

BEAR RIVER MUTUAL INSURANCE COMPANY

Car Owner Policy

Non-Assessable

UTAH



**THIS POLICY IS FOR THOSE WHO NEVER
USE OR CONSUME ALCOHOL, ILLEGAL DRUGS
OR ILLEGAL SUBSTANCES**

Bear River Mutual Insurance Company is the oldest, non-profit property and casualty mutual insurance company incorporated in the State of Utah. Please read your policy to make certain you understand the coverage that it provides.

Bear River Mutual Insurance Company
778 E. Winchester Street (6600 South)
PO Box 571310
Murray, UT 84157-1310

The contractual obligations of this policy are assumed by the Insured(s) described in the policy and by Bear River Mutual Insurance Company.

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WARRANTIES AND DECLARATIONS

BEAR RIVER MUTUAL INSURANCE COMPANY agrees to insure **you** according to the terms of this policy based:

1. on **your** payment of premium for the coverages **you** chose;
2. in reliance on **your** statements in these Warranties and Declarations;
3. in reliance on **your** statements on the Declaration page of the policy; and
4. in reliance on **your** statements in all forms submitted in support of the Automobile Insurance Application.

YOU AGREE AND WARRANT, by acceptance of this policy, that:

1. the statements in these Warranties and Declarations, on the Declaration page of the policy, and in **your** Automobile Insurance Application are **your** statements and are true;
2. **we** insure **you** on the basis that **your** statements are true;
3. this policy contains all of the agreements between **you** and **us** or any of **our** agents;
4. this policy is for those who never use or consume any alcohol;
5. this policy is for those who never use or consume any illegal drugs or illegal substances; and

6. **your covered car** will not be operated by a **person** who has consumed any alcohol or any illegal drug or illegal substance.

YOU FURTHER AGREE AND WARRANT:

1. **Ownership.** **You** are the sole owner of **your car**.
2. **Insurance and License History.** Neither **you** nor any member of **your** household in the past 3 years has had:
 - a. **car** insurance canceled by an insurer, unless it is revealed and appears in the Automobile Insurance Application; or
 - b. a license to drive suspended, revoked or refused; or
 - c. a **car** registration suspended, revoked or refused.
3. **Alcohol and Drugs.** Neither **you**, nor any member of **your** household, within the past three years, has used or consumed any alcohol or alcoholic beverages or has used or consumed any illegal drug or has used or consumed any illegal substance. You agree that as long as we insure you, neither you nor any member of your household will ever use or consume any alcohol or alcoholic beverage or any illegal drug or substance. Furthermore, you agree that you will not allow a car insured herein to be operated by anyone who has used or consumed any alcohol, alcoholic beverage, or any illegal drug or illegal substance.
4. **Application.** The statements in the Automobile Insurance Application and supporting documents are true.

AGREEMENT

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

DEFINITIONS

The following words and phrases are used throughout the policy. They are **bolded** in the policy to help you identify them.

1. **Auto, Automobile, Car, or Motor vehicle:** means every self-propelled vehicle that is designed for use upon a highway, including trailers and semi-trailers designed for use with other motorized vehicles.
 - a. An “**auto**,” “**automobile**,” “**car**” or “**motor vehicle**” does not include traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers, and every vehicle that is propelled by electric power obtained from overhead wires but not operated upon rails.
2. **Auto Business, Car Business or Motor Vehicle Business:** means a **motor vehicle** sales agency, repair shop, service station, storage garage, or public parking place.
3. **Bodily injury:** means physical bodily harm, sickness, disease or death.
4. **Business:** means any commercial activity for gain or livelihood.
5. **Car, Auto, Automobile, or Motor Vehicle –** See “Auto” above.
6. **Covered car** means:
 - a. any **car** shown on the Declaration page for which a specific premium has been paid for coverage;
 - b. a **newly acquired car**;
 - c. a **temporary substitute car**;
 - d. a **trailer** you own, which is shown on the Declaration page, and for which a specific premium has been paid for coverage.

Covered car does not include a **car** that has been sold or is subject to a contract to sell, oral or written. This exclusion applies whether title has been transferred or the purchase price has been paid by the purchaser.

A **covered car** does not include a rented **car** while it is used in connection with a **covered person’s** employment or business.
7. **Covered person:** means the **person, persons** or organization defined as “**covered persons**” in the specific coverage.

The use of a **covered car** has to be within the scope of permission of the owner or person in lawful possession. Any vehicle which does not meet the definition of a **car** as defined in the definition portion of this policy is not a **covered car**.
8. **Family member:** means a **person** related to the named **insured** by blood, marriage, adoption or guardianship who is a resident of the named **insured’s** household, including those who usually make their home in the same household but temporarily live elsewhere.
9. **Insured:** means the **person, persons** or organization referred to as “named **insured**” on the Declaration page.
10. **Motor Vehicle, Auto, Automobile, or Car –** See “Auto” above.
11. **Motorcycle:** means a **motor vehicle** having a saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground.
12. **Newly acquired car:** means a **car** acquired by **you** or **your spouse** during the policy period, provided it is a private passenger **car** and **we** insure all other **cars** owned by **you** and **your spouse** on the date of delivery to **you** or **your spouse**. A newly acquired car does not include a **motorcycle**.
 - a. If the **newly acquired car** replaces a vehicle shown in the Declarations, it will have the same coverage as the car it replaces. You must ask us to insure it within 14 days after you become the owner;
 - b. If the **newly acquired car** is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 14 days after you become the owner. A newly acquired auto will have the broadest coverage we now provide for any vehicle shown in the Declarations.

Coverage begins on the date you become the owner.

- c. If a loss occurs and the Declarations does not show **collision** or **comprehensive** coverage on any vehicle, **collision** and **comprehensive** coverage will be provided to your **newly acquired car** for a period of 4 days from the date you become the owner, subject to a \$500.00 deductible.

13. **Non-owned car:** means a **car** not:

- a. owned by, registered in the name of, or leased by **you** or **your spouse** or a person living in **your** household or any **family member**;
- b. furnished or available for the frequent use of **you** or **your** spouse or a **person** living in **your** household or any **family member**;
- c. used for **business** purposes.

Non-owned car includes a:

- a. rental car, provided that such car is rented on a daily or weekly basis, not to exceed 21 consecutive days.

Non-owned car does not include a:

- a. rented car which has been operated, rented, or in the possession of a **covered person** in excess of 21 consecutive days;
- b. rented car while it is used in connection with a business purpose;
- c. **car** with a gross vehicle weight in excess of 12,000 pounds.
- d. motorcycle.

A **non-owned car** must be a **car** in the lawful possession of the person operating it. The use of a **non-owned car** has to be within the scope of permission of the owner of the **car**.

Any vehicle which does not meet the definition of a **car** as defined in the definition portion of this policy is not a **non-owned car**.

14. **Occupying:** means being in or on a **car** as a passenger or operator, or being engaged in the immediate act of entering, boarding, or alighting from a **car**.

15. **Owned if Leased:** for purposes of this policy, a **car** shall be deemed to be owned by a **person** if leased;

- a. under a written agreement to that **person**; and
- b. for a continuous period of at least 6 months.

16. **Pedestrian:** means any natural person not **occupying** a car.

17. **Person:** means human being.

18. **Spouse:** means **your** husband or wife while living with **you**.

19. **Temporary substitute car:** means a **car** not owned by **you** or **your spouse**, or any **family member** and not available for the regular use of **you**, **your spouse** or a **family member**, if it replaces **your car** for a short time. Its use has to be with the permission of the owner. **Your car** has to be out of use due to its breakdown, repair, servicing, damage or loss.

A **temporary substitute car** does not include a **motorcycle**.

A **car** with a gross vehicle weight in excess of 12,000 pounds is not a **temporary substitute car**.

A **temporary substitute car** is not considered a **non-owned car**.

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

- a. **car**; or
- b. pickup truck, panel truck, or van.
- c. It also means a farm wagon or farm implement while towed by a **car** listed in a. or b. above.

21. **“We”, “Us”, “Our” or “Company”** refer to Bear River Mutual Insurance **Company**.

22. **“You” or “Your”** means the named insured shown on the Declaration page and **your spouse** if, a resident of the same household.

PART A – LIABILITY COVERAGE

Insuring Agreement

We will pay damages for **bodily injury** or property damage for which a **covered person** becomes legally responsible because of a **car** accident covered under this policy. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. **We** will hire attorneys, of **our** choosing, to defend any suit against a **covered person** seeking damages covered under this policy. **We** have no duty to defend any suit or settle any claim for **bodily injury** or property damage not covered under this policy.

In addition to **our** limits of liability, **we** pay for all defense costs for attorneys hired by **us**. **Our** duty to defend in any litigation ends when the applicable limits of liability have been paid as provided for in the policy for the accident which is the basis of the lawsuit.

COVERED PERSON as used in this part means:

1. **you** or any **family member** for the ownership, maintenance or use of **your covered car, a non-owned car, a temporary substitute car, or a newly acquired car**;
2. any other **person** using **your covered car** if the use is within the scope of permission of **you** or **your spouse**;
3. any other **person** who is liable for the use of **your covered car** by a **covered person**.

Supplementary Payments

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

1. up to \$250.00 for the cost of bail bonds required because of an accident which results in **bodily injury** or property damage covered under this policy;
2. premiums on appeal bonds and bonds to release attachments in any suit **we** defend; and
3. interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** tender into court to

pay that part of the judgement which does not exceed **our** limit of liability for this coverage; and

4. up to \$200.00 a day for loss of earnings, but not other losses, because of **your** attendance at hearings or trials at **our** request; and
5. other reasonable travel expenses such as lodging, meals and transportation incurred at **our** request for travel beyond 50 miles from **your** residence because of attendance at hearings or trials.

Exclusions to Part A – Liability Coverage, Insuring Agreement

WE DO NOT PROVIDE LIABILITY COVERAGE FOR PROPERTY DAMAGE OR BODILY INJURY:

1. which may be reasonably expected to result from the intentional or criminal acts of the **insured** or which, in fact, is intended by the **insured person**;
2. to any property, owned by, rented to, in charge of or transported by a **covered person**;
3. under any workers' compensation law;
4. to an employee of the named **insured**, other than a domestic employee, while engaged in the employment of the **insured**, or to a fellow employee while engaged in the operation, maintenance, or repair of a **covered car**;
5. for any damages for which the United States, or its employees or any of its agencies, including their employees, might be liable for the **covered person's** use of any **car**;
6. for liability assumed by the **covered person** under any contract or agreement;
7. for liability arising out of the ownership or operation of a **car** while it is being used to carry **persons** or property for any fee or a charge. This exclusion does not apply to a "share-the-expense" **car** pool;

8. while employed or otherwise engaged in the **business** or occupation of:

- a. selling,
- b. repairing,
- c. servicing,
- d. storing,
- e. parking

cars designed for use mainly on public highways. This excludes road testing and delivery. This exclusion does not apply to the ownership, maintenance or use of **your covered car** by:

- a. **you**;
- b. any **family member**;

9. while maintaining or using any **car** while any **person** is employed or otherwise engaged in any **business** or occupation not described in Exclusion 8. This exclusion does not apply to the maintenance or use of:

- a. a **car** that **you** own; or
- b. a **trailer** used with a **car** described in 9a.

10. using a **car**:

- a. without the permission of **you** or **your spouse**;
- b. with permission but the use is beyond the scope of permission of **you** or **your spouse**.

11. for **bodily injury** or property damage for which a **person**:

- a. is an **insured** under a nuclear energy liability policy; or
- b. would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

- a. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

12. maintaining or using any **non-owned car** in **business**.

13. for punitive or exemplary damages.

14. for any **loss** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity.

WE DO NOT PROVIDE LIABILITY COVERAGE FOR THE OWNERSHIP, MAINTENANCE OR USE OF:

- 1. any motorized vehicle having less than four wheels;
- 2. any **car**, other than **your covered car** which is:
 - a. furnished or available for **your** regular or frequent use; or
 - b. furnished or available for the regular or frequent use of any **family member**; or
 - c. owned by **you** or any **family member**, but not described as a **covered car**.
- 3. a **car** that has been sold or is subject to a contract to sell, oral or written, provided that the purchaser is in possession of the **car**. This exclusion applies whether title has been transferred or the purchase price has been paid by purchaser.

Limits of Liability

The limit of liability shown on the Declaration page for "**Bodily Injury Each Person**" is the maximum limit for all damages we will pay for **Bodily Injury** sustained by any person. **Bodily Injury** includes injury sustained by a person as well as all consequential and derivative claims to or by others including emotional, physical, loss of relationship, society, service, consortium, wrongful death and all similar claims for injury or damage.

The limit of liability shown on the Declaration page for "**Bodily Injury Each Accident**" is the maximum limit of damages we will pay for all damages for **bodily injury** resulting from any **car** accident.

The limit of liability shown on the Declaration page for "Property Damage Each Accident" is the maximum limit of liability for all damages to all property resulting from any **car** accident. This is the most **we** will pay for any **car** accident regardless of the number of:

- 1. **covered persons**;
- 2. claims made;
- 3. **cars** or premiums shown in the Declarations;
- 4. **cars** involved in the **car** accident.

Reduction of Coverage Limits for the Operation of a Covered Car By Those Who Use Alcohol, Illegal Drugs or Illegal Substances

We provide *reduced car* liability coverage for any **person** who operates a **car** after having consumed *any* alcohol, alcoholic beverage, illegal drug or illegal substance. The limits of liability coverage is not that coverage set forth on the Declaration page (if greater), but is the minimum insurance limit provided for in Utah Code Annotated §31A-22-304.

The minimum limits for liability coverage required by Utah Code Annotated §31A-22-304 and which apply to any **covered person** who operates a **car**, or allows a **covered car** to be operated, after having consumed *any* alcohol or alcoholic beverage, or after having consumed any illegal drug or substance are as follows:

1. \$25,000 because of liability for **bodily injury** to or death of one **person**, arising out of the use of a **car** in any one accident;
2. subject to the limit for one **person** in subsection (a), in the amount of \$50,000 because of liability for **bodily injury** to or death of two or more **persons** arising out of the use of a **car** in any one accident; and
3. in the amount of \$15,000 because of liability for injury to, or destruction of, property of others arising out of the use of a **car** in any one accident.

Out of State Coverage

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

If the state or Canada has:

1. a financial responsibility or similar law specifying minimum limits of liability for **bodily injury** or property damage higher than the limit shown on the Declaration page, **your** policy will provide the higher specified minimum limit;
2. a compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a **car** in that state or Canada, **your** policy will provide at least the required minimum amounts and types of coverage.

No one will be entitled to a duplication of payments for the same elements of loss.

Financial Responsibility Required

When certified under any law as proof of financial responsibility, and while required during the policy period, this policy shall comply with such law to the extent required.

Other Insurance

If there is other applicable liability insurance **we** will pay only **our** share of the loss. **Our** share under this policy is the amount computed under the applicable paragraph below.

However, any insurance **we** provide for a **car you** do not own shall be excess over other collectible insurance.

IF THERE IS OTHER LIABILITY COVERAGE:

1. Policies issued by us to you:

If two or more **car** liability policies issued by **us** to **you** apply to the same accident, the total limits of liability under all such policies shall not exceed that of the policy with the highest limit of liability.

2. Other Coverage Available from Other Sources:

If other liability coverage applies, **we** are liable only for **our** share of the damages. **Our** share is the percent that the limit of liability of this policy bears to the total of all liability coverage applicable to the accident.

3. Temporary substitute car, Non-owned car, Trailer or Rental Car:

If a **temporary substitute car**, a **non-owned car**, **rental car** or trailer designed for use with a **private passenger car** or utility car has other liability coverage which applies in whole or in part as primary, excess or contingent coverage, then this coverage is excess over other liability coverage. **We** do not contribute under this policy to any loss where:

- a. the **car** or **trailer** is owned by any **person** or organization in the **car business**; and

- b. a non-owned or rental **car** is maintained or used in any **business** or **business** pursuits or **business** activity, including salespersons and employees who are using or who have rented a **car** in connection with their livelihood.

4. **Newly-Acquired Car:**

This coverage does not apply if there is other **car** liability coverage on a **newly-acquired car**.

PART B – PERSONAL INJURY PROTECTION COVERAGES

Insuring Agreement

We will pay, subject to the definitions, limitations, exclusions and restrictions set forth in this section of the policy, personal injury protection benefits that are reasonable and necessary to, or on behalf of, **persons** entitled to receive personal injury protection benefits for:

1. medical expenses;
2. work loss;
3. funeral expenses;
4. survivor loss; and
5. loss of services allowance

with respect to **bodily injury** and damage caused by an accident.

The personal injury protection coverages and benefits as set forth herein, are paid according to and governed by Utah law.

Persons Entitled to Personal Injury Protection Benefits

THE FOLLOWING PERSONS ARE ENTITLED TO RECEIVE PERSONAL INJURY PROTECTION BENEFITS:

1. the named **insured** when injured in an accident involving any **motor vehicle**, except where the injury is the result of the use or operation of the named **insured's** own **motor vehicle** not actually **insured** under this policy;
2. **family members** related to the **insured** by blood, marriage, adoption, or guardianship who are residents of the named **insured's** household, including those who usually make their home in the same household but temporarily live elsewhere, when injured in an accident involving any **motor vehicle**, except where the **family member** is injured as a result of the use or operation of the

named insured's **motor vehicle** or is injured as a result of the use or operation of a **motor vehicle** owned by or furnished for the regular use of the named **insured** or **family member** and not **insured** under this policy;

3. any other natural **person** whose injuries arise out of an **automobile** accident occurring while the **person** occupies a **motor vehicle** described in the policy with the express or implied consent of the named **insured** or while a pedestrian if injured in an accident involving the described **covered car**.

Medical Expenses

We will pay the reasonable value of expenses incurred by **persons** entitled to personal injury protection benefits under this policy for necessary medical, surgical, X-ray, dental, rehabilitation, including prosthetic devices, ambulance, hospital, and nursing services not to exceed a total of \$3,000.00 per **person**, unless additional medical protection or payments are provided for on the Declaration page.

The medical expenses must be incurred within three years of the date of the accident to be payable.

Work Loss

We will pay **persons** entitled to personal injury protection benefits under this policy the lesser of \$250.00 per week or 85% of any loss of gross income and loss of earning capacity per **person** from inability to work, for a maximum of 52 consecutive weeks after the loss, except that this benefit need not be paid for the first three days of disability, unless the disability continues for longer than two consecutive weeks after the date of injury;

The maximum amount payable for work loss is 85% of any loss of gross income and earning capacity, not to exceed the total of \$250.00 per week.

Funeral Expenses

We will pay funeral expenses on account of the death of a **person** entitled to personal injury protection benefits under this policy.

The amount payable for funeral, burial, or cremation expenses will not exceed a total of \$1,500.00 per **person**.

Survivor Loss

We will pay compensation on account of the death of a **person** entitled to personal injury protection benefits under this policy.

The maximum amount payable for survivor loss is \$3,000.00 and is payable only to natural **persons** who are the heirs of the **person** or to the personal representative of the estate of the **person** entitled to personal injury protection benefits under this policy.

Loss of Service Allowance

We will pay a special damage allowance for **persons** entitled to personal injury protection benefits under this policy resulting from an inability to perform household services, not exceeding \$20.00 per day for a maximum of 365 days, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured **person** would have performed for his household. This benefit will not be paid for the first three days after the date of injury, unless the **person's** inability to perform these services continues for more than two consecutive weeks.

Personal Injury Payments and Limits of Liability

Regardless of the number of **persons insured**, policies or bonds applicable, claims made, or **insured cars** to which this coverage applies, the **Company's** liability for personal injury protection benefits with respect to **bodily injury** sustained by any one **person** entitled to personal injury protection benefits in any one **car** accident, is limited except and unless additional protection is purchased or provided for by statute as follows:

Medical Payments: The maximum amount payable for medical expenses shall not exceed \$3,000.00;

Work Loss: The maximum amount payable for work loss is 85% of any loss of gross income and earning capacity, not to exceed the total of \$250.00 per week;

Loss of Service Allowance: The maximum amount payable for loss of service allowance shall not exceed \$20.00 per day, for a maximum of 365 days.

Funeral Expenses: The maximum amount payable for funeral expenses shall not exceed \$1,500.00;

Survivor Loss: - The amount payable for survivor loss is \$3,000.00 and is payable only to natural **persons** who are the heirs of the **covered person** or to the personal representative of the estate of the **covered person** entitled to personal injury protection benefits under this policy.

Definitions

The following phrases and words are defined in this section as follows:

1. **Pedestrian:** means a **person** not **occupying** or riding upon a **car**. Any **person** riding, **occupying** or upon a **motorcycle** is not a pedestrian;
2. **Reasonable:** means usual, customary and necessary charges or services for a covered loss, consistent with recognized standards, practices, guidelines and technologies.
3. **Unreasonable medical expenses:** are fees for medical services which are higher than the usual and customary charges for those services.
4. **Unnecessary medical expenses:** are fees for medical services which are not usually and customarily performed for treatment of the injury, including fees for an excessive number, amount, or duration of medical services.

All other definitions apply.

Exclusions

Personal Injury Protection coverage does not apply:

1. for any injury sustained by a **covered person** while **occupying** a **car** owned by or furnished for the regular use of a **covered person** or a resident **family member** of the **covered person** and not **insured** under this policy;
2. for any injury sustained by any **person** while operating the **insured car** without the express or implied permission of the **insured**

or while not in lawful possession of the **insured car**;

3. to any injured **person**, if the **person's** conduct contributed to his injury:
 - a. by intentionally causing injury to himself; or
 - b. while committing a felony;
4. for any injury sustained by any **person** arising out of the use of any **car** while located for use as a residence or premises;
5. for any 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;
6. for any injury resulting from the radioactive, toxic, explosive, or other hazardous properties of nuclear materials;
7. to owners and operators of **motorcycles, trailers** or semi-trailers in connection with injuries incurred while **occupying** or operating any of these vehicles.

Policy Period, Territory, Other Limits of Liability and Special Provisions

Personal Injury Protection coverage applies only to accidents which occur during the policy period in this state, the United States, its territories or possessions, or Canada, except if a **car** accident to which this policy applies occurs outside of Utah, (but is within the United States and Canada), **our** limits of personal injury protection benefits under **your** policy for that accident are as follows:

1. If the state, (outside of Utah) or Canada, has:
 - a. a personal injury protection or similar law specifying limits higher than that in the declaration page of this policy, this policy will provide the higher specified limit;
 - b. compulsory personal injury protection insurance or similar law requiring a non-resident to maintain personal injury protection insurance, whenever the non-resident uses a **car** in that state or Canada, **your** policy will provide at least the required minimum amounts and types of coverage;
 - c. no compulsory personal injury protection insurance or similar law requiring a non-resident to maintain insurance, whenever the **insured** uses a **car** in that state or Canada, **your** policy does not provide for

any benefits under Part B, Personal Injury Coverage, to **non-residents** of the State of Utah except for medical expenses under this section, not to exceed \$3,000.00;

- d. no compulsory personal injury protection insurance or similar law requiring a non-resident to maintain insurance in that state or Canada, **your** policy does not provide benefits under this section to residents of the State of Utah who are not **family members** in any amount in excess of the \$3,000.00 as provided for this type of coverage in the State of Utah.

Reduction of Personal Injury Protection Benefits

THE BENEFITS PAYABLE TO ANY PERSON ENTITLED TO RECEIVE PERSONAL INJURY PROTECTION BENEFITS ARE REDUCED BY:

1. any benefits which that **person** receives or is entitled to receive as a result of an accident covered by any workers' compensation or similar statutory plan; and
2. any amounts which that **person** receives or is entitled to receive from the United States or any of its agencies because that **person** is on active duty in the military service.

Reduction of Coverage Limits for Those Who Use Alcohol, Illegal Drugs or Illegal Substances

We provide reduced personal injury protection coverage for any **person** who operates a **car** after having consumed *any* alcohol, alcoholic beverage, illegal drug or illegal substance. The limits of personal injury protection coverage is not that coverage set forth on the Declaration page (if greater), but is the minimum insurance limit provided for in Utah Code Annotated §31A-22-307.

The minimum limits for personal injury protection coverage required by Utah Code Annotated §31A-22-307 and which apply to any **covered person** who operates a **car**, or allows a **covered car** to be operated by a **person** who has consumed *any* alcohol or alcoholic beverage, or after having consumed any illegal drug or substance are as follows:

1. the reasonable value of all expenses for necessary medical, surgical, X-ray, dental rehabilitation, including prosthetic devices,

ambulance, hospital, and nursing services, not to exceed a total of \$3,000 per **person**;

2. the lesser of \$250 per week or 85% or any loss of gross income and loss of earning capacity per **person** from inability to work, for a maximum of 52 consecutive weeks after the loss, except that this benefit need not be paid for the first three days of disability, unless the disability continues for longer than two consecutive weeks after the date of injury;
3. a special damage allowance not exceeding \$20 per day for a maximum of 365 days, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured **person** would have performed for their household except that this benefit need not be paid for the first three days after the date of injury unless the **person's** inability to perform these services continues for more than two consecutive weeks;
4. funeral, burial, or cremation benefits not to exceed a total of \$1,500 per person; and
5. compensation on account of death of a person, payable to their heirs, in the total of \$3,000.

Reimbursement of Personal Injury Protection Benefits

Where a **covered person** under this policy is or would be held legally liable for the personal injuries sustained by any **person** to whom benefits required under personal injury protection provisions of this policy have been paid by another insurer, including the Worker's Compensation Fund of Utah, the insurer of the **person** who would be held legally liable, shall reimburse the other insurer for the payment as provided herein, but not in excess of the amount of damages recoverable; that the issue of liability for that reimbursement and its amount shall be decided by mandatory, binding arbitration between the two insurers.

Unreasonable and Unnecessary Expenses

If the **covered person** incurs medical expenses, which are unreasonable or unnecessary, **we** may refuse to pay for those medical expenses and contest them.

1. **Unreasonable medical expenses** are fees for medical services which are higher than the usual and customary charges for those services.
2. **Unnecessary medical expenses** are fees for medical services which are not usually and customarily performed for treatment of the injury, including fees for an excessive number, amount, or duration of medical services.
3. If a **covered person** is sued by a medical service provider because **we** refuse to pay medical expenses which **we** believe are unreasonable or unnecessary, **we** will pay the defense costs and any resulting judgment up to the coverage limits for personal injury protection benefits as set forth on the declaration sheet against the **covered person**. **We** have the right to hire attorneys, of **our** choosing, to defend any suit against a **covered person** seeking these damages. **We** have no duty to defend any suit asking for payment of medical expenses **we** have not refused to pay. The **covered person** must cooperate with **us** in the defense of any claim, demand or lawsuit. **We** will pay up to a maximum of \$200.00 a day for loss of earnings, but not other losses, because of **your** attendance at hearings or trials which **we** require and we will pay other reasonable travel expenses such as lodging, meals and transportation incurred at our request for travel beyond 50 miles from your residence because of attendance at hearings or trials.

Special Conditions if Law is Declared Invalid

The premium for the policy is based on rates which have been established in reliance upon the limitations on the right to recover for damages imposed by the provisions of the Utah's Financial Responsibility of Owners and Operator's Act. In the event a court of competent jurisdiction declares or enters a judgment, the effect of which is to render the provisions of such act invalid or unenforceable in whole or in part, the **Company** shall have the right to recompute the premium payable for the policy and the provisions of this endorsement shall be voidable or subject to amendment at the option of the **Company**.

Non-Duplication of Benefits, Limits of Liability and Conditions of Other Insurance Under our Personal Injury Protection

1. No eligible injured **person** shall recover or receive duplicate benefits for the same elements of loss under this or any similar insurance.
2. If an **insured** sustains **bodily injury** while **occupying** a **car** not owned by **you, your spouse** or any **family member**, this coverage applies:
 - a. as excess to any personal injury protection coverage which applies to the use of the **car** as primary coverage, but only in an amount by which it exceeds the primary coverage.
3. If coverage under more than one policy applies as excess:
 - a. the total maximum recovery, liability or benefit payable shall not exceed the difference between the limit of liability that applies as primary insurance, and the maximum recovery, liability or benefit that applies from any one of the coverages that apply as excess; and

- b. **we** are liable only for **our** share of the loss or damage. **Our** share is the percent of damages, loss, or benefits that the limits of this policy bear to the total applicable limits of all **personal** injury protection coverage.
4. Except as provided for in the proceeding paragraphs, 1 and 2, if an **insured** sustains **bodily injury** as a pedestrian or sustains **bodily injury** while **occupying your covered car**, and if two or more policies are liable to pay no-fault or personal injury protection benefits or provide similar coverage involving the use of an **automobile**:
 - a. the total limits of liability or benefits under all such coverages shall not exceed the coverage or benefits of the policy which has the highest limit of liability; and
 - b. **we** are liable only for **our** share of the loss or damage. **Our** share is that percent of the damages that the limit of liability of this coverage bears to the total of all personal injury benefits coverage applicable to the accident.

PART C1 – UNINSURED MOTORIST COVERAGE

Definitions

The following phrases and words are defined in this section as follows:

1. As used in this section “**covered persons**” includes:
 - a. the named **insured**;
 - b. **persons** related to the named **insured** by blood, marriage, adoption, or guardianship, who are residents of the named **insured’s** household, including those who usually make their home in the same household, but temporarily live elsewhere;
 - c. any **person occupying** or using a **motor vehicle** referred to in the policy;
 - d. any **person** who is entitled to recover damages against the owner or operator of the uninsured **motor vehicle** because

of **bodily injury** to or death of persons under 1a, b or c, above.

2. As used in this section, an “uninsured **motor vehicle**” means:
 - a. a **motor vehicle**, the operation, maintenance, or use of which is not covered under a liability policy at the time of an injury-causing occurrence;
 - b. a **motor vehicle** covered with lower liability limits than required by Utah Code Annotated §31A-22-304. The minimum required limits are \$25,000 for each person and \$50,000 for each accident. This vehicle is only uninsured to the extent of the deficiency;
 - c. an unidentified **motor vehicle** that left the scene of an accident proximately caused by the **motor vehicle** operator. The existence of the unidentified **motor vehicle**, the fact that the unidentified **motor vehicle** left the scene of the

accident and that the unidentified **motor vehicle** proximately caused the accident must be established by clear and convincing evidence, which consists of more than the covered **person's** testimony;

- d. an **insured motor vehicle** covered by a liability policy, but coverage for an accident is disputed by the liability insurer for more than 60 days or continues to be disputed for more than 60 days; or
- e. an **insured motor vehicle** if, before or after the accident, the liability insurer of the **motor vehicle** is declared insolvent by a court of competent jurisdiction. The **motor vehicle** described in this section is uninsured only to the extent that the claim against the insolvent insurer is not paid by a guaranty association or fund.

However, "Uninsured Motor Vehicle" Does Not Include any motor vehicle:

- 1. owned by or furnished or available for the regular use of **you** or any **family member**;
- 2. owned or operated by a self-insurer under any applicable automobile liability insurance law;
- 3. owned by any governmental unit or agency;
- 4. operated on rails or crawler treads;
- 5. designed mainly for use off public roads while not on public roads;
- 6. while located for use as a residence or premises.
- 7. As used in this section, "**inter-policy stacking**" means recovering benefits for a single incident of loss under more than one insurance policy.

All other definitions apply.

Insuring Agreement

Uninsured motorist coverage provides coverage for covered persons who are legally entitled to recover damages from owners or operators of uninsured **motor vehicles** because of **bodily injury**, sickness, disease, or death, subject to the limits set forth on the Declaration page and subject to the limits of liability, exclusions and limitations set forth in this section.

Uninsured motorist coverage under this section applies to **bodily injury**, sickness, disease or death of **covered persons** while **occupying** or using a **motor vehicle** only if the **motor vehicle** is described in the policy under which a claim is made, or if the **motor vehicle** is a **newly acquired** or **temporary substitute car** covered under the terms of this policy.

Any judgment for damages arising out of a suit brought without **our** written permission is not binding on **us**.

Persons Entitled to Additional Uninsured Motorist Coverage

Each of the following persons may recover uninsured motorist benefits under any **one** other policy in which they are described as a "covered person";

- 1. a **covered person** injured as a **pedestrian** by an uninsured **motor vehicle**;
- 2. a **covered person** injured while **occupying** or using a **motor vehicle** that is not owned, furnished, or available for the regular use of the **covered person**, the **covered person's spouse**, or the **covered person's** resident relative.

Limitations

Uninsured motorist coverage:

- 1. is secondary to any benefits provided by any Workers' Compensation Act;
- 2. may not be subrogated by a Workers' Compensation insurance carrier;
- 3. may not be reduced by any benefits provided by Workers' Compensation insurance;
- 4. may be reduced by health insurance subrogation only after the **covered person** has been made whole;
- 5. may not be collected for **bodily injury** or death sustained by a **person**:
 - a. while committing a violation of Utah Code Annotated §41-1a-1314. This provision of Utah law makes it a misdemeanor for a person to exercise unauthorized control over a **motor vehicle** that is not his own, without the consent of the owner or lawful custodian and with the intent to temporarily deprive the owner or lawful

custodian of possession of the **motor vehicle**.

- b. who, as a passenger in a **vehicle**, has knowledge that the **vehicle** is being operated in violation of §41-1a-1314. This provision of Utah law makes it a misdemeanor for a person to exercise unauthorized control over a **motor vehicle** that is not his own, without the consent of the owner or lawful custodian and with the intent to temporarily deprive the owner or lawful custodian of possession of the **motor vehicle**.
- c. while committing a felony.

6. a **covered person's** recovery under any available policy may not exceed the full amount of damages.

Exclusions

We do not provide Uninsured Motorist Coverage for **bodily injury** sustained by any **person**:

1. while **occupying**, or when struck by, any **motor vehicle** owned by **you** or any **family member** which is not **insured** for this coverage under this policy. This includes a **trailer** of any type used with that **motor vehicle**;
2. for any **covered person** who, without written permission from the **Company**, settles with any **person** or organization who may be liable for **bodily injury**;
3. while **occupying your covered motor vehicle** when it is being used to carry **persons** or property for a fee. This exclusion does not apply to a "share-the-expense" **motor vehicle**;
4. using a **motor vehicle** without permission or a reasonable belief that the **person** is entitled to do so or its use is beyond the permission of **you** or **your spouse**;
5. while **occupying a motorcycle**.

Limits of Liability

The limit of liability shown on the Declaration page for "Uninsured Motorist Each **Person**" is the maximum limit for all damages we will pay for **Bodily Injury** sustained by any person. **Bodily Injury** includes injury sustained by a person as well as all consequential and derivative claims to or by others including emotional, physical, loss of relationship,

society, service, consortium, wrongful death and all similar claims for injury or damage.

The limit of liability shown on the Declaration page for "Uninsured Motorist Each Accident" is the maximum limit of damages we will pay for all damages for **bodily injury** resulting from any **car** accident. This is the most **we** will pay for any **car** accident regardless of the number of:

1. **covered persons**;
2. claims made;
3. **cars** or premiums shown in the Declarations;
4. **cars** involved in the accident.

A **car** and trailer are considered one unit for the limits described herein.

REDUCTION OF COVERAGE LIMITS FOR THOSE WHO USE ALCOHOL, ILLEGAL DRUGS OR ILLEGAL SUBSTANCES

We provide *reduced* uninsured motorist coverage for any **person** who operates a **motor vehicle** after having consumed *any* alcohol, alcoholic beverage, illegal drug or illegal substance. The limits of liability coverage is not that coverage set forth on the Declaration page (if greater), but is the minimum insurance limit provided for in Utah Code Annotated §31A-22-305(4)(b)(i).

The minimum limits for uninsured motorist coverage required by Utah Code Annotated §31A-22-305(4)(b)(i) and which apply to any **covered person** who operates a **car**, or allows a **covered car** to be operated by anyone after having consumed *any* alcohol or alcoholic beverage, or after having consumed any illegal drug or substance are as follows:

1. \$25,000 because of liability for **bodily injury** to or death of one **person**, arising out of the use of a **motor vehicle** in any one accident;
2. subject to the limit for one **person** in Subsection (a), in the amount of \$50,000 because of liability for **bodily injury** to or death of two or more **persons** arising out of the use of a **motor vehicle** in any one accident.

Non-Duplication of Benefits, Limits of Liability and Conditions of Other Insurance Under Our Uninsured Motorist Coverage

Except as expressly provided herein, a **covered person** injured in a **motor vehicle** described in this policy may not elect to collect uninsured motorist coverage benefits from any other **motor vehicle** insurance policy under which he is a **covered person**.

The limit of liability for uninsured motorist coverage for two or more **motor vehicles** may not be added together, combined, or stacked to determine the limit of insurance coverage available to a **covered person** for any one accident and applies to all **persons** except:

1. a **covered person** injured as a pedestrian by an uninsured **motor vehicle**;
2. a **covered person** injured while **occupying** or using a **motor vehicle** that is not owned by, furnished, or available for the regular use of the **covered person**, the **covered person's spouse**, or the **covered person's family member**. Coverage on the **motor vehicle** occupied at the time of an accident shall be primary coverage and the coverage elected pursuant to this section shall be secondary coverage.

Except to the extent allowed under sections 1 and 2 above, stacking of uninsured motorist coverages (including **inter-policy stacking**) is prohibited.

If multiple policies extend uninsured motorist coverage benefits, the **covered person** must elect which policy uninsured motorist benefits are to be paid. A **covered person** making an election as provided for in this section is not barred against making subsequent elections if recovery is unavailable under previous elections.

Proof of Uninsured Motorist Claim

As soon as practicable a **covered person** making an uninsured motorist claim shall:

1. give the **Company** written proof of claim, under oath, including full particulars of the nature and extent of the injuries, treatment received and contemplated, and such other information as may assist the **Company** in determining the amount due and payable, in as much detail and as often as the **Company** may reasonably require;

2. submit to such physical and mental examinations by physicians selected by the **Company** when and as often as the **Company** may reasonably require; and
3. submit to examinations under oath, outside of the presences of any other **insured**, or **covered person**, by the **Company** or its appointed representatives as often as **we** may reasonably require.

Deciding Fault, Amount and Arbitration

Two questions must be decided by agreement between the **insured** and **us**:

1. is the **insured** legally entitled to collect damages from the owner or driver of the uninsured **car**; and
2. if so, in what amount?

If there is no agreement, these questions will be decided by arbitration upon written request of the insured or by us. Each party shall select a competent and impartial arbitrator. These two arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree on the selection of the third arbitrator within 30 days, either party may request a judge of a court of record in the county in which the arbitration is pending to select the third arbitrator. The written decision of any two arbitrators shall be binding on each party.

The cost of the selected arbitrator, and any expert witness, shall be paid by the party who hired them. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties.

The arbitration shall take place in the county in which the **insured** resides unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used.

We are not bound by any judgment against any **person** or organization obtained without **our** written permission.

An Arbitrator or panel of arbitrators shall have no authority to make an award of punitive damages against the **Company**.

An Arbitrator or panel of arbitrators shall have no authority to make any award in excess of the limits of coverage provided under this policy.

Additional Duties for Uninsured Motorist Coverage

A **person** seeking Uninsured Motorist benefits must also:

1. promptly notify the police;
2. promptly send **us** copies of the legal papers if a suit is brought.

PART C2 – UNDERINSURED MOTORIST COVERAGE

Definitions

The following phrases and words are defined in this section as follows:

1. as used in this section, “**covered persons**” includes:
 - a. the named **insured**;
 - b. **persons** related to the named **insured** by blood, marriage, adoption, or guardianship, who are residents of the named **insured**’s household, including those who usually make their home in the same household, but temporarily live elsewhere; or
 - c. any **person occupying** or using a covered **motor vehicle** referred to in the policy;
 - d. any **person** who is entitled to recover damages against the owner or operator of the underinsured **motor vehicle** because of **bodily injury** to or death of **persons** under 1a, b or c, above.
2. as used in this section, “underinsured **motor vehicle**” means:
 - a. a **motor vehicle**, the operation, maintenance, or use of which is covered under a liability policy at the time of an injury-causing occurrence, but which has insufficient liability coverage to compensate fully the injured party for all special and general damages.

The term “underinsured **motor vehicle**” does not include:

- a. a **motor vehicle** that is covered under the liability coverage of this policy;
- b. an uninsured **motor vehicle** as defined in this policy;
- c. a **motor vehicle** owned by, leased by, furnished or available for the regular use of the **insured**, **spouse** or resident relative of the **insured**;

- d. a **motor vehicle** owned or operated by a self-insurer under any applicable **motor vehicle** law;
 - e. a **motor vehicle** owned by any governmental entity, political subdivision or agency;
 - f. a **motor vehicle** operated on rails or crawler treads;
 - g. a **motor vehicle** used as a residence or premises.
3. As used in this section, “**inter-policy stacking**” means recovering benefits for a single incident of loss under more than one insurance policy.

All other definitions apply.

Insuring Agreement

Underinsured motorist coverage provides coverage for **covered persons** who are legally entitled to recover damages from owners or operators of underinsured **motor vehicle** because of **bodily injury**, sickness, disease, or death, subject to the limits set forth on the Declaration page and subject to the limits of liability, exclusions and limitations set forth in this section.

A **covered person** occupying or using a **motor vehicle** owned, leased or furnished to the **covered person**, spouse, or resident relatives may recover underinsured benefits only if the **motor vehicle** is:

1. listed in this policy; or;
2. a newly acquired or **temporary substitute car** covered under the terms of this policy

Persons Entitled to Additional Underinsured Motorist Coverage

Each of the following **persons** may recover underinsured motorist benefits under any **one** other policy in which they are described as a “**covered person**”;

1. a **covered person** injured while **occupying** or using a **motor vehicle** that is not owned furnished, or available for the regular use of the **covered person**, the **covered person's spouse**, or the **covered person's** resident relative.

Limitations

Underinsured motorist coverage:

1. is secondary to any benefits provided by any Workers' Compensation Act;
2. may not be subrogated by a Workers' Compensation insurance carrier;
3. may not be reduced by any benefits provided by Workers' Compensation insurance;
4. may be reduced by health insurance subrogation only after the **covered person** has been made whole;
5. may not be collected for **bodily injury** or death sustained by a person:
 - a. while committing a violation of Utah Code Annotated §41-1a-1314. This provision of Utah law makes it a misdemeanor for a person to exercise unauthorized control over a **motor vehicle** that is not his own, without the consent of the owner or lawful custodian and with the intent to temporarily deprive the owner or lawful custodian of possession of the **motor vehicle**.
 - b. who, as a passenger in a vehicle, has knowledge that the vehicle is being operated in violation of §41-1a-1314. This provision of Utah law makes it a misdemeanor for a person to exercise unauthorized control over a **motor vehicle** that is not his own, without the consent of the owner or lawful custodian and with the intent to temporarily deprive the owner or lawful custodian of possession of the **motor vehicle**.
 - c. while committing a felony.
6. a **covered person's** recovery under any available policy may not exceed the full amount of damages.

Exclusions

We do not provide Underinsured Motorist Coverage for **bodily injury** sustained by any **person**:

- a. while **occupying**, or when struck by, any **motor vehicle** owned by **you** or any **family member** which is not **insured** for this coverage under this policy. This includes a **trailer** of any type used with that **motor vehicle**;
- b. for any **covered person** who, without written permission from the **Company**, settles with any **person** or organization who may be liable for **bodily injury**;
- c. while **occupying your covered motor vehicle** when it is being used to carry **persons** or property for a fee. This exclusion does not apply to a "share-the-expense" **motor vehicle** pool;
- d. using a **motor vehicle** without permission or a reasonable belief that the **person** is entitled to do so or its use is beyond the permission of **you** or **your spouse**;
- e. while occupying a **motorcycle**.

There is no coverage for Underinsured Motorist benefits until the limits of liability of all **bodily injury** liability bonds and policies that apply have been used up by payment of judgments or settlements.

Limits of Liability

The limit of liability shown on the Declaration page for "Underinsured Motorist Each **Person**" is the maximum limit for all damages we will pay for **Bodily Injury** sustained by any person. **Bodily Injury** includes injury sustained by a person as well as all consequential and derivative claims to or by others including emotional, physical, loss of relationship, society, service, consortium, wrongful death and all similar claims for injury or damage.

The limit of liability shown on the Declaration page for "Underinsured Motorist Each Accident" is the maximum limit of damages we will pay for all damages for **bodily injury** resulting from any **car** accident. This is the most **we** will pay for any **car** accident regardless of the number of:

1. **covered persons**;
2. claims made;
3. **cars** or premiums shown in the Declarations;
4. **cars** involved in the accident.

A **car** and trailer are considered one unit of the limits described herein.

Reduction of Coverage Limits for Those Who Use Alcohol, Illegal Drugs or Illegal Substances

We provide *reduced* underinsured motorist coverage for any **person** who operates a **motor vehicle** after having consumed *any* alcohol, alcoholic beverage, illegal drug or illegal substance. The limits of liability coverage is not that coverage set forth on the Declaration page (if greater), but is the minimum insurance limit provided for in Utah Code Annotated §31A-22-305(9)(c).

The minimum limits for underinsured motorist coverage required by Utah Code Annotated §31A-22-305(9)(d) and which apply to any **covered person** who operates a **motor vehicle**, or allows a **covered motor vehicle** to be operated, after having consumed *any* alcohol or alcoholic beverage, or after having consumed any illegal drug or substance are as follows:

1. \$10,000 for one **person** in any one accident;
2. \$20,000 for two or more **persons** in any one accident.

Non-Duplication of Benefits, Limits of Liability and Conditions of Other Insurance Under Our Underinsured Motorist Coverage

Except as expressly provided herein, a **covered person** injured in a **motor vehicle** described in this policy may not elect to collect underinsured motorist coverage benefits from any other **motor vehicle** insurance policy under which he is a **covered person**.

The limit of liability for underinsured motorist coverage for two or more **motor vehicles** may not be added together, combined, or stacked to determine the limit of insurance coverage available to an injured person for any one accident, except:

1. a **covered person** injured while **occupying** or using a **motor vehicle** that is not owned by, furnished, or available for the regular use of the **covered person**, the **covered person's** resident **spouse**, or the **covered person's** resident relative, may also recover benefits under any one other policy under which they are a **covered person**.

Except to the extent allowed under section 1 above, stacking of underinsured motorist coverages (including **inter-policy stacking**) is prohibited.

Coverage on the **motor vehicle** occupied at the time of an accident shall be primary coverage and the coverage elected pursuant to this section shall be secondary coverage.

If multiple policies extend underinsured motorist coverage benefits, the **covered person** must elect which policy underinsured motorist benefits are to be paid. A **covered person** making an election as provided for in this section is not barred against making subsequent elections if recovery is unavailable under previous elections. A **covered person** is entitled to the highest limits of underinsured motorist coverage afforded for any *one* additional policy in under which the **covered person** is the named **insured** or an **insured family member**.

Proof of Underinsured Motorist Claim

As soon as practicable a **covered person** making an underinsured motorist claim shall:

1. give the **Company** written proof of claim, under oath, including full particulars of the nature and extent of the injuries, treatment received and contemplated, and such other information as may assist the **Company** in determining the amount due and payable, in as much detail and as often as the **Company** may reasonably require;
2. submit to such physical and mental examinations by physicians selected by the **Company** when and as often as the **Company** may reasonably require;
3. submit to examinations under oath by the **Company** or its appointed representatives (out of the presence of any other **insured** or **covered person**) as often as **we** may reasonably require;
4. give notification to the **Company** when all liability insurers for the underinsured motorist have tendered their liability policy limits.

Upon having received proper notification and documentation that the insurers have tendered their policy limits to a **covered person**, the **Company** shall at its sole discretion within five business days after notification:

- a. waive any subrogation claim against the **person** liable for the injuries caused in the accident; or
- b. pay the **covered person** an amount equal to the policy limits tendered by the liability carrier.

If **we** do not exercise an option under paragraph 4, the subrogation claim against the underinsured motorist is deemed waived by **us**.

In the event the **Company** pays the **covered person** an amount equal to the policy limits tendered by the liability carrier, the **covered person** assigns to the **Company** the claim for damages to the extent of the amount advanced and will assist the **Company** in pursuing subrogation action against the **person** liable.

A claim may not be brought by a **covered person** against **us** for underinsured motorist benefits more than three years after the date of the last liability policy payment.

Deciding Fault, Amount and Arbitration

Two questions must be decided by agreement between the **insured** and **us**:

1. is the **insured** legally entitled to collect damages from the owner or driver of the underinsured **car**; and
2. if so, in what amount?

If there is no agreement, these questions will be decided by arbitration upon written request of the insured or by us. Each party shall select a competent and impartial arbitrator. These two arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree on the selection of the third arbitrator within 30 days, either party may request a judge of a court of record in the county in which the arbitration is pending to select the third arbitrator. The written decision of any two arbitrators shall be binding on each party.

The cost of the selected arbitrator, and any expert witness, shall be paid by the party who hired them. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties. The arbitration shall take place in the county in which the **insured** resides unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used.

We are not bound by any judgement against any **person** or organization obtained without **our** written permission.

An Arbitrator shall have no authority to make an award of punitive damages against the **Company**.

The Arbitrator or panel of arbitrators shall have no authority to make any award in excess of the limits of coverage provided under this policy – as set forth on the Declaration page of this policy.

PART D – COVERAGE FOR DAMAGE TO YOUR CAR

Definitions

The following words and phrases are defined in this section:

1. **Comprehensive:** when used in this section, means loss arising from any cause other than **collision**.
2. **Collision:** when used in this section, means the upset or **collision** of **your car** with another object.
3. **Loss:** when used in this section, means each direct and accidental loss of or damage to:
 - a. **your covered car;**
 - b. its equipment which is common to the use of **your car** as a **vehicle**.
4. **Reasonable:** when used in this section, means usual, customary, and necessary charges or services for a covered loss, consistent with recognized standards, practices, guidelines and technologies.

All other definitions apply.

Insuring Agreement

If you have purchased coverage for **Comprehensive Coverage (D1)**, **Collision Coverage (D2)**, Towing and Emergency Road Service (D3), Expense for **Car Rental and Travel Expense (D4)**, as shown on the Declaration page, we agree, subject to the definitions, limitations, exclusions and restrictions set forth in this section of the policy, as follows:

D1. Comprehensive Coverage

If this coverage is purchased and an additional premium is paid, **we** will pay for direct and accidental **loss** or damage to **your covered car**, including its equipment which is common to the use of **your car**, minus any applicable deductible shown in the Declarations, arising from a **Comprehensive** loss.

If this coverage is purchased, and additional premium is paid and coverage is shown on the declaration page, **we** will pay for direct and accidental loss or damage to a **non-owned car**, including its equipment which is common to the use of these vehicles, while

such **vehicles** are operated by **you, your spouse, or family member**.

“**Comprehensive** loss” means loss arising from any cause other than **collision**. Breakage of glass, or loss caused by missiles, falling objects, fire, theft, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief, or vandalism, riot or civil commotion is included in this coverage. Loss due to hitting or being hit by a bird or an animal is payable under this coverage.

If **your covered car** is stolen, **we** will pay **your** incurred transportation up to the rate shown on **your** Declaration page for each loss with a maximum of 30 days. This coverage begins 48 hours after **you** notify the police and **us** of the theft and ends when:

1. **your covered car** is returned to **you** if it is driveable or in a repaired condition; or
2. **we** offer to pay **you** the actual cash value of the **car**.

If **your car** will not run as a result of a covered loss, we will pay the reasonable cost you incur to tow **your covered car** to the nearest place where necessary repairs can be made.

D2. Collision Coverage

If this coverage is purchased and an additional premium is paid, **we** will pay for direct and accidental **loss** or damage to your **covered car**, including its equipment which is common to the use of **your car**, minus any applicable deductible shown in the Declarations, arising from a **Collision** loss.

If this coverage is purchased, and additional premium is paid and coverage is shown on the declaration page, **we** will pay for direct and accidental loss or damage to a **non-owned car**, including its equipment which is common to the use of these vehicles, while such **vehicles** are operated by **you, your spouse, or family member**.

“**Collision** loss ” means the loss caused by the upset, or **collision** with another object by **your covered car**.

However, loss caused by the following are not considered “**collision**”:

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

If **your car** will not run as a result of a covered loss, we will pay the reasonable cost you incur to tow **your covered car** to the nearest place where necessary repairs can be made.

D3. Towing and Emergency Road Side Service

If this coverage is purchased and an additional premium is paid, **we** will pay the reasonable costs **you** incur for emergency road-side service for **your covered car** due to a loss;

1. For a mechanic and the reasonable cost for his/her service at the place of breakdown, not to exceed one hour.
2. The reasonable cost of towing **your car**, to the nearest place where the necessary repairs can be made during regular **business** hours.
3. The reasonable cost of towing **your covered car** if it is stuck.
4. The reasonable cost of delivery for gas, oil or a battery and change of a tire, but **we** do not pay for the cost of these items.
5. For the reasonable cost of lock out service and jump start.

The amount payable under D3 Towing and Emergency Road Service is subject to the limit as set forth on the Declaration page.

D4. Expense for Car Rental and Travel Expenses

If this coverage is purchased and an additional premium is paid, **we** will pay **you** the amount shown on the Declaration page for rental expense incurred for a loss:

1. if **you** rent a **car** from a **car** rental agency or garage because **your covered car** will not run due to a covered loss;
2. when **your covered car** runs and when **you** leave it at a repair establishment for agreed and necessary repairs pursuant to a written contract or agreement for repairs;

ending when:

1. the repairs have been made or completed;
2. **we** offer to pay for the loss;
3. the repair costs exceed the fair market value of the **car** and **we** offer to pay for the loss; or
4. the rental time has exceeded 30 days;

whichever comes first.

Any rental coverage under D4 Expense for Car Rental is reduced by the amount payable for car rental expense under D1 **Comprehensive** Coverage.

We will not pay rental time:

1. while **your covered car** is being repaired, serviced, or being used by any **person** while that **person** is working in any **car business**;
2. while used in any other **business** or occupation. This does not apply to private passenger **car** driven or occupied by the **insured**, his/her **spouse** or **family member**;
3. for any covered **car** while subject to any lien, rental, or sales agreement not shown on the Declaration page.

The amounts payable under D4 are subject to the deductible and limits of liability as set forth on the Declaration page.

If **your car** is not driveable due to a loss which occurs more than 100 miles from **your** home and which would be payable under **your** coverage, **we** will pay **you** for expenses incurred by **you**, **your spouse** and any **family member** for:

1. commercial transportation fares to continue to **your** destination or home;
2. extra meals and lodging needed when the loss to **your car** causes a delay en-route. The expenses must be incurred between the time of the loss and **your** arrival at **your** destination or home or by the end of the fifth day, whichever comes first; and

3. meals, lodging and commercial transportation fares incurred by **you** or a **person you** choose to drive **your car** from the place of repair to **your** destination or home.

The most **we** will pay for D4 Travel Expenses incurred by all **persons** arising from any one loss is \$400.00.

Duplication of Benefits

There is no duplication of benefits under D1 **Comprehensive** Coverage, D2 **Collision** Coverage, D3 Towing and Emergency Road Service, D4 Expense for Car Rental and Travel Expense for the same elements of loss under this, or any similar insurance.

Exclusions

We will not pay for:

1. loss to **your covered car** or **non-owned car** which occurs while it is used to carry **persons** or property for a fee. This exclusion does not apply to a "share-the-expense" **car** pool;
2. damage due and confined to:
 - a. wear and tear;
 - b. freezing;
 - c. mechanical or electrical breakdown or failure; or
 - d. road damage to tires.

This exclusion does not apply if the damage results from the total theft of **your covered car**.
3. loss due to or as a consequence of:
 - a. radioactive contamination;
 - b. discharge of any nuclear weapon (even if accidental);
 - c. war, declared or undeclared, civil war, insurrection, rebellion or revolution;
 - d. taking by any governmental authority or political subdivision;
 - e. embezzlement, conversion, repossession by any **person** who has the **car** due to any lien, rental or sales agreement.
4. loss of electronic equipment that reproduces, receives or transmits audio, visual or data signals. This includes but is not limited to:

- a. radios and stereos;
- b. tape decks;
- c. compact disc systems;
- d. navigation systems;
- e. internet access systems;
- f. personal computers;
- g. video entertainment systems;
- h. telephones;
- i. two-way mobile radios;
- j. scanners;
- k. equipment designed or used for the detection or location of radar or laser; or
- l. citizens band radios.

This exclusion does not apply if the equipment is permanently installed in the opening normally used by the **car** manufacturer for the installation of this equipment, however, **we** do not pay in excess of \$1,000.00 for equipment and labor, unless an additional premium has been charged for each item and an appropriate endorsement has been issued.

5. loss to tapes, discs or other devices for use with electronic equipment
6. loss to:
 - a. TV antennas;
 - b. Awnings or cabanas; or
 - c. Equipment designed to create additional living facilities.
7. loss to any custom furnishings or equipment in or upon any **car**. Custom furnishings or equipment include but are not limited to:
 - a. special carpeting and insulation, furniture, bars or television receivers;
 - b. facilities for cooking and sleeping;
 - c. height extending roofs;
 - d. custom murals, paintings or other decals or graphics;
 - e. radar and telephones
 - f. wheels.
8. loss to a camper body with a floor or **trailer** not shown on the Declaration page. This exclusion does not apply to a camper body with a floor or **trailer** that **you**:
 - a. acquire during the policy period; and
 - b. ask **us** to insure within 14 days after **you** become the owner.

9. **we** do not pay for loss to motor homes, campers, **trailers** and recreational **cars** owned or non-owned for which coverage is not purchased.
10. separate coverage may be purchased waiving paragraph 4 for accessories and customized furnishings and paragraph 7, if a separate premium is paid, but said waiver of customized furnishings shall not include custom murals, paintings or other decals or graphics.
11. any loss or damage on a covered **car** if it is newly acquired and there is similar coverage on **your newly acquired car**.
12. any loss or damage on a covered or **non-owned car** for tires unless they are damaged by fire, vandalism or they are stolen, unless they are covered by other provisions in this section.
13. any **loss** resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity.
14. any loss or damage to your covered car or non-owned car incurred while the car is used in the commission of a felony by you, residents of your household or others using the car with express or implied permission.

NO COVERAGE FOR THOSE WHO USE ALCOHOL, ILLEGAL DRUGS OR ILLEGAL SUBSTANCES

There is no coverage afforded under Part D – Coverage for Damage to Your Car – for any loss incurred within the United States or Canada, when the covered car is being operated by someone who has consumed any alcohol or alcoholic beverages of any kind or in any amount whatsoever, or who has used or consumed any illegal drugs or illegal substances of any kind or in any amount whatsoever.

Limit of Liability under Collision and Comprehensive Coverages

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

1. actual cash value of the stolen or damaged property; or
2. reasonable and necessary cost to repair or replace the property.

Cash value of damaged or stolen property is the fair market value of the property, taking into consideration its age and condition as of the date of the loss. Fair market value does not include any value for antique or sentimental value. The deductible will then be subtracted from the amount of the determined loss.

Loss does not include any diminution in value that remains after the damaged or stolen property or parts hereof have been **repaired** or **replaced**.

Payment of Loss under Collision and Comprehensive Coverages

We have the option, at **our** selection, to pay **you** for a loss of the property in one of the following manners:

1. **we** may pay **you** for the fair market value of the property in money, or **we** may repair or replace the damaged or stolen property.
 - a. If **we** pay **you** the fair market value of the property in money, **you** and any lien holder or security interest holder must agree that **we** may cancel the insurance coverage under PART D – COVERAGE FOR DAMAGE TO **YOUR CAR**, including **collision** coverage and **comprehensive** coverage under **your** policy until the repairs to the property have been completed. **We** have the right to request that **you** furnish two appraisals for the fair market value.
 - b. If **we** repair or replace the damaged or stolen property, and the repair or replacement results in an improvement to the condition kind or quality, **you** must pay for the amount of the improvement. **We** have the right to request that **you** furnish two appraisals for the reasonable cost of repair or damages to the property.
2. **We** may, at **our** expense, return any stolen property to:
 - a. **you**; or
 - b. the address shown in this policy; but **you** cannot abandon the property to **us**.
3. If **we** return stolen property, **we** will pay for any damage resulting from the theft; or **we** may keep all or part of the property at an agreed or appraised value.
4. **We** may pay **you** if **you** request to make **your** own repairs to the damaged property, subject to the following options:

- a. we may pay for the parts to repair, less the applicable deductible and pay the remainder for reasonable labor when the repairs to the damaged property have been completed and approved by the **Company**; or
- b. We may pay 70% of the total cost of the repairs, less the applicable deductible, with the remaining 30% payable upon completion and approval of the repairs to the damaged property by the **Company**.

No Benefits to Bailee

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

Non-Duplication of Benefits, Limits and Conditions of Other Insurance

If a **temporary substitute car**, a **non-owned car**, a rental **car**, a **newly acquired car** or a **trailer** has other applicable insurance which provides **comprehensive** coverage, **collision** coverage, towing and emergency road service, or expense for car rental and travel expense, there is no coverage afforded under this policy for such damages.

We do not contribute under this policy to any loss where:

- a. the **car** or **trailer** is owned by any person or organization in the **car** business; or
- b. a **non-owned** or rental **car** maintained or used in any **business** or **business** pursuits or **business** activity, including salespersons, employees who are using or who have rented a **car** in connection with their livelihood.

If a **car** shown on the Declaration page of the policy has other applicable insurance which provides **comprehensive** coverage, **collision** coverage, towing and emergency road service, or expense for **car** rental and travel expense, **our** share of the **comprehensive** and **collision** damage is the percent that the liability limit of this policy bears to the total of all liability coverage applicable to the accident.

Appraisal and Arbitration

If **we** and a **covered person** do not agree:

- 1. whether that **person** is legally entitled to recover damages under this part; or
- 2. as to the amount of damages;

the parties may agree in writing to have the loss determined by competent appraisals, as set forth in Paragraph a **Appraisal**.

If **you** or **we** do not desire to proceed with the appraisal process, as set forth in paragraph a, you may demand **Arbitration**, as set forth in paragraph b:

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

- (1) pay its chosen appraiser; and
- (2) bear the expenses of the appraisal and umpire equally.

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

- b. **ARBITRATION:** Each party shall select a competent and impartial arbitrator. These two arbitrators shall select a third arbitrator. If the two arbitrators are unable to agree on the selection of the third arbitrator within 30 days, either party may request a judge of a court of record in the county in which the arbitration is pending to select the third arbitrator. The written decision of any two arbitrators shall be binding on each party.

The cost of the selected arbitrator, and any expert witness, shall be paid by the party who hired them. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties.

The arbitration shall take place in the county in which the **insured** resides unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used.

We are not bound by any judgment against any **person** or organization obtained without **our** written permission.

An Arbitrator or panel of arbitrators shall have no authority to make an award of punitive damages against the **Company**.

Additional Duties for Coverage for Damage to Your Covered Car

A **person** seeking Coverage for Damage to **Your covered car** or **non-owned car** must also:

1. take reasonable steps after loss to protect **your covered car** and its equipment from further loss. **We** will pay reasonable expenses incurred to do this.

2. promptly notify the police if **your covered car** is stolen or damaged.
3. permit **us** to inspect and appraise the damaged property before its repair or disposal.

PART E – SPECIAL CONDITIONS APPLYING TO ALL COVERAGES

Section I – General Conditions

1. **Action Against Company.** No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all the terms of this coverage.
2. **Notice.** In the event of an accident prompt notice containing particulars sufficient to identify the eligible **covered person**, and also reasonably obtainable information respecting the time, place and circumstances of the accident and any other requested information shall be given by or on behalf of each eligible **covered person** to the **Company**. If any eligible **covered person**, his legal representative or his survivors shall institute legal action to recover damages for **bodily injury** against a **person** or organization who is or may be liable for those damages, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to the **Company** by such eligible **person**, his legal representative, or his survivors.

drug or illegal substance of any kind or in any amount whatsoever.

2. The premiums charged for coverage under this policy reflect the reduced risk present with **covered persons** who do not consume *any* alcohol, or alcoholic beverages, and who do not use or consume any illegal drugs or illegal substances, or operate a **car** after having consumed alcohol or alcoholic beverages of any kind or in any amount, or who have used or consumed any illegal drugs or illegal substances, and who do not allow the **insured cars** to be operated by anyone who consumes alcohol or alcoholic beverages or has consumed an alcoholic beverage of any kind or in any amount, or who has used or consumed any illegal drugs or illegal substances, and that the **Company** would not issue a policy except upon this representation and agreement.
3. For any loss incurred when the **covered person** has consumed any alcohol, any alcoholic beverage, any illegal drug or any illegal substance, of any kind or in any amount whatsoever, the coverage under Part A – Liability Coverage, Part B – Personal Injury Protection, Part C1 – Uninsured Motorist Coverage, and Part C2 – Underinsured Motorist Coverage, of this policy shall apply only for the minimum limits of **car** liability coverage as provided for in Utah Code Annotated, 1953, as amended, including §31A-22-304 [as set forth and limited in subparagraph C(i)]; §31A-22-305 [as set forth and limited in subparagraphs C(ii) and C(iii)]; and §31A-22-307 [as set forth and limited in subparagraph C(iv)], providing for **bodily injury** and property damage, personal injury protection, uninsured motorist coverage and underinsured motorist coverage and Part D damage to **your car** because of injury or

Section II – Prohibited Use of Alcohol and Drugs for All Coverages

You understand and agree as follows:

1. That **we** do not issue policies to **persons** who consume *any* alcohol, alcoholic beverages, illegal drug or illegal substance, or who will operate any **car** after having consumed alcoholic beverages, illegal drug or illegal substance of any kind or in any amount whatsoever or who allow a **covered car** to be operated by anyone who consumes any alcohol or alcoholic beverages, illegal

destruction of property not the amounts set forth in the Declaration, if greater:

C(i) The limits of liability coverage, under Section II, Prohibited Use of Alcohol and Drugs for All Coverages, paragraph C, for an **insured** pursuant to Utah Code Annotated, 1953, as amended §31-A-22-304 providing for **car** liability policy minimum limits are not the amounts set forth in the declarations, if greater, but are as follows:

- (1) (a) \$25,000 because of liability for **bodily injury** to or death of one **person**, arising out of the use of a **car** in any one accident;
(b) subject to the limit for one **person** in Subsection (a), in the amount of \$50,000 because of liability for **bodily injury** to or death of two or more **persons** arising out of the use of a **car** in any one accident; and
(c) in the amount of \$15,000 because of liability for injury to, or destruction of, property of others arising out of the use of a **car** in any one accident.

(ii) The limits of liability coverage under Section II, Prohibited Use of Alcohol and Drugs for All Coverages, paragraph C, for an **insured** pursuant to Utah Code Annotated, 1953, as amended, §31A-22-305 providing for minimum insurance limits for uninsured motorist coverage, are not the amounts set forth in the declarations, if greater, but are as follows:

- (1) (a) \$25,000 because of liability for **bodily injury** to or death of one **person**, arising out of the use of a **car** in any one accident;
(b) subject to the limit for one **person** in Subsection (a), in the amount of \$50,000 because of liability for **bodily injury** to or death of two or more **persons** arising out of the use of a **car** in any one accident; and
(c) in the amount of \$15,000 because of liability for injury to, or destruction of, property of others arising out of the use of a **car** in any one accident.

(iii) The limits of liability coverage under Section II, Prohibited Use of Alcohol and Drugs for All Coverages,

paragraph C, for an **insured** pursuant to Utah Code Annotated, 1953, as amended, §31A-22-305(9)(c) providing minimum insurance limits for underinsured motorist coverage, are not the amounts set forth in the declarations, if greater, but are as follows:

- (a) \$10,000 for one **person** in any one accident;
- (b) \$20,000 for two or more **persons** in any one accident.

(iv) The limits of liability coverage under Section II, Prohibited Use of Alcohol and Drugs for All Coverages, paragraph C, for an **insured** pursuant to Utah Code Annotated, 1953, as amended, §31A-22-307 providing minimum insurance limits for personal injury protection, are not the amounts set forth in the declarations, if greater, but are as follows:

(1) Personal injury protection coverages and benefits include:

- (a) the reasonable value of all expenses for necessary medical, surgical, X-ray, dental, rehabilitation, including prosthetic devices, ambulance, hospital, and nursing services, not to exceed a total of \$3,000 per **person**;
- (b) the lesser of \$250 per week or 85% of any loss of gross income and loss of earning capacity per **person** from inability to work, for a maximum of 52 consecutive weeks after the loss, except that this benefit need not be paid for the first three days of disability, unless the disability continues for longer than two consecutive weeks after the date of injury; and
- (c) a special damage allowance not exceeding \$20 per day for a maximum of 365 days, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured **person** would have performed for the household, except that this benefit need not be paid for the first three days after the date of

- injury unless the **person's** inability to perform these services continue for more than two consecutive weeks;
- (d) funeral, burial, or cremation benefits not to exceed a total of \$1,500 per **person**; and
 - (e) compensation on account of death of a **person**, payable to his/her heirs, in the total of \$3,000.

Section III – Arbitration - Special Conditions Applying to All Coverages, Except Part A – Liability Coverage

The **Company** and all **covered persons** agree that, in any matter in dispute between the **covered person** and the **Company**, if there is no agreement, questions will be decided by arbitration upon written request of either the **insured** or by **us**. Each party shall select a competent and impartial arbitrator. These two shall select a third arbitrator. If the two arbitrators are unable to agree on the selection of the third arbitrator within 30 days, either party may request a judge of a court of record in the county in which the arbitration is pending to select an umpire. The written decision of any two arbitrators shall be binding on each party.

The cost of the selected arbitrator, and any expert witness, shall be paid by the party who hired them. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties.

The arbitration shall take place in the county in which the **insured** resides unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used.

An Arbitrator shall have no authority to make an award of punitive damages against the **Company**.

The Arbitrator or panel of arbitrators shall have no authority to make any award in excess of the limits of coverage provided under this policy – as set forth on the Declaration page of this policy.

PART F – DUTIES AFTER AN ACCIDENT OR LOSS FOR ALL COVERAGES

General Duties

We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured **persons** and of all witnesses.

A **covered person** seeking any coverage must:

1. cooperate with **us** in the investigation, settlement or defense of any claim or suit;
2. promptly send **us** copies of any notices or legal papers received in connection with the accident or loss;
3. submit, as often as **we** reasonably require, to physical exams by physicians **we** select. **We** will pay for these exams.

4. authorize **us** to obtain:
 - a. medical reports; and
 - b. other pertinent records;
5. furnish **us** with a proof of claim in particularity as to any damages or loss under oath and properly verified if requested by **us** for damage to **your** covered or **non-owned car**, medical expenses, medical treatment, and all losses and damages in any form which **you** claim **you** are entitled to under the policy and such other and further information that may assist the **Company** in determining the amount due because of a loss;
6. submit to examinations under oath as often as we reasonably require.

PART G – GENERAL PROVISIONS, APPLYING TO ALL COVERAGES

Bankruptcy

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

Fraud and/or Misrepresentation

We do not provide coverage for any **covered person** who has knowingly concealed or misrepresented any material fact or circumstance relating to this insurance:

1. at the time application was made;
2. at any time during the policy period;
3. in connection with the presentation or settlement of a claim.

All Agreements Between You and Us

This policy contains all the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change.

We may revise this policy to provide more coverage without additional premium charge. If **we** do this **your** policy will automatically provide the additional coverage as of the date the revision is effective in Utah.

Legal Action Against Us

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

1. **we** agree in writing that the **covered person** has an obligation to pay;
2. the amount of that obligation has been determined by arbitration or judgment after a trial, as applicable under the various coverages of this policy.

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

Subrogation / Our Right to Recover Payment

In the event of any payment to any **person** under all coverages the **Company** is subrogated to the rights of the **person** to whom or for whose benefits such payments were made, to the extent of such payments, and such **person** must execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Such **person** shall do nothing after loss to prejudice such rights.

1. If a **covered person** proceeds or commences an action against a legally responsible third party, the **Company** shall be entitled to the extent of such payment to the proceeds of any settlement or judgement 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** or property damage because of which such payment is made and the **Company** shall have a lien to the extent of such payment, notice of which may be given to the **person** or organization causing such **bodily injury**, his/her agent, his/her insurer or a court having jurisdiction in the matter; such **person** shall hold in trust for the benefit of the **Company** all rights of recovery which he/she shall have against such other **person** or organization because of such **bodily injury**.
2. If the **Company** proceeds or commences an action against a legally responsible third party, the **Company** may, at its option, and has the right to, proceed or commence against any third party, which may be liable for damages to the **covered person** for **bodily injury**, medical expenses, property damages or other payments. The **covered person** agrees in consideration of the payments made under this policy to subrogate the said **Company** to all rights and causes of action the **covered person** has against any **persons** or corporations whomsoever, arising out of or incident to the **bodily injury**, medical expenses or property damage or other payments, authorizes the **Company** to sue and commence an action in the name of the **covered person**, but at the expense of the **Company** against any third party pledging full cooperation in the action for his/her deductible. The **covered person** assigns his/her deductible, if any, to the **Company** and authorizes the **Company** to sue in the name of the **covered person** as part of the overall cause of action. In the event of any reimbursement, collection or

payment by a third party, from the payment or proceeds the **Company** will be paid and reimbursed first for any costs of litigation and reasonable attorney fees necessarily incurred. The remaining payments or proceeds will be distributed in direct proportion to each interest (the amount of the **covered person's** deductible) in proportion to the **Company's** payments pursuant to the provisions of this policy for which it has a subrogatable interest. The benefits and provisions of subrogation, as herein provided, are subject to the applicability of the provisions of Utah Code Annotated, 1953, §31A-22-309(6), that payments by the **Company** for Personal Injury Protection coverage where the **covered person** under the policy is or would be held legally liable for the personal injuries sustained by any **person** to whom benefits required under personal injury protection have been paid by another insurer, including the Worker's Compensation Fund of Utah, the insurer of the **person** who would be held legally liable shall reimburse the other insurer for the payment but not in excess of the amount of damages recoverable; and that the issue of liability for that reimbursement and its amount shall be decided by mandatory, binding arbitration between the insurers.

Policy Period and Territory

1. This policy applies only to accidents and losses which occur during the policy period as shown on the Declaration page and within the policy territory. The policy territory is the United States of America, its territories or possessions, Puerto Rico or Canada. This policy also applies to loss or accidents involving, **your covered car** while being transported between their ports.
2. The policy term is shown on the Declaration page and is for successive periods of time if renewed for which **you** pay a renewal premium.
3. The policy begins and ends at 12:01 a.m. standard time at the address shown on the Declaration Page.

Termination, Cancellation, Non-renewal by You or Us

1. Cancellation By You.

- a. **You** may cancel this policy during any policy period by returning it to **us** or by letting **us** know in writing of the date cancellation is to take effect, but the date of cancellation must be prospectively after the date that **you** let **us** know **you** intend to cancel.

2. Cancellation by Us.

We may cancel this policy only for the reasons stated below by letting **you** know in writing of the date cancellation takes effect in the following manner.

- a. When **you** have not paid the premium, **we** may cancel at any time by letting **you** know at least 10 days before the date cancellation takes effect.
- b. When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by letting **you** know at least 10 days before the dates of the cancellation. If the notice of cancellation is by mail, it will be sent first class, postage prepaid and the 10 days takes effect three days after the date of mailing.
- c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel:
 - (1) if there has been material misrepresentation of fact which if known to **us** would have caused **us** not to issue the policy; or
 - (2) if there is a substantial change in the risk assumed, unless the **Company** should have reasonably foreseen the change or contemplated the risk when entering into the contract;
 - (3) if there have been substantial breaches of contractual duties, conditions and warranties;
 - (4) if there has been a revocation or suspension of the driver's license of the named **insured**, or any other **person** who customarily drives the **car**.

This can be done by letting **you** know at least 30 days before the date cancellation takes effect.

- d. When this policy is written for a period of more than one year, **we** may cancel for any reason at anniversary by letting **you** know at least 30 days before the date cancellation takes effect:
 - (1) when this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata;
 - (2) if the return premium is not refunded with the notice of cancellation or when this policy is returned to **us**, **we** will refund it within a reasonable time after the date cancellation takes effect.
- e. If **your** policy is canceled or not renewed **you** have the right by First Class Mail to request the reasons for the cancellation and non-renewal of **your** policy. This will be sent to **you** within ten working days after written request.
- f. Any cancellation, termination or non-renewal notices as required herein, under the provisions of this paragraph and the provisions of Part G, Termination – Cancellation, Non-renewal by **Us**, paragraphs a through e, may be delivered to **you** or mailed to **you** at **your** mailing address shown on the Declaration page and proof of mailing will be sufficient proof of notice.

3. Automatic Termination.

- a. If **we** offer to renew or continue **your** policy and **you** or **your** representative do not accept, this policy will automatically terminate at the end of the current period. Failure to pay the required renewal or continuation premium when due shall mean that **you** have not accepted **our** offer.
- b. If **you** obtain other insurance on **your covered car**, any similar insurance provided by this policy will terminate as to the covered date on the effective date of the other insurance.

4. Other Termination Provisions.

- a. If the law in effect in Utah at the time of this policy is issued, renewed or continued:
 - (1) requires a longer notice period; or
 - (2) requires a special form of, or procedure for giving notice; or
 - (3) modifies any of the stated termination reasons;**we** will comply with those requirements.
- b. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
- c. If this policy is canceled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. The premium refund, if any, will be computed according to **our** manuals. However, making or offering to make the refund is not a condition of cancellation.
- d. The effective date of cancellation stated in the notice shall become the end of the policy period.

Transfer of Your Interest in this Policy

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

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

Coverage will only be provided until the end of the current policy period.

Changes

1. The premium is based on information **we** have received from **you** and other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that if this information changes, or is incorrect or incomplete, **we**

may adjust **your** premiums accordingly during the policy period.

2. If, during the policy period, the risk exposure changes for any of the following reasons, the necessary premium adjustments will be made effective the date of change in exposure. **You** agree to give **us** notice of such exposure changes as soon as is reasonable possible:
 - a. Change in location where any **car** is garaged.
 - b. Change, addition, or deletion relating to the description, equipment, purchase date, registration, cost, usage, miles driven annually, or operators of any **car**.
 - c. Replacement, deletion, or addition on any **car**. **You** must request coverage for a newly acquired **car** within 14 days from the date the **car** is acquired if **you** wish to continue any coverage.
 - d. Change, addition, or deletion relating to the date of birth, marital status, or driving record of any operator.
 - e. Addition or deletion of any operator.
 - f. Change, addition, or deletion of any coverage or limits.
3. **We** will make any calculations or adjustments of **your** premium using the applicable rules, rates, and forms as of the effective date of the change.
4. If **we** make a change which broadens coverage under this edition of **our** policy without additional premium charge, that change will automatically apply to your insurance as of the date **we** implement that change in **your** location. This paragraph does not apply to changes implemented with a revision that includes both broadenings and restrictions in coverage. Otherwise, this policy includes all of the agreements between **you** and **us**. Its terms may not be changed or waived except by endorsement issued by **us**.

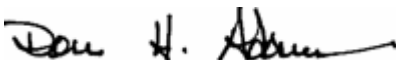
POLICYHOLDERS' VOTING RIGHTS AND CONTINGENT LIABILITY


1. While this policy is in force and effect, the named **insured**, by purchasing this policy is a member of Bear River Mutual Insurance **Company**, a non-profit corporation, governed by and subject to the Articles of Incorporation and Bylaws and is entitled to vote at all meetings of the members.
2. No Contingent Liability. This policy is non-assessable.

NOTICE OF ANNUAL MEETING

THE **INSURED** IS FURTHER NOTIFIED THAT BY VIRTUE OF THE POLICY AS A MEMBER OF BEAR RIVER MUTUAL INSURANCE **COMPANY**, A NON-PROFIT CORPORATION, THE ANNUAL MEETING IS HELD IN THE HOME OFFICE AT 778 EAST WINCHESTER, MURRAY, UTAH, ON THE FIRST SATURDAY IN MARCH EACH YEAR AT 11:00 A.M. FOR THE PURPOSE OF TRANSACTING THE GENERAL BUSINESS OF THE **COMPANY** AND FOR THE ELECTION OF DIRECTORS. AS A POLICYHOLDER YOU ARE ENTITLED TO VOTE IN PERSON AT THE TIME OR BY PROXY. **THIS NOTICE SHALL BE DEEMED FULL NOTICE OF THE ANNUAL MEETING.**

IN WITNESS WHEREOF the **Company** has caused this policy to be signed by its president and secretary, but this policy shall not be valid unless completed by the attachment hereto of the Declaration Page.


President, Don H. Adams


Secretary, Duffy E. Pingree