



State Farm®
**Business Car
Policy
Booklet**

Vermont
Policy Form 9645C

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THIS POLICY

1. This policy consists of:
 - a. the most recently issued Declarations;
 - b. the policy booklet version shown on that Declarations; and
 - c. any applicable endorsements shown on that Declarations.
2. This policy contains all of the agreements between all named insureds who are shown on the Declarations and all applicants and:
 - a. **us**; and
 - b. any of **our** agents.
3. **We** agree to provide insurance according to the terms of this policy:
 - a. based on payment of premium for the coverages chosen; and
 - b. in reliance on the statement that the named insured shown on the Declarations is the sole owner of **your car**, unless **you** have notified **us** otherwise.
4. All named insureds shown on the Declarations and all applicants agree by acceptance of this policy that:
 - a. the statement in 3.b. above is made by such named insured or applicant and is true; and
 - b. **we** provide this insurance on the basis that this statement is true.
5. **Your** purchase of this policy may allow:
 - a. **you** to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the **State Farm Companies**, subject to their applicable eligibility rules; or
 - b. the premium or price for other products or services purchased by **you**, including non-insurance products or services, to vary. Such other products or services must be provided by the **State Farm Companies** or by an organization that has entered into an agreement or contract with the **State Farm Companies**. The **State Farm Companies** do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

DEFINITIONS

We define certain words and phrases below for use throughout the policy. Each coverage includes additional definitions only for use with that coverage. These definitions apply to the singular, plural, possessive, and any other form of these words and phrases. Defined words and phrases are printed in boldface italics.

The words "spouse", "marriage", "married", and "marital" refer to the legal union between two **persons** that is recognized by and valid under the law of the state into which such union was entered.

Bodily Injury means bodily injury to a **person** and sickness, disease, or death that results from it.

Car means a land motor vehicle that is:

1. designed for use primarily on public roads; or
2. subject to motor vehicle compulsory insurance laws, financial responsibility laws, or similar laws where it is licensed or principally garaged.

Car Business means a business or job where the purpose is to sell, lease, rent, repair, service, modify, transport, store, or park land motor vehicles or any type of trailer.

Collision means:

1. a vehicle hitting or being hit by another vehicle or another object; or
2. the overturning of a vehicle.

Employee includes a worker leased to **you** by a labor leasing firm, employee leasing company, employment-type agency, or any similar staffing service organization.

Employee does not include a worker leased to **you** by a labor leasing firm, employee leasing company, employment-type agency, or any similar staffing service organization to:

1. substitute for a permanent **employee** on leave;
2. meet the seasonal demands of **your** business; or
3. fulfill **your** short-term workload conditions.

Insured Contract means:

1. Any lease of premises;
2. Any railroad sidetrack agreement;
3. Any easement or license agreement, but does not include any easement or license agreement concerning construction or demolition operations on or within 50 feet of a railroad;
4. Any obligation to indemnify a municipality, where such obligation is required by ordinance and is not attributable to work for the municipality;
5. That part of any contract or agreement pertaining to **your** business under which **you** assume the tort liability of another to pay damages for:
 - a. **bodily injury** to; or
 - b. damage to property of a third party. However, such part of a contract or agreement shall only be considered an **insured contract** to the extent **your** assumption of the tort liability is permitted by law. This includes the indemnification of a municipality in connection with work for the municipality. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement concerning the rental or lease of a **car** to **you** or to a **person** acting on **your** behalf in the course of **your** business, but does not include that part of any contract or agreement requiring **you** or any **person** acting on **your** behalf to pay for damage to a **car** rented or leased by **you** or any **person** acting on **your** behalf.

Insured Contract does not include any provision found in any contract or agreement:

1. that agrees to indemnify a railroad for **bodily injury** or damage to property that:
 - a. is caused by construction or demolition operations on or within 50 feet of any railroad property; and
 - b. affects any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass, or crossing; or
2. concerning any loan, rental or lease of a **car** to **you** or any **person** acting on **your** behalf if that loan, rental or lease of the **car** includes a driver; or

3. that holds harmless a **person** or organization that transports property for hire, over routes or territories that such **person** or organization is authorized to serve by public authority, in a vehicle that is provided Liability Coverage by this policy.

Newly Acquired Car means a **car** newly **owned by you**. If the "ENTITY" shown on the Declarations is "Individual", then **newly acquired car** also means a **car** newly **owned by your spouse** or a **resident relative**. A **car** ceases to be a **newly acquired car** on the earlier of:

1. the effective date and time when that **car** is added to the "VEHICLE SCHEDULE" of this policy;
2. the effective date and time of a policy, including any binder, issued by **us** or any other company that describes the **car** as an insured vehicle; or
3. the end of the 14th calendar day immediately following the date the **car** is delivered to **you**, **your spouse**, or a **resident relative**.

If this policy does not provide Comprehensive Coverage or Collision Coverage for any vehicle shown in the "VEHICLE SCHEDULE" on the Declarations and a **newly acquired car** is not otherwise afforded comprehensive coverage or collision coverage by any other policy, then:

1. this policy will provide Comprehensive Coverage or Collision Coverage for that **newly acquired car** and a **temporary substitute car** temporarily replacing that **newly acquired car**; and
2. the Definition **Covered Vehicle** found in Physical Damage Coverages is changed to read:

Covered Vehicle means:

1. a **newly acquired car**; and
2. a **temporary substitute car** that is temporarily replacing a **newly acquired car**.

A **covered vehicle** also includes the parts and equipment that are common to the use of the vehicle as a vehicle and its **special equipment**.

Occupying means in, on, entering, or exiting.

Our means the Company issuing this policy as shown on the Declarations.

Owned By means:

1. owned by;
2. registered to; or

3. leased, if the lease is written for a period of 31 or more consecutive days, to.

Pedestrian means a **person** who is not **occupying**:

1. a motorized vehicle; or
2. a vehicle designed to be pulled by a motorized vehicle.

Person means a human being.

Private Passenger Car means:

1. a **car** of the private passenger type, other than a pickup truck, van, minivan, or sport utility vehicle, designed primarily to carry **persons** and their luggage; or
2. a pickup truck, van, minivan, or sport utility vehicle:
 - a. while not used for:
 - (1) wholesale; or
 - (2) retail
 - b. that has a Gross Vehicle Weight Rating of 10,000 pounds or less.

State Farm Companies means one or more of the following:

1. State Farm Mutual Automobile Insurance Company;
2. State Farm Fire and Casualty Company; and
3. Subsidiaries or affiliates of either 1. or 2. above.

Temporary Substitute Car means a **car** that is in the lawful possession of the **person** operating it and that:

1. replaces a **your car** or a **newly acquired car** for a short time while that **car** is out of use due to its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. damage; or
 - e. theft; and
2. neither **you** nor the **person** operating it own or have registered.

Trailer means:

1. a trailer designed primarily for travel on public roads with a gross vehicle weight:

- a. of 3,000 pounds or less; or
- b. greater than 3,000 pounds while used for pleasure; or

2. a farm implement or farm wagon while being pulled on public roads by a **car**.

Us means the Company issuing this policy as shown on the Declarations.

We means the Company issuing this policy as shown on the Declarations.

Work means any work or operations performed by or on behalf of an **insured** including:

1. any materials, parts, or equipment furnished in connection with such work or operations; and
2. any warranties or representations made at any time with respect to the fitness, quality, durability, or performance of such work or operations of the items described in 1. above.

You or Your means the named insured or named insureds shown on the Declarations.

Your Car means the **car** or **cars** shown in the "VEHICLE SCHEDULE" on the Declarations. **Your Car** does not include a **car** that **you** no longer own or lease.

We also define the following words and phrases which apply only if the "ENTITY" shown on the Declarations is "Individual".

Resident Relative means a **person**, other than **you** or **your spouse**, who resides primarily with the first **person** shown as a named insured on the Declarations and who is:

1. related to **you** or **your spouse** by blood, marriage, or adoption, including an unmarried and unemancipated child of either who is away at school and otherwise maintains their primary residence with the first **person** shown as a named insured on the Declarations; or
2. a ward or a foster child of that named insured, **your spouse**, or a **person** described in 1. above.

Your Spouse means the spouse of the first **person** shown as a named insured on the Declarations if the spouse resides primarily with that named insured.

LIABILITY COVERAGE

This policy provides Liability Coverage if a premium is shown under "Coverage Symbol A" in the "POLICY PREMIUM" schedules on the Declarations.

Additional Definition

Insured means:

1. **you** for:
 - a. the ownership, maintenance, or use of:
 - (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol A" in the "POLICY PREMIUM" schedules on the Declarations;
 - (2) a **newly acquired car**; or
 - (3) a **trailer**; and
 - b. the maintenance or use of a **temporary substitute car**;
2. any **person** for their use of:
 - a. a **your car** for which a premium for that **your car** is shown under "Coverage Symbol A" in the "POLICY PREMIUM" schedules on the Declarations;
 - b. a **newly acquired car**;
 - c. a **temporary substitute car**; or
 - d. a **trailer** while attached to a **car** described in a., b., or c. above.

Such vehicle must be used within the scope of **your** consent;
3. the owner of a **trailer** while attached to:
 - a. a **your car** for which a premium for that **your car** is shown under "Coverage Symbol A" in the "POLICY PREMIUM" schedules on the Declarations;
 - b. a **newly acquired car**;
 - c. a **temporary substitute car**; and
4. any other **person** or organization vicariously liable for the use of a vehicle by an **insured** as defined in 1., 2., or 3. above, but only for such vicarious liability. This provision applies only if the vehicle is:

- a. neither **owned by**, nor hired by, that other **person** or organization, unless:
 - (1) the vehicle is a **your car**; and
 - (2) that **person** or organization is shown on the Declarations as an owner of that **your car**; and
- b. not being used by an **insured** while logged on as a driver to a transportation network company's digital network.

Insured does not include the United States of America or any of the Federal Government's departments or agencies.

Insuring Agreement

1. **We** will pay damages an **insured** becomes legally liable to pay because of:
 - a. **bodily injury** to others; and
 - b. damage to propertycaused by an accident that involves a vehicle for which that **insured** is provided Liability Coverage by this policy.
2. **We** have the right to:
 - a. investigate, negotiate, and settle any claim or lawsuit;
 - b. defend an **insured** in any claim or lawsuit, with attorneys chosen by **us**; and
 - c. appeal any award or legal decisionfor damages payable under this policy's Liability Coverage.

Supplementary Payments

We will pay, in addition to the damages described in the **Insuring Agreement** of this policy's Liability Coverage, those items listed below that result from such accident:

1. Attorney fees for attorneys chosen by **us** to defend an **insured** who is sued for such damages. **We** have no duty to pay attorney fees incurred after **we** deposit in court or pay the amount due under the **Insuring Agreement** of this policy's Liability Coverage;
2. Court costs awarded by the court against an **insured** and resulting from that part of the lawsuit:

- a. that seeks damages payable under this policy's Liability Coverage; and
- b. against which **we** defend an **insured** with attorneys chosen by **us**.

However, court costs do not include any attorney's fees taxed and awarded to the prevailing party in a civil action.

We have no duty to pay court costs incurred after **we** deposit in court or pay the amount due under the **Insuring Agreement** of this policy's Liability Coverage;

- 3. Interest the **insured** is legally liable to pay on damages payable under the **Insuring Agreement** of this policy's Liability Coverage:
 - a. before a judgment, but only the interest on the lesser of:
 - (1) that part of the damages **we** pay; or
 - (2) this policy's applicable Liability Coverage limit; and
 - b. after a judgment.

We have no duty to pay interest that accrues after **we** deposit in court, pay, or offer to pay, the amount due under the **Insuring Agreement** of this policy's Liability Coverage. **We** also have no duty to pay interest that accrues on any damages paid or payable by a party other than the **insured** or **us**;

- 4. Premiums for bonds, provided by a company chosen by **us**, required to appeal a decision in a lawsuit against an **insured**. **We** have no duty to:
 - a. pay for any bond with a face amount that exceeds this policy's applicable Liability Coverage limit;
 - b. furnish or apply for any bonds; or
 - c. pay premiums for bonds purchased after **we** deposit in court, pay, or offer to pay, the amount due under the **Insuring Agreement** of this policy's Liability Coverage; and
- 5. The following costs and expenses if related to and incurred after a lawsuit has been filed against an **insured**:
 - a. Loss of wages or salary, but not other income, up to \$250 for each day an **insured** attends, at **our** request:

- (1) an arbitration;
- (2) a mediation; or
- (3) a trial of a lawsuit; and

- b. Reasonable expenses incurred by an **insured** at **our** request other than loss of wages, salary, or other income.

The amount of any of the costs or expenses listed above that are incurred by an **insured** must be reported to **us** before **we** will pay such incurred costs or expenses.

Limit

The Liability Coverage limit is shown in the "COVERAGES AND LIMITS" schedule on the Declarations.

- 1. If the coverage limit provided by this policy is on an each person/each accident basis, then:
 - a. the limit for **bodily injury** is shown under "Bodily Injury Limit – Each Person, Each Accident". The dollar amount shown under:
 - (1) "Each Person" is the most **we** will pay for all damages resulting from **bodily injury** to any one **person** injured in any one accident, including all damages sustained by other **persons** as a result of that **bodily injury**.
 - (2) "Each Accident" is the most **we** will pay, subject to 1.a.(1) above, for all damages resulting from **bodily injury** to two or more **persons** injured in any one accident.
 - b. the limit for damage to property is shown under "Property Damage Limit – Each Accident". The dollar amount shown is the most **we** will pay for all damages resulting from damage to property in any one accident.
- 2. If the coverage limit provided by this policy is on an each accident basis, then the dollar amount shown under "Each Accident" is the most **we** will pay for all damages resulting from any one accident.

If the coverage limit the **insured** must provide is on an each person/each accident basis as required by a motor vehicle compulsory insurance, financial responsibility, motor carrier or similar law, then the limit provided by this policy will be applied to meet the coverage limit required by such law. Regardless of such

requirements, **we** will not pay more than the limit shown on the Declarations.

3. The limit shown for Liability Coverage is the most **we** will pay as a result of 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 any damages or expenses under Liability Coverage:

1. that have already been paid as expenses under Medical Payments Coverage of any policy issued by the **State Farm Companies to you**; or
2. that have already been paid under Uninsured Motor Vehicle Coverage or Underinsured Motor Vehicle Coverage of any policy issued by the **State Farm Companies to you**.

Exclusions

THERE IS NO COVERAGE FOR AN **INSURED**:

1. WHO INTENTIONALLY CAUSES **BODILY INJURY** OR DAMAGE TO PROPERTY;
2. OR FOR THAT **INSURED'S** INSURER FOR ANY OBLIGATION UNDER ANY TYPE OF WORKERS' COMPENSATION, DISABILITY, OR SIMILAR LAW;
3. FOR **BODILY INJURY** TO THAT **INSURED'S EMPLOYEE** WHICH ARISES OUT OF THAT **EMPLOYEE'S** EMPLOYMENT. This exclusion does not apply to that **insured's** household **employee** who is neither covered, nor required to be covered, under workers' compensation insurance;
4. FOR **BODILY INJURY** TO THAT **INSURED'S** FELLOW **EMPLOYEE** WHILE THE FELLOW **EMPLOYEE** IS IN THE COURSE AND SCOPE OF THAT FELLOW **EMPLOYEE'S** EMPLOYMENT;
5. FOR DAMAGES ARISING OUT OF THE OPERATION, MAINTENANCE, OR USE OF ANY EQUIPMENT THAT IS TOWED BY, MOUNTED ON, OR

CARRIED ON ANY VEHICLE. This exclusion does not apply to equipment:

- a. mounted on the vehicle and designed solely for the loading or unloading of the vehicle; or
 - b. designed for:
 - (1) snow removal;
 - (2) street cleaning; or
 - (3) road maintenance, other than construction or resurfacing;
6. FOR DAMAGES ARISING OUT OF **WORK** AFTER IT IS CONSIDERED COMPLETED. **WORK** IS CONSIDERED COMPLETED:
 - a. IF IT HAS BEEN ABANDONED; OR
 - b. IF IT HAS NOT BEEN ABANDONED, THEN AT THE EARLIEST OF THE FOLLOWING TIMES:
 - (1) WHEN THAT PART OF THE **WORK** DONE AT A JOB SITE HAS BEEN PUT TO ITS INTENDED USE BY ANY **PERSON** OR ORGANIZATION OTHER THAN ANOTHER CONTRACTOR OR SUBCONTRACTOR WORKING ON THE SAME PROJECT;
 - (2) WHEN ALL OF THE **WORK** TO BE DONE AT THE LOCATION WHERE THE DAMAGES AROSE HAS BEEN FINISHED; OR
 - (3) WHEN ALL OF THE **WORK** CALLED FOR IN **YOUR** CONTRACT HAS BEEN FINISHED.

WORK IS CONSIDERED COMPLETED REGARDLESS OF WHETHER ADDITIONAL SERVICING, MAINTENANCE, CORRECTION, REPAIR, OR REPLACEMENT IS REQUIRED;

7. FOR **BODILY INJURY** TO ANY **PERSON** WHICH ARISES OUT OF ANY VEHICLE WHILE PARKED AND FUNCTIONING AS AN OFFICE OR BUSINESS PREMISES. This exclusion does not apply:
 - a. to the loading and unloading of equipment or supplies; or
 - b. if such vehicle is maintained primarily to transport **persons** or cargo;
8. FOR DAMAGE TO PROPERTY WHICH ARISES OUT OF ANY VEHICLE WHILE PARKED AND

FUNCTIONING AS AN OFFICE OR BUSINESS PREMISES. This exclusion does not apply:

- a. to the loading and unloading of equipment or supplies; or
 - b. if such vehicle is maintained primarily to transport **persons** or cargo;
9. FOR DAMAGES ARISING OUT OF:
- a. THE HANDLING OF PROPERTY BEFORE IT IS MOVED FROM THE PLACE WHERE IT IS ACCEPTED BY THE **INSURED** FOR MOVEMENT INTO OR ONTO A VEHICLE FOR WHICH THE **INSURED** IS PROVIDED LIABILITY COVERAGE BY THIS POLICY;
 - b. THE HANDLING OF PROPERTY AFTER IT IS MOVED FROM THE VEHICLE DESCRIBED IN a. ABOVE TO THE PLACE WHERE IT IS FINALLY DELIVERED BY THE **INSURED**; OR
 - c. THE MOVEMENT OF PROPERTY BY MEANS OF A MECHANICAL DEVICE, OTHER THAN A HAND TRUCK, THAT IS NOT ATTACHED TO THE VEHICLE DESCRIBED IN a. ABOVE;
10. FOR DAMAGES ARISING OUT OF THE:
- a. HANDLING OR USE OF, OR
 - b. EXISTENCE OF ANY CONDITION IN OR WARRANTY OF
- ANY PRODUCT MANUFACTURED, SOLD, OR DISTRIBUTED BY AN **INSURED** IF THE **BODILY INJURY** OR DAMAGE TO PROPERTY OCCURS AFTER THE **INSURED** RELINQUISHES POSSESSION OF THE PRODUCT;
11. FOR DAMAGE TO PROPERTY WHILE IT IS:
- a. **OWNED BY**;
 - b. RENTED TO;
 - c. USED BY;
 - d. IN THE CARE OF; OR
 - e. TRANSPORTED BY THAT **INSURED**;
12. FOR LIABILITY ASSUMED UNDER ANY CONTRACT OR AGREEMENT. This exclusion does not apply to liability assumed under an **insured contract**, provided that such contract or agreement was signed
- prior to the accident which caused the **bodily injury** or damage to property;
13. FOR ANY ORDER OF RESTITUTION ISSUED BY A COURT IN A CRIMINAL PROCEEDING OR EQUITABLE ACTION;
14. WHILE USING A **TRAILER** WITH A MOTOR VEHICLE IF THAT **INSURED** IS NOT PROVIDED LIABILITY COVERAGE BY THIS POLICY FOR THE USE OF THAT MOTOR VEHICLE;
15. FOR THE OWNERSHIP, MAINTENANCE, OR USE OF ANY VEHICLE WHILE IT IS:
- a. OFF PUBLIC ROADS AND BEING PREPARED FOR, USED IN PRACTICE FOR, OR OPERATED IN ANY RACING CONTEST, SPEED CONTEST, HILL-CLIMBING CONTEST, JUMPING CONTEST, OR ANY SIMILAR CONTEST; OR
 - b. ON A TRACK DESIGNED PRIMARILY FOR RACING OR HIGH-SPEED DRIVING. This exclusion (15.b.) does not apply if the vehicle is being used in connection with an activity other than racing, high-speed driving, or any type of competitive driving;
16. WHO IS AN EMPLOYEE OF THE UNITED STATES OF AMERICA OR ANY OF THE FEDERAL GOVERNMENT'S DEPARTMENTS OR AGENCIES, IF THE PROVISIONS OF THE FEDERAL TORT CLAIMS ACT APPLY;
17. FOR DAMAGES ARISING OUT OF THE OWNERSHIP, MAINTENANCE, OR USE OF A VEHICLE WHILE AN **INSURED** IS:
- a. THE DRIVER OF THE VEHICLE; AND
 - b. LOGGED ON TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK;
18. WHILE MAINTAINING OR USING A VEHICLE IN CONNECTION WITH THAT **INSURED'S** EMPLOYMENT IN OR ENGAGEMENT OF ANY KIND IN A **CAR BUSINESS**. This exclusion does not apply while maintaining or using a **your car**, a **newly acquired car**, a **temporary substitute car**, or a **trailer owned by you** if:
- a. **you** are a **car business**; and
 - b. that **insured** is:

- (1) **you**; or
- (2) any of your agents, **employees**, or business partners; OR

19. WHILE THAT **INSURED** IS VALET PARKING A VEHICLE.

If Other Liability Coverage Applies

1. If Liability Coverage provided by this policy and one or more other Car Policies issued to **you** by the **State Farm Companies** apply to the same accident, then:

- a. the Liability Coverage limits of such policies will not be added together to determine the most that may be paid; and
- b. the maximum amount that may be paid from all such policies combined is the single highest applicable limit provided by any one of the policies. **We** may choose one or more policies from which to make payment.

2. The Liability Coverage provided by this policy applies as primary coverage for the ownership, maintenance, or use of a **your car**, or a **trailer** attached to it.

a. If:

- (1) this is the only Car Policy issued to **you** by the **State Farm Companies** that provides Liability Coverage which applies to the accident as primary coverage; and
- (2) liability coverage provided by one or more sources other than the **State Farm Companies** also applies as primary coverage for the same accident,

then **we** will pay the proportion of damages payable as primary that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other liability coverage that apply as primary coverage.

b. If:

- (1) more than one Car Policy issued to **you** by the **State Farm Companies** provides Liability Coverage which applies to the accident as primary coverage; and
- (2) liability coverage provided by one or more sources other than the **State Farm Companies** also applies as primary coverage for the same accident,

then the **State Farm Companies** will pay the proportion of damages payable as primary that the maximum amount that may be paid by the **State Farm Companies** as determined in 1. above bears to the sum of such amount and the limits of all other liability coverage that apply as primary coverage.

This policy will provide primary coverage for liability assumed under an **insured contract**.

3. Except as provided in 2. above, the Liability Coverage provided by this policy applies as excess coverage.

a. If:

- (1) this is the only Car Policy issued to **you** by the **State Farm Companies** that provides Liability Coverage which applies to the accident as excess coverage; and
- (2) liability coverage provided by one or more sources other than the **State Farm Companies** also applies as excess coverage for the same accident,

then **we** will pay the proportion of damages payable as excess that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other liability coverage that apply as excess coverage.

b. If:

- (1) more than one Car Policy issued to **you** by the **State Farm Companies** provides Liability Coverage which applies to the accident as excess coverage; and
- (2) liability coverage provided by one or more sources other than the **State Farm Companies** also applies as excess coverage for the same accident,

then the **State Farm Companies** will pay the proportion of damages payable as excess that the maximum amount that may be paid by the **State Farm Companies** as determined in 1. above bears to the sum of such amount and the limits of all other liability coverage that apply as excess coverage.

MEDICAL PAYMENTS COVERAGE

This policy provides Medical Payments Coverage if a premium is shown under "Coverage Symbol C" in the "POLICY PREMIUM" schedules on the Declarations.

Additional Definitions

Insured:

1. If the "ENTITY" shown on the Declarations is other than "Individual", then **insured** means any **person** while **occupying**:

- a. a **your car** for which a premium for that **your car** is shown under "Coverage Symbol C" in the "POLICY PREMIUM" schedules on the Declarations;
- b. a **newly acquired car**;
- c. a **temporary substitute car**; or
- d. a **trailer** while attached to a **car** described in a., b., or c. above.

Such vehicle must be used within the scope of **your** consent.

2. If the "ENTITY" shown on the Declarations is "Individual", then **insured** means:

a. **you**, **your spouse**, and **resident relatives** while **occupying**:

- (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol C" in the "POLICY PREMIUM" schedules on the Declarations;
- (2) a **newly acquired car**;
- (3) a **temporary substitute car**;
- (4) a **non-owned car**; or
- (5) a **trailer** while attached to a **car** described in (1), (2), (3), or (4) above;

b. **you**, **your spouse**, and **resident relatives** if struck as a **pedestrian** by a motor vehicle or any type of trailer; and

c. any other **person** while **occupying**:

- (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol C" in the "POLICY PREMIUM" schedules on the Declarations;

(2) a **newly acquired car**;

(3) a **temporary substitute car**; or

(4) a **trailer** while attached to a **car** described in (1), (2), or (3) above.

Such vehicle must be used within the scope of **your** consent.

Medical Expenses mean **reasonable expenses** for **medical services**.

Medical Services mean treatments, procedures, products, and other services that are:

1. necessary to achieve maximum medical improvement for the **bodily injury**;
2. rendered by a healthcare provider:
 - a. who is licensed as a healthcare provider if a license is required by law; and
 - b. within the legally authorized scope of that healthcare provider's practice;
3. commonly and customarily recognized throughout the medical profession and within the United States of America as appropriate for the treatment of the **bodily injury**;
4. primarily designed to serve a medical purpose;
5. not experimental; and
6. not for research purposes.

Non-Owned Car means a land motor vehicle, designed for use primarily on public roads, with four or more wheels that is in the lawful possession of **you**, **your spouse**, or any **resident relative** and that neither:

1. is **owned by**:

- a. **you**;
- b. **your spouse**;
- c. any **resident relative**;
- d. any other **person** who resides primarily in **your** household; or
- e. an employer of any **person** described in a., b., c., or d. above; nor

2. has been operated by, rented by, or in the possession of:
 - a. **you**;
 - b. **your spouse**; or
 - c. any **resident relative**
 during any part of each of the 31 or more consecutive days immediately prior to the date of the accident.

Non-owned car does not include:

1. Any vehicle while located for use as a dwelling or other premises; or
2. A truck-tractor designed to pull any type of trailer.

Reasonable Expenses mean the lowest of any one of the following charges:

1. The reasonable and necessary fees charged by a majority of healthcare providers who provide similar **medical services** in the geographical area in which the charges were incurred;
2. The fee specified in any fee schedule:
 - a. applicable to medical payments coverage, no-fault coverage, or personal injury protection coverage included in motor vehicle liability policies issued in the state where **medical services** are provided; and
 - b. as prescribed or authorized by the law of the state where **medical services** are provided; or
3. The fees agreed upon between the **insured's** healthcare provider and a third party when **we** have a contract with such third party.
4. The fees agreed upon between the **insured's** healthcare provider and a third party when **we** have a contract with such third party.

If a healthcare provider disputes the amount of charges that **we** pay as **reasonable expenses** due to a disagreement on what charges are usual and customary under item 1. above, then **we** will be responsible for resolving that dispute. The **insured** will not be responsible for paying any of that disputed amount to the extent the limit of this coverage has not been exhausted.

Insuring Agreement

We will pay:

1. **medical expenses** incurred because of **bodily injury** that is sustained by an **insured** and caused by a motor vehicle accident if:
 - a. that **insured** is first provided **medical services** within one year immediately following the date of the accident; and
 - b. such **medical expenses** are for **medical services** that are provided within three years immediately following the date of the accident; and
2. funeral expenses incurred for an **insured** who dies within three years immediately following the date of a motor vehicle accident if the death is a direct result of **bodily injury** sustained in such accident.

Determining Medical Expenses

We have the right to:

1. obtain and use:
 - a. utilization reviews;
 - b. peer reviews; and
 - c. medical bill reviews
 to determine if the incurred charges are **medical expenses**;
2. use a medical examination of the **insured** to determine if:
 - a. the **bodily injury** was caused by a motor vehicle accident; and
 - b. the expenses incurred are **medical expenses**; and
3. enter into a contract with a third party that has an agreement with the **insured's** healthcare provider to charge fees as determined by that agreement.

Limit

The Medical Payments Coverage limit is shown in the "COVERAGES AND LIMITS" schedule on the Declarations. The dollar amount shown under "Each Person" is the most **we** will pay for the **medical expenses** and funeral expenses combined, incurred by or on behalf of any one **insured** as a result of any one accident, regardless of the number of:

1. **insureds**;

2. claims made;
3. vehicles insured;
4. premiums shown on the Declarations; or
5. vehicles involved in the accident.

Subject to the "Each Person" limit shown on the Declarations, the most **we** will pay for funeral expenses incurred for any one **insured** is \$3,000.

Nonduplication

We will not pay any **medical expenses** or funeral expenses under Medical Payments Coverage that will duplicate payments that have already been paid:

1. as damages under Liability Coverage or Uninsured Motor Vehicle Coverage of any policy issued by the **State Farm Companies** to **you**, **your spouse**, or any **resident relative**; or
2. by or on behalf of a party who is legally liable for the **insured's bodily injury**.

Exclusions

THERE IS NO COVERAGE FOR AN **INSURED**:

1. WHO IS STRUCK AS A **PEDESTRIAN** BY A MOTOR VEHICLE, **OWNED BY THAT INSURED, YOU, OR YOUR SPOUSE**, IF IT IS NOT A **YOUR CAR** FOR WHICH A PREMIUM FOR THAT **YOUR CAR** IS SHOWN UNDER "COVERAGE SYMBOL C" IN THE "POLICY PREMIUM" SCHEDULES ON THE DECLARATIONS OR A **NEWLY ACQUIRED CAR**;
2. IF ANY WORKERS' COMPENSATION LAW OR ANY SIMILAR LAW APPLIES TO THAT **INSURED'S BODILY INJURY**;
3. WHILE MAINTAINING OR USING A VEHICLE IN CONNECTION WITH THAT **INSURED'S** EMPLOYMENT IN OR ENGAGEMENT OF ANY KIND IN A **CAR BUSINESS**. This exclusion does not apply:
 - a. to:
 - (1) **you**;
 - (2) **your spouse**;
 - (3) any **resident relative**; or
 - (4) any other **insured** while that **insured** is acting in the course of **your** business; and
 - b. while maintaining or using:

- (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol C" in the "POLICY PREMIUM" schedules on the Declarations;
- (2) a **newly acquired car**;
- (3) a **temporary substitute car**; or
- (4) a **trailer owned by you or your spouse**;

4. WHILE MAINTAINING OR USING A **NON-OWNED CAR** IN ANY BUSINESS OR OCCUPATION OTHER THAN A **CAR BUSINESS** OR VALET PARKING. This exclusion does not apply to the maintenance or use of a **private passenger car**;
5. WHILE THAT **INSURED** IS VALET PARKING A VEHICLE;
6. WHO IS EITHER **OCCUPYING** OR STRUCK AS A **PEDESTRIAN** BY A VEHICLE THAT IS LOCATED FOR USE AS A DWELLING OR OTHER PREMISES;
7. WHO IS STRUCK AS A **PEDESTRIAN** BY A VEHICLE THAT:
 - a. IS DESIGNED FOR USE PRIMARILY OFF PUBLIC ROADS WHILE OFF PUBLIC ROADS; OR
 - b. RUNS ON RAILS OR CRAWLER-TREADS;
8. WHOSE **BODILY INJURY** RESULTS FROM WAR OF ANY KIND;
9. WHOSE **BODILY INJURY** RESULTS FROM:
 - a. NUCLEAR REACTION;
 - b. RADIATION OR RADIOACTIVE CONTAMINATION FROM ANY SOURCE; OR
 - c. THE ACCIDENTAL OR INTENTIONAL DETONATION OF, OR RELEASE OF RADIATION FROM, ANY NUCLEAR OR RADIOACTIVE DEVICE;
10. WHOSE **BODILY INJURY** RESULTS FROM THE DISCHARGE OF A FIREARM;
11. WHO IS **OCCUPYING** A VEHICLE WHILE IT IS:
 - a. BEING PREPARED FOR, USED IN PRACTICE FOR, OR OPERATED IN ANY RACING CONTEST, SPEED CONTEST, HILL-CLIMBING

- CONTEST, JUMPING CONTEST, OR ANY SIMILAR CONTEST; OR
- b. ON A TRACK DESIGNED PRIMARILY FOR RACING OR HIGH-SPEED DRIVING. This exclusion (11.b.) does not apply if the vehicle is being used in connection with an activity other than racing, high-speed driving, or any type of competitive driving;
12. WHOSE **BODILY INJURY** RESULTS FROM THE OPERATION, MAINTENANCE, OR USE OF ANY EQUIPMENT THAT IS TOWED BY, MOUNTED ON, OR CARRIED ON ANY VEHICLE. This exclusion does not apply to equipment:
- a. mounted on the vehicle and designed solely for the loading or unloading of the vehicle; or
- b. designed for:
- (1) snow removal;
 - (2) street cleaning; or
 - (3) road maintenance, other than construction or resurfacing;
13. WHOSE **BODILY INJURY** RESULTS FROM **WORK** AFTER IT IS CONSIDERED COMPLETED. **WORK** IS CONSIDERED COMPLETED:
- a. IF IT HAS BEEN ABANDONED; OR
- b. IF IT HAS NOT BEEN ABANDONED, THEN AT THE EARLIEST OF THE FOLLOWING TIMES:
- (1) WHEN THAT PART OF THE **WORK** DONE AT A JOB SITE HAS BEEN PUT TO ITS INTENDED USE BY ANY **PERSON** OR ORGANIZATION OTHER THAN ANOTHER CONTRACTOR OR SUBCONTRACTOR WORKING ON THE SAME PROJECT;
 - (2) WHEN ALL OF THE **WORK** TO BE DONE AT THE LOCATION WHERE THE DAMAGES AROSE HAS BEEN FINISHED; OR
 - (3) WHEN ALL OF THE **WORK** CALLED FOR IN **YOUR** CONTRACT HAS BEEN FINISHED.
- WORK** IS CONSIDERED COMPLETED REGARDLESS OF WHETHER ADDITIONAL SERVICING, MAINTENANCE, CORRECTION, REPAIR, OR REPLACEMENT IS REQUIRED;
14. WHOSE **BODILY INJURY** RESULTS FROM ANY VEHICLE WHILE PARKED AND FUNCTIONING AS AN OFFICE OR BUSINESS PREMISES. This exclusion does not apply:
- a. to the loading and unloading of equipment or supplies; or
 - b. if such vehicle is maintained primarily to transport **persons** or cargo;
15. WHOSE **BODILY INJURY** RESULTS FROM:
- a. THE HANDLING OF PROPERTY BEFORE IT IS MOVED FROM THE PLACE WHERE IT IS ACCEPTED BY THE **INSURED** FOR MOVEMENT INTO OR ONTO A VEHICLE FOR WHICH THE **INSURED** IS PROVIDED MEDICAL PAYMENTS COVERAGE BY THIS POLICY;
 - b. THE HANDLING OF PROPERTY AFTER IT IS MOVED FROM THE VEHICLE DESCRIBED IN a. ABOVE TO THE PLACE WHERE IT IS FINALLY DELIVERED BY THE **INSURED**; OR
 - c. THE MOVEMENT OF PROPERTY BY MEANS OF A MECHANICAL DEVICE, OTHER THAN A HAND TRUCK, THAT IS NOT ATTACHED TO THE VEHICLE DESCRIBED IN a. ABOVE;
16. WHOSE **BODILY INJURY** RESULTS FROM THE:
- a. HANDLING OR USE OF; OR
 - b. EXISTENCE OF ANY CONDITION IN OR WARRANTY OF
- ANY PRODUCT MANUFACTURED, SOLD, OR DISTRIBUTED BY AN **INSURED** IF THE **BODILY INJURY** OCCURS AFTER THE **INSURED** RELINQUISHES POSSESSION OF THE PRODUCT; OR
17. WHO IS **OCCUPYING**:
- a. A **YOUR CAR**, A **NEWLY ACQUIRED CAR**, OR A **TEMPORARY SUBSTITUTE CAR** WHILE THE DRIVER OF SUCH **CAR** IS LOGGED ON TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK; OR
 - b. A **NON-OWNED CAR** IF EITHER **YOU**, **YOUR SPOUSE**, OR ANY **RESIDENT RELATIVE** IS:
 - (1) THE DRIVER OF SUCH **CAR**; AND

- (2) LOGGED ON AS A DRIVER TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK.

If Other Medical Payments Coverage or Similar Vehicle Insurance Applies

1. An **insured** shall not recover for the same **medical expenses** or funeral expenses under both this coverage and other medical payments coverage, or similar vehicle insurance.
2. If Medical Payments Coverage provided by this policy and one or more other vehicle policies issued to **you, your spouse**, or any **resident relative** by the **State Farm Companies** apply to the same **bodily injury**, then:
 - a. the Medical Payments Coverage limits of such policies shall not be added together to determine the most that may be paid; and
 - b. the maximum amount that may be paid from all such policies combined is the single highest applicable limit provided by any one of the policies. **We** may choose one or more policies from which to make payment.
3. The Medical Payments Coverage provided by this policy applies as primary coverage for an **insured** who sustains **bodily injury** while **occupying a your car** or a **trailer** attached to it.

a. If:

- (1) this is the only vehicle policy issued to **you, your spouse**, or any **resident relative** by the **State Farm Companies** that provides Medical Payments Coverage or other similar vehicle insurance which applies to the accident as primary coverage; and
- (2) medical payments coverage or other similar vehicle insurance provided by one or more sources other than the **State Farm Companies** also applies as primary coverage for the same accident,

then **we** will pay the proportion of **medical expenses** and funeral expenses payable as primary that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other medical payments coverage or similar vehicle insurance that apply as primary coverage.

b. If:

- (1) more than one vehicle policy issued to **you, your spouse**, or any **resident relative** by the **State Farm Companies** provides Medical Payments Coverage or other similar vehicle insurance which applies to the accident as primary coverage; and
- (2) medical payments coverage or other similar vehicle insurance provided by one or more sources other than the **State Farm Companies** also applies as primary coverage for the same accident,

then the **State Farm Companies** will pay the proportion of **medical expenses** and funeral expenses payable as primary that the maximum amount that may be paid by the **State Farm Companies** as determined in 2. above bears to the sum of such amount and the limits of all other medical payments coverage or similar vehicle insurance that apply as primary coverage.

4. Except as provided in 3. above, the Medical Payments Coverage provided by this policy applies as excess coverage.

a. If:

- (1) this is the only vehicle policy issued to **you, your spouse**, or any **resident relative** by the **State Farm Companies** that provides Medical Payments Coverage or other similar vehicle insurance which applies to the accident as excess coverage; and
- (2) medical payments coverage or other similar vehicle insurance provided by one or more sources other than the **State Farm Companies** also applies as excess coverage for the same accident,

then **we** will pay the proportion of **medical expenses** and funeral expenses payable as excess that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other medical payments coverage or similar vehicle insurance that apply as excess coverage.

b. If:

- (1) more than one vehicle policy issued to **you, your spouse**, or any **resident relative** by

the **State Farm Companies** provides Medical Payments Coverage or other similar vehicle insurance which applies to the accident as excess coverage; and

- (2) medical payments coverage or other similar vehicle insurance provided by one or more sources other than the **State Farm Companies** also applies as excess coverage for the same accident,

then the **State Farm Companies** will pay the proportion of **medical expenses** and funeral expenses payable as excess that the maximum amount that may be paid by the **State Farm Companies** as determined in 2. above bears to the sum of such amount and the limits of all other medical payments coverage or similar

vehicle insurance that apply as excess coverage.

Our Payment Options

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

1. The **insured**;
2. The **insured's** surviving spouse;
3. A parent or guardian of the **insured**, if the **insured** is a minor or an incompetent **person**;
4. A **person** authorized by law to receive such payment; or
5. Any **person** or organization that provides the **medical services** or funeral services.

UNINSURED MOTOR VEHICLE COVERAGE

This policy provides Uninsured Motor Vehicle Coverage if a premium is shown under "Coverage Symbol U" in the "POLICY PREMIUM" schedules on the Declarations.

Additional Definitions

Insured:

1. If the "ENTITY" shown on the Declarations is other than "Individual", then **insured** means:

- a. any **person** while **occupying**:
 - (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol U" in the "POLICY PREMIUM" schedules on the Declarations;
 - (2) a **newly acquired car**; or
 - (3) a **temporary substitute car**.

Such vehicle must be used within the scope of **your** consent; and

- b. any **person** or organization entitled to recover compensatory damages as a result of **bodily injury** to an **insured** as defined in a. above.
2. If the "ENTITY" shown on the Declarations is "Individual", then **insured** means:
 - a. **you, your spouse, and resident relatives**;
 - b. any other **person** while **occupying**:

- (1) a **your car** for which a premium for that **your car** is shown under "Coverage Symbol U" in the "POLICY PREMIUM" schedules on the Declarations;

- (2) a **newly acquired car**; or

- (3) a **temporary substitute car**.

Such vehicle must be used within the scope of **your** consent; and

- c. any **person** or organization entitled to recover compensatory damages as a result of **bodily injury** to an **insured** as defined in a. or b. above.

Property Damage means damage to or destruction of property of an **insured** or any auto owned, maintained, or used by an **insured**.

Uninsured Motor Vehicle means a land motor vehicle:

1. the ownership, maintenance, and use of which is:
 - a. not insured or bonded for bodily injury and property damage liability at the time of the accident; or
 - b. insured or bonded for bodily injury liability at the time of the accident; but:
 - (1) the limits are less than required by the financial responsibility act of Vermont; or
 - (2) the insuring company:

- (a) denies that its policy provides liability coverage for compensatory damages that result from the accident; or
 - (b) is or becomes insolvent; or
2. the owner and driver of which remain unknown and which causes **bodily injury** to the **insured** or **property damage**. If there is no physical contact between that land motor vehicle and the **insured** or the vehicle the **insured** is **occupying**, then the facts of the accident must be proven by the **insured** by the preponderance of evidence.

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 except while on public roads; or
5. while located for use as a dwelling or other premises.

Underinsured Motor Vehicle means a land motor vehicle:

1. the ownership, maintenance, and use of which is either:
 - a. insured or bonded for bodily injury and property damage liability at the time of the accident; or
 - b. self-insured under any motor vehicle financial responsibility law, any motor carrier law, or any similar law; and
2. the applicable limits from such insurance, bond or self-insurance:
 - a. are less than the sum of all of the uninsured motor vehicle coverage limits which are applicable to the **insured**; or
 - b. have been reduced by payments to **persons** other than the **insured** to less than the sum of all of the uninsured motor vehicle coverage limits which are applicable to the **insured**.

Underinsured 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** or rented to any government or any of its political subdivisions or agencies;
3. designed for use primarily off public roads except while on public roads;
4. while located for use as a dwelling or other premises; or
5. defined as an **uninsured motor vehicle** under Uninsured Motor Vehicle Coverage of this policy.

Insuring Agreement

We will pay compensatory damages for:

1. **bodily injury** an **insured** is legally entitled to recover from the owner or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**. The **bodily injury** must be:
 - a. sustained by an **insured**; and
 - b. caused by an accident that involves the operation, maintenance, or use of an **uninsured motor vehicle** or **underinsured motor vehicle** as a motor vehicle.
2. **property damage**, subject to a deductible of \$150, an **insured** is legally entitled to recover from the owner or driver of an **uninsured motor vehicle** or **underinsured motor vehicle**. The **property damage** must be caused by an accident that involves the operation, maintenance, or use of an **uninsured motor vehicle** or **underinsured motor vehicle** as a motor vehicle. The \$150 deductible does not apply to:
 - a. direct damages if Comprehensive Coverage or Collision Coverage is provided by this policy, or any other insurance policy of the **insured**, for the direct damages; or
 - b. damages other than direct damages.

Consent to Settlement

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

If **we**:

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

Deciding Fault and Amount

1. a. The **insured** and **we** must agree to the answers to the following two questions:
 - (1) Is the **insured** legally entitled to recover compensatory damages from the owner or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**?
 - (2) If the **insured** and **we** agree that the answer to 1.a.(1) above is yes, then what is the amount of the compensatory damages that the **insured** is legally entitled to recover from the owner or driver of the **uninsured motor vehicle** or **underinsured motor vehicle**?
- b. If there is no agreement on the answer to either question in 1.a. above, then the **insured** shall:
 - (1) file a lawsuit, in a state or federal court that has jurisdiction, against:
 - (a) **us**;
 - (b) the owner and driver of the **uninsured motor vehicle** or **underinsured motor vehicle** unless **we** have consented to a settlement offer proposed by or on behalf of such owner or driver; and
 - (c) any other party or parties who may be legally liable for the **insured's** damages;

- (2) consent to a jury trial if requested by **us**;
 - (3) agree that **we** may contest the issues of liability and the amount of damages; and
 - (4) secure a judgment in that action. The judgment must be the final result of an actual trial and any appeals, if any appeals are taken.
2. **We** are not bound by any:
 - a. judgment obtained without **our** written consent; and
 - b. default judgment against any **person** or organization other than **us**.
 3. 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

The Uninsured Motor Vehicle Coverage limit is shown in the "COVERAGES AND LIMITS" schedule on the Declarations.

1. If the **bodily injury** or **property damage** is caused by an accident that involves an **uninsured motor vehicle** and
 - a. the coverage limit provided by this policy is on an each person/each accident basis:
 - (1) then the limit for **bodily injury** is shown under "Bodily Injury Limit – Each Person, Each Accident".
 - (a) The most **we** will pay for all compensatory damages resulting from **bodily injury** to any one **insured** injured in any one accident, including all compensatory damages sustained by other **insureds** as a result of that **bodily injury** is the dollar amount shown under "Each Person; and
 - (b) The most **we** will pay, subject to 1.a. above, for all compensatory damages resulting from **bodily injury** to two or more **insureds** injured in any one accident is the dollar amount shown under "Each Accident".

- (2) then the limit for **property damage** is shown under "Property Damage Limit – Each Accident". The most **we** will pay for all compensatory damages resulting from **property damage** in any one accident is the dollar amount shown under "Each Accident";
 - b. the coverage limit provided by this policy is on an each accident basis, then the limit for **bodily injury** and **property damage** is shown under "Bodily Injury and Property Damage Limit – Each Accident". The most **we** will pay for all compensatory damages resulting from **bodily injury** to one or more **insureds** injured in any one accident and **property damage**, including all compensatory damages sustained by other **insureds** as a result of **bodily injury** and **property damage**, is the dollar amount shown under "Each Accident".
2. If the **bodily injury** or **property damage** is caused by an accident that involves an **underinsured motor vehicle** and
- a. the coverage limit provided by this policy is on an each person/each accident basis:
 - (1) then the limit for **bodily injury** is shown under "Bodily Injury Limit – Each Person, Each Accident".
 - (a) The most **we** will pay for all compensatory damages resulting from **bodily injury** to any one **insured** injured in any one accident, including all compensatory damages sustained by other **insureds** as a result of that **bodily injury** is the lesser of:
 - (i) the sum of all limits for **bodily injury** of uninsured motor vehicle coverage applicable to the **insured** reduced by sum of all payments for compensatory damages resulting from **bodily injury** made by or on behalf of any **person** or organization who is or may be held legally liable for that **bodily injury**; or
 - (ii) the amount of all compensatory damages resulting from that **bodily injury** reduced by the sum of all payments for compensatory damages resulting from that **bodily injury** made by or on behalf of any **person** or organization who is or may be held legally liable for that **bodily injury**; and
 - (b) The most **we** will pay, subject to 2.a.(1)(a) above, for all compensatory damages resulting from **bodily injury** to two or more **insureds** injured in any one accident is the dollar amount shown under "Each Accident".
 - (2) then the limit for **property damage** is shown under "Property Damage Limit – Each Accident". The most **we** will pay for any compensatory damages resulting from **property damage** in any one accident is the lesser of:
 - (a) the dollar amount shown under "Each Accident" reduced by the sum of all payments for compensatory damages resulting from **property damage** made by or on behalf of any **person** or organization who is or may be held legally liable for that **property damage**; or
 - (b) the amount of all compensatory damages resulting from that **property damage** reduced by the sum of all payments for compensatory damages resulting from that **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 coverage limit provided by this policy is on an each accident basis, then the limit for **bodily injury** and **property damage** is shown under "Bodily Injury and Property Damage Limit – Each Accident". The most **we** will pay for all compensatory damages resulting from **bodily injury** and **property damage** to one or more **insureds** injured in any one accident, including all

compensatory damages sustained by other **insureds** as a result of **bodily injury** and **property damage**, is the lesser of:

- (1) the sum of all limits for uninsured motor vehicle coverage applicable to the **insured** for **bodily injury** and **property damage** reduced by the sum of all payments for compensatory damages resulting from that **bodily injury** and **property damage** made by or on behalf of any **person** or organization who is or may be held legally liable for that **bodily injury** and **property damage**; or
 - (2) the amount of all compensatory damages resulting from that **bodily injury** and **property damage** reduced by the sum of all payments for compensatory damages resulting from that **bodily injury** and **property damage** made by or on behalf of any **person** or organization who is or may be held legally liable for that **bodily injury** and **property damage**
3. The limit shown for Uninsured Motor Vehicle Coverage 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 any damages that will duplicate payments:

1. that have already been paid to or for the **insured**:
 - a. by or on behalf of any **person** or organization who is or may be held legally liable for the **bodily injury** to, or **property damage** incurred by, the **insured**; or
 - b. for **bodily injury** or **property damage** under Liability Coverage of any policy issued by the **State Farm Companies** to **you, your spouse**, or any **resident relative**;
2. that:

- a. have already been paid;
- b. could have been paid; or
- c. could be paid

to or for the **insured** under any workers' compensation law, disability benefits law, or similar law;

3. that have already been paid to or for the **insured** from any other applicable uninsured motor vehicle coverage; or
4. that have already been paid as expenses under Medical Payments Coverage of this policy, the medical payments coverage of any other policy, or other similar vehicle insurance.

Exclusions

THERE IS NO COVERAGE:

1. FOR AN **INSURED** WHO, WITHOUT **OUR** WRITTEN CONSENT, SETTLES WITH ANY **PERSON** OR ORGANIZATION WHO MAY BE LIABLE FOR THE **BODILY INJURY**; OR **PROPERTY DAMAGE**;
2. FOR AN **INSURED** WHOSE **BODILY INJURY** OR **PROPERTY DAMAGE** RESULTS FROM THE DISCHARGE OF A FIREARM;
3. TO THE EXTENT IT BENEFITS:
 - a. ANY WORKERS' COMPENSATION OR DISABILITY BENEFITS INSURANCE COMPANY;
 - b. A SELF-INSURER UNDER ANY WORKERS' COMPENSATION LAW, DISABILITY BENEFITS LAW, OR SIMILAR LAW; OR
 - c. ANY GOVERNMENT OR ANY OF ITS POLITICAL SUBDIVISIONS OR AGENCIES;
4. FOR AN **INSURED** WHOSE **BODILY INJURY** OR **PROPERTY DAMAGE** RESULTS FROM:
 - a. NUCLEAR REACTION;
 - b. RADIATION OR RADIOACTIVE CONTAMINATION FROM ANY SOURCE; OR
 - c. THE ACCIDENTAL OR INTENTIONAL DETONATION OF, OR RELEASE OF RADIATION FROM, ANY NUCLEAR OR RADIOACTIVE DEVICE;
5. FOR PUNITIVE OR EXEMPLARY DAMAGES;

6. FOR ANY ORDER OF RESTITUTION ISSUED BY A COURT IN A CRIMINAL PROCEEDING OR EQUITABLE ACTION;
7. FOR:
 - a. AN **INSURED** WHO IS **OCCUPYING A YOUR CAR, A NEWLY ACQUIRED CAR, OR A TEMPORARY SUBSTITUTE CAR** WHILE THE DRIVER OF SUCH **CAR** IS LOGGED ON TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK; OR
 - b. **YOU, YOUR SPOUSE, OR ANY RESIDENT RELATIVE** WHILE **OCCUPYING A CAR** THAT IS BEING DRIVEN BY EITHER **YOU, YOUR SPOUSE, OR ANY RESIDENT RELATIVE** WHO IS LOGGED ON AS A DRIVER TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK; OR
8. FOR **PROPERTY DAMAGE TO**:
 - a. A **YOUR CAR** OR A **NEWLY ACQUIRED CAR** TO THE EXTENT THAT DAMAGES EXCEED ANY COLLISION COVERAGE DEDUCTIBLE APPLICABLE TO SUCH VEHICLE FROM ANY SOURCE THAT IS VALID AND COLLECTIBLE; OR
 - b. A MOTOR VEHICLE **OWNED BY YOU, YOUR SPOUSE, OR ANY RESIDENT RELATIVE** THAT IS NOT A **YOUR CAR** OR A **NEWLY ACQUIRED CAR**.

If Other Uninsured Motor Vehicle Coverage Applies

1. The Uninsured Motor Vehicle Coverage provided by this policy applies as primary coverage for an **insured** who sustains **bodily injury** while **occupying a your car**.
We will pay the proportion of damages payable as primary that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other uninsured motor vehicle coverage that apply as primary coverage.
2. Except as provided in 1. above, the Uninsured Motor Vehicle Coverage provided by this policy applies as excess coverage.
We will pay the proportion of damages payable as excess that **our** applicable limit bears to the sum of **our** applicable limit and the limits of all other uninsured motor vehicle coverage that apply as excess coverage.

Our Payment Options

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

1. The **insured**;
2. The **insured's** surviving spouse;
3. A parent or guardian of the **insured**, if the **insured** is a minor or an incompetent **person**; or
4. A **person** or organization authorized by law to receive such payment.

PHYSICAL DAMAGE COVERAGES

The physical damage coverages are Comprehensive Coverage, Collision Coverage, Emergency Road Service Coverage, and Car Rental and Travel Expenses Coverage.

This policy provides:

1. Comprehensive Coverage if a premium is shown under "Coverage Symbol D";
2. Collision Coverage if a premium is shown under "Coverage Symbol G";
3. Emergency Road Service Coverage if a premium is shown under "Coverage Symbol H";
4. Car Rental and Travel Expenses Coverage if a premium is shown under "Coverage Symbol R1"

in the "POLICY PREMIUM" schedules on the Declarations.

Deductible

1. The Comprehensive Coverage deductible, if any, that applies to a **covered vehicle** that is:
 - a. a **your car** is the deductible dollar amount shown in the "POLICY PREMIUM" schedules on the Declarations for that **your car**.
 - b. a **newly acquired car** is the lesser of:
 - (1) the lowest Comprehensive Coverage deductible dollar amount shown in the "POLICY PREMIUM" schedules on the Declarations for any vehicle for which a

- premium is shown under “Coverage Symbol D” in the “POLICY PREMIUM” schedules on the Declarations; or
- (2) \$500.
- c. a **temporary substitute car** is the deductible dollar amount shown for the **car** being temporarily replaced.
 - d. a camper is the deductible dollar amount shown in the “POLICY PREMIUM” schedules on the Declarations for the **your car** on which the camper is designed to be mounted or installed. If both the **your car** and the camper are damaged by the same **loss**, then only one deductible will apply.
2. The Collision Coverage deductible that applies to a **covered vehicle** that is:
 - a. a **your car** is the deductible dollar amount shown in the “POLICY PREMIUM” schedules on the Declarations for that **your car**.
 - b. a **newly acquired car** is the lesser of:
 - (1) the lowest Collision Coverage deductible dollar amount shown in the “POLICY PREMIUM” schedules on the Declarations for any vehicle for which a premium is shown under “Coverage Symbol G” in the “POLICY PREMIUM” schedules on the Declarations; or
 - (2) \$500.
 - c. a **temporary substitute car** is the deductible dollar amount shown for the **car** being temporarily replaced.
 - d. a camper is the deductible dollar amount shown in the “POLICY PREMIUM” schedules on the Declarations for the **your car** on which the camper is designed to be mounted or installed. If both the **your car** and the camper are damaged by the same **loss caused by collision**, then only one deductible will apply.
 1. a **your car**, but only for those coverages for which a premium for that **your car** is shown under the corresponding “Coverage Symbol” in the “POLICY PREMIUM” schedules on the Declarations;
 2. a **newly acquired car** if a premium is shown under the corresponding “Coverage Symbol” in the “POLICY PREMIUM” schedules on the Declarations;
 3. a **temporary substitute car** that is temporarily replacing a **car** described in 1. or 2. above, but only for those coverages available to the **car** being replaced; and
 4. a camper that is shown on the Declarations and designed to be mounted or installed on a **your car** described in 1. above, but only for those coverages for which a premium is shown for that **your car** under the corresponding “Coverage Symbol” in the “POLICY PREMIUM” schedules on the Declarations.
- A **covered vehicle** also includes the parts and equipment that are common to the use of the vehicle as a vehicle and its **special equipment**. However, parts and equipment of campers must be securely fixed as a permanent part of the camper.
- Daily Rental Charge** means the sum of:
1. the daily rental rate;
 2. mileage charges; and
 3. related taxes.
- Insured** means **you** and any **person** using a **covered vehicle** with **your** consent.
- Loss** means:
1. direct, sudden, and accidental damage to; or
 2. total or partial theft of
- a **covered vehicle**. **Loss** does not include any reduction in the value of any **covered vehicle** after it has been repaired, as compared to its value before it was damaged.
- Loss Caused By Collision** means a **loss** caused by **collision**.
- Any **loss** caused by missiles, falling objects, windstorm, hail, fire, explosion, earthquake, water, flood, total or partial theft, malicious mischief, vandalism, riot, civil commotion, or hitting or being hit by a bird or an animal is not a **loss caused by collision**.
- Special Equipment** means:

Additional Definitions

Covered Vehicle means:

1. parts and equipment not common to the use of the vehicle as a vehicle that are:
 - a. securely fixed as a permanent part of the **covered vehicle**; or
 - b. designed to be:
 - (1) pushed by a **covered vehicle**; or
 - (2) towed by a **covered vehicle**, but only if a description of the towed equipment is shown following "Special Equipment" on the Declarations;
2. parts and accessories designed to be attached to the equipment described in 1.a. and 1.b. above; and
3. tools that are provided by the manufacturer and are specifically designed to operate and maintain the equipment described in 1.a. and 1.b. above.

(2) during the period that:

- (a) starts on the date the vehicle is left at a repair facility if the stolen vehicle is recovered, returned to **your** possession in a drivable condition, and has unrepaired damage that resulted from the total theft; and
- (b) ends on the date the vehicle is repaired.

These transportation expenses must be reported to **us** before **we** will pay such incurred expenses.

2. Collision Coverage

We will pay for **loss caused by collision** to a **covered vehicle**.

3. Emergency Road Service Coverage

We will pay the fair cost incurred by an **insured** for:

- a. up to one hour of labor to repair a **covered vehicle** at the place of its breakdown;
- b. towing to the nearest repair facility where necessary repairs can be made if a **covered vehicle** is not drivable;
- c. towing a **covered vehicle** out of a location where it is stuck if the vehicle is on or immediately next to a public road;
- d. delivery of gas, oil, battery, or tire necessary to return a **covered vehicle** to driving condition. **We** do not pay the cost of the gas, oil, battery, or tire; and
- e. up to one hour of labor for locksmith services to unlock a **covered vehicle** if its key is lost, stolen, or locked inside the vehicle.

4. Car Rental and Travel Expenses Coverage

a. Car Rental Expense

We will pay the **daily rental charge** incurred while a **covered vehicle owned by you** is not drivable or is being repaired as a result of a **loss** which would be payable under Comprehensive Coverage or Collision Coverage.

We will pay the **daily rental charge** incurred during a period that:

Insuring Agreements

1. Comprehensive Coverage

We will pay:

- a. for **loss**, except **loss caused by collision**, to a **covered vehicle**; and
- b. transportation expenses incurred by an **insured** as a result of the total theft of a **covered vehicle owned by you**. These transportation expenses are payable:
 - (1) during the period that:
 - (a) starts on the date **you** report the theft to **us**; and
 - (b) ends on the earliest of:
 - (i) the date the vehicle is returned to **your** possession in a drivable condition;
 - (ii) the date the vehicle has been replaced;
 - (iii) seven days after the date **we** offer to pay for the **loss** if the vehicle has not yet been recovered; or
 - (iv) seven days after the date **we** offer to pay for the **loss** if the vehicle is recovered, but is a total loss as determined by **us**; and

- (1) starts on the date:
 - (a) the vehicle is not drivable as a result of the **loss**; or
 - (b) the vehicle is left at a repair facility if the vehicle is drivable; and
- (2) ends on the earliest of:
 - (a) the date the vehicle has been repaired or replaced;
 - (b) the date **we** offer to pay for the loss if the vehicle is repairable but **you** choose to delay repairs; or
 - (c) seven days after **we** offer to pay for the **loss** if the vehicle is:
 - (i) a total loss as determined by **us**; or
 - (ii) stolen and not recovered.

The amount of any such **daily rental charge** incurred by an **insured** must be reported to **us** before **we** will pay such amount.

b. Travel Expenses

We will pay expenses for commercial transportation, lodging, and meals if a **covered vehicle owned by you** is not drivable as a result of a **loss** which would be payable under Comprehensive Coverage or Collision Coverage. The **loss** must occur more than 50 miles from the location where such **car** is primarily garaged. **We** will only pay these expenses if they are incurred by:

- (1) an **insured** during the period that:
 - (a) starts after the **loss** occurs; and
 - (b) ends on the earlier of:
 - (i) the **insured's** arrival at their destination or the location where such **car** is primarily garaged if the vehicle is left behind for repairs; or
 - (ii) the repair of the vehicle if the **insured** waits for repairs before continuing on to their destination or the location where such **car** is primarily garaged; and

- (2) any **person you** choose, to travel to retrieve such **car** and drive it to either the original destination or the location where such **car** is primarily garaged if the vehicle was left behind for repairs.

These expenses must be reported to **us** before **we** will pay such incurred expenses.

c. Rental Car – Repayment of Deductible Expense

We will pay the comprehensive coverage deductible or collision coverage deductible an **insured** is required to pay the owner of a **temporary substitute car** rented from a **car business**.

The deductible amount must be reported to **us** before **we** will pay.

Supplementary Payments – Comprehensive Coverage and Collision Coverage

If the **covered vehicle** sustains **loss** for which **we** make a payment under Comprehensive Coverage or Collision Coverage, then **we** will pay reasonable expenses incurred to:

1. tow the **covered vehicle** immediately after the **loss**:
 - a. for a reasonable distance from the location of the **loss** to any one repair facility chosen by an **insured** or the owner of the **covered vehicle**, if the **covered vehicle** is not drivable; or
 - b. to any one repair facility or commercial storage facility, neither of which was chosen by an **insured** or the owner of the **covered vehicle**. **We** will also pay reasonable expenses incurred to tow the **covered vehicle** for a reasonable distance from this facility to any one repair facility chosen by an **insured** or the owner of the **covered vehicle**, if the **covered vehicle** is not drivable;
2. store the **covered vehicle**, if it is not drivable immediately after the **loss**, at:
 - a. any one repair facility or commercial storage facility, neither of which was chosen by an **insured** or the owner of the **covered vehicle**; and
 - b. any one repair facility chosen by the owner of the **covered vehicle**, and **we** determine such vehicle is a total loss.

If the owner of the **covered vehicle** consents, then **we** may move the **covered vehicle** at **our** expense to a mutually acceptable location to reduce storage costs. If the owner of the **covered vehicle** does not consent, then **we** will pay only the storage costs that would have resulted if **we** had moved the damaged **covered vehicle**; and

3. clean up debris from the **covered vehicle** at the location of the **loss**. The most **we** will pay to clean up the debris is \$250 for any one **loss**.

Limit and Loss Settlement – Comprehensive Coverage and Collision Coverage

1. **We** have the right to choose to settle with **you** or the owner of the **covered vehicle** in one of the following ways:

- a. Pay the cost to repair the **covered vehicle** minus any applicable deductible. No deductible applies to the repair of windshield glass.

- (1) **We** have the right to choose one of the following to determine the cost to repair the **covered vehicle**:

- (a) The cost agreed to by both the owner of the **covered vehicle** 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) reasonable repair costs and labor rates as determined by **us** for the repair market where the **covered vehicle** is to be repaired;

- (ii) the prevailing competitive price. Prevailing competitive price means prices charged by a majority of the repair market as determined by a survey made by **us** for the area where the **covered vehicle** is to be repaired;

- (iii) 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

- (iv) a combination of (i), (ii), or (iii) above.

If asked, **we** will identify at least one facility that will perform the repairs with the pricing and labor rates identified by **us**.

The repair 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, and **you** agree these parts are sufficient to restore the **covered vehicle** to its pre-loss condition.

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

- (2) The cost to repair the **covered vehicle** does not include any reduction in the value of the **covered vehicle** after it has been repaired, as compared to its value before it was damaged.

- (3) If the repair or replacement of a part results in betterment of that part, then **you** or the owner of the **covered vehicle** must pay for the amount of the betterment;

- b. Pay the actual cash value of the **covered vehicle** minus any applicable deductible.

The damaged **covered vehicle** must be given to **us** in exchange for **our** payment, unless **we** agree that the owner may keep it. If the owner keeps the **covered vehicle**, then **our** payment will be reduced by the value of the **covered vehicle** after the **loss**; or

- c. Return the stolen **covered vehicle** to its owner and pay, as described in 1.a. above, for any direct, sudden, and accidental damage that resulted from the theft.

2. If there is disagreement regarding the reasonable repair costs, prevailing competitive price, or the actual cash value of the **covered vehicle**, then the disagreement may be resolved by appraisal upon written

request of the owner or **us**, using the following procedures:

- (1) The owner and **we** will each select a competent appraiser.
- (2) The two appraisers will select a third competent appraiser. If they are unable to agree on a third appraiser within 30 days, then either the owner or **we** may petition a court that has jurisdiction to select the third appraiser.
- (3) Each party will pay the cost of its own appraiser, attorneys, and expert witnesses, as well as any other expenses incurred by that party. Both parties will share equally the cost of the third appraiser.
- (4) The appraisers shall only determine the actual cash value of the **covered vehicle**. Appraisers shall have no authority to decide any other questions of fact, decide any questions of law, or conduct appraisal on a class-wide or class-representative basis.
- (5) A written appraisal that is both agreed upon by and signed by any two appraisers, and that also contains an explanation of how they arrived at their appraisal, will be binding on the owner of the **covered vehicle** and **us**.
- (6) **We** do not waive any of **our** rights by submitting to an appraisal.

3. Special Equipment

a. **You** agree with **us** that if **special equipment** is either:

- (1) not damaged, or
- (2) damaged and **we** offer to pay the cost to repair it, subject to b. below,

then **we** may pay the cost to remove the **special equipment** from the **covered vehicle** and install it in a replacement vehicle. If **we** choose to remove **special equipment**, then the amount of **our** payment for the **covered vehicle** will not include the dollar value of the **special equipment**.

b. If there is a dollar amount shown on the Declarations for **special equipment** that is described on the Declarations, then item 1. above applies to determine the amount that **we** will pay for the **covered vehicle**, except to determine the

amount **we** will pay for the repair or replacement of that described **special equipment**. **We** have the right to choose to pay either the cost to repair or the cost to replace that described **special equipment** minus any applicable deductible. However, the most **we** will pay to repair or to replace that described **special equipment**, including removal and installation costs, is the dollar amount shown on the Declarations for that described **special equipment**. If both the **covered vehicle** and its **special equipment** are damaged in one **loss** or one **loss caused by collision**, then only one deductible applies.

- (1) The cost to repair will be determined by:
 - (a) the cost agreed to by both **you** and **us**; or
 - (b) a bid or repair estimate approved by **us**.

The cost to repair such **special equipment** does not include any reduction in the value of the **special equipment** after it has been repaired, as compared to its value before it was damaged.

- (2) The cost to replace will be determined by the replacement cost of the same or of similar **special equipment** agreed to by both **you** and **us**. If there is disagreement as to the replacement cost of the **special equipment**, then the disagreement will be resolved by appraisal upon written request of the owner or **us**, using the procedures described in 2. above.

If **we** choose to replace **special equipment**, then **we** will pay the actual cash value of that **special equipment** until it is replaced. If the **special equipment** is replaced, then **we** will also pay the lesser of:

- (a) the cost incurred to replace that **special equipment** less the amount **we** already paid for that **special equipment**, or
- (b) the replacement cost agreed to by both **you** and **us** less the amount **we** already paid for that **special equipment**.

The damaged **special equipment** must be given to **us** in exchange for **our** payment, unless **we** agree that **you** or the owner may keep it. If **you** or the owner keeps the **special equipment**, then **our** payment will be reduced by the dollar value of the **special equipment** after the **loss**.

4. The most **we** will pay for transportation expenses under Comprehensive Coverage is \$25 per day subject to an aggregate limit of \$750 per **loss**.

Limit – Car Rental and Travel Expenses Coverage

1. Car Rental Expense

- a. The limit for Car Rental Expense is shown in the “COVERAGES AND LIMITS” schedule on the Declarations.

- (1) The most **we** will pay per day for the **daily rental charge** incurred as a result of any one **loss** to a **covered vehicle owned by you** is shown under “Each Day” for that **covered vehicle owned by you**. If:

- (a) a dollar amount is shown, then **we** will pay the **daily rental charge** up to that dollar amount; or

- (b) a percentage amount is shown, then **we** will pay that percentage of the **daily rental charge**.

- (2) Subject to (1) above, the most **we** will pay for car rental expense incurred as a result of any one **loss** to a **covered vehicle owned by you** is the dollar amount shown under “Each Loss” for that **covered vehicle owned by you**.

- b. The Car Rental Expense limit that applies to a **newly acquired car** is the highest limit shown in the “COVERAGES AND LIMITS” schedule on the Declarations.

2. Travel Expenses

The most **we** will pay for Travel Expenses incurred by all **insureds** as a result of any one **loss** is \$500.

3. Rental Car – Repayment of Deductible Expense

The most **we** will pay for Rental Car – Repayment of Deductible Expense incurred as a result of any one **loss** is \$500.

Nonduplication

We will not pay for any **loss** or expense under the Physical Damage Coverages for which the **insured** or owner of the **covered vehicle** has already received payment from, or on behalf of, a party who is legally liable for the **loss** or expense.

Exclusions

THERE IS NO COVERAGE FOR:

1. ANY **COVERED VEHICLE** THAT IS:
 - a. INTENTIONALLY DAMAGED; OR
 - b. STOLENBY, OR AT THE DIRECTION OF, **YOU**;

2. ANY **COVERED VEHICLE** DUE TO:
 - a. THEFT;
 - b. CONVERSION;
 - c. EMBEZZLEMENT; OR
 - d. SECRETION

BY **YOU**, A CONSIGNEE, AN AGENT OF A CONSIGNEE, OR A **PERSON** WHO OBTAINS POSSESSION OF THE **COVERED VEHICLE** WITH THE PERMISSION OF A CONSIGNEE OR AGENT OF A CONSIGNEE;

3. **LOSS** TO A **COVERED VEHICLE OWNED BY YOU** IF **YOU** VOLUNTARILY RELINQUISH POSSESSION OF THE **COVERED VEHICLE** TO A **PERSON** OR ORGANIZATION UNDER AN ACTUAL OR PRESUMED SALES AGREEMENT;
4. ANY **COVERED VEHICLE** TO THE EXTENT **OUR** PAYMENT WOULD BENEFIT ANY CARRIER OR OTHER BAILEE FOR HIRE THAT IS LIABLE FOR **LOSS** TO SUCH **COVERED VEHICLE**;
5. **LOSS** TO ANY **COVERED VEHICLE** THAT RESULTS FROM:
 - a. NUCLEAR REACTION;
 - b. RADIATION OR RADIOACTIVE CONTAMINATION FROM ANY SOURCE; OR
 - c. THE ACCIDENTAL OR INTENTIONAL DETONATION OF, OR RELEASE OF RADIATION FROM, ANY NUCLEAR OR RADIOACTIVE DEVICE;

6. **LOSS** TO ANY **COVERED VEHICLE** THAT RESULTS FROM THE TAKING OF OR SEIZURE OF THAT **COVERED VEHICLE** BY ANY GOVERNMENTAL AUTHORITY;
7. **LOSS** TO ANY **COVERED VEHICLE** THAT RESULTS FROM WAR OF ANY KIND;
8. A **COVERED VEHICLE** THAT IS A **YOUR CAR** WHILE SUBJECT TO ANY:
 - a. LIEN AGREEMENT;
 - b. RENTAL AGREEMENT;
 - c. LEASE AGREEMENT; OR
 - d. SALES AGREEMENT
 NOT SHOWN ON THE DECLARATIONS;
9. ANY PART OR EQUIPMENT OF A **COVERED VEHICLE** IF THAT PART OR EQUIPMENT:
 - a. FAILS OR IS DEFECTIVE; OR
 - b. IS DAMAGED AS A DIRECT RESULT OF:
 - (1) WEAR AND TEAR;
 - (2) FREEZING; OR
 - (3) MECHANICAL, ELECTRICAL, OR ELECTRONIC BREAKDOWN OR MALFUNCTION
 OF THAT PART OR EQUIPMENT.

This exclusion does not apply if the **loss** is the result of theft of the **covered vehicle**;
10. ANY PART OR EQUIPMENT:
 - a. THAT IS NOT LEGAL FOR USE IN OR ON THE **COVERED VEHICLE** IN THE JURISDICTION WHERE THE **COVERED VEHICLE** IS REGISTERED; OR
 - b. THE USE OF WHICH IS NOT LEGAL IN THE JURISDICTION WHERE THE **COVERED VEHICLE** IS REGISTERED BECAUSE OF HOW OR WHERE THAT PART OR EQUIPMENT IS INSTALLED IN OR ON THE **COVERED VEHICLE**.

However, if there is a legal version of the part or equipment that is necessary for the safe operation of the **covered vehicle**, then **we** will pay the cost that **we** would otherwise have paid to repair the vehicle with the legal version of the part or equipment. **We** will not pay any cost necessary to modify the vehicle for installation of the legal version of the part or equipment;
11. TIRES. This exclusion does not apply if:
 - a. **loss** is caused by missiles, falling objects, windstorm, hail, fire, explosion, earthquake, water, flood, total or partial theft, malicious mischief, vandalism, riot, civil commotion, or hitting or being hit by a bird or an animal; or
 - b. **loss caused by collision** to another part of the **covered vehicle** causes **loss** to tires;
12. REMOVABLE PRODUCTS USED FOR STORAGE OF AUDIO, VIDEO, OR OTHER DATA, INCLUDING BUT NOT LIMITED TO TAPES, DISCS, AND MEMORY CARDS, NOR IS THERE COVERAGE FOR THE RECONSTRUCTION OF DATA CONTAINED THEREIN;
13. ANY EQUIPMENT USED TO DETECT OR INTERFERE WITH SPEED MEASURING DEVICES;
14. A CAMPER, INCLUDING ITS PARTS AND ITS EQUIPMENT, THAT IS:
 - a. DESIGNED TO BE MOUNTED ON A PICKUP TRUCK;
 - b. **OWNED BY YOU**; AND
 - c. NOT SHOWN ON THE DECLARATIONS;
15. ANY **COVERED VEHICLE** WHILE IT IS:
 - a. BEING PREPARED FOR, USED IN PRACTICE FOR, OR OPERATED IN ANY RACING CONTEST, SPEED CONTEST, HILL-CLIMBING CONTEST, JUMPING CONTEST, OR ANY SIMILAR CONTEST; OR
 - b. ON A TRACK DESIGNED PRIMARILY FOR RACING OR HIGH-SPEED DRIVING. This exclusion (15.b.) does not apply if the vehicle is being used in connection with an activity other than racing, high-speed driving, or any type of competitive driving; OR
16. ANY **COVERED VEHICLE** WHILE THE DRIVER OF THE **COVERED VEHICLE** IS LOGGED ON TO A TRANSPORTATION NETWORK COMPANY'S DIGITAL NETWORK.

If Other Physical Damage Coverage or Similar Coverage Applies

1. If the same **loss** or expense is payable under more than one of the physical damage coverages provided by this policy, then only the one coverage that pays the most for that **loss** or expense applies.
2. If any of the physical damage coverages provided by this policy and one or more other policies issued to **you** by the **State Farm Companies** apply to the same **loss** or expense, then only one policy applies. **We** will select a policy that pays the most for the **loss** or expense.
3. The physical damage coverages provided by this policy apply as primary coverage for a **loss** to:
 - a. a **your car**, and
 - b. a **car** loaned without charge to **you** by an entity licensed under Idaho Code Title 49, Chapter 16.

If similar coverage provided by one or more sources other than the **State Farm Companies** also applies as primary coverage for the same **loss** or expense, then the **State Farm Companies** will pay the proportion of the **loss** or expense payable as primary that the maximum amount that may be paid by the **State Farm Companies** bears to the sum of such amount and the limits of all other similar coverage that applies as primary coverage.

4. Except as provided in 3. above, the physical damage coverages provided by this policy apply as excess coverage.

If similar coverage provided by one or more sources other than the **State Farm Companies** also applies as excess coverage for the same **loss** or expense, then the **State Farm Companies** will pay the proportion of the **loss** or expense payable as excess that the maximum amount that may be paid by the **State Farm Companies** bears to the sum of such amount and the limits of all other similar coverage that applies as excess coverage.

Financed Vehicle

1. If a creditor is shown on the Declarations in relation to any vehicle shown in the "VEHICLE SCHEDULE" on the Declarations, then any Comprehensive Coverage or Collision Coverage provided by this policy for that vehicle also applies to that creditor's interest

in that vehicle. Coverage for the creditor's interest is only provided for a **loss** that is payable to **you**.

However, if this policy is cancelled or nonrenewed, then **we** will provide coverage for the creditor's interest until **we** notify the creditor of the termination of such coverage. This coverage for the creditor's interest is only provided for a **loss** that would have been payable to **you** if this policy had not been cancelled or nonrenewed. The date such termination is effective will be at least 10 days after the date **we** provide a notice of the termination to the creditor.

2. If **we** pay such creditor, then **we** are entitled to the creditor's right of recovery against **you** to the extent of **our** payment. **Our** right of recovery does not impair the creditor's right to recover the full amount of its claim.

Our Payment Options

1. **Comprehensive Coverage and Collision Coverage**
 - a. **We** may, at **our** option, make payment to one or more of the following for **loss** to a **covered vehicle owned by you**:
 - (1) **You**;
 - (2) The repairer; or
 - (3) A creditor shown on the Declarations, to the extent of its interest.
 - b. **We** may, at **our** option, make payment to one or more of the following for **loss** to a **covered vehicle not owned by you**:
 - (1) **You**;
 - (2) The owner of such vehicle;
 - (3) The repairer; or
 - (4) A creditor, to the extent of its interest.
2. **Emergency Road Service Coverage and Car Rental and Travel Expenses Coverage**

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

 - a. **You**;
 - b. The **insured** who incurred the expense; or
 - c. Any party that provided the service for which payment is owed.

INSURED'S DUTIES

1. Notice to Us of an Accident or Loss

The **insured** must give **us** or one of **our** agents notice of the accident or **loss** as soon as reasonably possible. The notice must give **us**:

- a. **your** name;
- b. the names and addresses of all **persons** involved in the accident or **loss**;
- c. the hour, date, place, and facts of the accident or **loss**; and
- d. the names and addresses of witnesses to the accident or **loss**.

2. Notice to Us of a Claim or Lawsuit

- a. If a claim is made against an **insured**, then that **insured** must immediately send **us** every demand, notice, and claim received.
- b. If a lawsuit is filed against an **insured**, then that **insured** must immediately send **us** every summons and legal process received.

3. Insured's Duty to Cooperate With Us

- a. The **insured** must cooperate with **us** and, when asked, assist **us** in:
 - (1) making settlements;
 - (2) securing and giving evidence; and
 - (3) attending, and getting witnesses to attend, depositions, hearings, and trials.
- b. The **insured** must not, except at their own cost, voluntarily:
 - (1) make any payment to others; or
 - (2) assume any obligation to othersunless authorized by the terms of this policy.
- c. Any **person** or organization making claim under this policy must, when **we** require, give **us** proof of loss on forms **we** furnish.

4. Questioning Under Oath

Under:

- a. Liability Coverage, each **insured**;

- b. Medical Payments Coverage or Uninsured Motor Vehicle Coverage, each **insured**, or any other **person** or organization making claim or seeking payment; and
- c. Physical Damage Coverages, each **insured**, each owner of a **covered vehicle**, or any other **person** or organization making claim or seeking payment;

must, at **our** option, submit to an examination under oath, provide a statement under oath, or do both, as reasonably often as **we** require. Such **person** or organization must answer questions under oath, asked by anyone **we** name, and sign copies of the answers. **We** may require each **person** or organization answering questions under oath to answer the questions with only that **person's** or organization's legal representative, **our** representatives, any **person** or **persons** designated by **us** to record the questions and answers, and no other **person** present.

5. Other Duties Under the Physical Damage Coverages

When there is a **loss**, **you** or the owner of the **covered vehicle** must:

- a. protect the **covered vehicle** from additional damage. **We** will pay any reasonable expense incurred to do so that is reported to **us**;
- b. make a prompt report to the police when the **loss** is the result of theft;
- c. allow **us** to:
 - (1) inspect any damaged property:
 - (a) before its repair or disposal; and
 - (b) during its repair;
 - (2) test any part or equipment before that part or equipment is removed or repaired; and
 - (3) move the **covered vehicle** at **our** expense in order to conduct such inspection or testing;
- d. provide **us** all:
 - (1) records;
 - (2) receipts;

- (3) invoices; and
- (4) authorizations

that **we** request and allow **us** to make copies; and

e. not abandon the **covered vehicle** to **us**.

6. **Other Duties Under Medical Payments Coverage or Uninsured Motor Vehicle Coverage**

A **person** making claim under:

a. Medical Payments Coverage or Uninsured Motor Vehicle Coverage must:

- (1) notify **us** of the claim and give **us** all the details about the death, injury, treatment, and other information that **we** may need as soon as reasonably possible after the injured **insured** is first examined or treated for the injury. If the **insured** is unable to give **us** notice, then any other **person** may give **us** the required notice;
- (2) be examined as reasonably often as **we** may require by physicians chosen and paid by **us**. A copy of the report will be sent to the **person** upon written request;
- (3) provide written authorization for **us** to obtain medical bills, medical records, wage information, salary information, employment information, and any other information **we** deem necessary to substantiate the claim.

Such authorizations must not:

- (a) restrict **us** from performing **our** business functions in:
 - (i) obtaining records, bills, information, and data; nor
 - (ii) using or retaining records, bills, information, and data collected or received by **us**;
- (b) require **us** to violate federal or state laws or regulations;
- (c) prevent **us** from fulfilling **our** data reporting and data retention obligations to insurance regulators; or
- (d) prevent **us** from disclosing claim information and data:

- (i) to enable performance of **our** business functions;
- (ii) to meet **our** reporting obligations to insurance regulators;
- (iii) to meet **our** reporting obligations to insurance data consolidators; and
- (iv) as otherwise permitted by law.

If an injured **insured** is a minor, unable to act, or dead, then their legal representative must provide **us** with the written authorization.

If the holder of the information refuses to provide it to **us** despite the authorization, then at **our** request the **person** making claim or their legal representative must obtain the information and promptly provide it to **us**;

- (4) submit to **us** all information **we** need to comply with federal and state laws and regulations; and
 - (5) allow **us** to inspect the vehicle that the **insured occupied** in the accident;
- b. Uninsured Motor Vehicle Coverage must:
- (1) report an accident, involving a motor vehicle whose owner and driver remain unknown, to the police within 24 hours, or as soon as reasonably practicable, and to **us** within 30 days; and
 - (2) send **us** immediately a copy of all lawsuit papers if the **insured** files a lawsuit against the party liable for the accident; and
 - (3) when there is **property damage**:
 - (a) protect the property from additional damage. **We** will pay any reasonable expense incurred to do so that is reported to **us**;
 - (b) allow **us** to:
 - (i) inspect any **property damage** before its repair or disposal;

- (ii) test any part or equipment before that part or equipment is removed or repaired; and
 - (iii) move the property at **our** expense in order to conduct such inspection or testing;
- (c) provide **us** all:
- (i) records;
 - (ii) receipts and
 - (iii) invoices
- that **we** request and allow **us** to make copies; and
- (d) not abandon the property to **us**.

GENERAL TERMS

1. When Coverage Applies

The coverages provided by this policy are shown on the Declarations and apply to accidents and **losses** that occur during the policy period. The policy period is shown on the Declarations and is for successive periods of six months each for which the renewal premium is paid. The policy period begins and ends at 12:01 AM Standard Time at the address shown on the Declarations.

2. Where Coverage Applies

The coverages provided by this policy are shown on the Declarations and apply to accidents and **losses** that occur:

- a. in the United States of America and its territories and possessions;
- b. in Canada; and
- c. while a vehicle for which coverage is provided by this policy is being shipped between the ports of the United States of America, its territories, its possessions, and Canada.

3. Required Out-of-State Coverage

If:

- a. this policy provides Liability Coverage and an **insured**, as defined under the Liability Coverage of this policy, is in another state of the United States of America, a territory or possession of the United States of America, the District of Columbia, or any province or territory of Canada, and as a nonresident becomes subject to its motor vehicle compulsory insurance law, financial responsibility law, or similar law; and
- b. this policy does not provide at least the minimum amounts and types of coverage required by such law for such nonresident,

then this policy will be interpreted to provide the minimum amounts and types of coverage required by such law for such nonresident.

4. Financial Responsibility Certification

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

5. Limited Coverage in Mexico

This policy does not provide Mexican auto insurance and does not comply with Mexican auto insurance requirements. If **you** or any other **insured** plan to drive in Mexico, then auto insurance providing coverage in Mexico should be purchased from a Mexican insurance company.

Subject to the above paragraph, the following coverages apply in Mexico, but only for accidents and **losses** that occur in Mexico within 50 miles of the United States of America border and only for **insureds** as defined under each of the following coverages:

a. Liability Coverage

For claims brought against an **insured** in Mexico, the **Supplementary Payments** provision of this policy's Liability Coverage is changed to read:

We may, in addition to the damages described in item 1. of the **Insuring Agreement** of this policy's Liability Coverage, pay or reimburse, at **our** option, reasonable attorney fees for an attorney licensed in Mexico to appear for and provide advice to **insureds** as defined under this policy's Liability Coverage. The amount of such attorney fees incurred by an **insured** must be reported to **us** before **we** will make payment.

b. **Medical Payments Coverage**

c. **Uninsured Motor Vehicle Coverage**

The phrase “state or federal court that has jurisdiction” in item 1.b.(1) under **Deciding Fault and Amount** is changed to “a Vermont state court or United States District Court that has jurisdiction”.

d. **Physical Damage Coverages**

Any amount payable for the repair or replacement of the **covered vehicle** under the **Limit and Loss Settlement – Comprehensive Coverage and Collision Coverage** provision of this policy will be limited to the cost to repair or replace the **covered vehicle** in the United States of America.

WE HAVE NO DUTY TO PROVIDE A DEFENSE FOR YOU OR ANY OTHER INSURED IN ANY CRIMINAL, CIVIL, OR OTHER ACTION.

WE HAVE NO DUTY TO PAY ANY CLAIM OR COST THAT WOULD NOT BE PAYABLE UNDER THIS POLICY IF THE ACCIDENT OR LOSS HAD OCCURRED IN THE STATE OF VERMONT IN THE UNITED STATES OF AMERICA.

All other policy provisions not in conflict with the provisions in this **Limited Coverage in Mexico** provision of this policy apply.

If Other Coverage Applies

Any coverage provided by this **Limited Coverage in Mexico** provision is excess over any other applicable insurance.

Legal Action Against Us

Any legal action against **us** arising out of an accident or **loss** occurring in Mexico must be brought in a Vermont state court or a United States District Court that has jurisdiction.

6. **Newly Owned or Newly Leased Car**

If **you** want to insure a **car newly owned by you** with the **State Farm Companies** after that **car** ceases to be a **newly acquired car**, then **you** must either:

- a. request **we** replace a **car** currently shown on the Declarations of this policy with the **car newly owned by you** and pay **us** any added amount due. If **you** make such request while this policy is in force and:

- (1) before the **car newly owned by you** ceases to be a **newly acquired car**, then that **car newly owned by you** will be insured by this policy as a **your car** beginning on the date the **car newly owned by you** is delivered to **you**. The added amount due will be calculated based on that date; or

- (2) after the **car newly owned by you** ceases to be a **newly acquired car**, then that **car newly owned by you** will be insured by this policy as a **your car** beginning on the date and time **you** make the request. The added amount due will be calculated based on that date;

- b. apply to the **State Farm Companies** for separate coverage to insure the **car newly owned by you**. Such coverage will be provided only if both the applicant and the vehicle are eligible for coverage at the time of the application; or

- c. apply to the **State Farm Companies** for a separate policy to insure the **car newly owned by you**. Such policy will be issued only if both the applicant and the vehicle are eligible for coverage at the time of the application.

If **your spouse** or a **resident relative** wants to insure a **car newly owned by** either with the **State Farm Companies** after that **car** ceases to be a **newly acquired car**, then **your spouse** or **the resident relative** must apply to the **State Farm Companies** for a separate policy to insure the **car newly owned by** either. Such policy will be issued only if both the applicant and the vehicle are eligible for coverage at the time of the application.

7. **Changes to This Policy**

a. **Changes in Policy Provisions**

We may only change the provisions of this policy by:

- (1) issuing a revised policy booklet, a revised Declarations, or an endorsement; or
- (2) revising this policy to give broader coverage without an additional premium charge. If any coverage provided by this policy is changed to give broader coverage, then **we** will give **you** the broader coverage as of

the date **we** make the change effective in the state of Vermont without issuing a revised policy booklet, a revised Declarations, or an endorsement.

b. **Change of Interest**

- (1) No change of interest in this policy is effective unless **we** consent in writing.
- (2) If a **person** shown as a named insured on the Declarations dies, then the definition of **insured** under each of the coverages provided by this policy is changed to include:
 - (a) any **person** with lawful custody of a **your car**, a **newly acquired car**, or a **temporary substitute car** until a legal representative is qualified; and then
 - (b) the legal representative of the deceased named insured.

This only applies while such **person** is maintaining or using a **your car**, a **newly acquired car**, or a **temporary substitute car**.

c. **Joint and Individual Interests**

If **you** consists of more than one **person** or entity, then each acts for all to change or cancel the policy.

d. **Change of Policy Address**

We may change the named insured's policy address as shown on the Declarations and in **our** records to the most recent address provided to **us** by:

- (1) **you**; or
- (2) the United States Postal Service.

8. **Premium**

- a. Unless as otherwise provided by an alternative payment plan in effect with the **State Farm Companies** with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown on the most recently issued Declarations.

- b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles, and other elements that affect the premium that apply at the time of renewal.

- c. The premium for this policy may vary based upon:

- (1) the purchase of other products or services from the **State Farm Companies**;
- (2) the purchase of products or services from an organization that has entered into an agreement or contract with the **State Farm Companies**. The **State Farm Companies** do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or
- (3) an agreement, concerning the insurance provided by this policy, that the **State Farm Companies** has with an organization of which **you** are a member, employee, subscriber, licensee, or franchisee.

- d. The premium for this policy is based upon information **we** have received from **you** or other sources. **You** must inform **us** if any information regarding the following is incorrect or incomplete, or changes during the policy period, and **you** must answer questions **we** ask regarding the following:

- (1) **Your cars**, or their use, including annual mileage;
- (2) The **persons** who regularly drive a **your car**, including new drivers;
- (3) Marital status of all drivers; or
- (4) The location where **your cars** are primarily garaged.

If the above information or any other information used to determine the premium is incorrect, incomplete, changes during the policy period, or is not provided to **us** when **we** ask, then **we** may decrease or increase the premium during the policy period. If **we** decrease the premium during the policy period, then **we** will provide a refund or a credit in the amount of the decrease. If **we** increase the premium during the policy period, then **you** must pay the amount of the increase.

9. **Renewal**

We agree to renew this policy for the next policy period upon payment of the renewal premium when due, unless **we** provide a nonrenewal notice or a cancellation notice as set forth in the **Nonrenewal** and **Cancellation** provisions.

10. **Nonrenewal**

If **we** decide not to renew this policy, then, at least 45 days before the end of the current policy period, **we** will provide a nonrenewal notice to a named insured who is shown on the Declarations. Notice will be provided in a manner allowed or required by law.

11. **Cancellation**

a. **How You May Cancel**

You may cancel this policy by providing to **us** advance notice of the date cancellation is effective. **We** may confirm the cancellation in writing.

b. **How and When We May Cancel**

We may cancel this policy by providing notice to a named insured who is shown on the Declarations. The notice will provide the date cancellation is effective.

(1) If **we** provide a cancellation notice:

- (a) during the first 59 days following this policy's effective date; or
- (b) because the premium is not paid when due,

then the date cancellation is effective will be at least 15 days after the date notice is provided.

Otherwise, the date cancellation is effective will be at least 45 days after the date notice is provided.

(2) After this policy has been in force for more than 59 days, **we** will not cancel this policy before the end of the current policy period unless:

- (a) the premium is not paid when due;
- (b) **you** or any other **person** who usually drives a **your car** has had their driver's license under suspension or revocation during the 180 days immediately

before the effective date of the policy renewal; or

- (c) there has been a substantial increase in hazard provided that cancellation for this reason shall be effective only after prior approval of the Vermont Commissioner of Insurance.

Notice will be provided in a manner allowed or required by law.

c. **Return of Unearned Premium**

If **you** or **we** cancel this policy, the premium will be earned on a pro rata basis.

Any unearned premium may be returned within a reasonable time after cancellation. Delay in the return of any unearned premium does not affect the cancellation date.

12. **Assignment**

No assignment of benefits or other transfer of rights is binding upon **us** unless approved by **us**.

13. **Bankruptcy or Insolvency of the Insured**

Bankruptcy or insolvency of the **insured** or their estate will not relieve **us** of **our** obligations under this policy.

14. **Concealment or Fraud**

There is no coverage under this policy if **you** have made false statements with the intent to conceal or misrepresent any material fact or circumstance in connection with any claim under this policy.

15. **Our Right to Recover Our Payments**

a. **Subrogation**

If **we** are obligated under this policy to make payment to or for a **person** or organization who has a legal right to collect from another **person** or organization, then **we** will be subrogated to that right to the extent of **our** payment.

The **person** or organization to or for whom **we** make payment must help **us** recover **our** payments by:

- (1) doing nothing to impair that legal right;

- (2) executing any documents **we** may need to assert that legal right; and
- (3) taking legal action through **our** representatives when **we** ask.

b. **Reimbursement**

If **we** make payment under this policy and the **person** or organization to or for whom **we** make payment recovers or has recovered from another **person** or organization, then the **person** or organization to or for whom **we** make payment must:

- (1) hold in trust for **us** the proceeds of any recovery; and
- (2) reimburse **us** to the extent of **our** payment.

Under Uninsured Motor Vehicle Coverage, any reimbursement due **us** will be reduced by deducting a fair portion of all reasonable expenses of recovery incurred by the **person** or organization to or for whom **we** made payment in effecting the settlement or recovery. The expenses of recovery shall be apportioned between such **person** or organization and **us** as our interests appear at the time of the settlement or recovery.

16. **Legal Action Against Us**

Legal action may not be brought against **us** until there has been full compliance with all the provisions of this policy. In addition, legal action may only be brought against **us** regarding:

- a. Liability Coverage within one year after the amount of damages an **insured** is legally liable to pay has been finally determined by:
 - (1) judgment after an actual trial, and any appeals of that judgment if any appeals are taken; or
 - (2) agreement between the claimant and **us**.
- b. Medical Payments Coverage if the legal action relating to this coverage is brought against **us** within four years immediately following the date of the accident.
- c. Uninsured Motor Vehicle Coverage if within six years of the date the **insured** or that **insured's** legal representative should have discovered the uninsured or underinsured motorist's status:

- (1) presents an Uninsured Motor Vehicle Coverage claim to **us**; and
- (2) files a lawsuit in accordance with the **Deciding Fault and Amount** provision of the involved coverage.

Except as provided in c.(2) above, no other legal action may be brought against **us** relating to Uninsured Motor Vehicle Coverage for any other causes of action that arise out of or are related to this coverage until there has been full compliance with the provisions titled **Consent to Settlement and Deciding Fault and Amount**.

- d. Physical Damage Coverages if the legal action relating to these coverages is brought against **us** within one year immediately following the date of the accident or **loss**.

17. **Choice of Law**

Without regard to choice of law rules, the law of the state of:

- a. Vermont will control, except as provided in b. below, in the event of any disagreement as to the interpretation and application of any provision in this policy; and
- b. Illinois will control in the event of any disagreement as to the interpretation and application of this policy's:
 - (1) Mutual Conditions provision found on the most recently issued Declarations, if this policy was issued by the State Farm Mutual Automobile Insurance Company; or
 - (2) Participating Policy provision found on the most recently issued Declarations, if this policy was issued by any subsidiary or affiliate of the State Farm Mutual Automobile Insurance Company.

18. **Severability**

If any provision of this policy is held invalid or unenforceable by a court that has jurisdiction, then:

- a. such provision will remain in full force to the extent not held invalid or unenforceable; and
- b. all other provisions of this policy will remain valid and enforceable.

19. Our Rights Regarding Claim Information

- a. **We** will collect, receive, obtain, use, and retain all the items described in item b.(1) below and use and retain the information described in item b.(3)(b) below, in accordance with applicable federal and state laws and regulations and consistent with the performance of **our** business functions.
- b. Subject to a. above, **we** will not be restricted in or prohibited from:
 - (1) collecting, receiving, or obtaining records, receipts, invoices, medical bills, medical records, wage information, salary information, employment information, data, and any other information;
 - (2) using any of the items described in item b.(1) above; or
 - (3) retaining:
 - (a) any of the items in item b.(1) above; or
 - (b) any other information **we** have in **our** possession as a result of **our** processing, handling, or otherwise resolving claims submitted under this policy.
- c. **We** may disclose any of the items in item b.(1) above and any of the information described in item b.(3)(b) above:
 - (1) to enable performance of **our** business functions;
 - (2) to meet **our** reporting obligations to insurance regulators;
 - (3) to meet **our** reporting obligations to insurance data consolidators;
 - (4) to meet other obligations required by law; and
 - (5) as otherwise permitted by law.
- d. **Our** rights under a., b., and c. above shall not be impaired by any:
 - (1) authorization related to any claim submitted under this policy; or
 - (2) act or omission of an **insured** or a legal representative acting on an **insured's** behalf.

VERMONT STATUTORY MOTOR VEHICLE LIABILITY POLICY CONDITIONS

- I. The company shall pay and satisfy any judgment that may be recovered against the insured upon any claim covered by this policy to the extent and within the limits of liability assumed thereby, and shall protect the insured against the levy of any execution issued upon any such judicial judgment or claim against the insured. No limitation of liability in the policy shall be valid if, after a judgment has been rendered against the insured in respect to his or her legal liability for damages in a particular instance, the company continues the litigation by an appeal or otherwise, unless the insured stipulates with the company, agreeing to continue such litigation.
- II. No action shall lie against the company to recover for any loss under this policy, unless brought within one year after the amount of such loss is made certain either by judgment against the insured after final determination of the litigation or by agreement between the parties with the written consent of the company.
- III. The insolvency or bankruptcy of the insured shall not release the company from the payment of damages for injury sustained or loss occasioned during the life of the policy, and in case of such insolvency or bankruptcy an action may be maintained by the injured person or claimant against the company under the terms of the policy, for the amount of any judgment obtained against the insured not exceeding the limits of the policy.
- IV. Payment of any judicial judgment or claim by the insured for any of the company's liability under the policy shall not bar the insured from any action or right of action against the company. In case of payment of loss or expense under the policy, the company shall be subrogated to all rights of the insured against any party, as respects such loss or expense, to the amount of such payment, and the insured shall execute all papers required and shall cooperate with the company to secure to the company such rights.
- V. Policies of motor vehicle insurance shall not provide for any adjustment of rates, the application of any merit rating surcharge plan, nor any similar adjustment or surcharge for any payments made to or on behalf of an insured for damages not attributable to any fault of the insured.

VI. Policies of motor vehicle insurance shall not provide for any adjustment of rates, the application of any merits surcharge rating plan, nor any similar adjustment or surcharge for the first violation of 23 V.S.A. §800.