

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY.

## UNDERINSURED MOTORISTS COVERAGE – INDIANA

### SCHEDULE

Limit Of Liability	Auto 1	Premium Auto 2	Auto 3
\$ each person			
\$ each accident	\$	\$	\$

With respect to coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

### 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 "bodily injury":

1. Sustained by an "insured"; and
2. 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 "underinsured motor vehicle". We will pay damages under this coverage caused by an accident with an "underinsured motor vehicle" only if 1. or 2. below applies:

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

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

1. You or any "family member", any other person, while "occupying" "your covered auto" or
2. 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. above.

- C. "Noneconomic loss" as used in this endorsement means costs for physical and emotional pain and suffering, physical impairment, emotional distress, mental anguish, loss of enjoyment, loss of companionship, services and consortium, and any other noneconomic damages.

- D. "Underinsured motor vehicle" means a land motor vehicle or trailer of any type for which the sum of the limits of liability under all bodily injury liability bonds or policies applicable at the time of the accident is either:

1. Less than the limit of liability for this coverage; or
2. Reduced by payments to persons, other than "insureds", injured in the accident to less than the limit of liability for this coverage.

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

1. To which a bodily injury liability bond or policy applies at the time of the accident but its limit for bodily injury liability is less than the minimum limit for bodily injury liability specified by the financial responsibility law of Indiana.
2. Owned or operated by a self-insurer under any applicable motor vehicle law.
3. Owned by any governmental unit or agency.
4. Owned by or furnished or available for the regular use of you or any "family member".
5. Operated on rails or crawler treads.

6. Designed mainly for use off public roads while not on public roads.
7. While located for use as a residence or premises.
8. To which a bodily injury 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.

## EXCLUSIONS

- A. We do not provide Underinsured Motorists Coverage for "bodily injury" sustained by any "insured":
  1. While "occupying" or when struck by, any motor vehicle owned by you which is not insured for this coverage under this policy. This includes a trailer of any type used with that 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. While "occupying" any vehicle other than "your covered auto".
- B. This coverage shall not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar law:
  1. Workers' compensation law; or
  2. Disability benefits law.
- C. We do not provide Underinsured Motorists Coverage for punitive or exemplary damages.
- D. We do not provide Underinsured Motorists Coverage for "noneconomic loss" sustained by any "insured" if such "insured" is an uninsured motorist with a previous violation as defined in Indiana Code Section 27-7-5.1  
This exclusion (D.) does not apply to an "insured" under 18 years of age.

## LIMIT OF LIABILITY

- A. The limit of 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 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.  
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; or
  4. Vehicles involved in the accident.
- B. The limit of liability shall be reduced by all sums paid because of the "bodily injury" 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, Part B** or **Part C** of this policy.
- D. 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.
- 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 available under one or more policies or provisions of coverage that is similar to the insurance provided under this endorsement.

The following priorities of recovery apply:

<b>First</b>	The Underinsured Motorists Coverage applicable to the vehicle the "insured" was occupying at the time of the accident.
<b>Second</b>	Any other policy affording Underinsured Motorists Coverage to the "insured".

1. When there is applicable insurance available under the First priority:
  - a. The limit of liability applicable to the vehicle the "insured" was "occupying", under the policy in the First priority, shall first be exhausted; and
  - b. The maximum recovery under all policies in the Second priority shall not exceed the highest limit for any one vehicle under any one policy providing coverage to the "insured".
2. When there is no applicable insurance available under the First priority, the maximum recovery under all policies in the Second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.
3. 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 limits applicable to the same level of priority.

## 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. 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 liability specified by the financial responsibility law of Indiana. 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 AFTER AN ACCIDENT OR LOSS

A person seeking Underinsured Motorists Coverage must also:

1. Promptly send us copies of the legal papers if a suit is brought;
2. Promptly notify us in writing of a tentative settlement between the "insured" and the insurer of an "underinsured motor vehicle". Such notice must include certification of the liability coverage limits of the owner or operator of the "underinsured motor vehicle"; and
3. 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 the "underinsured motor vehicle".

All other policy provisions apply.