **property damage** arising directly or indirectly, out of the ownership, maintenance, or harboring of any animal, or arising, directly or indirectly, out of any act by such animal.
- (v) any claim for damages for the destruction, alteration and/or **spoliation** of property caused by the **insured** or at the **insured's** direction;

**Limits of Liability.** Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain **bodily injury** or **property damage**, (3) claims made or suits brought on account of **bodily injury** or **property damage** or (4) vehicles to which this policy applies, the Company's liability is limited as follows:

**Coverage A** – The limit of **bodily injury** liability stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all damages, including damages to others for care, loss of services, society or consortium, because of **bodily injury** sustained by one person as the result of any one **accident**; but subject to the above provision respecting "each person", the total liability of the Company for all damages, including

damages to others for care, loss of services, society or consortium, because of **bodily injury** sustained by two or more persons as the result of any one **accident** shall not exceed the limit of **bodily injury** liability stated in the Declarations as applicable to “each accident”.

**Coverage B** – The total liability of the Company for all damages because of all **property damage** sustained by one or more persons or organizations as the result of any one **accident** shall not exceed the limit of **property damage** liability stated in the Declarations as applicable to “each accident”.

**Coverages A and B** – For the purpose of determining the limit of the Company’s liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **accident**.

**Combined Single Limit Coverages A and B** – Regardless of the number of **insureds**, persons injured, claims made or suits brought on account of **bodily injury** or **property damage**, **vehicles** stated in the Declarations, or **vehicles** involved in the **accident**, if the limit of liability is stated in the Declarations as a **Combined Single Limit**, the total limit of liability for all damages for **bodily injury** and **property damage** taken together arising out of any one **accident** shall be the amount stated in the Declarations.

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

## PART II – Cov. D UNINSURED MOTOR VEHICLE COVERAGE

**Uninsured Motor Vehicle Coverage.** The Company will pay all sums, except for punitive and exemplary damages, which the **insured** or his/her legal representative shall be legally entitled to recover as damages from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by the **insured** caused by **accident** and arising out of the ownership, maintenance or use of such **uninsured motor vehicle**; provided, for the purposes of this coverage, determination 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, unless such judgment is entered pursuant to an action prosecuted by the **insured** with the written consent of the Company, provided that a legal action requested by the Company to protect potential subrogation rights shall not be deemed to be such an action unless specifically agreed by the Company.

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

“**insured**” means:

- (a) the **named insured**,
- (b) any other person while lawfully **occupying an insured vehicle**; and
- (c) any person, with respect to damages he is entitled to recover because of **bodily injury** to which this insurance applies sustained by an **insured** under (a) or (b) above.

The insurance applies separately with respect to each **insured**, but the inclusion of more than one **insured** shall not operate to increase the limits of the Company’s liability.

“**insured motor vehicle**” means a motor **vehicle**:

- (a) described on the Declarations Page as an **owned vehicle** to which the **bodily injury** liability coverage of the policy applies;
  - (b) while temporarily used as a substitute for an **owned vehicle**, as described in subparagraph (a) above, when withdrawn from normal use because of breakdown, repair, servicing, loss or destruction;
  - (c) while being operated by the **named insured**;
- but the term “**insured motor vehicle**” shall not include:
- (i) a **vehicle** while used as a public or livery conveyance, unless such use is specifically declared and described in this policy;
  - (ii) a **vehicle** while being used without the permission of the owner;
  - (iii) under subparagraphs (b) and (c) above, a **vehicle** owned by the **named insured**, or any resident of the same household as the **named insured**; or
  - (iv) under subparagraphs (b) and (c) above, a **vehicle** furnished for the regular use of the **named insured** or any resident of the same household.

“**uninsured motor vehicle**” includes a **trailer** of any type and means:

- (a) a **vehicle** or **trailer** with respect to the ownership, maintenance or use of which, there is no **bodily injury** liability bond or insurance policy applicable at the time of the **accident** with respect to any person or organization legally responsible for the use of such **vehicle** or **trailer**, or which has a bond or insurance policy with limits less than required by the Illinois Financial Responsibility Law;
- (b) a hit-and-run **vehicle**;
- (c) a **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 of the entry of a court of competent jurisdiction of an order of rehabilitation or liquidation by reason of insolvency on or after the **accident** date, provided, however, the Company has received written notice of claim under this Part within the later of six months from the date of such court order of rehabilitation or liquidation by reason of insolvency or two years from the date of the **accident**. To the extent that this provision conflicts with this policy’s exclusion for claims received by the Company more than two years after the date of the **accident**, the provision shall control.

However, notwithstanding the above definition, the term “**uninsured motor vehicle**” shall not include:

- (i) a motor vehicle not listed on the Declarations of this Policy which is owned by or available for the regular use of the **insured**;
- (ii) a **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; or
- (iii) a **vehicle** or trailer which is owned by the United States of America, Canada, a state, a province a municipality, a political subdivision of any such government or any agency of any of the foregoing;
- (iv) 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
- (v) a farm type tractor or equipment designed for use principally off public roads, except while actually upon public roads.

“**hit-and-run vehicle**” means a motor **vehicle** which causes **bodily injury** to an **insured** arising out of physical contact of such **vehicle** with the **insured** or with a **vehicle** which the **insured** is occupying at the time of the **accident**, provided:

- (a) there cannot be ascertained the identity of either the operator or owner of such motor **vehicle**;
- (b) the **insured**, or someone on his/her behalf, shall have reported the **accident** within twenty-four (24) hours to a police, peace or judicial officer or to the Commissioner of Motor Vehicles, and shall have filed with the Company within thirty (30) days thereafter a statement under oath that the **insured** or his/her 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/her legal representative, makes available for inspection the **vehicle** which the **insured** was occupying at the time of the **accident**.

**Exclusions.** This policy does not apply under Part II to:

- (a) **bodily injury** to an **insured** with respect to which such **insured**, his/her legal representative or any person entitled to payment under this insurance shall, without written consent of the Company, make any settlement with any person or organization who may be legally liable therefore.
- (b) **bodily injury** to an **insured** while occupying a **vehicle** (other than an **insured vehicle**) owned by the **named insured**, or through being struck by such a **vehicle**.
- (c) inure directly, or indirectly, to the benefit of any worker’s compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any worker’s compensation or disability benefits’ law or any similar law.
- (d) 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.
- (e) any claim for punitive or exemplary damages.
- (f) any person occupying or operating a motor vehicle without a reasonable belief that he or she is entitled to do so.
- (g) any person occupying or operating a motor vehicle owned by the **insured**, or furnished or available for the regular use of the **insured**, a resident **spouse** or resident relative, if that motor vehicle is not described on the declarations of this policy.
- (h) any person for whom the Company has not received written claim under this coverage within two years of the date of **accident**.

**Limits of Liability.** Regardless of the number of (1) persons or organizations who are **insureds** under this policy, (2) persons who sustain **bodily injury**, (3) claims made or suits brought on account of **bodily injury**, or (4) vehicles to which this policy applies:

- (a) the limit of Uninsured Motorist Coverage stated in the Declarations as applicable to “each person” is the maximum limit of the liability for all damages due to **bodily injury** to one person. **Bodily injury** to one person includes all injury and damages, including loss of service, society or consortium, to others resulting from this **bodily injury**. The limit of Uninsured Motorist Coverage as stated in the Declarations as applicable to “each **accident**” 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**.
- (b) any amount payable under the terms of this insurance because of **bodily injury** sustained in an **accident** by a person who is an **insured** under this coverage 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 vehicle**, and,
    - (ii) any other person or organization jointly or severally liable together with such owner or operator for such **bodily injury**, including all sum paid under the **bodily injury** liability coverage of this policy, and
  - (2) the amount paid and the present value of all amounts payable on account of such **bodily injury** under any worker’s compensation law, disability benefits’ law or any similar law, and,
  - (3) the amount paid or payable under the Medical Payments coverage of this policy.
- (c) any payment made under this insurance 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 or organization that is an **insured** under the **bodily injury** liability coverage of this policy.
- (d) the Company shall not be obligated to pay under this insurance that part of the damages which the **insured** may be entitled to recover from the owner or operator of an **uninsured vehicle** which represents expenses for medical services paid or payable under the medical payments coverage of this policy; and
- (e) in the event that more than one **vehicle** shall be insured under this policy, the Company’s limit of liability for “each person” and for “each **accident**” shall be the amount stated in the Declarations as to any one **vehicle**, and in no event shall said limits of liability be deemed to be cumulative so as to increase the said limits of liability beyond the amount set forth in the Declarations as to any one **vehicle**.
- (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 premiums therefore; and that the coverage under this policy shall not be “stacked” with any other similar or identical coverage that may be issued under this policy, including Underinsured Motorist Coverage.

- g) Uninsured 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** or loss.

**Other Insurance.** With respect to **bodily injury** to an **insured** while occupying a **temporary substitute vehicle**, this insurance shall apply only as excess insurance over any other similar insurance available to such **insured** and applicable to such **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.

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

- (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 rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under this insurance.
- (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 and attorney's fees incurred by it in connection therewith; 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 this provision.

### PART III – Cov. E UNDERINSURED MOTOR VEHICLE COVERAGE

**Underinsured Motor Vehicle Coverage.** The Company will pay all damages which an **insured** is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of **bodily injury** sustained by an **insured**. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the underinsured motor vehicle provided, for the purposes 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. 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 judgment is entered pursuant to an action prosecuted by the **insured** with the written consent of the Company. The Company shall not be obligated to pay under this coverage until after the limits of liability under all applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgments or settlements.

**Additional Definitions.** The definitions under Part I, except for the definition of "insured", apply to this Part III and under Part III the following apply:

"**Insured**" means:

- (a) the **named insured**;
- (b) any person while lawfully occupying an **owned vehicle**; and,
- (c) any other person, with respect to damages he is entitled to recover because of **bodily injury** to which this Part applies sustained by an **insured** under (a) or (b) above.

The insurance afforded under Part III applies to each **insured**, but the inclusion herein of more than one **insured** shall not operate to increase the limits of the Company's liability.

"**Underinsured motor vehicle**" 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**.

**However**, "underinsured motor vehicle" does not include any vehicle:

- (1) owned by or furnished or available for the regular use of the **insured** or any family member or person residing in the **insured's** household;
- (2) owned by any governmental unit or agency;
- (3) operated on rails or crawler treads;
- (4) which is a farm type tractor or equipment designed mainly for use off public roads while not upon public roads;
- (5) while located for use as a residence or premises;
- (6) owned or operated by a person qualifying as a self-insurer under any applicable motor vehicle law;
- (7) 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;
- (8) which is defined as an "uninsured motor vehicle" under Part II.

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

- (a) any person while occupying the owned auto when it is being used to carry persons or property for a fee;
- (b) any person using a vehicle without a reasonable belief that the person is entitled to do so;
- (c) inure directly or indirectly to the benefit of any worker's compensation or disability benefits insurer or any person or organization qualifying as a self insurer under any worker's compensation or disability benefits law or any similar law, provided, however, that there shall be no

setoff or exclusion under this policy for amounts paid as disability benefits by the Social Security Administration or by any similar state or federal agency.

- (d) punitive or exemplary damage;
- (e) any claim by a person who operated, used or occupied an owned vehicle or a non-owned vehicle without a reasonable belief that he or she was entitled to do so.

#### **Limits of Liability.**

a. The Company's maximum limit of liability for all damages due to **bodily injury** to one person is the limit of liability as shown in the Declarations for "each person" for Underinsured Motor Vehicle Coverage less those amounts actually recovered under the applicable **bodily injury** insurance policies, bonds, or other security maintained on the **underinsured motor vehicle**. **Bodily injury** to one person includes all injury and damages including loss of service, society or consortium, to others resulting from this **bodily injury**. The Company's maximum limit of liability for all damages due to **bodily injury** to two or more persons in the same **accident** is the limit of liability as shown in the Declarations for "each **accident**" for Underinsured Motor Vehicle Coverage, subject to the above provision respecting each person, less those amounts actually recovered under the applicable **bodily injury** insurance policies, bonds or other security maintained on the underinsured motor vehicle,. The limits of liability are not increased because more than one person is insured at the time of the **accident**. Any payment otherwise due under this coverage shall be reduced by a payment for **bodily injury** or medical expense under any other part of this policy. If more than one policy issued by this Company provides underinsured motorist coverage for the same **bodily injury**, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy. 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 separate itemization of premiums therefore and coverage under this section shall not be "stacked" with any other similar or identical coverage that may be issued under this policy, including Uninsured Motorist Coverage.

b. 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. A judgment or settlement of the **bodily injury** claim in an amount less than the limits of the **bodily injury** coverages applicable to the claim shall not preclude the claimant from making an underinsured motorist claim against the Underinsured Motor Vehicle Coverage.

c. Notwithstanding any of the above, if the Company and the **insured** or his/her legal representative agree that the **insured** suffered **bodily injury** as a result of negligent operation, use or maintenance of an underinsured motor vehicle, and without arbitration, agree also on the amount of damages that the **insured** is legally entitled to collect, then the maximum amount payable pursuant to such an underinsured motor vehicle insurance settlement agreement shall not exceed the amount by which the limits of the Underinsured Motor Vehicle Coverage exceed the limits of **bodily injury** liability insurance of the owner or operator of the **underinsured motor vehicle**. Any 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 judgments, or any settlement reached between any **insured** and the person or persons responsible for this **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.

**Other Insurance.** With respect to **bodily injury** to an **insured** while occupying a motor vehicle not owned by the **named insured**, the insurance under Part III shall apply only as excess insurance over any other similar insurance available to such **insured** and applicable to such motor vehicle as primary

insurance, that this insurance shall then apply only in the amount by which the limit of liability for Part III 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 Part III applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

### **PART IV – Cov. F MEDICAL PAYMENTS COVERAGE**

**Medical Payments.** The Company will pay, with relation to a motor vehicle **accident** occurring during the term of this policy, all reasonable, usual and customary expenses for services provided by individuals or hospitals licensed under the Medical Practice Act of Illinois or comparable law, incurred within one year of an **accident** for necessary medical, surgical, X-ray, dental services, including prosthetic devices, and necessary ambulance, hospital and professional nursing charges. The reasonable expense of funeral services is also covered under this part. The medical and funeral expenses covered herein must have been caused by **accident** and sustained by:

- (1) the **named insured** while occupying or through being struck by an automobile; or
  - (2) any other person while lawfully occupying the owned vehicle while being operated or used 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 under the terms of this policy or satisfaction of any judgment for damages entered in his/her favor against any other person because of **bodily injury** arising out of an **accident** to which the Liability Coverage applies, or toward any award under the Uninsured Motorist Coverage or Underinsured Motorist Coverage of this policy.

**Definitions.** The definitions under Part I apply to Part IV.

**Exclusions.** This policy does not apply under Part IV to **bodily injury**, sickness or death:

- (a) to **bodily injury** to any person or **insured** while employed or otherwise engaged in duties in connection with an **automobile business**, if benefits therefore are in whole or in part either payable or required to be provided under any worker's compensation law;
- (b) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;



- (c) to **bodily injury** to any employee of the **named insured** arising out of and in the course of employment by the **named insured**, but this exclusion does not apply to any such **bodily injury** arising out of and in the course of domestic employment by the **named insured**, unless benefits therefor are in whole or in part either payable or required to be provided under any worker's compensation law;
- (d) to **bodily injury** sustained while occupying a **vehicle** owned by any **insured** or **relative**, or furnished for the regular use of any **insured** or **relative** which is not described on the declarations of this policy.
- (e) To any person operating or occupying an insured vehicle without a reasonable belief that he or she is entitled to do so.
- (f) To the extent that any medical expense is paid or payable to or on behalf of the injured person under the provisions of any (i) automobile or premises insurance affording benefits for medical expenses, (ii) individual, blanket or group **accident**, disability or hospitalization insurance, (iii) medical or surgical reimbursement plan, or (iv) workers compensation or disability benefits law or any similar law.
- (g) To expenses incurred with respect to resulting from the hazardous properties of nuclear material owned, used or transported by an **insured**.

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

**Other Insurance.** If there is other automobile Medical Payments insurance against a loss covered by Part IV 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 sum of all valid and collectible automobile Medical Payments insurance; provided, however, the insurance shall be excess insurance over other any valid and collectible insurance.

## PART V – PHYSICAL DAMAGE COVERAGE

**Cov. G. Comprehensive (excluding Collision).** At the Company's option an, and subject to the deductible and the limits of liability as stated herein, the Company will pay the cost of repair of damage caused other than by collision to the owned vehicle, but only for the cost of such repairs in excess of the deductible amount stated in the Declarations as applicable hereto. For the purpose of this coverage, breakage of glass and damage caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, or colliding with a bird or animal, shall not be deemed occasioned by collision.

**Cov. H. Collision.** At the Company's option and subject to the deductible and the limits of liability as stated herein, the Company will pay the cost of repair of damage caused by collision to the owned vehicle, but only for the cost of such repairs in excess of the deductible amount stated in the Declarations as applicable hereto.

**Cov. T. Towing.** To pay for reasonable towing and labor costs necessitated by the disablement of the owned vehicle provided the labor is performed at the place of disablement.

Such insurance as is afforded under each coverage applies separately to each covered **owned vehicle** and a land motor **vehicle** and one (1) or more trailers or semi-trailers attached thereto shall be held to be separate covered **owned vehicles** as respects limits of liability and any deductible provisions applicable thereto.

**Supplementary Payments.** In addition to the applicable limits of liability, the Company will:

- (a) reimburse the **insured** for transportation expenses not exceeding \$20 per day or totaling more than \$300, incurred during the period commencing 72 hours after a theft covered by this policy of the entire vehicle has been reported to the Company and the police, and terminating on the date the whereabouts of the vehicle becomes known to the **named insured** or Company or on such earlier date as the Company tenders settlement for such theft;
- (b) pay general average and salvage charges for which the **insured** becomes legally liable as to the vehicle being transported.

**Definitions.** The definitions of "accident", "named insured", "mobile equipment", "owned vehicle", "utility automobile", "automobile business" and "war" in Part I apply to Part V and under Part V:

**"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.

**"collision"** means (i) collision of an **owned vehicle** with another object or (ii) upset of such **owned vehicle**.

**"loss"** means direct and accidental damage to the vehicle or its parts, including any child restraint system that was in use by a child during an **accident** to which the coverage applies, but **loss** does not include **diminution in value**.

**"camper body"** means a body designed to be mounted upon an **owned vehicle** and equipped as sleeping or living quarters.

**"damage"** means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, but does not include **diminution in value**, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **accident** during the policy period.

**"diminution in value"** means the actual or perceived decrease of market or resale value of an owned vehicle or part thereof, measured after repair of damage.

**"forcible entry"** means (1) felonious entry by actual force and violence evidenced by visible marks on the **owned vehicle** or the premises in which the **owned vehicle** is garaged or (2) use of the vehicle through actual force or tampering to operate it evidenced by marks or damage to the ignition, ignition locks, steering locks or other security devices installed to prevent operation by unauthorized persons.

**"like kind and quality part"** includes but is not limited to a replacement part for any vehicle obtained from any source including another vehicle.

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

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

**Exclusions.** This policy does not apply under Part V:

- (a) to an **owned vehicle** while used as a public or livery conveyance, unless such use is specifically declared and described on the Declarations Page;
- (b) to damage which is due and confined to wear and tear, or freezing, or mechanical or electrical breakdown or failure, unless such damage is the result of other **loss** covered by this insurance.
- (c) to tires, unless **loss** be coincident with and from the same causes as other **loss** covered by this insurance or if damaged by fire, by malicious mischief or vandalism or stolen.
- (d) to **loss** due to:
  - (i) war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing; or
  - (ii) radioactive contamination.
- (e) to **loss** of, or damage to:
  - (i) any device or instrument designed for the recording, or reproduction, or recording and reproduction of sound, unless permanently installed in the dash or console opening specified by the manufacturer of the motor **vehicle** for the installation of this equipment;
  - (ii) any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, or recording and reproduction of sound;
  - (iii) any sound receiving or sound receiving and transmitting equipment designed for use as a citizens' band radio or telephone, or scanning monitor receiver, including any accessories and antennas, unless permanently installed in the dash or console opening specified by the manufacturer of the motor **vehicle** for the installation of such equipment;
  - (iv) equipment (other than i, ii, or iii above) used in connection with or permanently attached to any covered **owned vehicle**, unless such equipment is available from the original manufacturer of the make, model and model year of the covered **owned vehicle**. However, this exclusion shall not apply to a child restraint system which was in use by a child during an **accident** to which this coverage applies.
- (f) to **loss** to a camper body designed for use with an **owned vehicle** and not designated on the Declarations Page and for which no premium has been charged if such camper body was owned at the inception of the policy period or the inception of any renewal or extension period thereof;
- (g) under the **Comprehensive** coverage, to **loss** or damage due to conversion, embezzlement or secretion by any person in possession of a covered **owned vehicle** under a bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance.
- (h) under the **Collision** coverage, to breakage of glass if insurance with respect to such breakage is otherwise afforded herein.
- (i) to loss due to theft if evidence exists that forcible entry was not required to gain access to the vehicle or if evidence exists that keys were left in the vehicle while it was unattended or if no evidence exists that ignition wires were altered to operate the vehicle without keys.
- (j) to damage caused intentionally by or at the direction of the **insured**. However, this exclusion shall not apply to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss. Payment to the innocent co-insured is limited to his or her ownership interest in the property as reduced by any payments to a loss payee, mortgagor or other secured interest.
- (k) to **diminution in value** to any vehicle.
- (l) to any loss arising out of or during the use of a vehicle for the storage or transportation of hazardous substances, flammable liquid, or similarly hazardous material.
- (m) to any vehicle owned or furnished for the regular use of the **named insured** or owned or furnished for the regular use of a relative of an **insured**, if such vehicle is not described on the declarations of this policy as an **insured vehicle**.

**Limits of Liability.** The limit of the Company's liability under Part V shall not exceed the smallest of the following:

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

The Company's liability under this Part for damage to non-owned trailers is limited to \$500.00.

**Other Insurance.** If the **named insured** has other insurance against a **loss** covered by this insurance, the Company shall not be liable under this insurance for a greater proportion of such **loss** than the applicable limit of liability stated on the declarations page bears to the total applicable limit of liability to all valid and collectible insurance against such **loss**; provided, however, with respect to any covered **owned vehicle** newly acquired during the policy period and not described on the declarations page, this insurance shall not apply to any **loss** against which the **named insured** has other valid and collectible insurance. With respect to a **temporary substitute vehicle**, this insurance is excess over any other valid and collectible insurance or self insurance.

## CONDITIONS

(Unless otherwise noted, conditions apply to all Parts)

- 1. Policy Period, Territory.** This policy applies only to accidents, occurrences and losses during the policy period, as stated in the Declarations, while the automobile is within the United States of America, its territories or possessions, or Canada or is being transported between ports thereof. This policy may be renewed for successive policy periods by payment of the required premium to the Company on or before the effective date of each successive policy period. If premium is not paid when due, the policy shall terminate as of that date and such date shall be the end of the policy period. Such premium shall be computed in accordance with the manuals then in use by the Company. Each policy period shall begin and end at 12:01 A.M. standard time at the address of the **named insured**.
- 2. Premium.** If the **named insured** disposes of or replaces an insured vehicle, he shall inform the Company in writing within 30 days of such change. If the **named insured** acquires ownership of an additional vehicle, he shall inform the Company in writing within 30 days following the date of its delivery of his/her election to make this policy applicable to such vehicle. Any premium adjustment necessary shall be made as of the date of such

change or acquisition in accordance with the manuals in use by the Company. The **named insured** shall, upon request, furnish reasonable proof of the number of such vehicles or trailers and a description thereof. The Company shall be permitted, but not obligated, to inspect the **named insured's** property and operations at any time. Neither the Company's right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the **named insured** or others, to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation. The Company may examine and audit the **named insured's** books and records at any time during the policy period and extensions thereof and within three (3) years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

**3. Notice.** In the event of an **accident**, occurrence or loss, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and address of the injured and of available witnesses, shall be given by or for the **insured** to the Company as soon as practicable. However, in the case of a "hit and run" claim under Part II, notice must be given to the Company in writing within 30 days of the **accident**. A suit seeking recovery against the Company under Part II must be filed within two years of the **accident**. In the event of theft the **insured** shall promptly notify the police. If claim is made or suit is brought against an **insured**, he shall immediately forward to the Company every demand, notice, summons or other process received by him/her, his/her representative or agent. The Company will not be obligated to pay, and shall not pay under Part I, unless the Company received actual notice of a lawsuit before a judgment had been entered in said suit. If, before the Company makes a payment of loss under Part II, the **insured** or his/her legal representative shall institute any legal action for **bodily injury** against any person or organization legally responsible for the use of an automobile involved in the **accident**, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the Company by the **insured** or his/her legal representative.

**4. Fraud and Misrepresentation.** If there has been a misrepresentation or false warranty, made with actual intent to deceive or which materially affects either the risk or hazard assumed by the Company, made by the applicant for this policy or in his behalf in the negotiation for this policy, or breach of condition of such policy, and if said misrepresentation or false warranty or breach of condition is stated in the policy or endorsement or rider attached thereto, or in the written application for this policy, then this policy shall be null and void and of no benefit, provided, however that the Company, during the lesser of the first year of the policy or the first term of the policy, rescinds the policy and declares this policy void. If the policy has been in effect more than the lesser of one year or the first policy term, then the Company shall not rescind this policy. Notwithstanding any other provisions of this policy, this policy shall provide no coverage or benefit to any person who makes a fraudulent statement or omission or engages in fraudulent conduct with respect to any **accident** or loss for which coverage or a benefit is sought under this policy or any renewal of this policy.

**5. Two or More Vehicles - Parts I, IV and V.** When two or more vehicles are insured hereunder, the terms of this policy shall apply separately to each, but a vehicle and a trailer attached thereto shall be held to be one vehicle as respects limits of liability under Part I and Part IV of this policy, and separate vehicles under Part V of this including any deductible provisions applicable thereto.

**6. Assistance and Cooperation of the Insured.** As a condition precedent to the Company's duty of indemnity with respect to suits against an **insured**, the **insured** shall cooperate with the Company and, upon the Company's request, attend hearings and trials and assist in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. The **insured** shall not, except at his/her own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of the **accident**. After the notice of claim under any part of this policy, the Company may require the **insured** to take such actions as may be necessary or appropriate to preserve his/her right to recover damage from any person or organization alleged to be legally responsible for the **bodily injury**; and in any action against the Company, the Company may require the **insured** to join such person or organization as a party defendant.

**7. Action against Company - Part I.** No action shall lie against the Company unless, as a condition precedent thereto, the **insured** shall have fully complied with all terms of this policy, nor until the amount of the **insured's** obligation to pay shall have been finally determined either by judgment against the **insured** after actual trial or by written agreement of the **insured**, the claimant and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the **insured** to determine the **insured's** liability, nor shall the Company be impleaded by the **insured** or his/her legal representative. Bankruptcy or insolvency of the **insured** or the **insured's** estate shall not relieve the Company of any of its obligations hereunder.

**Parts II, III, IV and V.** No action shall lie against the Company unless, as a condition precedent thereof, there shall have been full compliance with the terms of the policy nor under Part V until 30 days after the amount payable has been determined by the Company. In no event shall suit, arbitration or appraisal be commenced against the Company more than two years after the date of **accident**, except only in the following circumstances:

- (a) under Part II, if coverage is based on entry of a court order of rehabilitation or liquidation by reason of insolvency of an insurer, suit or arbitration shall not be commenced against the Company after the later of: two years after the date of the **accident** or six months after the entry of such court order of rehabilitation or liquidation by reason of insolvency; or
- (b) under Part III, suit or arbitration shall not be commenced after the later of: two years after the date of **accident** or six months after 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.

**8. Medical Report: Proof and Payment of Claim - Part IV.** As soon as practicable the injured person or someone on his/her behalf shall give to the Company written proof of claim, under oath if required, and shall, after each request from the Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering services and such payment shall reduce the amount payable hereunder for injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Company.

**9. Insured's Duties in Event of Loss - Part V.** In the event of loss the **insured** shall (a) protect the vehicle, whether or not the loss is covered by this policy, and any further loss due to the **insured's** failure to protect shall not be recoverable under this policy; reasonable expenses incurred in affording such protection shall be deemed incurred at the Company's request; and, file with the Company, within 91 days after the loss, his/her sworn proof of loss in such form and including such information as the Company may reasonably require and shall, upon the Company's request, exhibit the damaged property and submit to examination under oath.

**10. Proof of Claim; Medical Report - Part II, III and IV.** As soon as practicable, the **insured** or other person making claim shall give to the Company written proof, under oath, if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering

into the determination of the amount payable. The **insured** and every other person making claim shall submit to examinations under oath by any person named by the Company and subscribe the same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the Company unless the Company shall have failed to furnish such forms within 15 days after receiving notice of claim. The injured person shall submit to physical examinations by physicians selected by the Company when and as often as the Company may reasonably require and he/she, or in the event of his/her incapacity, his/her legal representative, or in the event of his/her death, his/her legal representative or the person or persons entitled to sue therefore, shall upon each request from the Company execute authorization to enable the Company to obtain medical reports and copies of records.

**11. Appraisal - Part V.** If the **named insured** and the Company fail to agree as to the amount of **loss**, then the dispute shall be decided by Appraisal as described herein. The **named insured** and the Company shall each select a competent appraiser; and, if the appraisers fail to agree, then they shall select a competent and disinterested umpire. The appraisers shall separately state, on forms supplied by the Company, the actual cash value of the vehicle at the time of **accident** and the amount necessary to repair the damage to the vehicle caused by the **accident**; and failing to agree, shall submit their difference to the umpire. An award in writing of any two shall determine the amount of **loss**. The **named insured** and the Company shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal. Appraisers shall have no authority to assess attorney fees, decide class actions or to decide anything other than actual cash value of the vehicle at the time of the **accident** and the amount necessary to repair the damage to the vehicle caused by the **accident**. The Company shall not be deemed to have waived any of its rights by any act relating to appraisal.

**12. Payment of Loss - Parts I, II, III and IV.** Any amount due is payable (a) to the **insured**, or (b) if the **insured** be a minor to his parent or guardian, or (c) if the **insured** be deceased to his surviving **spouse**, otherwise (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents; provided, the Company may at its option pay any amount due in accordance with division (d) hereof.

**Part V.** The Company may pay for the loss in money, or may repair or replace the damaged or stolen property; or may, at any time before the claim is paid or the property replaced, at its own expense, return any stolen property to the **named insured**, or at its option, to the address shown in the Declarations, with payment for any resultant damage thereto less deductible; or may take all or such part of the property at the agreed or appraised value, but there shall be no abandonment to the Company. The Company may settle any claim under Part V either with the **insured**, with the loss payee, if the vehicle is deemed by the Company to be a total loss, or with the owner of the property. If the **insured** or owner elects to have the vehicle repaired at a facility of his/her or her own choosing and that facility charges more than the Company would pay for the repair at another licensed repair facility reasonably available, then the Company may tender the amount payable under its estimate and the **insured** or owner will be responsible to pay the difference to the repair facility of his/her or her own choosing. If hidden or additional damage is identified, then the Company shall be given an opportunity to estimate the cost of such additional repair and the Company may tender such additional amount payable pursuant to its additional estimate. If the vehicle is deemed a total loss, then the Company may issue payment to the **named insured** and the loss payee or to the loss payee as its interest may appear. The interest of the loss payee shall be deemed under this policy to be that of lien holder and shall be subject to any defense available to the Company with respect to the rights and duties of the **insured**.

**13. No Benefit to Bailee - Part V.** The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire liable for loss to the vehicle.

**14. Subrogation.** (a) In the event of any payments under Parts II, III IV or V of this policy, the Company shall be subrogated to all the **insured's** rights of recovery therefore against any person or organization and the **insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **insured** shall do nothing after loss to prejudice such rights. (b) In the event of any payment under the Underinsured Motorists Coverage, the Company shall not exercise any right of subrogation against an underinsured motorist where the Company has been provided with written notice in advance of a settlement between its **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 of receipt of such notice.

**15. Changes.** Notice to any agent or knowledge possessed by any agent by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.

**16. Assignment.** Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the **insured** named in Item 1 of the Declarations is a natural person, and if said person dies, this policy shall cover (1) the surviving **spouse**, if such **spouse** was a resident in the **named insured's** household at the time of the **named insured's** death, as **named insured**, (2) his/her legal representative as **named insured** but only while within the scope of his/her duties as such, (3) any person having proper temporary custody of an owned automobile, as an **insured**, until the appointment and qualification of such legal representative, and (4) under Part IV any person who was a relative at the time of such death.

**17. Cancellation.** This policy may be canceled by the **named insured** or premium finance company by surrender thereof to the company or any of its authorized agents or by mailing to the company written notice stating when thereafter the cancellation shall be effective.

This policy may be canceled by the company by mailing to the **named insured** at the last mailing address known by the company, written notice stating when thereafter such cancellation shall be effective. If the policy is canceled by the company due to the failure of the **named insured** to discharge when due any of his obligations in connection with the payment or any installment of such premium which is payable to the company or its agent, written notice of cancellation must be mailed at least ten days prior to the effective date of such cancellation. However, if the policy is canceled by the company for any reason other than nonpayment of the premium, written notice of cancellation must be mailed:

- 1, at least sixty days prior to the effective date of cancellation if the policy has been in force for 61 days or more, or
- 2, at least thirty days prior to the effective date of cancellation if the policy has been in force for 60 days or less.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period.

If the policy is cancelled for any cause, earned premium shall be computed pro rata. Premium adjustments may be made either at the time of cancellation is effective or as soon as practicable after cancellation becomes effective, but payments or tender of unearned premium is not a condition of cancellation.

**18. Arbitration. Parts II and III** Any dispute with respect to the coverage and the amount of damages shall be submitted for arbitration to the American Arbitration Association and shall be subject to its rules of the conduct of arbitration hearings as to all matters except medical opinions. As to medical opinions, if the amount of damages being sought is equal to or less than the amount provided for in Section 7-203 of the Illinois Motor

Vehicle Code, then the current American Arbitration Association Rules shall apply. If the amount being sought in an American Arbitration Association case exceeds that amount as set forth in Section 7-203 of the Illinois Motor Vehicle Code, then the Rules of Evidence that apply in the circuit court for placing medical opinions into evidence shall govern. Alternatively, disputes with respect to damages and the coverage shall be determined in the following manner: Upon the **insured** requesting arbitration, each party to the dispute shall select an arbitrator and the 2 arbitrators so named shall select a third arbitrator. 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. In the event of the two selected arbitrators cannot agree upon a third arbitrator either party may petition any Judge in any court of record in the County and State in which the arbitration is pending to select a third arbitrator upon Notice of Motion to the other party or attorney and without the necessity of filing a law suit or serving the other party with process. Any decision made by the arbitrators shall be written and shall be binding for the amount of damages not exceeding \$75,000 for **bodily injury** to or death of any one person \$150,000 for **bodily injury** to or death of 2 or more persons in any one motor vehicle **accident** or the corresponding policy limits under this Part, whichever is less. Arbitrations before a three arbitrator panel shall be subject to the rules of evidence in Illinois courts, except to the extent the use of such rules is modified by the Illinois Insurance Code. Each party shall bear the cost of his/her own arbitrator and shall share equally the cost of the third arbitrator. All arbitration hearings under this policy shall take place in the Illinois County in which the **insured** resides and in accordance with the usual rules governing procedures and admissions of evidence in courts of law of that county and not in accordance with any court mandated arbitration or mediation rules. If the person demanding arbitration does not reside in Illinois, then arbitration shall take place in an Illinois county in which the Company has an office. Any person making claim here under shall answer written question under oath when served by the Company, as well as comply with the Company's request for production of documents supporting that person's claim

**19. Out of State Coverage.** If, under the provisions of the motor vehicle financial responsibility law or the motor vehicle compulsory insurance law or any similar law of **any state** or province, a non-resident is required to maintain insurance with respect to the operation or use of a motor vehicle in such **state** and such insurance requirements specify limits of liability greater than the insurance provided by the policy or require additional coverages not provided by this policy, the limits of the company's liability and kinds of coverage afforded by the policy shall be as set forth in such law, in lieu of the limits and coverages otherwise provided by the policy, but only to the extent required by such law and only with respect to the operation or use of a motor vehicle in such **state** provided the insurance under this provision shall be reduced to the extent there is other valid and collectible insurance under this or any other motor vehicle insurance policy. In no event shall any person be entitled to receive duplicate payments for the same elements of loss. In the event the company is required by operation of law to pay benefits greater than provided by this policy the named insured agrees to reimburse the company all amounts paid in excess of the limits or coverages provided in this policy.

**20. Loss Payee** Loss under this policy shall be payable as their interest may appear to the person or organization named in the Declarations as loss payee, provided this insurance as to such interest for any mortgagee (herein called the lienholder) has not been invalidated by any act or neglect of the insured owner of the owned automobile nor by any change in the title of ownership of the same. Further, that in the event of conversion, embezzlement, or secretion by the insured owner of the owned automobile, interest under the said bailment lease, conditional sale, mortgage or other encumbrance is not covered under this policy unless specifically insured against and premium paid therefore; and provided, also, that in case the named insured has neglected to pay any premium due under this policy, the lienholder has paid the same.

The Company reserves the right to cancel this policy at any time as provided by its terms. In such case the Company shall notify the lienholder and not less than ten (10) days thereafter such cancellation shall be effective as to the interest of said lienholder therein and the Company shall have the right, on like notice, to cancel this agreement.

Should the named insured fail to render Proof of Loss within the time granted in the conditions of this policy, the lienholder shall do so within sixty (60) days thereafter, in the form and the manner as provided by this policy, and further, shall be subject to the provisions of this policy relating to appraisal and time of payment and of bringing suit.

The lienholder shall notify the Company of any change of ownership or increase of hazard which shall come to the knowledge of said lienholder and, if accepted by the Company, it shall be endorsed herein and the lienholder shall, on demand, pay the premium for any such increased hazard for the term of the use thereof; otherwise this policy shall be null and void.

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

The interest of the loss payee is protected by these provisions subject to all terms, conditions, and exclusions contained in this policy, which policy is available to the loss payee upon request.

**21. Declarations.** By acceptance of this policy, the **insured** named in Item 1 of the Declarations agrees that the statements contained in the Application have been made by him/her or on his/her behalf and that said statements and the statements of the Declarations and in any subsequent Application accepted by the Company are offered as an inducement to the Company to issue or continue this policy and that the same are his/her agreements and representations, and that this policy is issued and continued in reliance upon the truth of such statement and representations and that this policy embodies all agreements existing between himself/herself and the Company or any of its agents relating to this insurance. If any person is identified on the Declarations or an amendment thereof in effect at the time of an **accident** as "EXCLUDED", and if the **accident** involves the use or operation of any motor vehicle by the person identified as "EXCLUDED" then, notwithstanding any other provision of this policy or its Declarations or amended Declarations, no coverage of any kind under this policy is owing or payable by the Company to any person with respect to such **accident** and the Company is not obligated to defend any person in any legal action arising out of the **accident**.

**In Witness Whereof**, the Company has caused this policy to be signed by its President; but this policy shall not be valid unless completed by the attachment hereto of a Declarations Page.



PRESIDENT

#### **TO THE INSURED**

**If you have any questions about this policy, contact your producer or Unique Insurance Company, Compliance Department, 7400 N. Caldwell, Niles, IL 60714. (866) 426-8842 or (773) 299-7500**

**If you wish to write the Illinois Department of Insurance, its address is 320 W. Washington, Springfield, IL 62767.**

#### *NOTIFICATION OF INSURANCE PRACTICES*

When you applied to the Company, you gave us some personal information. This notice of our privacy practices is given in accordance with the Federal Fair Credit Reporting Act and state and other privacy laws and is intended to advise you of the nature of personal information we may have or collect and what we do with it.

#### **WHAT KIND OF INFORMATION IS COLLECTED ABOUT YOU**

The Company gets most of its information directly from you. In most cases, the application you complete gives us all the information we need to evaluate you or your property for insurance. Should we need additional information or want to verify information you have given us, we will contact you or your producer by phone or by mail. For example, with auto insurance, we may obtain a record of accidents, violations and convictions from the State or through commercial sources. In some instances we may request medical information.

We may get information by personal contact or by phone, interviews or by writing your family, employers or insurance agents or other insurance organizations or insurance companies to which you have applied for insurance. On occasion we may ask you to sign an authorization for us to proceed.

In some instances, we will have your insurance agent contact the sources described above to get the additional information we need. However, it is common for an insurance company to ask an independent source to help it verify information and add to information given on an application. We may use consumer reporting agencies as sources of information.

Reports of such agencies are used to help the Company decide if you qualify for the insurance for which you applied. Those agencies may obtain information about you in the same way that we would. They may contact persons you know. If the agency prepares a report on you, it may deal with your mode of living, character, general reputation and personal characteristics, such as health, job and finances. When applicable, such a report could also have information about your marital status, driving record, job duties, drug or alcohol use, dangerous sport activities or any official record of criminal activity.

The information we receive about you will be treated in the same confidential manner in which we treat the information you gave us on your application. However, the information collected by the agency may be retained by them and later shared with others who use these reports. It will be given to others only to the extent permitted by the Federal Fair Credit Reporting Act and other applicable law. You may ask us to view any outside report we have obtained about you.

#### **WHAT WE DO WITH THE INFORMATION ABOUT YOU**

Information about you will be kept in our policy records. We will refer to and use that information for purposes related to issuing and servicing insurance policies and handling claims. Without your prior authorization, we may, as permitted by law, share information about you contained in our files with certain persons or organizations. The types of persons or organizations with which we may share information include:

1. your producer,
2. adjusters, appraisers, investigators and attorneys,
3. persons or organizations that need the information to perform a business, professional or insurance function for us,
4. other insurance companies' agents or consumer reporting agencies as it is needed in connection with any application, policy or claim involving you,
5. an insurance-support organization which is established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims,
6. a medical professional concerning injuries or medical conditions insofar as they may relate to underwriting or claim decisions,
7. to companies affiliated with the Company,
8. to a court or governmental organization or in response to a subpoena.

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