



MEEMIC INSURANCE COMPANY

MICHIGAN AUTO INSURANCE POLICY

1685 North Opdyke Rd. - P.O. Box 217019 - Auburn Hills, MI 48321-7019 - 1-888-4MEEMIC

GENERAL INSURING AGREEMENT

In exchange for the premium deposit, or premium payment and compliance with all applicable provisions of this policy, **we** agree with the **Named Insured** to provide insurance for the Coverages and Limits of Liability stated on the Declarations Page made a part of this Policy. This agreement is subject to all the terms of this Policy which is issued in reliance upon the declarations made in this application and contained on the Declarations Page. The Declarations Page together with the policy form and endorsements completes the Policy. If this policy form is revised, it will be amended or replaced at the beginning of the next Policy Term.

WHAT MUST BE DONE IN CASE OF CAR ACCIDENT OR LOSS

NOTICE

In the event of an accident, occurrence or **loss**, **you** (or someone acting for **you**) must inform **us** or **our** authorized agent promptly. The time, place and other facts must be given, to include the names and addresses of all involved persons and witnesses.

OTHER DUTIES

1. A person claiming any coverage under this Policy must:
 - A. cooperate and assist **us** in any matter concerning a claim or suit;
 - B. promptly send **us** copies of any notice or legal papers received in connection with an accident or **loss**;
 - C. provide any written Proofs of Loss **we** request;
 - D. submit to examinations under oath in matters that relate to the **loss** or claim as often as **we** reasonably request. If more than one person is examined, **we** have the right to examine and receive statements separately from each person and not in the presence of any other insured;
 - E. assist in the conduct of suits. This includes being at trials and hearings;
 - F. cooperate with **us** to enforce the right of recovery or indemnification against all parties who may be liable to an insured for the injury or damage;
 - G. assist **us** in the securing of and giving of evidence; and
 - H. assist **us** in obtaining the attendance of all witnesses at all related proceedings requiring their attendance.
2. A person claiming Personal Injury Protection Insurance, Underinsured Motorist Coverage or Uninsured Motorist Coverage must:
 - A. give **us** written notice of any injury;
 - B. submit to physical and mental examinations at **our** request by doctors **we** select as often as **we** may reasonably require;

- C. authorize **us** to obtain medical, wage and other records;
- D. give **us** a copy of any legal papers served in connection with any lawsuit started by **you**, or anyone claiming under this policy, or their legal representative, to recover damages for **bodily injury** against a person or organization who may be liable;
- E. under Uninsured Motorist Coverage report a hit-and-run accident within 24 hours to the police.
- F. file with **us**, within 30 days, written notice of the hit-and-run accident.
- G. Under Uninsured Motorist Coverage, allow **us** to inspect the **car occupied** by the **insured person** if the **car** is within the possession and control of the insured or his representative.

If it is shown that it is not reasonably possible to give such notice within the prescribed time, notice must be given as soon as reasonably possible.

3. A person claiming Car Damage Insurance Coverages must:
 - A. immediately report theft, attempted theft or vandalism of the **insured car** to the police;
 - B. when required, prior to payment of a claim for damages caused by fire, submit a report to the fire department in the locale where the fire occurred;
 - C. promptly report a hit-and-run accident to the police;
 - D. take reasonable steps to protect the **insured car** from further **loss**. If the **loss** is covered by Car Damage Insurance Coverage, **we** will pay all reasonable expenses incurred by **you**. **We** will not pay for further damage if **you** fail to protect the **insured car**;
 - E. report the **loss** to **us** in a prompt manner as soon as is reasonably possible after its occurrence;
 - F. allow **us** to inspect and appraise the damaged **insured car** before its repair or disposal.

4. A person claiming Underinsured Motorist Coverage must notify **us** in writing of a tentative settlement between an **insured person** and the insurer of the **underinsured motor vehicle** and allow **us** 30 days to advance payment to that **insured person** in an amount equal to the tentative settlement to preserve **our** rights against the insured, owner or operator of such **underinsured motor vehicle**.
5. A person who claims Bodily Injury Liability Coverage or Property Damage Liability Coverage must promptly notify us;
 - a. How the accident or loss happened.

- b. Where and when the accident or loss occurred.
- c. Include the names and addresses of any injured persons; and
- d. Include the names and addresses of any witnesses.

Your notice to our authorized representative is considered notice to us. Failure to give any notice required by this paragraph shall not invalidate any claim made by a person seeking coverage if it shall be shown not to have been reasonably possible to give such notice promptly and that notice was given as soon as was reasonable possible.

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DEFINITIONS USED THROUGHOUT THIS POLICY

DEFINED WORDS ARE SHOWN IN BOLD BLACK TYPE. IN EACH PART, THERE ARE ADDITIONAL DEFINITIONS FOR THAT PART ONLY.

1. **Additional Car** means a **car**, other than a **replacement**, acquired by **you** after the effective date of this Policy if **we** insure all **cars** owned by **you** and **we** are notified within 30 days of such acquisition. If **we** are not notified of an **additional car** within 30 days of its acquisition, no coverage is provided under this Policy.
2. **Additional Insured** means any person listed as an **additional insured** on the Declarations Page.
3. **Bodily Injury** means injury, sickness, disease or death of any person.
4. **Car** means a vehicle of the same type as the one described on the Declarations page with four wheels or more that is a private passenger, stationwagon or jeep-type **car**. Its wheel base must be 56 inches or more. It must be a **car** licensed, registered, and designed for use on public highways.
5. **Car Business** means the business or occupation of selling, repairing, servicing, storing or parking motor vehicles including road testing and delivery.
6. **Code** means Chapter 31 of the Michigan Insurance Code, the Michigan No-Fault Law.
7. **Insured Car** means:
 - a) **your car** which is the vehicle described on the Declarations Page and identified by a specific Vehicle Identification Number. **Your car** also includes a **replacement car**, a **temporary substitute car**, an **additional car**, and a **trailer** owned by **you**; and
 - b) **other car**, which is any **car** that **you** or any resident of **your** household does not own, lease for 31 days or more, or have furnished or available for frequent or regular use.
8. **Lessee** means a person renting a motor vehicle under a lease for a period that is greater than 30 days.
9. **Lienholder** means **lienholder** or other loss-payee named on the Declarations Page. For General Condition 21, Loss Payable, **lienholder** also means lessor and **additional insured**.
10. **Loss** is defined in Part V - Car Damage Insurance Coverages.
11. **Occassional** is defined as infrequent, relating to a special event, or only from time to time.
12. **Occupying** and/or **Occupied** means in, getting into or getting out of.
13. **Permanently Attached** means installed in such a way as to require the use of hand tools to remove.
14. **Property Damage** means damage to, or destruction of, tangible property, including loss of its use.
15. **Replacement Car** means a **car**, ownership of which is acquired by **you** after the effective date of this Policy when it replaces the vehicle described on the Declarations Page and identified by a specific Vehicle Identification Number. **We** must be told about it within 30 days after acquisition or no coverage is afforded under this Policy for any accident or **loss**.
16. **Resident relative** means a person who is a resident of **your** household related to **you** by blood, marriage or adoption, or is **your** foster child. **Resident relative** also includes **your** unmarried child engaged in a full-time course of study at a school away from home. Full-time course of study is determined by the educational institution attended. In (Part II) - Michigan No-Fault Insurance Coverages, **relative** includes **spouse**.
17. **Special Equipment** means equipment, devices, accessories, enhancements, and changes, **permanently attached to your car**, other than those which are original manufacturer installed, which alter the appearance or performance of the **car**. This includes any electronic equipment, antennas, and other devices used exclusively to send or receive audio, visual or data signals, or play back recorded media, other than those which are original manufacturer installed, that are **permanently attached to your car** using bolts or brackets. Radar and laser detectors are not covered.
18. **Spouse** means **your** husband or wife if a resident of **your** household. If **your spouse** ceases to be a resident of your household during the term of this policy, he or she will be considered a resident **spouse** under this policy until the end of the policy term, unless he or she is named as an insured on another policy effective before the end of this policy term.
19. **Student** means someone who attends a school, college or university for the purpose of obtaining an education, diploma or a degree.
20. **State(s)** includes the District of Columbia, and any state, territory or possession of the United States, and any province of Canada.
21. **Temporary Substitute Car** means a **car** or **trailer**, not owned by **you** or any resident of **your** household, used when **your car** or **trailer** is out of use because of its breakdown, repair, servicing, **loss** or destruction.
22. **Titleholder** means a person who holds legal title to a vehicle, other than a person engaged in the business of leasing motor vehicles who is the lessor of a motor vehicle pursuant to a lease providing for the use of the motor vehicle by a **lessee** for a period that is greater than 30 days.
23. **Trailer** means a vehicle owned by **you** without motive power designed for carrying property and designed to be towed only by a private passenger **car**.
24. **War** means war, including undeclared or civil war, insurrection, rebellion, revolution, usurped power, or

action taken by governmental authority in hindering or defending against any of these.

25. **We, us, our(s)** means MEEMIC Insurance Company (MEEMIC).
26. **You, your(s), Named Insured** means any person or organization listed as a **Named Insured** on the Declarations Page as:

- a) assigned driver, but only for the specific vehicle when so named. It includes the **spouse** of the assigned driver;
- b) an Other Named Insured, but only for the specific vehicle when so named, as their interest may appear.

PART I - BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGES

Coverage from this Part applies only if a premium is listed for it on the Declarations Page.

THE DEFINITIONS FOUND ON PAGE 3 APPLY TO THIS PART AND, IN ADDITION, FOR THIS PART:

1. **Insured Person(s)** means:
- A. For **your car**;
- (1.) **You**;
- (2.) **Your resident relatives**;
- (3.) Or other persons using **your car** with **your** permission;
- B. For **Other Cars**, used with the permission of a person having the right to grant it and if **your car** is a private passenger **car**;
- (1.) **You**, if an individual;
- (2.) **Your resident relative** who does not own a private passenger **car**;
- C. Any other person who does not own or hire, but is legally responsible for the use of, any **insured car** operated by an **insured person**.

The Limits of Liability are not increased because a claim is made or suit is brought against more than one **insured person**.

BODILY INJURY LIABILITY COVERAGE

PROPERTY DAMAGE LIABILITY COVERAGE

1. Subject to the Definitions, Exclusions, Conditions and Limits of Liability of this Policy, **we** will pay damages for which an **insured person** is legally liable because of **bodily injury** or **property damage** arising out of the ownership, maintenance, or use including the loading or unloading of an **insured car**. The **insured car** means: **your car**, which is the vehicle described on the Declarations Page and identified by a specific Vehicle Identification Number, a **replacement car**, a **temporary substitute car**, an **additional car**, and a **trailer** owned by **you**; and an **other car**, which is a private passenger **car**, or **trailer** that **you** or any **resident relative** of **your** household does not own, does not lease for 31 days or more, or does not have furnished or available for frequent or regular use.
2. **We** will defend any suit with lawyers of **our** choice or settle any claim for these damages as thought appropriate by **us**. **We** will not defend or settle, however, after **we** have paid **our** Limit of Liability for this coverage.
3. **We** will pay for damages, up to the maximum established by the **Code**, to motor vehicles for which an **insured person** is legally liable because of an accident arising out of the use of the **insured car**.

ADDITIONAL PAYMENTS

1. In addition to its Limits of Liability for this coverage, as shown on the Declarations Page, **we** will also pay:
- A. all costs **we** incur in the settlement of any claim or defense of any suit;
- B. interest on damages awarded in any suit **we** defend accruing after judgment is entered and before **we** have paid, offered to pay, or deposited in court that portion of the judgment which is not more than **our** Limit of Liability. **We** will also pay pre-judgment interest as required by law on that part of the judgment which **we** pay;
- C. premiums on appeal bonds and attachment bonds required in any suit **we** defend. **We** will not pay the premium for attachment bonds for any amount beyond **our** Limits of Liability;
- D. any charge up to \$250 for a bail bond required due to a traffic law violation or auto accident causing **bodily injury** or **property damage** covered by this Part. **We** have no obligation to apply for or furnish this type of bond;
- E. loss of earnings, but not other income, up to \$100 a day when the **insured person(s)** is asked by **us** to attend trials or hearings;
- F. any other reasonable expenses incurred at **our** request that have been approved by **us**.

EXCLUSIONS

1. **PERSONS AND VEHICLES NOT COVERED.** The Liability Coverage does not cover:
- A. the United States of America and any of its agencies;
- B. a person covered by any contract of nuclear energy liability insurance;
- C. a person covered by the Federal Tort Claims Act;
- D. a named excluded driver;
- E. persons using a vehicle which is:
1. owned,
2. leased for 31 days or more, or
3. furnished or available for the frequent or regular use by **you** or any **resident relative** unless it is the vehicle described on the Declarations Page and identified by a specific Vehicle Identification Number, a **replacement car**, a **temporary substitute car**, an **additional car**, or **trailer** owned by **you**;

- F. persons using any **additional car** or **replacement car** the acquisition of which is not reported to **us** within 30 days;
 - G. persons using a vehicle without a reasonable belief that the person is entitled to do so.
2. **CARS NOT COVERED.** The Liability Coverage does not cover:
- A. **your car** if used in the course of the **car business**. **You** or a **resident relative**, however, are covered;
 - B. an **other car** if used in the course of any other business of an **insured person** except a private passenger **car** operated or **occupied by you**.
3. **BODILY INJURY AND PROPERTY DAMAGE NOT COVERED.** We will not pay for:
- A. **bodily injury** during the course of employment: To an **Insured persons** domestic employee who is entitled to Workers' Compensation; or to any other employee of an **insured person**;
 - B. **bodily injury** to an **insured person's** fellow employee while using an **insured car** in the course of employment. However, **we** will cover **you**;
 - C. **bodily injury** or **property damage** if **you** assume liability by contract or agreement;
 - D. **bodily injury** or **property damage** caused intentionally by or at the direction of the **insured person**. The determination of whether **bodily injury** or **property damage** was caused intentionally shall be determined by objective factors irrespective of the **insured person's** stated intent;
 - E. **bodily injury** or **property damage** sustained as the result of racing or speed contest activities;
 - F. **property damage** to any property owned by, in charge of, transported by or rented to an **insured person**; however, **property damage** to a residence or private garage or carport rented to an **insured person** is covered;
 - G. **bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any motorized vehicle having less than four wheels;
 - H. **bodily injury** or **property damage** arising out of the ownership or operation of a vehicle while it is being used to carry persons or property for a fee.
 - 1. This exclusion does not apply to a share-the-expense car pool or to the use of the **insured car** for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.
 - 2. This exclusion does not apply to an educators **occasional** transportation of **students** to/or from school or a school event.
 - I. **bodily injury**, personal injury, or **property damage** arising out of:
 - 1. toxic or pathological properties of lead, lead compounds, or lead contained in any materials;
 - 2. any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
 - J. **bodily injury**, personal injury, or **property damage** arising out of:
 - 1. Any "fungus" or "spore";
 - 2. Any substance, vapor or gas produced by or arising out of any "fungus" or "spore". This includes, but is not limited to, any metabolite such as a mycotoxin or a volatile organic compound; or
 - 3. any:
 - i. Material, product, building, or structure, including components thereof; or
 - ii. Concentration of water, moisture, humidity, or other liquids on or within such items in 3. (i.) above; that contains, harbors, nurtures or act as a medium for growth of any "fungus" or "spore".
- But this only applies to the extent that any of the items in 3. (i.) or 3. (ii.) above result in , cause or contribute concurrently or in any sequence to such injury or damage described in 1) or 2) above;
- 4. costs expended by anyone for testing for, monitoring, abatement, mitigation, removal, remediation or disposal of any of the items described in items 1), 2), or 3) above;
 - 5. other cause or event to the extent that it contributed concurrently or in any sequence to such injury, damage or costs described in items 1) through 4) above;
 - 6. supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with items 1) through 5) above;
 - 7. obligation to share damages with or repay someone else who must pay damages because of such injury, damage, or costs described in items 1) through 6) above.
- CONFORMITY WITH FINANCIAL RESPONSIBILITY**
- 1. When we certify this policy as proof under any Financial Responsibility Law of any **state**, so that if the coverage and limits of liability of this policy are less than those required by that law, they shall be revised to include coverage and limits of liability required by that law.
 - 2. If an exclusion in this policy is deemed void in the **state** with jurisdiction over the loss, the exclusion shall be applied or omitted to the extent required to make this policy conform with the law of the **state** with jurisdiction.

LIMITS OF LIABILITY

1. The Limits of Liability shown on the Declarations Page apply as follows:
 - A. The **bodily injury** Liability Limit for each person is the maximum amount that will be paid for **bodily injury** sustained by one person in any one occurrence. This limit includes all claims for derivative damages allowed under the law;
 - B. Subject to the **bodily injury** Liability Limit for each person, the **bodily injury** Liability for each occurrence is the maximum amount that will be paid for **bodily injury** sustained by two or more persons in any one occurrence. This limit also includes all claims for derivative damages allowed under the law;
 - C. The **property damage** Liability Limit for each occurrence is the maximum amount that will be paid for **property damage** sustained in any one occurrence;
2. **We** will pay no more than the limits shown on the Declarations Page for a **car** described and identified by a Vehicle Identification Number when the liability is due to that **car**, a **temporary substitute car**, a **replacement car**, an **additional car**, or a **trailer** owned by **you**.

3. If the liability is due to an **other car**, **we** will pay no more than the highest Limit of Liability shown on the Declarations Page for any one **car** described and identified by a Vehicle Identification Number on this and no other policy.
4. A **car** with a **trailer** attached or in use is considered one **car** with respect to the Limits of Liability in Part I.
5. The Limit of Liability shown on the Declarations Page is the most **we** will pay regardless of the number of:
 - A. **Insured persons**;
 - B. Claims made;
 - C. Vehicles or premiums shown in the Declarations; or
 - D. Vehicles involved in the auto accident.

OTHER INSURANCE

If the **car** involved in the **loss** and described on the Declarations Page is also covered by other liability insurance, **we** will pay the ratio of **our** Limit of Liability to the total applicable Liability Limit. With respect to an **other car**, **temporary substitute car**, **replacement car** or **additional car**, insurance afforded under this Part is excess over any other valid or collectible **car** liability insurance.

PART II - MICHIGAN NO-FAULT INSURANCE COVERAGES

Coverage from this Part applies only if a premium is listed for it on the Declarations Page.

THE DEFINITIONS FOUND ON PAGE 3 APPLY TO THIS PART AND, IN ADDITION, FOR THIS PART:

1. **Motor Vehicle** means a vehicle, including a **trailer**, with more than two wheels required to be registered in Michigan. The **motor vehicle** must be operated, or designed for operation, upon a public highway by power other than muscular power. **Motor vehicle** does not include: a **motorcycle**, **moped**, vehicle designed for off-road use, or farm tractor or other implement of husbandry which is not subject to the registration requirements of the Michigan Vehicle Code.
2. **Motorcycle** means a vehicle having a saddle or seat for use of the rider, designed to travel on not more than three wheels and with a motor that exceeds 50 cubic centimeters piston displacement. **Motorcycle** does not include a **moped**.
3. **Moped** means a two or three-wheeled vehicle, with operable pedals, with a motor that does not exceed 50 cubic centimeters piston displacement, produces 1.5 brake horsepower or less, and cannot propel the vehicle at a speed greater than 25 miles per hour on a level surface.
4. **Insured Motor Vehicle** means:
 - A. a **motor vehicle** described on the Declarations Page and identified by a Vehicle Identification Number, for which
 - (1.) the Liability Insurance of this Policy applies, and
 - (2.) **you** are required to maintain security under the provisions of the **Code**; or

- B. a **motor vehicle** to which the Liability Insurance of this Policy applies, if it
 - (1.) does not have the security required by the **Code**, and
 - (2.) is operated, but not owned, by **you** or a **resident relative**;
 - C. An **additional car** or **replacement car** the acquisition of which has been reported to **us** within 30 days;
 - D. A **trailer** with more than two wheels designed for use with a private passenger **car** that is owned or used by **you** or any **resident relative** if it does not have the security required by the **Code**;
 - E. A **trailer** with less than three wheels for the purposes of Medical Benefits (Allowable Expenses) only.
5. **Insured Person(s)** means:
 - A. **You**, if an individual;
 - B. **Your spouse**;
 - C. **your resident relative**;
 - D. any other person **occupying** the **insured motor vehicle**, or any person, subject to the priorities set forth in the **Code**, injured as a result of an accident involving the **insured motor vehicle** while not **occupying** any **motor vehicle**.
6. **Dependent Survivor(s)** means:
 - A. The surviving **spouse**, if residing in the same household at the time of death, or if dependent upon the deceased at the time of death.

Dependency ends upon death or remarriage of the surviving **spouse**;

- B. any person who was dependent upon the deceased at the time of death and is:
 - (1.) under the age of 18 years;
 - (2.) physically or mentally incapacitated from earning; or
 - (3.) engaged full time in a formal program of academic or vocational training.

Dependency ends upon death of the **dependent survivor**.

INSURING AGREEMENTS

- 1. **PERSONAL INJURY PROTECTION INSURANCE COVERAGE.** We agree to pay only as set forth in the **Code** the following benefits to or for an **insured person** [or, in the case of his/her death, to or for the benefit of his/her **dependent survivor(s)**,] who suffers accidental **bodily injury** arising out of the ownership, operation, maintenance or use of a **motor vehicle** as a **motor vehicle**.

- A. **MEDICAL BENEFITS (ALLOWABLE EXPENSES).** All reasonable charges incurred for reasonably necessary products, services and accommodations for an **insured person's** care, recovery or rehabilitation.

- B. **WORK LOSS BENEFITS.** Loss of income from work the **insured person** would have performed if that person had not been injured. We will pay expenses, not to exceed the dollar limit established by the **Code**, reasonably incurred in obtaining ordinary and necessary services an **insured person** would have performed not for income but for the benefit of that person or dependents.

- C. **SURVIVORS' LOSS BENEFITS.** Contributions of tangible things of economic value that the **dependent survivor(s)** of the deceased at the time of death would have received for support. We will pay expenses, not to exceed the dollar limit established by the **Code**, reasonably incurred by these **dependent survivors** in obtaining ordinary and necessary services the deceased would have performed for their benefit.

- 2. **PROPERTY PROTECTION INSURANCE COVERAGE.** We agree to pay in accordance with the **Code** for **property damage** caused by accident and arising out of the ownership, operation, maintenance or use of an **insured motor vehicle** as a **motor vehicle**. The accident must happen in the State of Michigan.

EXCLUSIONS

- 1. **BODILY INJURY NOT COVERED.** This insurance does not apply to **bodily injury** to:
 - A. any person using a **motor vehicle** or **motorcycle** taken unlawfully unless that person reasonably believes that there was permission to take and use that **motor vehicle** or **motorcycle**;

- B. any person, other than **you** or any **resident relative**, not **occupying a motor vehicle** if the accident occurs outside the State of Michigan;
- C. **you** while **occupying**, or through being struck by while not **occupying**, a **motor vehicle** owned or registered by **you** and which is not an **insured motor vehicle**;
- D. **you** while **occupying** or through being struck by while not **occupying** an **additional car** or **replacement car** owned or registered by **you** the acquisition of which is not reported to **us** within 30 days;
- E. a **resident relative** while **occupying**, or through being struck by while not **occupying**, a **motor vehicle**, if the **resident relative** is the owner or registrant of that **motor vehicle** and has failed to maintain security required by the **Code** on that **motor vehicle**;
- F. any person arising out of the ownership, operation, maintenance or use, including loading or unloading, of a parked **motor vehicle**, unless:
 - (1.) the **motor vehicle** was parked in such a way as to cause unreasonable risk of the **bodily injury** which occurred, or
 - (2.) **bodily injury** was a direct result of physical contact with
 - (a.) equipment permanently mounted on the **motor vehicle** while the equipment was being operated or used, or
 - (b.) property being lifted onto or lowered from the **motor vehicle** in the loading and unloading process, or
 - (3.) the person was **occupying** the **motor vehicle**;
- G. any person while **occupying a motor vehicle** located for use as a residence or premises;
- H. any person while **occupying a motor vehicle** operated in the business of transporting passengers for which security is maintained as required by the **Code**, unless the **motor vehicle** is an **insured motor vehicle** or the person is a passenger in:
 - (1.) a school bus;
 - (2.) a bus operated as a common carrier;
 - (3.) a bus operated under a government sponsored transportation program;
 - (4.) a bus operated by or providing service to a non-profit organization; or
 - (5.) a **motor vehicle** operated by a livery, including but not limited to a canoe or other watercraft, bicycle or horse livery, used only to transport passengers to or from a destination point; or
 - (6.) a taxicab;

- I. **you** or any **resident relative** while **occupying** a **motor vehicle** owned or registered by **your** employer or their employer for which security is maintained as required under the provisions of the **Code**;
 - J. any **resident relative** entitled to Personal Protection Insurance Benefits as a person named under the terms of any other policy;
 - K. any person, other than **you** or any **resident relative**, entitled to Personal Protection Insurance Benefits under the terms of any other policy;
 - L. the owner or registrant of a **motor vehicle** or **motorcycle** involved in the accident who has failed to maintain security on that **motor vehicle** or **motorcycle** as required by the **Code**;
 - M. any non-resident of this **state** while **occupying** a **motor vehicle** or **motorcycle** not registered in this **state** and not insured by an insurer which has filed a certification in compliance with the **Code**;
 - N. any person involved in racing or speed contest activities.
2. **BODILY INJURY AND PROPERTY DAMAGE NOT COVERED.** This insurance does not apply to **bodily injury** or **property damage** suffered intentionally or caused intentionally by a person claiming benefits.
3. **PROPERTY DAMAGE NOT COVERED.** This insurance does not apply to **property damage**:
- A. to any vehicle and its contents, including **trailers**, designed for operation on a public highway by power, other than muscular power, unless the vehicle is parked so as not to cause unreasonable risk of the **property damage** which occurred;
 - B. to any property owned by **you** or a **resident relative**;
 - C. to the property of any person who is using the **insured motor vehicle** without **your** express or implied consent;
 - D. to any utility transmission lines, wires, or cables arising from the failure of a municipality, utility company, or cable television company to comply with the requirements of Michigan law;
 - E. to any vehicle and its contents involved in racing or speed contest activities.

LIMITS OF LIABILITY

1. **PERSONAL INJURY PROTECTION INSURANCE.** Our liability for Personal Injury Protection Insurance Benefits payable to or on behalf of any one person who sustains **bodily injury** in any one **motor vehicle** accident is limited as set out below.
- A. 1. **MEDICAL BENEFITS (ALLOWABLE EXPENSES)** shall include reasonable and customary charges for semi-private hospital accommodations except when the **insured person** requires special care;

- 2. Funeral and burial expenses of not less than \$1,750 nor more than \$5,000 which are reasonably incurred;
 - 3. If the Declarations Page shows Excess Medical Benefits [Excess A (med.)], **you** or any **resident relative** must first obtain benefits from any other health or accident insurance or plan prior to making a claim for benefits under this Policy. **We** will pay Medical Benefits in excess of any valid limitations as to amount or duration of benefits under the other plan. **We** will pay Medical Benefits for services or accommodations not available from the other plan or insurance only if:
 - a. they are reasonably necessary for the injured person's care, recovery or rehabilitation as required by the Code, and;
 - b. there is no provider within the other health or accident insurance or plan qualified and competent to render comparable services or accommodations.
1. **WORK LOSS BENEFITS** shall include payment for **loss** which occurs during the life of the **insured person** and within three years of the date of the accident; loss of services benefits not to exceed \$20 per day, or as amended by the **Code**.
2. Benefits payable for loss of income from work shall be reduced by 15%. If the **insured person's** income tax advantage is less than 15%, the actual percentage shall apply.
3. After the application of the above limits, the combined total amount payable for Work Loss in any 30-day period and the income earned shall not exceed the maximum amount established under the **Code**.
4. If the Declarations Page shows Excess Work Loss Benefits [Excess B (wage)], sums paid or payable to **you** or any **resident relative** for loss of income from work shall be reduced by any amount paid or payable under any valid and collectible: Individual, blanket, group accident or disability insurance; salary or wage continuation plan; Workers' Compensation Law, disability law of a similar nature, or any other **state** or federal law.
- B. 1. **SURVIVORS' LOSS BENEFITS** shall include payment for **loss** which occurs after the death of the **insured person** and within three years of the date of the accident; loss of services benefits not to exceed \$20 per day, or as amended by the **Code**.
 - 2. After the application of the above limits, the combined total amount payable in any 30-day period for Survivors' Loss shall not exceed the maximum amount established under the **Code**.

2. **GOVERNMENTAL BENEFITS SET-OFF.** From the benefits otherwise payable under this coverage, **we** will subtract benefits provided or required to be provided under any Workers' Compensation Law, disability benefits law of a similar nature or any other **state** or federal law. It is **your** obligation to apply for and reasonably pursue any benefits provided or required to be provided by the above laws.
3. **PROPERTY PROTECTION INSURANCE.** Regardless of vehicles insured or policies held, the Limit of **our** Liability under this coverage for all **property damage** from one accident is \$1,000,000. Payment is limited to the lesser of reasonable repair costs less depreciation and, where applicable, the value of loss of use.

OTHER INSURANCE

1. **PERSONAL INJURY PROTECTION INSURANCE.**
 - A. An **insured person** shall recover under all applicable policies no more than the amount payable under the policy providing the highest dollar limit.
 - B. If the accident causing injury occurs outside Michigan, this insurance shall be excess over that provided under No-Fault Automobile Insurance Laws of any other **state**.
 - C. Under no circumstances may an **insured person** recover duplicate similar benefits payable under the **Code**.
 - D. An **insured person, occupying a motorcycle**, who sustains **bodily injury** in an accident involving a **motor vehicle** shall claim Personal Injury Protection Insurance Benefits from insurers in the following order of priority:
 - (1.) the insurer of the owner or registrant of the **motor vehicle** involved in the accident;
 - (2.) the insurer of the operator of the **motor vehicle** involved in the accident;
 - (3.) the **motor vehicle** insurer of the operator of the **motorcycle** involved in the accident;
 - (4.) the **motor vehicle** insurer of the owner or registrant of the **motorcycle** involved in the accident.
2. **PERSONAL INJURY PROTECTION INSURANCE AND PROPERTY PROTECTION INSURANCE.**
 - A. If two or more insurers are in the same order of priority, the insurer paying benefits is entitled to a pro-rata payment from the other insurer(s) including a pro-rata amount of expenses incurred.
 - B. If **we** are in the same order of priority with other insurer(s), **our** obligation to
 - (1.) pay benefits, or
 - (2.) make reimbursement to other insurer(s),shall be prorated on the basis of the number of insurers in the same order of priority rather than the number of policies in the same order of priority.

REIMBURSEMENT AND TRUST AGREEMENT

1. In the event of payment to any person under Personal Injury Protection Insurance and Property Protection Insurance:
 - A. **we** shall be entitled (to the extent of that payment) to the proceeds of any settlement or judgment from the exercise of any right of recovery of that person against any person or organization legally responsible for the **bodily injury** or **property damage**. **We** shall have a lien to the extent of its payment;
 - B. that person shall:
 - (1.) hold in trust for **our** benefit all rights of recovery;
 - (2.) do nothing after **loss** to prejudice any rights of recovery;
 - (3.) execute and deliver to **us** any papers necessary to secure the rights and obligations as established by this provision.

ARBITRATION

1. If **we** do not agree with the **insured person(s)** that they are entitled to receive any benefits under this Part (No-Fault Insurance Coverages), then the **insured person(s)** and **we** may agree in writing that the issues, excluding matters of coverage, be determined by arbitration.
2. **We** and the **insured person(s)** will each select an arbitrator. The two arbitrators will select a third. If they cannot agree upon the third arbitrator within 30 days, they may petition the Circuit Court for appointment of the third.
3. The **insured person(s)** will pay the arbitrator they select. **We** will pay the arbitrator **we** select. The expenses of the third arbitrator will be shared equally. Fees paid to medical or other expert witnesses are to be borne by the party which incurs the expense.
4. Unless it is agreed otherwise, arbitration will be conducted in the county in which the **insured person** resided at the time of the accident. However, in no case will the arbitration hearing be conducted outside of the State of Michigan.
5. If the **insured person(s)** resided outside of the State of Michigan at the time of the accident, the hearing shall be conducted in the county in which **we** maintain **our** principal place of business. The arbitration proceeding will be in accordance with the usual rules governing procedure and admission of evidence in courts of law. The written decision of any two arbitrators will be binding.
6. All rights, remedies, obligations and limitations of the **Code** will apply.

PART III - UNINSURED MOTORIST INSURANCE COVERAGES

Coverage from this Part applies only if a premium is listed for it on the Declarations Page.

THE DEFINITIONS FOUND ON PAGE 3 APPLY TO THIS PART AND, IN ADDITION, FOR THIS PART:

1. **Insured Person(s) means:**
 - A. **You**, if an individual, and
 - B. any **resident relative**.

Person(s) shall not be considered **insured person(s)** if they use a **motor vehicle** without having a reasonable belief that the use is with the permission of someone having the right to grant it.
2. **Motor Vehicle** means a land motor vehicle or **trailer**, requiring vehicle registration, but does not mean:
 - A. a vehicle used as a residence or premises;
 - B. a vehicle, whether the accident occurs on or off the highway, which is:
 - (1.) a snowmobile; or
 - (2.) operated on rails or crawler treads, or a farm-type tractor; or
 - (3.) designed for use principally off the highway; or
 - (4.) equipment designed for use principally off the highway.
3. **Uninsured Motor Vehicle** means a **motor vehicle** which is:
 - A. not insured by a **bodily injury** liability policy or bond that is applicable at the time of the accident;
 - B. a hit-and-run **motor vehicle** of which the operator and owner are unknown and which negligently makes physical contact with
 - (1.) **you** or a **resident relative**, or
 - (2.) a **motor vehicle** which an **insured person** is **occupying**;and which the accident has been reported within 24 hours to the police.
 - C. insured by a **bodily injury** liability policy or bond at the time of the accident issued by a company that is or becomes insolvent.
4. **Uninsured Motor Vehicle** does not include a **motor vehicle**:
 - A. owned by **you** or any resident of **your** household;
 - B. furnished or available for the frequent or regular use of **you** or any resident of **your** household;
 - C. self-insured within the meaning of any Financial Responsibility Law, Motor Carrier Law or similar law of any **state** in which it is registered;
 - D. owned by any governmental unit or agency.
 - E. operated on rails or crawler treads.
 - F. designated mainly for use off public roads while not on public roads.
 - G. while located for use as a residence premise.

INSURING AGREEMENT

1. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay damages for **bodily injury** which is:
 - A. sustained by an **insured person**;
 - B. is caused by accident; and
 - C. arises out of the ownership, operation, maintenance or use of an **uninsured motor vehicle**;
 - D. results in death, serious impairment of body function or permanent serious disfigurement; and
 - E. an **insured** is legally entitled to recover as a proximate cause of the negligence of the owner or operator of an **uninsured motor vehicle**.
2. **We** will pay under this coverage only if the limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payment of judgment or settlements; or
3. **We** will not be bound by the acts of the **named insured** or anyone acting on his or her behalf in obtaining a legal judgment or entering into a settlement agreement or by any other means, that prejudices **our** ability to contest by arbitration or trial in accordance with the provisions of this policy:
 - A. whether a **named insured** is legally entitled to recover damages from the owner or operator of an **underinsured motor vehicle**.
 - B. the amount of damages to which a **named insured** is legally entitled.
4. The **named insured** may not settle with anyone responsible for the accident without **our** written consent. **We** shall be obligated to respond within thirty (30) days of receiving a **named insured's** written request to settle. If **we** fail to respond within the 30-day period, the consent provision shall be waived.

For purposes of this Part, serious impairment of body function means an objectively manifested injury to an important body function which substantially affects an **insured person's** general ability to lead a normal life.

EXCLUSIONS

1. This coverage does not apply to **bodily injury** sustained by an **insured person**:
 - A. while **occupying** a **motor vehicle** which is owned by an **insured person** which is not insured for this coverage under this policy. This includes a **trailer** of any type used with that vehicle.;
 - B. while **occupying** a **motor vehicle** which provides the same or similar coverage for an **insured person**;
 - C. while **occupying**, or through being struck by while not **occupying**, any vehicle other than a **motor vehicle**;

- D. while **occupying** a **motor vehicle** furnished by an **insured person's** employer and operated in the course of that **insured person's** employment unless the **motor vehicle** is **your car**;
 - E. if the **named insured** or their legal representative settles or prosecutes to judgment their **bodily injury** claim with the owner, operator or other person or organization legally responsible for an **uninsured motor vehicle** without our written consent. This exclusion does not apply if the insured person makes a written request for our consent, and we fail to respond within 30 days of receipt of the written request.
 - F. which is caused intentionally by or at the direction of another person;
 - G. while **occupying your car** when it is being used as a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool or to the use of the **insured car** for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.
 - H. while **occupying** an **additional car** or **replacement car** the acquisition of which has not been reported to **us** within 30 days.
 - I. arising out of the participation in any prearranged, organized or spontaneous racing or speed contest or use of a track or course designed for racing or high performance driving.
2. Uninsured Motorist Coverage shall not apply to the benefit of an insurer or self-insurer under any Workers' Compensation or disability benefits law, or law providing for direct benefits without regard to fault, or any similar law.

LIMITS OF LIABILITY

- 1. **We**, under any circumstances, will not pay more than the maximums shown on the Declarations Page:
 - A. For **bodily injury** sustained by one **insured person** in one accident. This limit also includes all claims for derivative damage allowed under the law.
 - B. For damages for **bodily injury** sustained by two or more **insured persons** in one accident. This limit also includes all claims for derivative damages allowable under the law.
 - C. Regardless of the number of:
 - (1.) **Insured persons**;
 - (2.) Claims made;
 - (3.) Vehicles or premiums shown in the Declarations; or
 - (4.) Vehicles involved in the auto accident.
- 2. The Limit of Liability for Uninsured Motorist Coverage shown on the Declarations Page shall be reduced by:
 - A. payment made by the owner or operator of the **uninsured motor vehicle** or organization which may be legally liable;

- B. payment under the Liability Insurance or Uninsured Motorist Coverage of this or any other policy for the same **bodily injury**;
- C. payment made under any Medical Payments Coverage, Health and Accident Coverage, or Personal Injury Protection Coverage of this or any other policy and in the absence of which payment would be required by the **Code**;
- D. the comparative negligence of the **insured person**.

Items B. and C. above do not apply unless paid Liability and Medical Payments benefits cover the same elements of loss for which the **named insured** would receive Uninsured Motorist benefits.

- 3. Any amount payable will be excess over payment made or amount payable under any Workers' Compensation or disability benefits law, the **Code** or other law providing for direct benefits without regard to fault, or similar law.
- 4. Coverage from this Part does not apply to punitive damages, exemplary damages, or statutorily imposed treble or multiplied damages.

OTHER INSURANCE

If there is Uninsured Motorist Coverage with **us** or any other insurer for a **loss** covered by this Part, then for purposes of this coverage, damages shall be limited to the maximum amount shown on the Declarations Page for any one **insured person** and/or for two or more **insured persons**. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to a vehicle the **insured person** does not own shall be excess over any other valid or collectible insurance.

ARBITRATION

- 1. If **we** do not agree with the **insured person(s)**:
 - A. that they are legally entitled to recover damages from the owner or operator of an **uninsured motor vehicle**; or
 - B. as to the amount of payment;

either they or **we** must demand, in writing, that the issues, excluding matters of coverage, be determined by arbitration. A Demand for Arbitration must be filed within three years from the date of the accident or **we** will not pay damages under this Part. Unless otherwise agreed by express written consent of both parties, disagreements concerning insurance coverage, insurance afforded by the coverage, whether or not a **motor vehicle** is an **uninsured motor vehicle** or the timeliness of a Demand for Arbitration, are not subject to arbitration and suit must be filed within three years from the date of the accident.
- 2. If arbitration occurs, **we** and the **insured person** will each select an arbitrator. The two arbitrators will select a third. If they cannot agree upon the third arbitrator within 30 days, they may petition the Circuit Court for appointment of the third.

3. The **insured person(s)** will pay their arbitrator. **We** will pay **ours**. The expenses of the third arbitrator will be shared equally. Attorneys' fees and fees paid to medical or other expert witnesses are to be borne by the party which incurs them.
4. Arbitration, unless otherwise agreed, shall be conducted in the county in which the **insured person(s)** resided at the time of the accident. However, in no case will the arbitration hearing be conducted outside of the State of Michigan. If the **insured person(s)** resided outside of the State of Michigan at the time of the accident, the

hearing shall be conducted in the county in which **we** maintain **our** principal place of business. The hearing shall be conducted in accordance with the rules governing procedure and admission of evidence in courts of law.

5. The arbitrators shall hear and determine the issues in dispute. The decision in writing of any two will be binding and judgment upon the decision rendered by the arbitrators may be entered in the Circuit Court in the county in which the arbitration was held.

PART IV - UNDERINSURED MOTORIST INSURANCE COVERAGES

Coverage from this Part applies only if a premium is listed for it on the Declarations Page.

THE DEFINITIONS FOUND ON PAGE 3 APPLY TO THIS PART AND, IN ADDITION, FOR THIS PART:

1. Insured Person(s):

- A. **You**, if an individual, and
- B. any **resident relative**.

Person(s) shall not be considered **insured person(s)** if they use a **car** without having a reasonable belief that the use is with the permission of someone having the right to grant it.

2. Motor Vehicle means a land motor vehicle or trailer, requiring vehicle registration, but does not mean:

- A. a vehicle used as a residence or premises;
- B. a vehicle, whether the accident occurs on or off the highway, which is:
 - (1.) a snowmobile; or
 - (2.) operated on rails or crawler treads, or a farm-type tractor; or
 - (3.) designed for use principally off the highway; or
 - (4.) equipment designed for use principally off the highway.

3. An underinsured motor vehicle is:

- A. a **motor vehicle** which has **bodily injury** liability protection in effect and applicable at the time of the accident in an amount equal to or greater than the amounts specified for bodily injury liability by the financial responsibility laws of Michigan, but less than the limits of liability for Underinsured Motorists Coverage shown on the Declarations page; and
- B. in which the limits of liability are less than the amount of damages the **insured person** is legally entitled to recover for **bodily injury**.

However, **underinsured motor vehicle** does not include a **motor vehicle**:

1. owned by or furnished or available for regular use to **you** or anyone living with **you**;
2. owned or operated by a self-insurer under any **motor vehicle** law;
3. owned by any governmental unit or agency;
4. located for use as a residence or premises;
5. operated on rails or crawler treads;

6. that is designed for use primarily off public roads; or
7. that is an **uninsured motor vehicle**. As defined under Part III - Uninsured Motorist Insurance of this policy.

INSURING AGREEMENT

1. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay compensatory damages which an **insured person** is legally entitled to recover as a proximate cause of the negligence of the owner or operator of an **underinsured motor vehicle** because of **bodily injury** which is:
 - a. sustained by an **insured person**;
 - b. is caused by accident; and
 - c. arises out of the ownership, operation, maintenance or use of an **underinsured motor vehicle**; and
 - d. results in death, serious impairment of body function or permanent serious disfigurement.
2. **We** will pay under this coverage only if:
 - A. The limits of liability under any applicable bodily injury liability bonds or policies have been exhausted by payment of judgment or settlements; or
 - B. A tentative settlement has been made between an **insured person** and the insurer of the **underinsured motor vehicle** and **we**:
 - (1.) Have been given prompt written notice of such tentative settlement; and
 - (2.) Advance payment to the **insured person** in an amount equal to the tentative settlement within 30 days after receipt of the notification.
3. **We** will not be bound by the acts of the **named insured** or anyone acting on his or her behalf in obtaining a legal judgment or entering into a settlement agreement or by any other means, that prejudices **our** ability to contest by arbitration or trial in accordance with the provisions of this policy:
 - A. whether a **named insured** is legally entitled to recover damages from the owner or operator of an **underinsured motor vehicle**.
 - B. the amount of damages to which a **named insured** is legally entitled.
4. The **named insured** may not settle with anyone responsible for the accident without **our** written consent.

We shall be obligated to respond within thirty (30) days of receiving a **named insureds** written request to settle. If **we** fail to respond within the 30-day period, the consent provision shall be waived.

EXCLUSIONS

BODILY INJURY NOT COVERED

1. **We** do not provide Underinsured Motorists Coverage for **bodily injury** sustained:
 - A. By an **insured person** while **occupying**, or when struck by, any **car** owned by an **insured person** which is not insured for this coverage under this policy. This includes a **trailer** of any type used with that vehicle.
 - B. By any **resident relative** while **occupying**, or when struck by, any **car** owned by an **insured person** which is insured for this coverage on a primary basis under any other policy.
2. **We** do not provide Underinsured Motorists Coverage for **bodily injury** sustained by any **insured person**:
 - A. While **occupying your insured car** when it is being used a public or livery conveyance. This exclusion does not apply to a share-the-expense car pool or the use of the **insured car** for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.
 - B. Using a vehicle without a reasonable belief that the **insured person** has permission to do so.
 - C. While **occupying** or operating an owned motorcycle or moped.
 - D. While **occupying** a **motor vehicle** which is owned by **you** or a **resident relative** unless that **motor vehicle** is **your car**;
 - E. While **occupying**, or through being struck by while not **occupying**, any vehicle other than a **motor vehicle**;
 - F. While **occupying** a **motor vehicle** furnished by an **insured person's** employer and operated in the course of that **insured person's** employment unless the **motor vehicle** is **your car**;
 - G. if **you** or **your** legal representative settles or prosecutes to judgment **your bodily injury** claim with the owner, operator or other person or organization legally responsible for an **underinsured motor vehicle** without **our** written consent. This exclusion does not apply if **you** make a written request for **our** consent, and **we** fail to respond within 30 days of receipt of the written request;
 - H. Which is caused intentionally by or at the direction of another person;
 - I. While **occupying** an **additional car** or **replacement car** the acquisition of which has not been reported to **us** within 30 days.
 - J. while **occupying** a **motor vehicle** which provides the same or similar coverage for an **insured person**;
3. **We** do not provide Underinsured Motorists Coverage for punitive or exemplary damages.

LIMITS OF LIABILITY

1. **We**, under any circumstances, will not pay more than the maximums shown on the Declarations Page:
 - A. For **bodily injury** sustained by one **insured person** in one accident. This limit also includes all claims for derivative damage allowed under the law.
 - B. For damages for **bodily injury** sustained by two or more **insured persons** in one accident. This limit also includes all claims for derivative damages allowable under the law.
 - C. Regardless of the number of:
 - (1.) **Insured persons**;
 - (2.) Claims made;
 - (3.) Vehicles or premiums shown in the Declarations; or
 - (4.) Vehicles involved in the auto accident.
2. The Limit of Liability for Underinsured Motorist Coverage shown on the Declarations Page shall be reduced by:
 - A. payment made by the owner or operator of the **underinsured motor vehicle** or organization which may be legally liable;
 - B. payment under the Liability Insurance or Underinsured Motorist Coverage of this or any other policy for the same **bodily injury**;
 - C. payment made under any Medical Payments Coverage, Health and Accident Coverage, or Personal Injury Protection Coverage of this or any other policy and in the absence of which payment would be required by the **Code**;
 - D. the comparative negligence of the **insured person**.Items B. and C. above do not apply unless paid Liability and Medical Payments benefits cover the same elements of loss for which the **named insured** would receive Underinsured Motorist benefits.
3. Underinsured Motorists Coverage shall be reduced by the sum of the limits of liability under all bodily injury bonds or policies, other than this policy, applicable at the time of the accident.
4. If none of **your insured cars** are involved in the accident, Underinsured Motorists Coverage is available to the extent of coverage of any one of **your insured cars**. Coverage on any other of **your insured cars** shall not be added to that coverage.
5. No one will be entitled to receive duplicate payments for the same elements of **bodily injury** under this coverage and Part I, Part II or Part III of this policy.
6. **We** will not make a duplicate payment under this coverage for any element of **bodily injury** for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
7. **We** will not pay for any element of **bodily injury** if a person is entitled to receive payment for the same element of **bodily injury** under any of the following or similar law:
 - A. Workers' Compensation law; or

- B. Disability benefits law.
- 8. Any amount payable will be excess over payment made or amount payable under any Workers' Compensation or disability benefits law, the **Code** or other law providing for direct benefits without regard to fault, or similar law.

OTHER INSURANCE

If there is Underinsured Motorist Coverage with **us** or any other insurer for a **bodily injury** covered by this Part, then for purposes of this coverage, damages shall be limited to the maximum amount shown on the Declarations Page for any one **insured person** and/or for two or more **insured persons**. **Our** share is the proportion that **our** Limit of Liability bears to the total of all applicable limits. However, any insurance **we** provide with respect to a vehicle the **insured person** does not own shall be excess over any other valid or collectible insurance.

ARBITRATION

1. If **we** do not agree with the **insured person(s)**:
 - A. that they are legally entitled to recover damages from the owner or operator of an **underinsured motor vehicle**; or
 - B. as to the amount of payment;
either they or **we** must demand, in writing, that the issues, excluding matters of coverage, be determined by arbitration. Unless otherwise agreed by express written consent of both parties, disagreements concerning insurance coverage, insurance afforded by the coverage, whether or not a **car** is an **underinsured car** or the timeliness of a Demand for Arbitration, are not subject to arbitration and suit must be filed within three years from the date of the accident.
2. If arbitration occurs, **we** and the **insured person** will each select an arbitrator. The two arbitrators will select a third. If they cannot agree upon the third arbitrator within 30 days, they may petition the Circuit Court for appointment of the third.
3. The **insured person(s)** will pay their arbitrator. **We** will pay **ours**. The expenses of the third arbitrator will be shared equally. Attorneys' fees and fees paid to medical or other expert witnesses are to be borne by the party which incurs them.
4. Arbitration, unless otherwise agreed, shall be conducted in the county in which the **insured person(s)** resided at the time of the accident. However, in no case will the arbitration hearing be conducted outside of the State of Michigan. If the **insured person(s)** resided outside of the State of Michigan at the time of the accident, the hearing shall be conducted in the county in which **we** maintain **our** principal place of business. The hearing shall be conducted in accordance with the rules governing procedure and admission of evidence in courts of law.
5. The arbitrators shall hear and determine the issues in dispute. The decision in writing of any two will be binding and judgment upon the decision rendered by the arbitrators may be entered in the Circuit Court in the county in which the arbitration was held.

6. For damages caused by an **underinsured motor vehicle**:
 - A. the decision agreed to in writing by two of the arbitrators will be binding if the amount of damages determined by the arbitrators does not exceed \$50,000 for **bodily injury** to any one person or \$100,000 for **bodily injury** to two or more persons in any one motor vehicle accident. Judgment upon the award rendered by the arbitrators may be entered in the Circuit Court in the county in which the arbitration was held.
 - B. if the amount exceeds \$50,000 for **bodily injury** to any one person or \$100,000 for **bodily injury** to two or more persons then the decision of the arbitrators will not be binding and either party may demand the right to a trial, unless the parties agree otherwise by prior written agreement.

Trial shall be on all issues of the arbitrators' decision. This demand must be made within 60 days of the arbitrators' decision and suit filed in the court of proper jurisdiction within 120 days of the arbitrators' decision. If this demand is not timely made or if suit is not timely filed, the decision of the arbitrators' will be binding. Judgment upon any binding award rendered by the arbitrators may be entered in the Circuit Court in the county in which arbitration was filed.

PART V - CAR DAMAGE INSURANCE COVERAGES

A coverage from this Part applies only if a premium is listed for it on the Declarations Page.

THE DEFINITIONS FOUND ON PAGE 3 APPLY TO THIS PART AND, IN ADDITION, FOR THIS PART:

1. **Insured Person(s)** means:
 - A. For use of **your car**, which is the vehicle described on the Declarations Page and identified by a specific Vehicle Identification Number, a **replacement car**, a temporary **substitute car**, an **additional car** and a **trailer** owned by **you**:
 - (1.) **You**;
 - (2.) **your resident relatives**;
 - (3.) any other person, other than a carrier or bailee for hire, using it with **your** permission;
 - B. For **other cars**, (which is any **car** that **you** or any **resident relative** do not own, do not lease for 31 days or more, or do not have furnished or available for frequent or regular use) used with the permission of a person having the right to grant it and if **your car** is a private passenger **car**:
 - (1.) **you**, if an individual;
 - (2.) any **resident relative** who does not own a private passenger **car**.
2. **Collision** means impact of an **insured car** with an object other than a bird or animal or upset of an **insured car**.
3. **Comprehensive loss** means **loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding or contact with a bird or animal, operation of car-wash equipment or breakage of glass. If breakage of glass occurs together with other **loss** due to a **collision**, **you** may elect to have it treated as **loss** caused by **collision**.
4. **Diminution in Value** means the actual or perceived reduction in market or resale value which results from a direct and accidental **loss**.
5. **Loss** means direct and sudden accidental physical damage to or theft of the **insured car**, including its **equipment**. **Loss** does not include consequential damages such as **diminution in value** of the **insured car** but does include loss of use of:
 - A. A **temporary substitute car**; or
 - B. An **other car**;that **you** rent from an agency or company on a daily or weekly basis.
6. **Equipment** means **equipment** that is **permanently attached** by the manufacturer or dealer and appears on the new or used **car** purchase invoice. It also includes, while in the **car**, two tapes or two discs or two cassettes or two records used with a device for the recording or reproduction of sound.

7. **Substantially at Fault** means a person's action or inaction was 51 percent or more the cause of the accident.

COMPREHENSIVE COVERAGE

1. **We** will pay for **loss** caused by **comprehensive loss**, to an **insured car** less any deductible amount shown on the Declarations Page.
2. If there is a total theft of **your car**, and it is a private passenger **car**, **we** will pay up to \$20 per day, but no more than \$600, for the cost of transportation incurred by **you**. Payment begins 24 hours after the theft has been reported to **us** and the police and ends when **your car** is returned to use or when **we** tender or pay the **loss**. The amount to be paid for the cost of transportation is in addition to the Limit of Liability for the direct **loss** to **your car**. Payment for the cost of transportation may not exceed either the amount incurred or the actual cash value of **your car**, whichever is less.
3. **We** will pay up to \$50 for the expense **you** incur for locksmith service if **your car's** ignition key is lost, stolen, or locked in the **insured car**.
4. If **you** have a loss on school property or during a school event at the location the event is taking place, and have comprehensive coverage, the deductible will be reduced to \$25.

COLLISION COVERAGES

1. LIMITED COLLISION COVERAGE

Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay for **loss** caused by **collision** to an **insured car** when the operator of that **car** is not **substantially at fault** in the accident from which the damage arose.

2. STANDARD COLLISION COVERAGE

Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay for **loss** caused by **collision** to an **insured car** less the deductible amount shown on the Declarations Page regardless of fault.

3. BROAD COLLISION COVERAGE

Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay for **loss** caused by **collision** to an **insured car** less the deductible amount shown on the Declarations Page. **You** will not have to pay the deductible if **your car**:

- A. is a private passenger **car** and it is in a **collision** with another **car** described separately on the Declarations Page of this Policy or another policy issued by **us**; or
- B. is in a **collision** and the operator of **your car** is not **substantially at fault** in the accident from which the damage arose.

4. Pet Injury Protection

- A. We will pay up to \$500 if **your pet** sustains injury or death as a result of loss caused by collision to the **insured car** and at the time of the accident:
 - (1.) Limited, Basic or Broad Collision Coverage applies to a private passenger car insured under this policy; and
 - (2.) **your pet** is inside the **insured car**.
- B. If as a result of a covered accident:
 - (1.) **your pet** is injured, we will pay for reasonable and customary costs incurred by **you** or a **resident relative** for veterinary fees including medications and procedures prescribed by **your pet's** veterinarian for treatment of such covered injuries;
 - (2.) **your pet** dies, we will pay the cost to replace the deceased dog or cat with one of like kind and quality.
- C. In any event, the most we will pay as a result of any one accident is a total of \$500 regardless of the number of dogs or cats that are injured or die in the accident.

CAR RENTAL AND TRAVEL EXPENSE COVERAGE

1. Car Rental Expense

- A. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay up to the daily limit shown on the Declarations Page for rental by **you** of a **temporary substitute car** for a period of up to 30 days. This applies when **your car** (if a private passenger car)
 - (1.) is withdrawn from service for more than 24 hours because of **loss**, other than by total theft, covered under this Part; and
 - (2.) if Car Rental Coverage is in effect at the time of that **loss**; and
 - (3.) the amount of the loss exceeds the deductible.
- B. If **you** are entitled to coverage for a **loss** by total theft of **your car**, the amount provided under Comprehensive Coverage for the cost of transportation will be that shown on the Declarations Page for Car Rental Coverage.
- C. Coverage will begin 24 hours after the total theft has been reported to **us** and the police, and will continue for a total time period of up to 30 days.
- D. Car Rental Coverage payment stops when:
 - (1.) **your car** has been replaced, repaired if damaged, or returned to **you** if undamaged; or
 - (2.) settlement for the total **loss** of **your car** has been made or tendered; or
 - (3.) the limits of this coverage have been exhausted.
- E. In no event will payment under Car Rental Coverage exceed either the
 - (1.) actual cash value of **your car**; or
 - (2.) the amount incurred for car rental, whichever is less.

2. Travel Expense

- A. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to this Part, **we** will pay up to \$400.00 for Travel Expenses incurred by **you** or a **resident relative** if **your car** is not drivable due to a **loss** which occurs more than 100 miles from home and which is payable under **your** comprehensive or collision coverages and Car Rental and Travel Expense Coverage is listed on the declarations page for the **insured car** involved on the **loss**. **We** will pay for expenses incurred by **you** or any **resident relative** for:
 - (1.) Commercial transportation fares, excluding car rental, to continue to **your** destination or home;
 - (2.) Extra meals and lodging needed when the **loss** to **your car** causes a delay enroute. 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 occurs first; and
 - (3.) Meals, lodging and commercial transportation fares, excluding car rental, incurred by **you** or a person **you** choose to drive **your car** from the place of repair to **your** destination or home.

SPECIAL EQUIPMENT COVERAGE

- 1. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to Part V, when a **comprehensive** or **collision** coverage is applicable to a **loss**, **we** will pay not more than \$1,000.00 for **special equipment** designed for use in a **car** and in or on **your car** at the time of the **loss**. **Our** liability under this coverage shall not exceed \$1,000.00 unless **you** purchase Total **Special Equipment** Coverage described below. The deductible amount shown on the Declarations Page under the applicable **comprehensive** or **collision** coverage will be applied to the **loss**.
- 2. Coverage for **special equipment** shall not cause **our** Limit of Liability for **loss** to **your car** under Part V of the policy to be increased to an amount in excess of the actual cash value of **your car**.
- 3. **You** will be required to maintain and present proof of purchase, to include, but not limited to an original purchase receipt, and proper installation of the **special equipment** covered under the Policy as proof of **loss** for any claim under this coverage.

TOTAL SPECIAL EQUIPMENT COVERAGE

- 1. If **you** have purchased additional coverage on **special equipment**, the total amount of **special equipment** coverage is shown on the Declarations Page. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to Part V, **we** will pay for **loss** to **special equipment** that is designed for use in a **car** and is in or on **your car** at the time of the **loss** when **your car** is identified on the Declarations Page as having total special equipment coverage and the **special equipment** is endorsed onto the Policy. The deductible amount shown on the Declarations Page under the applicable **comprehensive** or **collision** coverage will

be applied to the **loss**. **Our** total liability for **special equipment** shall not exceed the amount indicated on the Declarations Page.

2. Additional coverage for **special equipment** shall not cause **our** limit of liability for **loss to your car** under Part V of the Policy to be increased to an amount in excess of the actual cash value of **your car**.
3. **You** will be required to maintain and present proof of purchase, to include, but not limited to an original purchase receipt, and proper installation of the **special equipment** covered under the policy as proof of **loss** for any claim under this coverage.

ROAD SERVICE/TOWING COVERAGE

1. Subject to the Definitions, Exclusions, Conditions and Limits of Liability that apply to Part V, **we** will pay the reasonable cost incurred by **you**, up to the Limit identified on the Declarations Page, for **your car** for:
 - A. mechanical labor up to one hour at the place of its breakdown;
 - B. towing to the nearest place where the necessary repairs can be made during regular business hours if it will not run;
 - C. towing it out if it is stuck on or immediately next to a public highway;
 - D. delivery of gas, oil, loaned battery, or change of tire.

We will not pay such expenses unless submitted within a reasonable time period after they are incurred.

EXCLUSIONS

LOSSES NOT COVERED

1. **We** will not pay for **loss**:
 - A. to an **other car** that is not a private passenger **car** or **trailer**; such as a rental truck or U-Haul type vehicle.
 - B. to an **other car** while used in the **car business**;
 - C. caused by **war** or radioactive contamination, discharge of a nuclear weapon (even if accidental), or any consequence of them;
 - D. to tires, unless stolen, damaged by fire or vandalism or the damage happens along with other covered **loss** to the **insured car**;
 - E. limited to wear and tear, freezing, mechanical or electrical breakdown or failure unless the damage results from the total theft of the **insured car**;
 - F. to an office, store, display or passenger **trailer** that is not described on the Declarations Page;
 - G. to an **insured car** while operated in any:
 - (1.) race;
 - (2.) hill climb
 - (3.) demonstration;
 - (4.) speed contest;
 - (5.) stunting contest; or
 - (6.) performance contest.
 - H. to a house **trailer** owned by an **insured person**, and not described on the Declarations Page;

- I. to any other type **trailer**, cap or camper unit body, owned by an **insured person**, that is not described on the Declarations Page and not attached to a vehicle specifically described on the Declarations Page at the time of **loss**;
- J. in excess of \$1,000 to any other type utility **trailer** owned by an **insured person**, that is not described on the Declarations Page when attached to a vehicle specifically described on the Declarations Page;
- K. to any commercial **trailer**;
- L. to any non-owned private utility **trailer**;
- M. to **your** personal watercraft **trailer** if covered by any other policy issued by **us**. However, **we** will pay up to \$1,000 for **your** personal watercraft **trailer** that is not described on the Declarations Page of any policy issued by **us**;
- N. to any vehicle contents;
- O. to a **replacement car** or **additional car**, the acquisition of which has not been reported to **us** within 30 days;
- P. if **you** assume liability by contract or agreement;
- Q. to an **other car** or **temporary substitute car** when the **insured person** is not covered by any other insurance that applies unless the **insured person** is legally obligated to pay for the **loss**;
- R. to any radar detection device;
- S. to **equipment** unless that **equipment** is **permanently attached** to the **insured car** in or on an area of the **insured car** normally used by the **car** manufacturer for the installation of **equipment** of that type;
- T. resulting from seizure, or confiscation or forfeiture of any **insured car** by, or surrender of an **insured car** to, any:
 - (1.) legally constituted authority; or law enforcement agent, official, officer, department or bureau.
 - (2.) **lienholder**, subrogee, assignee, or person with a superior right of ownership or possession;if upon acquisition of the **car** **you** knew or should have known that the **car** had likely been stolen or wrongfully taken away from its rightful owner or possessor;
- U. to any vehicle being used as a taxi;
- V. which is caused intentionally by a **titleholder** or **lessee** of that **car**;
- W. to an **insured car** due to **diminution in value**.
- X. to an **insured car** and its equipment while **you** or any **resident relative** or anyone driving with express or implied permission from **you** or a **resident relative**:
 - (1.) is using **your insured car** in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - (2.) using or operating **your insured car** in an attempt to flee a law enforcement agent; and

- (3.) such person is a willing participant in such activity listed in (1.) or (2.) above.

LIMITS OF LIABILITY

1. **Our** Limit of Liability for **loss** shall not exceed the lesser of:
 - A. the actual cash value of the stolen or damaged property, an adjustment for depreciation, physical condition and obsolescence will be made in determining actual cash value at the time of **loss**; or
 - B. the amount necessary to repair or replace the property with other property of like kind and quality; or
 - (1.) **we** have the right to choose one of the following to determine the cost to repair the **insured car**:
 - (a.) the cost agreed to by both the owner of the **insured car** and **us**;
 - (b.) a bid or repair estimate approved by **us**; or
 - (c.) a repair estimate that is written based upon or adjusted to:
 - (i) the prevailing competitive price;
 - (ii) the lower of paintless dent repair pricing established by an agreement **we** have with a third party or the paintless dent repair price that is competitive in the market; or
 - (iii) a combination of (i) and (ii) above.

The prevailing competitive price means prices charged by a majority of the repair market in the area where the covered vehicle is to be repaired as determined by a survey made by **us**. If asked, **we** will identify some facilities that will perform the repairs as the prevailing competitive price. The estimate will include parts sufficient to restore the covered vehicle to its pre-loss condition.

You agree with **us** that the repair estimate may include new, used, recycled, and reconditioned parts. Any of these parts may be either original equipment manufacturer parts or non-original equipment manufacturer parts.

You also agree that replacement glass need not have any insignia, logo, trademark, etching, or other marking that was on the replaced glass.

- C. for Total Special Equipment Coverage, the amount shown on the Declarations Page.
2. A **car** with a **trailer** attached is considered separate **cars**, including any deductibles in Part V.

NO BENEFIT TO BAILEE

Car Damage Insurance Coverages shall not directly or indirectly benefit any carrier or other bailee for hire liable for **loss** to an **insured car**.

OTHER INSURANCE

If **you** have other insurance against a **loss** covered by this Part of the Policy (Part V), **we** shall not be liable under this Policy for a greater proportion of such **loss** than the applicable Limit of Liability of this Policy bears to the total

applicable Limit of Liability of all valid and collectible insurance against such a **loss**; provided, however, the insurance with respect to a **temporary substitute car** or **other car** shall be excess insurance over any other valid and collectible insurance. If the **insured car** is damaged by **collision** while parked so as not to cause unreasonable risk, subject to the applicable deductible as shown on the Declarations Page, **we** will pay for damage not recovered under the provisions for Property Protection Insurance described in the **Code**. **We** will have recovery rights under General Condition 5.

DEFENSE

If suit is brought against any **insured person** for damage to the property of another for a **loss** which would be covered under this Part, **we** will provide the same defense and Additional Payments as is provided by the Liability Insurance Coverage Part of this Policy.

APPRAISAL AND ARBITRATION

If there is a disagreement as to the amount of the **loss**, either **you** or **we** must demand Appraisal of the **loss** within 60 days after the proof of loss is filed. In such event, **you** and **we** shall each select and pay a competent and disinterested appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss**, and failing to agree, shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss**. **You** and **we** shall each bear equally the other expenses of the Appraisal and of the umpire. **We** shall not be held to have waived any of **our** rights by any act relating to Appraisal.

If there is a disagreement between **us** and **you** as to whether the operator of **your car** was **substantially at fault**, **you** or **we** shall demand in writing that the matters be settled by arbitration. Disagreements concerning insurance coverage or the insurance afforded by this coverage are not subject to arbitration except by express written consent of both parties. **You** and **we** will each select an arbitrator. The two arbitrators will select a third arbitrator. If they cannot agree upon the third arbitrator within 30 days, they may petition the Circuit Court for appointment of the third. **You** will pay the arbitrator **you** select. **We** will pay the arbitrator **we** select. The expenses of the third arbitrator shall be shared equally. Fees paid to expert witnesses are to be borne by the party which incurs the expense. Unless it is agreed otherwise, arbitration will be conducted in the county where the accident occurred. However, in the event that the accident occurred outside of the State of Michigan, the arbitration shall be conducted in the county in which **we** have **our** principal place of business. The hearing shall be conducted in accordance with the rules governing procedure and admission of evidence in courts of law. The arbitrators shall hear and determine the issues in dispute. The decision in writing of any two will be binding and judgment upon the decision rendered by the arbitrators may be entered in the Circuit Court in the county in which the arbitration was held.

PAYMENT OF LOSS

We may, at **our** option, pay for the **loss** in money, or by repairing or replacing the damaged or stolen property. **We** may, at any time before the **loss** is paid or the property replaced, return at **our** expense, any stolen property either to **you** or to the address shown on the Declarations Page. **We** may keep all or part of the property replaced, return at **our** expense, any stolen property either to **you** or to the address shown on the Declarations Page.

We may keep all or part of the property at the agreed or appraised value. The property may not be abandoned to **us**. If the **insured car** is stolen, and has not been recovered, payment will not be made before 30 days from the time notice of the theft has been given to **us** and to the police.

PART VI - ADDITIONAL CAR OPTION

The Definitions found on Page 3 also apply to this Part.

We grant an option to the **Named Insured** to purchase insurance under this policy for an **additional car** effective on the date of its acquisition if **we** insure all **cars** owned by the **Named Insured**.

Exercise of this option must be made within 30 days of the acquisition of the **additional car**. No coverage is provided under this Policy for an **additional car** the acquisition of which is not reported to **us** within 30 days. The election to exercise this option must be made under this and no other policy. The Additional Car Option shall expire at 12:01 a.m. on the 31st day after acquisition of the **additional car**.

If the **Named Insured** elects to exercise the Additional Car Option, **we** will provide Liability Insurance Coverages, Michigan No-Fault Insurance Coverages, Uninsured Motorist Coverages and Underinsured Motorist Coverages for the **additional car** identical to those coverages described on the Declarations Page for 30 days after acquisition (but in no case beyond 30 days of acquisition).

If the **Named Insured** elects to exercise the Additional Car Option for a vehicle four or less years old, as determined by the vehicle title, **we** will provide Car Damage Coverages equal to the **car** on the Declarations Page with the greatest level of Car Damage Coverage from the date of acquisition to the date the **Named Insured** notifies **us** of the **additional car** (but in no case beyond 30 days of acquisition). After the

date on which the **Named Insured** notifies **us** of an **additional car** (but in no case beyond 30 days of acquisition) the **Named Insured** must designate to **us** one of the **cars** described on the Declarations Page and the Car Damage Coverages provided for that **car** shall serve as the basis for the selection of coverages and Limits of Liability for the **additional car** insurance. The **Named Insured** may not select coverages with limits in excess of those effective for the designated **car**.

If the **Named Insured** elects to exercise the Additional Car Option for a vehicle greater than four years of age, as determined by the vehicle title, **we** will not provide Car Damage Coverages from the date of acquisition to the date that the **Named Insured** notifies **us** of the **additional car**. After the date on which the **Named Insured** notifies **us** of an **additional car** (but in no case beyond 30 days of acquisition) the **Named Insured** must designate to **us** one of the **cars** described on the Declarations Page and the insurance provided for that **car** shall serve as the basis for the selection of coverages and Limits of Liability for the **additional car** insurance. The **Named Insured** may not select coverages with limits in excess of those effective for the designated **car**.

If insurance under this Policy is issued under the Additional Car Option, coverage shall be excess over any other valid and collectible insurance.

PART VII - ADDITIONAL INSURED - TITLEHOLDER OR LESSEE

The Definitions found on Page 3 also apply to this Part.

Liability and Car Damage Insurance Coverages provided by this Policy for **your car** also apply to the **titleholder** or **lessee** named on the Declarations Page as an **additional insured**. In addition to the Definitions, Exclusions, Conditions and Limits of Liability found in the Liability and Car Damage Insurance Coverages, this insurance is subject to the following additional provisions:

1. **we** will pay damages for which the **titleholder** or **lessee** is legally liable only if the damage arises out of the ownership, maintenance or use of **your car** by **you**, a **resident relative** or any other person using **your car** with **your** permission;
2. Michigan No-Fault Insurance Coverages - Personal Injury Protection and Property Protection do not apply to the **titleholder** or **lessee** as an **additional insured**;

3. if **we** cancel or decline to renew the Policy or the **Named Insured** declines **our** offer to renew the Policy, **we** will mail notice of cancellation or non-renewal to the **additional insured** at the address shown on the Declarations Page;
4. the **additional insured** is not responsible for payment of premiums;
5. the description of the **titleholder** or **lessee** as an **additional insured** shall not increase **our** Limit of Liability.

GENERAL POLICY CONDITIONS APPLYING TO ALL PARTS OF THIS POLICY

The Definitions found on Page 3 also apply to this Part.

1. POLICY TERM, TERRITORY, USE

This Policy applies only to occurrences, accidents and **losses** during the Policy Term shown on the Declarations Page. The territory includes the **states**; Property Protection Insurance applies only in the State of Michigan. The **insured car** must be used for the purpose stated in the application for this Policy.

2. CONFORMITY WITH STATUTES

If the law of any **state** requires a non-resident to maintain **car** insurance greater than the insurance provided by this Policy, **our** limits and the coverage afforded shall be as set forth in that law while the **insured car** is used in that **state**.

3. TWO OR MORE CARS

If more than one **car** is insured under this Policy, the terms apply separately to each. A **car** with a **trailer** attached is considered

- A. one **car** as respects Limits of Liability in Part I, and
- B. separate **cars**, including any deductibles, in Part V.

4. NO DUPLICATION OR PYRAMIDING

Under no circumstances will **we** be required to pyramid or duplicate any types, amounts or limits of **motor vehicle** coverages available from **us** or any other insurance company.

5. OUR RIGHT OF RECOVERY

In the event of any payment under this Policy, **we** are entitled to all rights of recovery of the **insured person** against any other person or organization. Any person receiving payment under this Policy shall hold in trust and/or reimburse **us** to the extent of **our** payment from the proceeds of any recovery. The **insured person** must help **us** exercise **our** rights. The **insured person** shall do nothing to prejudice **our** rights.

6. TRANSFER OF POLICY

This Policy may not be transferred without **our** written consent. If **you** die, coverage will be provided for:

- A. The surviving **spouse** if a **resident** in the same household at the time of death. Coverage applies to the **spouse** as if shown on the Declarations Page; or
- B. The legal representative of the deceased person as shown on the Declarations Page. This applies only with respect to the representative's legal responsibility to maintain or use the **insured car**.

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

7. SUIT AGAINST THE COMPANY

We may not be sued unless there is full compliance with all terms of this Policy.

We may not be sued under the Liability Coverages:

- a. Unless **we** agree an insured person is required to pay and **we** disagree on the amount of payment; or
- b. Until the amount of payment has been finally determined following completion of judicial proceedings applicable to the loss.

Unless **we** consent, no one may make **us** a party to a suit to determine the liability of an insured person. This requirement does not apply if **we** have not responded to a written demand for payment within a reasonable period of time following receipt of the written demand so as to enable **us** to investigate the facts and circumstances of the loss.

8. BANKRUPTCY

We are not relieved of any obligation under this Policy because of the bankruptcy or insolvency of any **insured person**.

9. EXCLUDED DRIVER

WARNING - WHEN A NAMED EXCLUDED PERSON OPERATES A VEHICLE ALL LIABILITY COVERAGE IS VOID-NO ONE IS INSURED. OWNERS OF THE VEHICLE AND OTHERS LEGALLY RESPONSIBLE FOR THE ACTS OF THE NAMED EXCLUDED PERSON REMAIN FULLY AND PERSONALLY LIABLE.

If an **insured car** is being operated by an individual named as an Excluded Driver, insurance under this Policy is null and void for Bodily Injury Liability Insurance Coverage, Property Damage Liability Insurance Coverage, Comprehensive Coverage, Collision Coverage, Uninsured Motorist Insurance Coverage, Underinsured Motorist Insurance Coverage, Car Rental and Travel Expense Coverage and Special Equipment Coverage.

10. CANCELLATION

This entire Policy may be cancelled upon request of the **Named Insured**.

Coverage under this Policy for a **car** described on the Declarations Page and identified by a Vehicle Identification Number may be cancelled upon **your** request if an owner of that car, or the **named insured**. **We** will compute and keep or collect **our** pro-rata share of the premium for the period that the Policy or coverage has been in effect. **We** will refund to **you** any excess of premium for unexpired time.

Coverage under this Policy for any **car** identified on the Declarations Page, or the entire Policy, may be cancelled by **us**. **We** will mail or deliver 10 days written notice of cancellation to the **Named Insured**. This will be sent to the **Named Insured's** address last known to **us** or its authorized agent. Any unused premium will be returned to the **Named Insured** pro-rated for the unexpired time. **We** may collect any premiums due **us** prorated for the entire time the Policy was effective. For reasons other than failure to pay premium when due, **we** will mail or deliver 30 days written notice of cancellation.

If **you** have elected to use **our** Partial Payment Program, failure to pay any installment when due will result in cancellation.

Premium payments received in **our** office within 30 days after the cancellation of **your** Policy may, at **our** option, result in the reissue of **your** Policy with a lapse in coverage as reflected by the new effective dates on the Declarations Page. **We** will only pay for a **loss** or claim occurring within the policy effective dates.

Cancellation will not affect any claim that originated prior to the date of cancellation.

11. CANCELLATION BY THE COMPANY, LIMITED

After coverage under this Policy for a **car** identified on the Declarations Page has been effective for a period of 55 days; or if this Policy is designated as a renewal on that Declarations Page and that **car** had been insured by **us** for 55 days immediately preceding the renewal date; **we** shall issue a notice of cancellation when: (1) **you**, a resident of **your** household, or whomever customarily operates an **insured car**, has had their driver's license suspended or revoked during this policy term and the suspension or revocation has become final.

12. NONRENEWAL

We may decline to renew this Policy. If so, **we** will mail notice of nonrenewal to **you** at the address last known to **us** at least 20 days before the end of the policy term.

If **we** offer to renew this Policy, and **you** decline, it will automatically terminate at the end of the policy term. Payment of the required renewal premium must be received in **our** office before the due date to constitute acceptance of the offer to renew **your** policy. Payments for the renewal premium received in **our** office within 30 days after the due date will constitute an offer by **you** to renew the policy effective 12:01a.m. the day after the payment is received. The policy may, at **our** option, be renewed with new effective dates. **We** will only pay for a **loss** or claim occurring within the policy effective dates. A check or electronic funds transfer authorization which is not honored for any reason will not constitute payment or acceptance of **our** offer to renew and will not continue coverage beyond any date when such coverage will otherwise terminate for lack of payment.

13. CHANGES

This Policy and the Declarations Page include all agreements between the **Named Insured** and **us**. No change or waiver may be effected in this Policy except by endorsement issued by **us**. If a premium adjustment is necessary, **we** will make it as of the effective date of the change. **We** will collect any premium due **us**. However, if a Policy Change Endorsement results in an additional premium due **us** of \$4.99 or less, **we** will waive that additional premium due. If a Policy Change Endorsement results in an overpayment of premium, **we** will refund the overpayment of premium except that **we** will not refund an overpayment of \$4.99 or less unless requested to do so by **you**.

Coverage for changes will not apply prior to the date and hour shown on the Policy Change Endorsement form. When **we** broaden coverage during the policy term

without charge, the Policy will automatically provide the broadened coverage.

14. DUTY TO REPORT POLICY CHANGES

If the information used to develop the policy premium changes, **we** may adjust **your** premium during the policy term. The **named insured** must inform **us** within 30 days of any changes related to the following:

- a. **your** address;
- b. where **your car** is principally garaged;
- c. **your car** or how it is used, including driving distance to work annual mileage;
- d. the operators who regularly drive **your car**, including newly licensed family members;
- e. the ownership or registration of **your car**.

If **you** fail to inform **us** of these changes within 30 days, **we** may void coverage as provided under Condition 22 - **Concealment Or Fraud**.

If **we** adjust your premium during the policy term as a result of these or other changes in rating conditions, a refund or credit will be issued if the premium is decreased. A billing notice for the additional amount due will be sent if the premium is increased.

15. EFFECTIVE TIME

The policy period begins and ends at 12:01 A.M. on the date on the Declarations Page at the place where this Policy has been signed. A policy period specified as beginning March 1 shall first take effect February 29 if so requested in the application. Coverage shall not be provided for any **loss** occurring prior to the effective date shown on the policy application.

16. DECLARATIONS

By accepting this Policy **you** agree that:

- A. the statements on the Declarations Page and in the application for this Policy are **your** own;
- B. this Policy is issued in reliance upon the truth of those representations; and
- C. this Policy, including the Declarations Page and endorsements attached at the time of issuance, including all agreements existing between **you** and **us** or any of its agents relating to this insurance.

17. PREMIUM

Premium deposit or payment shall be calculated on the basis of rating conditions existing at the beginning of each policy term, except as provided in Condition 13. They shall conform to approved rates and rules then on file with the State of Michigan.

The premium deposit or payment must properly conform to that which should have been charged. **We** and the **Named Insured** agree to make any necessary adjustments in the premium deposit or payment during the term of the Policy or the twelve months succeeding.

18. CONSTITUTIONALITY

If an appellate court of Michigan or the United States enters an unappealed judgment which declares the **Code** invalid, unenforceable or unconstitutional, in whole or in part, **we** shall:

- A. have the right to recompute the premium payable for the Policy for the entire policy term on the basis of revised rates as approved by the Insurance Commissioner;
- B. have no obligation to make any further payment pursuant to the coverages contained in the Policy which were required by the **Code**;
- C. mail to **you** revised coverages to apply in the future in substitution for those coverages affected by the decision of the court at revised rates as approved by the Insurance Commissioner. **We** will mail notice of revisions in coverages and rates to **you** at least 10 days prior to their effective date. The right of cancellation and pro-rata refund will continue to apply.

19. NON-ASSESSABLE

This Policy is non-assessable. **You** are liable only for payment of the premium deposit and will not be liable for any assessment or contingent liability of any kind.

20. TRANSFER OF TITLE

If the title of a **car** described on the Declarations Page and identified by a specific Vehicle Identification Number is transferred to a person other than **you** or any **resident relative**, this Policy provides coverage only for **you** and a **resident relative** while it remains in force.

21. LOSS PAYABLE

We agree that payment for **loss** covered by this Policy and sustained by the vehicle described on the Declarations Page shall be made to the **Named Insured** and **lienholder** as interests may appear. Payment for **loss** may be made separately to each interested party. Upon **our** request (either before or after payment) the **lienholder** shall assign and transfer to **us**, to the extent of the payment **we** make to it, its right and interest in the indebtedness to which its lien or right pertains, including any instrument or security related thereto.

We agree that this endorsement shall not be invalidated as to the interest of the **lienholder** in the described vehicle by any act or neglect of any **Named Insured** or of any owner except:

- A. when that vehicle is intentionally damaged, destroyed or concealed by or at the direction of any **Named Insured** or by any owner; or
- B. when the vehicle is damaged, destroyed or concealed as a result of any other act which constitutes a breach of contract between any **Named Insured** or owner and the **lienholder**.

22. CONCEALMENT OR FRAUD

This entire Policy is void if any **insured person** has intentionally concealed or misrepresented any material fact or circumstance relating to:

- A. This insurance;
- B. The Application for it;
- C. Or any claim made under it.

SIGNATURE CLAUSE

In Witness Whereof, we, MEEMIC Insurance Company, have caused this Policy to be issued and to be signed by our President & Chief Executive Officer.


President & Chief Executive Officer