

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINSURED MOTORISTS COVERAGE – VERMONT

SCHEDULE

Limit Of Liability		
Bodily Injury:	\$	Each Person
	\$	Each Accident
Property Damage:	\$ 10,000 Per Claim	

I. Part C – Uninsured Motorists Coverage

Part C is replaced by the following:

Insuring Agreement

- A.** We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

We will pay under this coverage only if 1. or 2. below applies:

1. The limits of liability under any bodily injury liability bonds or policies applicable to the "uninsured motor vehicle" have been exhausted by payment of judgments or settlements; or
2. A tentative settlement has been made between an "insured" and the insurer of a vehicle described in Section 2. of the definition of "uninsured motor vehicle" and we:
 - a. Have been given prompt written notice of such tentative settlement; and
 - b. Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

- B.** "Insured" as used in this endorsement means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

- C.** "Property damage" as used in this endorsement means injury to or destruction of the property of an "insured".

- D.** "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no liability bond or policy applies at the time of the accident.
2. To which a liability bond or policy applies at the time of the accident but its limit of liability is either:
 - a. Less than the sum of the limits of liability applicable to the "insured" for Uninsured Motorists Coverage under this policy and any other policy; or
 - b. Reduced by payments to others injured in the accident to an amount which is less than the sum of the limits of liability applicable to the "insured" for Uninsured Motorists Coverage under this policy and any other policy.

3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in "bodily injury" or "property damage" without hitting:

- a. You or any "family member";
- b. A vehicle which you or any "family member" are "occupying";
- c. "Your covered auto"; or
- d. The property of an "insured".

If there is no physical contact with the hit-and-run vehicle, the facts of the accident must be proved. We will only accept competent evidence which may include the testimony, under oath, of a person making claim under this or any similar coverage.

4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
- a. Denies coverage; or
 - b. Is or becomes insolvent within one year of the date of the accident.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

- 1. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
- 2. Owned by any governmental unit or agency while being used within the scope of permission of that governmental unit or agency.
- 3. Operated on rails or crawler treads.
- 4. Designed mainly for use off public roads while not on public roads.
- 5. While located for use as a residence or premises.

Exclusions

- A. We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":

- 1. If that "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices our right to recover payment.

However, this Exclusion (A.1.) does not apply to a settlement made with the insurer of a vehicle described in Paragraph 2. of the definition of "uninsured motor vehicle".

2. When "your covered auto" is being used as a public or livery conveyance. This Exclusion (A.2.) does not apply to a share-the-expense car pool.

3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (A.3.) does not apply to a "family member" using "your covered auto" which is owned by you.

4. For the first \$150 of the amount of each claim for "property damage" as the result of any one accident. However, this Exclusion (A.4.) does not apply to:

- a. Direct damage to "your covered auto" if there is valid and collectible physical damage coverage applicable to that damage under this or any other policy; or
- b. Indirect damage to any property of the "insured".

5. If the property is contained in or struck by a motor vehicle (other than "your covered auto") owned by you or any "family member".

6. For "property damage" in excess of \$10,000 arising out of any one claim as the result of any one accident.

B. This coverage shall not apply:

- 1. To "property damage" for which the "insured" has been compensated by other property or physical damage insurance, including any physical damage insurance under this policy.

- 2. Directly or indirectly to benefit:

- a. Any insurer or self-insurer under any of the following or similar law:

- (1) Workers' compensation law; or
 - (2) Disability benefits law.

- b. Any insurer of property.

- C. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

Limit Of Liability

- A.** The limit of bodily injury liability shown in the Schedule or in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of bodily injury liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. Our maximum limit of liability for each claim for "property damage" resulting from any one accident is \$10,000. Our maximum limit is the most we will pay, regardless of the number of:
1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B.** With respect to damages caused by an accident with a vehicle described under Paragraph 2. of the definition of "uninsured motor vehicle", the limit of liability for this coverage shall be reduced by all sums paid because of the "bodily injury" or "property damage" by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part **A** of this policy.
- C.** No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part **A** or Part **B** of this policy.
- D.** We will not make duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.
- E.** We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
1. Workers' compensation law; or
 2. Disability benefits law.

Other Insurance

If there is other applicable insurance similar to the insurance provided under this Part of the policy, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle:

1. You do not own, including any vehicle while used as a temporary substitute for "your covered auto"; or
2. Owned by you or any "family member" which is not insured for this coverage under this policy;

shall be excess over any other collectible insurance similar to the insurance provided under this Part of the policy.

Arbitration

- A.** If we and an "insured" do not agree:
1. Whether that "insured" is legally entitled to recover damages; or
 2. As to the amount of damages which are recoverable by that "insured";
- from the owner or operator of an "uninsured motor vehicle" then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.
- Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.
- B.** Each party will:
1. Pay the expenses it incurs; and
 2. Bear the expenses of the third arbitrator equally.
- C.** Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by at least two of the arbitrators will be binding as to:
1. Whether the "insured" is legally entitled to recover damages; and

2. The amount of damages. This applies only if the amount does not exceed the minimum limit for bodily injury liability specified by the financial responsibility law of the state in which "your covered auto" is principally garaged. If the amount exceeds that limit, 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 be binding.

Additional Duties

A person seeking Uninsured Motorists Coverage under Paragraph 2. of the definition of "uninsured motor vehicle" must also promptly:

1. Send us copies of the legal papers if a suit is brought; and
2. Notify us in writing of a tentative settlement between the "insured" and the insurer of the "uninsured motor vehicle" and allow us 30 days to advance payment to that "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "uninsured motor vehicle".

II. Part F – General Provisions

Part F is amended as follows:

- A. The **Our Right To Recover Payment** Provision is amended as follows:

Our Right To Recover Payment

1. Paragraph B. is replaced by the following with respect to Uninsured Motorists Coverage:

If we make a payment under Uninsured Motorists Coverage, and the person to or for whom payment is made recovers damages from another, that person shall:

- a. Hold in trust for us the proceeds of the recovery; and
- b. Reimburse us to the extent of our payment less our share of all reasonable expenses incurred by that person in collecting the recovery. The expenses of recovery shall be apportioned between the parties as their interests appear at the time of the settlement or recovery.

2. The following is added:

Our rights do not apply under Paragraph A. with respect to coverage under Paragraph 2. of the definition of "uninsured motor vehicle" if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "uninsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
- b. We also have a right to recover the advance payment.

We shall be entitled to a recovery under Paragraph A. or B. only after the person has been fully compensated for damages.

- B. The following is added to the **Two Or More Auto Policies** Provision:

Two Or More Auto Policies

1. This provision does not apply to Uninsured Motorists Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured Motorists Coverage.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.