

**CLASSIC AUTOMOBILE COVERAGE
FOR DAMAGE TO YOUR COVERED AUTO POLICY**

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Your Auto and Vehicle
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CLASSIC AUTOMOBILE COVERAGE FOR DAMAGE TO YOUR COVERED AUTO POLICY

PART D - COVERAGE FOR DAMAGE TO YOUR COVERED AUTO

DEFINITIONS

- A. "Other than collision" includes loss to "your covered auto" caused by missiles or falling objects; fire; theft or larceny; explosion or earthquake; windstorm; hail, water or flood; malicious mischief or vandalism; riot or civil commotion; contact with bird or animal; or breakage of glass. If breakage of glass is caused by a "collision", you may elect to have it considered a loss caused by "collision".
- B. "Collision" means the upset or impact of "your covered auto" with another object.
- C. "Equipment" means tools stored in "your covered auto" and used for the emergency maintenance of "your covered auto".

INSURING AGREEMENT

We will pay for direct and accidental loss to "your covered auto", including its "equipment", minus any applicable deductible shown in the Declarations, when such loss is caused by:

- 1. "Other than collision" only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
- 2. "Collision" only if the Declarations indicate that Collision Coverage is provided for that auto.

SPARE PARTS

We will pay up to \$250 for direct and accidental loss or damage to "spare parts" for "your covered auto".

"Spare parts" means a replacement for an item normally a part of "your covered auto" which is not currently in place on "your covered auto".

This coverage does not:

- 1. Increase the limit of liability for "your covered auto" as stated under Coverage D in the Declarations.
- 2. Include parts held for sale by you or property of others in your care, custody or control.

EXCLUSIONS

- A. We will not pay for:
 - 1. Loss or damage caused by insects or vermin; inherent defect; dampness, mildew, mold, rot or rust; temperature extremes; mechanical or electrical breakdown or failure; wear and tear; gradual deterioration; or loss of use.
 - 2. Loss or damage caused by any repairing, renovating or refinishing process unless the process results in a fire or explosion. We will pay only for damage caused by the fire or explosion.
 - 3. Road damage to tires unless caused by "other than collision" covered by this policy.
 - 4. Loss due to or as a consequence of war (declared or undeclared), civil war, insurrection, rebellion, revolution, terrorism, government confiscation or repossession.
 - 5. Loss due to nuclear reaction, nuclear radiation or radioactive contamination. We will pay for direct loss by fire resulting from any of these.
 - 6. Loss to any data or sound receiving or transmitting equipment designed for use as a citizens band radio; two-way mobile radio; telephone; facsimile machine; or scanning monitor receiver; including its antennas or accessories.

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This exclusion does not apply if the equipment is permanently installed in the dash or console opening normally used by the auto manufacturer for the installation of a radio.

7. Loss to equipment designed for the reproduction of sound not permanently installed in "your covered auto".
8. Loss to tapes, records, compact discs or other sound reproducing devices designed for use with sound reproducing equipment.
9. Loss to "spare parts" caused by theft unless the loss results from forcible entry into the place where your "spare parts" are normally kept; into "your covered auto" itself; or into a securely locked compartment. All losses caused by theft must have visible marks of forcible entry.
10. Loss or damage intentionally caused or directed by you or any "family member".
11. Loss to "your covered auto" as a result of anyone causing you to voluntarily part with it as a result of any trick or scheme.

LIMIT OF LIABILITY

- A. We will pay the limit shown under Coverage D in the Declarations for each scheduled vehicle, which is agreed to be the value of "your covered auto", in case of a total loss or "constructive total loss".
- B. For all other loss or damage to "your covered auto", we will pay the amount necessary to repair or replace the property, whichever is less, provided you actually repair or replace the property, with similar kind and quality, without regard to depreciation or betterment, but we will not pay more than the agreed limit per vehicle shown under Coverage D in the Declarations.

LOSS TO A PAIR, SET OR PARTS

In case of a loss to a pair or set we will repair or replace any part to restore the pair or set to its value before the loss.

In case of loss or damage to any part of an insured item consisting of several parts, we are liable only for the value of the lost or damaged part.

PAYMENT OF LOSS

Unless a claim has been paid by others, we will pay any loss covered under this policy within 30 days after we reach agreement with you, entry of a final judgment, or the filing of an appraisal award with us.

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to you or to the address shown in this policy. If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

The right of salvage belongs to us. You may, at your option, purchase the salvage from us. You must advise us of your intent prior to our making payments under the terms of this policy.

NO BENEFIT TO BAILEE

No person or organization having custody of the property who is paid or to be paid for services shall benefit from this coverage.

OTHER INSURANCE

If other insurance also covers a loss, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

APPRAISAL

- A. If we and you do not agree on the amount of loss, either party may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will set the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of the three will be binding.
- B. Each party will:
 1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- C. We do not waive any of our rights under this policy by agreeing to an appraisal.

VEHICLE TRAILER

"Your vehicle trailer" is covered only for physical loss or damage to the trailer itself.

We will cover "your vehicle trailer", less a \$250.00 deductible per loss, for up to the amount of insurance specified in the Declarations.

Coverage is subject to all of the applicable terms and conditions of this policy.

"Your vehicle trailer" means the vehicle trailer(s) shown in the Declarations.

PART E - DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage must:
 1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 3. Submit, as often as we reasonably require:
 - a. To physical exams by physicians we select. We will pay for these exams.
 - b. To examination under oath and subscribe the same.
 4. Authorize us to obtain:
 - a. Medical reports; and
 - b. Other pertinent records.
 5. Submit written proof of loss when required by us.
- C. A person seeking Coverage for Damage to Your Covered Auto must also:
 1. Take reasonable steps after loss to protect "your covered auto" and its equipment from further loss. We will pay reasonable expenses incurred to do this.

2. Promptly notify the police if "your covered auto" is stolen.
3. Permit us to inspect and appraise the damaged property before its repair or disposal.
4. Produce, if requested, the remains of the insured property.

PART F - GENERAL PROVISIONS

REGULAR USE VEHICLE REQUIREMENT

This policy provides coverage for your "antique vehicle" and/or "classic vehicle" shown in the Declarations. You must own a "regular use vehicle" which must be insured by a separate insurance policy which must be in effect for the entire time this policy is in effect. In no event will this policy serve as your only auto coverage.

BANKRUPTCY

Your bankruptcy or insolvency shall not relieve us of any obligations under this policy.

CHANGES

- A. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by written endorsement issued by us.
- B. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to:
 1. The number, type or use classification of insured vehicles;
 2. Operators using insured vehicles;
 3. The place of principal garaging of insured vehicles;
 4. Coverages, deductibles or limits;
 5. Alterations or modifications to "your covered auto".

If you alter or modify your vehicle in any way you must notify us in writing within 30 days.

If a change resulting from paragraphs (A.) or (B.) requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

- C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of your policy; or
2. An Amendatory Endorsement.

PRIVATE PLEASURE USE

Coverage will be suspended if "your covered auto" is:

- A. Rented or leased to any person for a fee;
- B. Used to carry persons or property for a fee, or for any commercial use unless prior written consent has been obtained from us; or
- C. Used for any illegal act by any person.

RACING

There is no coverage under this policy while "your covered auto" is being prepared for or being used in a race speed contest, including but not limited to practicing or testing for such an event.

CONCEALMENT OR FRAUD

All coverage afforded will be void if you intentionally conceal or misrepresent any material fact relating to this insurance before or after a loss.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under

Part A, no legal action may be brought against us until:

1. We agree in writing that the "insured" has an obligation to pay; or
 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person(s) or organization(s) has any right under this policy to bring us into any action to determine the liability of an "insured".
- C. Under Part D, suit or action must start within 12 months of the date of loss, but this time period will be extended by the number of days between the date you file your proof of loss with us and the date we deny all or part of your claim.

PAYMENT OF LOSS

Payment of loss, with all your indebtedness to us being first deducted, will be made within 30 days after we either reach agreement with you, a final judgment is entered in the court, or an arbitration award is filed with us.

If we pay a total loss or a "constructive total loss" for any of "your covered auto(s)" shown in the Declarations, all coverage under this policy for such covered auto(s) will terminate simultaneously upon payment of the loss. In that event the policy premium shall be fully earned as respects such covered auto(s). The amount we will pay for a total loss or "constructive total loss" of "your covered auto(s)" shall be reduced by any amount previously paid for repairs not completed at the time of the total loss.

"Constructive total loss" means a loss where the cost to repair damage to "your covered auto" will exceed the agreed value of the vehicle when fully repaired.

OUR RIGHT TO RECOVER PAYMENT

- A. If we make payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:
1. Whatever is necessary to enable us to exercise our rights; and
 2. Nothing after loss to prejudice our rights.

However, our rights in this paragraph (A.) do not apply under Part D, against any person using "your covered auto" with a reasonable belief that that person is entitled to do so.

- B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
1. Hold in trust for us the proceeds of the recovery; and
 2. Reimburse us to the extent of our payment.

ABANDONMENT

There can be no abandonment of "your insured property" to us.

"Your insured property" means "your covered auto", "spare parts" and/or personal effects.

POLICY PERIOD AND TERRITORY

- A. This policy applies only to accidents and losses which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy territory is:
1. The United States of America, its territories or possessions; or
 2. Canada.

This policy also applies to loss to, or accidents involving, "your covered auto" while being transported between their ports.

TERMINATION

- A. Cancellation. This policy may be canceled during the policy period as follows:
1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us; or
 - b. Giving us advance written notice of the date cancellation is to take effect.
 2. We may cancel by mailing to the named insured shown in the Declarations at the address shown in this policy or otherwise last known to us:
 - a. At least 10 days written notice:

- (1) If cancellation is for nonpayment of premium; or
- (2) If notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or

- b. At least 20 days written notice in all other cases.

3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
 - a. For nonpayment of premium; or
 - b. If your driver's license or that of:
 - (1) Any driver who lives with you; or
 - (2) Any driver who customarily uses "your covered auto";

has been suspended or revoked.

This must have occurred:

- (1) During the policy period; or
- (2) Since the last anniversary of the original effective date if the policy period is other than 1 year; or

- c. If the policy was obtained through fraud or material misrepresentation.

- B. Nonrenewal. If we decide not to renew or continue this policy, we will mail written notice to the named insured shown in the Declarations at the address shown in this policy. Written notice will be mailed at least 20 days before the end of the policy period. If the policy period is other than 1 year, we will have the right not to renew or continue it only at each anniversary of its original effective date.

- C. Automatic Termination. If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on "your covered auto", any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

- D. Other Termination Provisions.

1. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
2. If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manual. However, making or offering to make the refund is not a condition of cancellation.
3. The effective date of cancellation stated in the notice shall become the end of the policy period.

OTHER INSURANCE POLICIES

This policy provides coverage for your "antique vehicle" and/or "classic vehicle" and applies only to the vehicle(s) shown in the Declarations. Any other vehicles you own should be insured by a separate policy. In no event will this policy provide coverage for any vehicles other than those shown in the Declarations, or which are added to this policy by endorsement.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a "named insured" shown in the Declarations dies, coverage will be provided for:
 1. The surviving spouse if a resident in the same household at the time of death. Coverage applies to the spouse as though a "named insured" shown in the Declarations; and
 2. The legal representative of the deceased person as though a "named insured" shown in the Declarations. This applies only with respect to the

representative's legal responsibility to maintain or use "your covered auto".

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

TWO OR MORE AUTO POLICIES

If this policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

STATE LAW

Any part of this policy that conflicts with state law is automatically changed to conform to the law.

AMENDATORY ENDORSEMENTS

Any provision in a state amendatory endorsement that revises: Definitions I. "Your covered auto"; J. "Antique vehicle"; K. "Classic vehicle"; and/or Part D - Coverage For Damage To Your Covered Auto; does not apply to this policy.

In witness whereof, we have caused this policy to be signed by its President and its Secretary. In the event that the President or Secretary who signed the contract ceases to be officers, either before or after the policy is issued, the policy may be issued with the same effect as if they were still officers.

Secretary

President

Damian R. Smith *CCCC*