

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## UNINSURED MOTORISTS COVERAGE - ALABAMA

**PART C – UNINSURED MOTORISTS COVERAGE** is replaced by the following **PART C - UNINSURED MOTORISTS COVERAGE**:

### INSURING AGREEMENT

- A. If the premium for this coverage has been paid, we will pay for damages that an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” or “underinsured motor vehicle” for “bodily injury” sustained by that “insured” and caused by a motor vehicle accident.

The owner’s or operator’s liability for these damages must:

1. Be due to a motor vehicle accident; and
2. Arise out of and be causally connected to the ownership, maintenance or use of the “uninsured motor vehicle” or “underinsured motor vehicle”.

Any payment by us for this **Uninsured Motorists Coverage** is subject to the limits elected and shown in the Declarations or Schedule, and as further described in the **Limit of Liability** provision of this endorsement.

- B. “Insured” as used in this endorsement means:

1. You or a “family member” while using or “occupying” “your covered auto”.
2. You or a “family member” while not “occupying” a motor vehicle.
3. Any other person while using or “occupying” “your covered auto” with permission from you.
4. Any person, for damages that person is legally entitled to recover because of “bodily injury” to a person described in this definition in 1., 2., or 3. above. This does not increase our limit of liability in any accident to an amount greater than the limit that applies to the person who has sustained a “bodily injury” and is described in this definition in 1., 2., or 3. above.

However, “insured” shall NOT mean and does NOT include:

1. You;
2. Any “family member” or any other person related to you who resides with you; or
3. Any other person;

while “occupying”, operating or otherwise using any vehicle owned by, or furnished or available for the regular use of, you, or any person related to you who resides with you, if that vehicle is not “your covered auto”.

- C. “Minimum limits”, as used in this endorsement, means the minimum amounts of liability insurance required under a financial responsibility or compulsory insurance law of the state where “your covered auto” is registered, as shown in our records, that apply to the owner or operator of a private passenger automobile. The minimum limits amount will be the each person/each accident limit required by these laws.
- D. “Underinsured motor vehicle” means a land motor vehicle for which one or more “bodily injury” liability bonds or policies apply at the time of the accident, but the sum of all limits available under those bonds and policies for “bodily injury” liability coverage that are available to the injured “insured” after the accident:
1. Is less than the total damages the “insured” is legally entitled to recover for “bodily injury” caused by the accident;

2. Has been reduced by payments to other persons injured in the accident to an amount which is less than the total damages the "insured" is legally entitled to recover for "bodily injury" caused by the accident.

An "underinsured motor vehicle" does NOT include any vehicle or its equipment:

1. Located for use as a residence or premises;
2. Designed for use mainly off public roads, while not on public roads;
3. Operated on rails or crawler treads; or
4. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy.

E. "Uninsured motor vehicle" means a land motor vehicle that is:

1. Not insured or bonded for "bodily injury" liability at the time of the accident;
2. Insured or bonded for "bodily injury" liability at the time of the accident, but the:
  - a. Bonding or insuring company denies coverage or is, or becomes, insolvent; or
  - b. Limit of liability for "bodily injury" under that policy or bond is less than the "minimum limits"; or
  - c. Motor vehicle is an "underinsured motor vehicle"; or
3. A hit-and-run motor vehicle for which the owner or operator cannot be identified, and that motor vehicle causes "bodily injury" to an "insured".

An "uninsured motor vehicle" does NOT include any vehicle or its equipment:

1. Located for use as a residence or premises;
2. Designed for use mainly off public roads, while not on public roads;
3. Operated on rails or crawler treads;
4. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy; or
5. Owned or operated by a self-insurer under any motor vehicle law that applies, other than a self-insurer that is or becomes insolvent or is an "underinsured motor vehicle".

### **ADDITIONAL TERMS & DUTIES**

The coverage provided by this endorsement is also subject to these additional terms and duties:

- A. If the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" has liability insurance, self-insurance or bond, we will not make a payment under **Uninsured Motorists Coverage** to or for an "insured" until after one of the following occurs:
  1. You and we agree, in writing, to a written settlement;
  2. We have been given both:
    - a. Prompt written notice of an offer of settlement by the owner, operator or insurer of an "uninsured motor vehicle" or "underinsured motor vehicle", and
    - b. Within 30 days of that offer notice, an opportunity to advance payment to the "insured" in an amount equal to that offer of settlement so as to protect our rights to recover against the liable owner and/or operator (or its insurer).
- B. Without our prior written consent, we are not bound by:
  1. Any settlement for damages; or
  2. Any judgment arising out of a lawsuit;
 against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle".

- C. In the event of an accident involving a hit-and-run or unidentified vehicle, then the facts of the accident must be proven by competent evidence that there was another motor vehicle that caused the accident, from an eyewitness other than an “insured making” a claim. You (or someone on your behalf) must contact:
1. The police (or other law enforcement with proper jurisdiction) within 24 hours of, or as soon as practicable after, that accident, and file a written report; and
  2. Us within 30 days of, or as soon as practicable after, that accident.

## EXCLUSIONS

- A. **Uninsured Motorists Coverage** does NOT cover “bodily injury” to an “insured” or any person:
1. If the claim is settled without our written consent and our rights are prejudiced.
  2. That occurs while using or “occupying” a vehicle without permission from the owner of the vehicle. This does not apply to you or a “family member” when using or “occupying” “your covered auto”.
  3. That occurs while “your covered auto” is being used as a public or livery conveyance or for any delivery of persons or property for compensation or a fee. This exclusion (A.3.) does not apply to shared expense car pools.
- B. **Uninsured Motorists Coverage** shall NOT apply, directly or indirectly, to benefit any:
1. Workers’ compensation or disability benefits insurer;
  2. Self-insurer under any workers’ compensation, or disability benefits or similar law; or
  3. Government body or agency.

## LIMIT OF LIABILITY

Our **Uninsured Motorists Coverage** limit of liability, which is the most we will pay, is the limit shown in the Declarations or Schedule. That limit is subject to the following terms:

- A. If there is only one motor vehicle shown on the Declarations or Schedule as “your insured auto”, and the Declarations or Schedule shows split separate limits for “bodily injury” with a per person limit separate from a per accident limit, the most we will pay for all covered damages is:
1. The limit for each person shown in the Declarations or Schedule, which shall:
    - a. Apply for all claims due to “bodily injury” to one person in any one accident; and
    - b. Include all claims allowed by law and incurred by persons other than the person who sustains the actual “bodily injury” that results from an accident. These claims include, but are not limited to, derivative or independent claims (however labeled and where allowed by law) for: wrongful death; loss of consortium, companionship, society, support and services; and emotional distress or mental anguish as a result of seeing the accident or “bodily injury”.
  2. If the limit shown in the Declarations or Schedule shows a per person and per accident limit, that per accident limit:
    - a. Shall apply for “bodily injury” to two or more persons in any one accident; and
    - b. Is subject to the “bodily injury” limit for “each person” as described above.
  3. However, if there is more than one motor vehicle shown on the Declarations or Schedule as “your insured auto”, then that split limit (as described in this Paragraph A.1.) can be multiplied by the number of motor vehicles shown on the Declarations or Schedule, **but not to be multiplied by more than three**, to cover the damages the “insured” is legally entitled to recover for “bodily injury” caused by the accident.
- B. If there is only one motor vehicle shown on the Declarations or Schedule as “your insured auto”, and only a single per accident limit is shown as the limit of liability in the Declarations or Schedule for

**Uninsured Motorists Coverage**, that amount shown is the most we will pay for the total of all covered damages resulting from any one accident. We will comply with any law requiring us to provide any separate limits, but this does not increase the total limit of liability that applies to each accident.

However, if there is more than one motor vehicle shown on the Declarations or Schedule as “your insured auto”, then that single per accident limit (as described in this Paragraph B.) can be multiplied by the number of motor vehicles shown on the Declarations or Schedule, **but not to be multiplied by more than three**, to cover the damages the “insured” is legally entitled to recover for “bodily injury” caused by the accident.

- C. For any one covered accident, the limit that applies is the most we will pay no matter the number of:
1. Injured persons, claims or lawsuits asserted;
  2. Vehicles or trailers involved in the accident; or
  3. Insureds on this policy or involved in the accident.
- D. The damages an “insured” is entitled to recover from the owner or driver of the “uninsured motor vehicle” or “underinsured motor vehicle” shall be reduced by any amount paid or to be paid because of “bodily injury”:
1. By or on behalf of any persons or parties that may be legally responsible for the injury, including, but not limited to, all amounts paid under **PART A – LIABILITY COVERAGE** of this policy. However, if the “insured” enters into a settlement agreement with the liable person or party, or its insurer, for an amount less than the sum of the full limits of liability under all applicable liability bonds and policies, the amount to be reduced from damages hereunder will be the total amount of the full limits of liability for all liability bonds or policies, except when those full limits were not actually made available to the “insured” because of payments to other injured parties also legally entitled to recovery from the owner or driver of the “uninsured motor vehicle” or “underinsured motor vehicle”; and
  2. Paid under **PART B – MEDICAL PAYMENTS COVERAGE** of this policy; and
  3. Paid or payable because of “bodily injury” under any workers’ compensation law, disability benefits law, or similar laws, exclusive of any state non-occupational disability benefits law.

However, this shall not reduce the available amount to less than the “minimum limits”, or less than stacked “minimum limits” if stacked coverage applies, when the damages sustained by the “insured” for “bodily injury” are greater than those applicable “minimum limits” and are not fully compensated.

- E. Duplicate payments will not be allowed or made for the same element of damages, expense or loss that has been or will be paid by any other coverage under this policy, any other policy or by any other source.

## **OTHER INSURANCE**

If there is other uninsured and/or underinsured motorists coverage, or similar type of insurance or source of recovery, that applies or is available under one or more policies except when the “insured” is “occupying” “your covered auto”, the coverage under this policy, if applicable, shall be excess to all other insurance, whether that insurance is considered primary, secondary or excess. If there is other insurance with the same priority as this coverage, we will not pay more than our share of the covered damages or loss unless stacking of coverage applies under the limits of liability. Our share of the covered damages or loss is the proportion that our limit of coverage under **Uninsured Motorists Coverage** bears to the total of all applicable limits with the same priority as this coverage.

In issuing this policy of insurance we have relied upon your representation that you will purchase and maintain other insurance providing this coverage on a primary basis with respect to you, “family members” and any other person related to you who resides with you. However, this insurance shall be primary to such other insurance for any “insured” while “occupying” or using “your covered auto”.

The policy provision titled **Two Or More Auto Policies** does not apply to this **Uninsured Motorists Coverage**.

### **ARBITRATION**

Arbitration is not available to resolve any disputes as to coverage or policy interpretation issues.

Arbitration may be used, if mutually agreed to by both parties, if we and an "insured" do not agree as to:

- A. Whether or not that "insured" is legally entitled to recover damages; or
- B. The amount of damages that "insured" is legally entitled to recover;

from the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle". Any such arbitration is limited to resolving only either one or both of those issues (i.e. liability and damages).

The following terms govern the arbitration process unless we and the "insured" otherwise agree in writing:

- A. Each party will select an impartial and qualified arbitrator. Those two arbitrators will select a third impartial and qualified arbitrator. If the first two arbitrators cannot agree within 30 days, either may request that selection of the third arbitrator be made by a court with proper jurisdiction.
- B. Arbitration will take place in the county in which the "insured" resides at time of accident.
- C. Local rules of law as to procedure and evidence will apply. Disputes as to procedure and evidence shall be subject to the authority of the arbitrator.
- D. Costs will be paid by each party as follows:
  - 1. Each party will pay the expenses it incurs and the costs of its own arbitrator selected; and
  - 2. Each party will share the expenses of the third arbitrator equally.
- E. A decision agreed to by two of the arbitrators will be binding as to:
  - 1. Whether or not that "insured" is legally entitled to recover damages; and
  - 2. The amount of damages that "insured" is legally entitled to recover, but only if that amount is not greater than "minimum limits".

If the arbitrators' award is greater than "minimum limits", either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will then be binding.

- F. The arbitrators shall have no authority to:
  - 1. Resolve any disputes as to coverage, or who is an "insured", the validity of any coverage election or rejection or selection, residency status of a claimant, qualification of a person as an "insured", rights or duties under the policy, or statutes of limitations, or other policy interpretation issues; or
  - 2. Award any amount greater than the limit of liability; or
  - 3. Award any amount as punitive or exemplary damages, costs, interest, attorney fees or other fees.

If there is no mutual agreement to arbitrate, all issues shall be resolved in a court of proper and competent jurisdiction.

All other policy provisions apply.