

UNINSURED MOTOR VEHICLE COVERAGE – PROPERTY DAMAGE

This endorsement is a part of the policy. Except for the changes this endorsement makes, all other provisions of the policy remain the same and apply to this endorsement.

Uninsured Motor Vehicle Coverage – Bodily Injury and Property Damage, Coverage U1, is replaced by this endorsement in its entirety. Relative to this coverage, all references to Uninsured Motor Vehicle Coverage – Bodily Injury and Property Damage are changed to Uninsured Motor Vehicle Coverage – Property Damage.

This policy provides Uninsured Motor Vehicle Coverage - Property Damage if a premium is shown under “Coverage Symbol U1” in the “POLICY PREMIUM” schedules on the Declarations.

Deductible

The Uninsured Motor Vehicle Coverage - Property Damage deductible that applies to a **your car** is the deductible dollar amount shown in the “POLICY PREMIUM” schedules on the Declarations for that **your car**.

Additional Definitions

Property Damage means damage to:

1. a **your car** for which a premium for that **your car** is shown under “Coverage Symbol U1” in the “POLICY PREMIUM” schedules on the Declarations; or
2. a **newly acquired car**.

Uninsured Motor Vehicle means a land motor vehicle the ownership, maintenance, and use of which is:

1. not insured or bonded for property damage liability at the time of the accident; or
2. insured or bonded for property damage liability at the time of the accident; but:
 - a. the limit that applies to **property damage** is less than the limit required by the financial responsibility act of Illinois; or
 - b. the insuring company:
 - (1) denies that its policy provides liability coverage for compensatory damages that result from the accident; or
 - (2) is or becomes insolvent.

Uninsured Motor Vehicle does not include a land motor vehicle:

1. whose ownership, maintenance, or use is provided Liability Coverage by this policy;
2. **owned by**, rented to, or operated by a self-insurer under any motor vehicle financial responsibility law, any motor carrier law, or any similar law;
3. **owned by** or rented to any government or any of its political subdivisions or agencies;
4. designed for use primarily off public roads and not licensed for public road use at the time of the accident. This does not apply while the vehicle is on public roads; or
5. while located for use as a dwelling or other premises.

Insuring Agreement

We will pay compensatory damages for **property damage you** are legally entitled to recover from the owner or driver of an **uninsured motor vehicle**. The **property damage** must be caused by an accident that involves the operation, maintenance, or use of an **uninsured motor vehicle** as a motor vehicle.

Consent to Settlement

You must inform **us** of a settlement offer, if any, proposed by or on behalf of the owner or driver of the **uninsured motor vehicle**, and **you** must request **our** written consent to accept such settlement offer.

If **we**:

1. consent in writing, then **you** may accept such settlement offer.
2. inform **you** in writing that **we** do not consent, then **you** may not accept such settlement offer and:
 - a. **we** will make payment to **you** in an amount equal to such settlement offer. This payment is considered a payment made by or on behalf of the owner or driver of the **uninsured motor vehicle**; and
 - b. any recovery from or on behalf of the owner or driver of the **uninsured motor vehicle** shall first be used to repay **us**.

Settlement of Loss for Property Damage

Subject to the dollar amount shown under "Property Damage – Each Accident" in the "COVERAGES AND LIMITS" schedule on the Declarations, **we** have the right to settle with **you** for the **property damage** in one of the following ways:

1. Pay the cost to repair the **property damage** minus any applicable deductible.
 - a. **We** have the right to choose one of the following to determine the cost to repair the **property damage**:
 - (1) The cost agreed to by both **you** and **us**;
 - (2) A bid or repair estimate approved by **us**; or
 - (3) 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 **property damage** is to be repaired as determined by a survey made by us. If asked, **we** will identify some facilities that will perform the repairs at the prevailing competitive price. The estimate will include parts sufficient to restore the **property damage** 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.
 - b. The cost to repair the **property damage** does not include any reduction in the value of the **property damage** after it has been repaired, as compared to its value before it was damaged.
 - c. If the repair or replacement of a part results in betterment of that part, then **you** must pay for the amount of the betterment.
 - d. If **you** and **we** agree, then windshield glass will be repaired instead of replaced;
2. Pay the agreed upon actual cash value of the **property damage** minus any applicable deductible.
 - a. Actual cash value is determined by the market value, age, and condition at the time the **property damage** occurred. Any deductible amount that applies is then subtracted.
 - b. Actual cash value does not include any reduction in the value of the **property damage** after it has been repaired, as compared to its value before it was damaged.
 - c. The **property damage** must be given to **us** in exchange for **our** payment, unless **we** agree that **you** may keep the **property damage**. If **you** keep the **property damage**, then **our** payment will be reduced by the value of the **property damage** after the loss, minus any applicable deductible.
 - d. If there is disagreement as to the actual cash value of the **property damage**, then the disagreement will be resolved in accordance with the **Deciding Fault and Amount** provision of this coverage.

Deciding Fault and Amount

1. **You** and **we** must agree to the answers to the following two questions:
 - a. Are **you** legally entitled to recover compensatory damages from the owner or driver of the **uninsured motor vehicle**?
 - b. If **you** and **we** agree that the answer to 1.a. above is yes, then what is the amount of the compensatory damages that **you** are legally entitled to recover from the owner or driver of the **uninsured motor vehicle**?
2. If there is no agreement, these questions shall be decided by arbitration.
3. If **you** request arbitration, **you** and **we** shall each select an arbitrator and the two arbitrators so named shall select a third arbitrator. If such arbitrators are not selected within 45 days from such request, either party may request that such arbitration be submitted to the American Arbitration Association.
4. The written decision of any two arbitrators shall be binding on each party for the amount of **property damage** not exceeding the least of, in any one accident:
 - (1) the corresponding policy limit for this coverage under this policy, subject to the applicable deductible; or
 - (2) the actual cash value of the damaged vehicle subject to the applicable deductible.

5. Arbitrator, attorney, and expert witness costs shall be paid by the party who hired such **person**. The cost of the third arbitrator and other expenses of arbitration shall be shared equally by both parties. However, in no event shall the expense to **you**, exclusive of fees for attorneys and expert witnesses, reduce recovery below the Illinois Safety Responsibility Law minimum limit.
6. The arbitration shall take place in the county in which **you** reside unless the parties agree to another place. State court rules governing procedure and admission of evidence shall be used and the rules as specified in Illinois Insurance Code 5/143a shall also apply.
7. **We** are not bound by any judgment against any **person** or organization obtained without **our** written consent.
8. Any arbitration or suit against **us** will be barred unless commenced within two years after the date of the accident or within two years immediately following the date the carrier for the **uninsured motor vehicle** becomes insolvent, if the carrier becomes insolvent within two years immediately following the date of the accident. Legal action may only be brought against **us** in accordance with the **Legal Action Against Us** provision of this policy.
9. Arbitrators shall have no authority to decide any questions of law or conduct arbitration on a class-wide or class-representative basis.
10. Regardless of the amount of any award, including any judgment or default judgment, **we** are not obligated to pay any amount in excess of the available limit under this coverage of this policy.

Limit

1. The Uninsured Motor Vehicle Coverage - Property Damage limit is shown in the "COVERAGES AND LIMITS" schedule on the Declarations.
 - a. The most **we** will pay for all **property damage** resulting from any one accident is the lesser of:
 - (1) the dollar amount shown under "Property Damage Limit – Each Accident"; or
 - (2) the amount of **property damage** reduced by the sum of all payments for **property damage** made by or on behalf of any **person** or organization who is or may be held legally liable for that **property damage**.
 - b. The amount payable for **property damage** is subject to the applicable deductible for each accident.
2. The limit shown for Uninsured Motor Vehicle Coverage - Property Damage is the most **we** will pay in any one accident regardless of the number of:
 - a. **insureds**;
 - b. claims made;
 - c. vehicles insured;
 - d. premiums shown on the Declarations; or
 - e. vehicles involved in the accident.

Nonduplication

We will not pay under Uninsured Motor Vehicle Coverage - Property Damage any damages that have already been paid, could have been paid, or could be paid to or for the **insured** under any physical damage coverage or property insurance policy.

Exclusions

THERE IS NO COVERAGE:

1. IF **YOU**, WITHOUT **OUR** WRITTEN CONSENT, SETTLE WITH ANY **PERSON** OR ORGANIZATION WHO MAY BE LIABLE FOR THE **PROPERTY DAMAGE**;
2. FOR PUNITIVE OR EXEMPLARY DAMAGES;
3. FOR ANY ORDER OF RESTITUTION ISSUED BY A COURT IN A CRIMINAL PROCEEDING OR EQUITABLE ACTION;
4. FOR **PROPERTY DAMAGE** UNLESS **YOU** CAN:
 - a. IDENTIFY THE OWNER OR DRIVER OF THE **UNINSURED MOTOR VEHICLE** BY NAME AND ADDRESS; AND
 - b. PROVE THE MOTOR VEHICLE TO BE AN **UNINSURED MOTOR VEHICLE**; OR
5. FOR **PROPERTY DAMAGE**, FOR:
 - a. LOSS OF USE OF THE VEHICLE; OR
 - b. LOSS OF OR DAMAGE TO PERSONAL PROPERTY WHICH WAS IN THE VEHICLE.

If Other Uninsured Motor Vehicle Coverage - Property Damage Applies or If Other Property Damage Coverage Applies

The Uninsured Motor Vehicle Coverage - Property Damage provided by this policy for **property damage** applies:

1. as excess coverage if any other kind of coverage applies to the **property damage**, including coverage provided under the Physical Damage Coverages of this policy; but
2. only in the amount by which it exceeds that other coverage.

The **State Farm Companies** will pay the proportion of damages payable as excess that the single highest applicable limit provided by any one of the **State Farm Companies** bears to the sum of such amount and the limits of all other physical damage coverage or property damage coverage provided by one or more other sources that apply as excess coverage.

Our Payment Options

We may, at **our** option, make payment to one or more of the following for **property damage**:

1. **You**;
2. The repairer; or
3. A creditor shown on the Declarations, to the extent of its interest.