

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY.

## UNDERINSURED MOTORISTS COVERAGE – WASHINGTON

### SCHEDULE

Underinsured Motorists Coverage	Limit Of Liability	Premium		
		Auto 1	Auto 2	Auto 3
1. Bodily Injury  and Property Damage	\$ _____ each person	\$ _____	\$ _____	\$ _____
	\$ _____ each accident	\$ _____	\$ _____	\$ _____
	\$ _____ each accident	\$ _____	\$ _____	\$ _____
2. Bodily Injury Only	\$ _____ each person	\$ _____	\$ _____	\$ _____
	\$ _____ each accident	\$ _____	\$ _____	\$ _____

Coverage applies only as indicated above or in the Declarations.

### Part C – Uninsured Motorists Coverage

Part C does not apply.

### INSURING AGREEMENT

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

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident if the Schedule or Declarations indicates that both bodily injury and property damage Underinsured Motorists Coverage applies.

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

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. "Underinsured 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 liability bonds or policies apply at the time of the accident but the amount paid under all of the bonds or policies to an "insured" is not enough to pay the full amount the "insured" is legally entitled to recover as damages.
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"; or
  - c. "Your covered auto".

If there is no physical contact with the vehicle causing the accident the facts of the accident must be proved. We will only accept competent evidence other than the testimony of any person having an underinsured motorist claim resulting from the accident.

4. To which liability bonds or policies apply at the time of the accident, but all of the bonding or insuring companies:
  - a. Deny coverage; or
  - b. Are or become insolvent within three years of the date of the accident.

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

1. Owned by any governmental unit or agency. This Provision (1.) does not apply if the governmental unit or agency is unable to pay damages because of financial inability or insolvency.
2. Operated on rails or tracks.
3. While located for use as a residence or premises.
4. To which the Liability Coverage of this policy applies. However, this exception to the definition of "underinsured motor vehicle" does not apply to you or any "family member" if you or any "family member" sustain damages while "occupying", or when struck by, a vehicle for which coverage under Part **A** of this policy applies.

## EXCLUSIONS

- A. We do not provide Underinsured Motorists Coverage for "property damage" or "bodily injury" sustained:
  1. By an "insured" while operating, or "occupying", any motor vehicle owned by that "insured" which is not insured for Liability Coverage under this policy. This includes a trailer of any type used with that vehicle.
  2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for Underinsured Motorists Coverage on a primary basis under any other policy.
- B. We do not provide Underinsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":
  1. When "your covered auto" is being used as a public or livery conveyance. This Exclusion (B.1.) does not apply to a share-the-expense car pool.
  2. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (B.2.) does not apply to a "family member" using "your covered auto" which is owned by you.
  3. While operating, or "occupying", a motorcycle or motor-driven cycle which is not insured for Liability Coverage under this policy.
  4. For the first \$300 of the amount of "property damage" to the property of each "insured" as the result of an accident involving a hit-and-run vehicle as described in Section 3. of the definition of "underinsured motor vehicle".
  5. For the first \$100 of the amount of "property damage" to the property of each "insured" as the result of any accident involving other than a hit-and-run vehicle.
- C. This coverage shall not apply to the benefit of:
  1. Any insurer or self-insurer under any workers' compensation law or similar disability benefits law.
  2. Any insurer of property.
- D. We do not provide Underinsured 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 Underinsured 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 Underinsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. If a limit for Property Damage Liability is shown in the Schedule or in the Declarations for each accident for Underinsured Motorists Coverage, this limit is our maximum limit of liability for all "property damage" resulting from any one accident. This is the most we will pay regardless of the number of:
  1. "Insureds";
  2. Claims made;

3. Vehicles or premiums shown in the Schedule or in the Declarations;
  4. Premiums paid; or
  5. Vehicles involved in the accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part **A**, Part **B** or Part **D** of this policy.
- C. We will not make a 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.
- D. With respect to coverage under Paragraph 2. of the definition of "underinsured motor vehicle", we will reduce the "insured's" total damages by any amount available to that "insured", under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle", that such "insured" did not recover as a result of a settlement between that "insured" and the insurer of an "underinsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

This Paragraph (D.) shall not apply if we advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "underinsured motor vehicle".

### **OTHER INSURANCE**

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this endorsement:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis
2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.
3. If the coverage under this policy is provided:
  - a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.
  - b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

### **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 "underinsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement 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. We will pay all arbitration expenses. Arbitration expenses will not include an "insured's" attorney's fees or any expenses incurred in producing evidence or witnesses.
- 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 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.

**ADDITIONAL DUTIES**

- A. A person seeking Underinsured Motorists Coverage must also promptly notify us of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us a reasonable time 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 "underinsured motor vehicle". However, this Paragraph (A.) does not apply if failure to notify us does not prejudice our rights against the insurer, owner or operator of such "underinsured motor vehicle".
- B. If there is no physical contact with the vehicle causing the accident, someone must report the accident to the appropriate law enforcement agency within 72 hours of the accident.

PART F – GENERAL PROVISIONS is amended as follows:

The following is added to the **Our Right To Recover Payment** Provision:

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

Our rights do not apply under Paragraph A. with respect to Underinsured Motorists Coverage if we:

- 1. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- 2. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within a reasonable time after receipt of notification.

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

- 1. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage.
- 2. We also have a right to recover the advanced payment.

All other policy provisions apply.