

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

UNINSURED MOTORISTS COVERAGE - TEXAS

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 compensatory damages that an “insured” is legally entitled to recover from the owner or operator of an “uninsured motor vehicle” or “underinsured motor vehicle” for:

1. “Bodily injury” sustained by that “insured” and caused by a motor vehicle accident.
2. “Property damage” 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 “occupying” “your covered auto”.
2. You or a “family member” while not “occupying” a motor vehicle.
3. Any other person while “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. “Property damage” means injury to, or destruction of, or loss of use of:

1. “Your covered auto” for which a premium has been paid for this **UNINSURED MOTORISTS COVERAGE** for “property damage” under this policy.
2. Items of personal property:
 - a. Owned by you, a “family member”, or another person who is “occupying” “your covered auto” (covered under this **Uninsured Motorists Coverage** for “property damage”) with permission from you; and

- b. While those items are contained in “your covered auto” for which a premium has been paid for this **Uninsured Motorists Coverage** for “property damage” under this policy.

D. “Underinsured motor vehicle” means a land motor vehicle for which one or more liability bonds or policies apply at the time of the accident, but the limits available under those bonds and policies either:

1. Are not enough to pay the full amount the “insured” is legally entitled to recover as damages for “bodily injury” or “property damage”; or
2. Have been reduced by payment of claims to an amount which is not enough to pay the full amount the “insured” is legally entitled to recover as damages for “bodily injury” or “property damage”.

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;
4. Owned by any government or any of its subdivisions or agencies, unless:
 - a. The operator of the vehicle is uninsured; and
 - b. There is no statute imposing liability for damage because of “bodily injury” or “property damage” on the governmental body for an amount not less than the limit of liability for this coverage;
5. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy; or
6. Owned by, or furnished or available for the regular use of, you, any “family member” or any other person related to you who resides with you.

E. “Uninsured motor vehicle” means a land motor vehicle that is:

1. Not insured or bonded for liability at the time of the accident;
2. Insured or bonded for liability at the time of the accident, but the bonding or insuring company denies coverage or is, or becomes, insolvent.
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”, or “property damage”, by actually striking or hitting that “insured”, or “your covered auto”.

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. Owned by any government or any of its subdivisions or agencies, unless:
 - a. The operator of the vehicle is uninsured; and
 - b. There is no statute imposing liability for damage because of “bodily injury” or “property damage” on the governmental body for an amount not less than the limit of liability for this coverage;
5. That is either:
 - a. Shown in the Declarations or Schedule, or insured under the liability coverage, of this policy; or
 - b. Owned by you, any “family member” or any relative who resides with you;

unless, at the time of the accident, that vehicle is “your covered auto” insured under this **PART C** and it is being operated by an uninsured thief who causes:

- a. “Bodily injury” to you, any “family member” or any relative who resides with you; or
 - b. “Property damage”;
- 6. Furnished or available for the regular use of, you, any “family member” or any other person related to you who resides with you; or
 - 7. Owned or operated by a self-insurer under any motor vehicle law that applies, other than a self-insurer that is or becomes insolvent.

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; or
 - 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).

If we have consented, in writing, to a settlement between the “insured” and the at-fault driver and/or owner, or that person’s liability insurer, we have no recourse against that at-fault person as set forth in **Our Right To Recover Payment** if the “insured” has signed a written release of the claim against that at-fault driver and/or owner.
- 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, 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.
- D. If there is a dispute as to whether or not a vehicle is an “uninsured motor vehicle”, the burden of proof is on us.

EXCLUSIONS

- A. **Uninsured Motorists Coverage** does NOT cover “bodily injury” to an “insured” or any person, or any “property damage”:
 - 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 a fee. This exclusion (A.3.) does not apply to:
 - a. Shared expense car pools; or
 - b. When “your covered auto” is being used by you or any “family member” to deliver property for a fee unless the primary usage of the vehicle is to deliver property for a fee.
 4. That occurs while “occupying”, operating or otherwise using any vehicle owned by, or furnished or available for the regular use of, you, a “family member” or any other person related to you who resides with you, if that vehicle is not “your covered auto”.
 5. That results from the intentional acts of that “insured”.
 6. For the first \$250 of the amount of the “property damage” to the covered property of that “insured” as the result of any one accident.
 7. That arises out of the “insured” operating or using “your covered auto” or OPERATING any other vehicle while logged onto a “transportation network company’s” digital network as a driver; or is engaged in a “prearranged ride”.
 8. That arises out of any person operating or using “your covered auto” or OPERATING any other vehicle for “personal vehicle sharing” in connection with a “personal vehicle sharing program”.
 9. That arises from “your covered auto” being rented or leased to any person for a fee, except when you or any family member lends “your covered auto” to another person for reimbursement of operating expenses only.
 10. That arises from “your covered auto” being used for any commercial use unless prior written consent has been obtained from us.
 11. That arises from “your covered auto” being intentionally used for any illegal act by, or at the direction of, the “insured”.
- B. **Uninsured Motorists Coverage** shall NOT apply, directly or indirectly, to benefit any:
1. Workers’ compensation or disability benefits insurer; or
 2. Self-insurer under any workers’ compensation, or disability benefits or similar law.
- C. We do NOT provide any coverage of any kind for any punitive or exemplary damages, however named, and we do not cover any and all:
1. Damages that are separate from sums intended to provide compensation, and are instead intended or awarded to:
 - a. Punish or deter wrongful, malicious or unlawful conduct by any person or party; or
 - b. Fine, penalize or impose a statutory penalty; and
 2. Interest, costs or other fees awarded in connection with the award of any such punitive or exemplary damages.

LIMIT OF LIABILITY

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

- A. 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. The limit for "property damage" shown on the Declarations or Schedule for **Uninsured Motorists Coverage** for "property damage", which shall apply for all damages and claims due to all "property damage" in any one accident.
 - 4. If 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.
- B. This is the most we will pay regardless of the number of:
- 1. Injured persons, claims or lawsuits asserted;
 - 2. Vehicles or trailers involved in the accident;
 - 3. Insureds on this policy or involved in the accident;
 - 4. Vehicles or premiums shown in the Declarations or Schedule; or
 - 5. Policies issued by us.
- C. To determine the amount that may be recovered under this **Uninsured Motorists Coverage**, subject to all other limits of liability set forth in this form, the total damages an "insured" is legally entitled to recover because of the accident shall be reduced by:
- 1. Any amount paid by or on behalf of, or available from, any persons or parties that may be legally responsible, including who have no liability insurance or bonds;
 - 2. Any amount paid under **PART A – LIABILITY COVERAGE** of this policy;
 - 3. The policy limits of all liability bonds and policies other than the **LIABILITY COVERAGE** of this policy, which cover the liable owner or operator of an "underinsured motor vehicle", even if the "insured" enters into a settlement with that owner or operator of the "underinsured motor vehicle" for less than the limit of liability under those bonds and policies. However, this reduction in Clause C.3. does not apply if:
 - a. We advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "underinsured motor vehicle"; or
 - b. The amount paid under those bonds and policies was less than the full liability limits due to multiple claims being paid to other persons injured in the same accident;
 and the damages will then be reduced by all amounts actually paid by or on behalf of any owners and operator of an "underinsured motor vehicle" who may be legally responsible;
 - 4. Any amount paid under **PART B – MEDICAL PAYMENTS COVERAGE**, under any personal injury protection or no-fault coverage of this or any other policy, or under **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO** of this policy; and

5. Any amount paid because of "bodily injury" under any workers' compensation law, disability benefits law, or similar laws, exclusive of any state non-occupational disability benefits law.
- D. 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. 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".

For any "property damage" to "your covered auto" to which both this **Uninsured Motorists Coverage** for "property damage" and any collision coverage under this policy, or any other policy, apply in any one accident, then:

- A. You may choose one of those coverages, if applicable to cover the "property damage" or loss, from which damages will be paid; or
- B. You may recover under both of those coverages, if applicable to cover the "property damage" or loss, but only if neither coverage alone is sufficient to pay the damages or loss from that accident. If recovering under both such coverages:
 1. You shall designate one coverage as the primary coverage and you must exhaust that primary coverage before any recovery can be made under the coverage you designate as secondary; and
 2. You will be responsible for the higher deductible amount under one of those coverages, but you are not responsible for both deductible amounts under each coverage in any one accident.

In no event may any recovery under any of the coverages or policies be for more than the actual damages or loss.

Nothing under this **Other Insurance** clause, or any other provision of **Uninsured Motorists Coverage** for "property damage", creates any type of property or physical damage coverage for:

- A. Any tangible property unless it is in "your covered auto" for which a premium has been paid for this **Uninsured Motorists Coverage** for "property damage";
- B. Any motor vehicle other than "your covered auto" for which a premium has been paid for this **Uninsured Motorists Coverage** for "property damage"; or
- C. Any deductible amount, or other unpaid portions of loss, for which you are responsible.

All other policy provisions apply.