

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

PART C – WISCONSIN

UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE

IMPORTANT NOTICE – UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE IS A FIXED AMOUNT OF RECOVERY AND SUBJECT TO REDUCTIONS:

- IF YOU BUY UNINSURED MOTORISTS COVERAGE AND/OR UNDERINSURED MOTORISTS COVERAGE, YOU ARE BUYING A **FIXED LEVEL OF RECOVERY** DETERMINED BY COMBINING PAYMENTS MADE FROM OTHER SOURCES, AND THEN THE MOST WE WILL PAY IS OUR LIMIT REDUCED BY THE COMBINED TOTAL OF ALL OTHER PAYMENTS.
- THE LIMIT OF THIS COVERAGE SHOWN IN THE DECLARATIONS SHALL BE REDUCED BY AMOUNTS PAID BY OR ON BEHALF OF ALL PERSONS AND PARTIES THAT MAY BE LEGALLY RESPONSIBLE, AND REDUCED BY AMOUNTS PAID OR PAYABLE FROM OTHER SOURCES. WE HAVE NO DUTY TO PAY THE ENTIRE UNINSURED MOTORISTS COVERAGE OR UNDERINSURED MOTORISTS COVERAGE LIMIT SHOWN IN THE DECLARATIONS (as per the terms of this Endorsement).
- THERE IS NO ADDING, STACKING, OR COMBINING OF ANY COVERAGE IN ANY MANNER.
- WHEN AN INSURED IS NOT IN “YOUR COVERED AUTO”, THIS COVERAGE DOES NOT APPLY UNTIL ALL LIABILITY INSURANCE AND ALL OTHER UNINSURED MOTORISTS COVERAGE OR UNDERINSURED MOTORISTS INSURANCE HAS BEEN PAID.

Read **ALL** terms of your **Uninsured Motorists Coverage** and **Underinsured Motorists Coverage** below describing when coverage is triggered, what is and is not covered, and what amount of coverage applies after all reductions and limitations.

INSURING AGREEMENT

A. Uninsured Motorists Coverage

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” for “bodily injury” sustained by an “insured” and caused by an auto accident.

The owner’s or operator’s liability for these damages must:

1. Be due to an auto accident; and
2. Arise out of and be causally connected to the ownership, maintenance, or use of the “uninsured motor vehicle”.

Any payment by us for **Uninsured Motorists Coverage** is subject to the limits elected and shown in the Declarations, and as further described in the **Limit of Liability** provision of this endorsement. This payment is subject to all other policy terms, definitions, conditions, exclusions, limitations which reduce coverage to less than the limit shown in the Declarations, and duties for coverage to apply.

B. Underinsured Motorists Coverage

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 “underinsured motor vehicle” for “bodily injury” sustained by an “insured” and caused by an auto accident.

The owner’s or operator’s liability for these damages must:

1. Be due to an auto accident; and
2. Arise out of and be causally connected to the ownership, maintenance, or use of the “underinsured motor vehicle”.

Any payment by us for **Underinsured Motorists Coverage** is subject to the limits elected and shown in the Declarations, and as further described in the **Limit of Liability** provision of this endorsement. This payment is subject to all other policy terms, definitions, conditions, exclusions, limitations which reduce coverage to less than the limit shown in the Declarations, and duties for coverage to apply.

C. "Insured" as used in this endorsement means:

1. You or a "family member" while "occupying" or using "your covered auto".
2. You or a "family member" while not "occupying" or using a motor vehicle.
3. Any other person while "occupying" or using "your covered auto" with permission from you or an adult member, other than a chauffeur or domestic servant, of the Named Insured's household, if the Named Insured is a person.
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. A "family member"; or
3. Any other person;

while "occupying", operating, or otherwise using any vehicle owned by, furnished, or available for the regular use of you or a "family member", if that vehicle is not "your covered auto".

D. "Minimum limits", as used in this endorsement, means the minimum amounts of liability insurance required under a financial responsibility or compulsory insurance law of the state where "your covered auto" is registered, as shown in our records, that apply to the owner or operator of a private passenger automobile. The minimum limits amount will be the each person/each accident limit required by these laws.

These "minimum limits" are as set forth in this definition if "your covered auto" is shown in our records as garaged in Wisconsin, and will apply when this definition is used in this endorsement, even if the Declarations shows a single each accident limit:

1. \$25,000 for all compensatory damages due to "bodily injury" to one person arising out of the use of an auto in any one accident; and
2. \$50,000 for all compensatory damages due to all "bodily injury" arising out of the use of an auto in any one accident, still subject to the liability limit for one person.

If Wisconsin law is revised to change the "minimum limits" listed above, we will comply with any such Wisconsin law change that applies as to the minimum amount of uninsured and/or underinsured motorists coverage for "bodily injury" required by law.

E. "Phantom motor vehicle" means a motor vehicle to which all of the following apply:

1. The motor vehicle is involved in an accident with an "insured" who has **Uninsured Motorist Coverage**; and
2. In the accident, that motor vehicle makes no physical contact with the "insured" or with a vehicle the "insured" is "occupying"; and
3. The identity of neither the operator nor the owner of that motor vehicle can be ascertained.

F. "Underinsured motor vehicle" means a land motor vehicle for which one or more "bodily injury" liability bonds or policies apply at the time of the accident, but all limits available under those bonds and policies for "bodily injury" liability:

1. are less than the **Underinsured Motorists Coverage** limit for this policy; or
2. Have been reduced by payments to other persons injured in the accident to an amount which is less than the Underinsured Motorists Coverage limit for this policy.

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;
5. Shown in the Declarations or insured under the liability coverage of this policy;
6. Owned by, furnished, or available for the regular use of you or a "family member"; or
7. That is an "uninsured motor vehicle".

G. "Uninsured motor vehicle" means a land motor vehicle that is:

1. Not insured or bonded for "bodily injury" liability at the time of the accident;
2. Insured or bonded for "bodily injury" 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" by striking or hitting that "insured", "your covered auto";
4. A "phantom motor vehicle" if all of the following apply:
 - a. The facts of the accident are corroborated by competent evidence that is provided by someone other than the "insured" or any other person who makes a claim under this **Uninsured Motorists Coverage** as a result of the accident;
 - b. Within 72 hours after the accident, the "insured" or someone on behalf of the "insured" reports the accident to a police, peace, or judicial officer or to the department of transportation or, if the accident occurs outside of Wisconsin, the equivalent agency in the state where the accident occurs; and
 - c. Within 30 days after the accident occurs, the "insured" or someone on behalf of the "insured" files with us a statement under oath that the "insured" or a legal representative of the "insured" has a cause of action arising out of the accident for damages against a person whose identity is not ascertainable and setting forth the facts in support of the statement.

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;
5. Shown in the Declarations or insured under the liability coverage of this policy;
6. Owned by, furnished, or available for the regular use of you or a "family member";
7. Owned or operated by a self-insurer including, but not limited to, any car rental company or similar vehicle business under any motor vehicle law that applies, other than a self-insurer that is or becomes insolvent; or
8. That is an "underinsured motor vehicle".

ADDITIONAL TERMS AND 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** or **Underinsured 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;
 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; or

3. The limits of liability under those other applicable liability policies or bonds have been exhausted by payment of judgments or settlements.
- 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 72 hours, or as soon as reasonably possible; and file a written report with the proper authorities as soon as practicable; and
 2. Us within 30 days of, or as soon as practicable;
- after that accident.

EXCLUSIONS

- A. **Uninsured Motorists Coverage** and **Underinsured Motorists Coverage** does NOT cover “bodily injury” to an “insured” or any person:
1. If the claim is settled without our written consent and our rights are prejudiced.
 2. That occurs while “occupying” or using a vehicle without permission from the owner of the vehicle. This does not apply to you or a “family member” when “occupying” or using “your covered auto”.
 3. That occurs while “your covered auto” is being used to carry persons or property for a fee. This exclusion does not apply to shared expense carpools.
 4. That occurs while “occupying”, operating, or otherwise using any vehicle owned by, furnished, or available for the regular use of you or a “family member”, if that vehicle is not “your covered auto”.
 5. Who is involved in any prearranged, organized, or spontaneous race, or who is involved in:
 - a. Preparation for a race of this type, but only while in any pit area, on the track or racecourse, or its entrance or exit lanes; or
 - b. Practicing or qualifying for a race of this type.

A race includes any contest for speed or endurance, whether against another competitor or against a time measuring device.
 6. Using “your covered auto” at a:
 - a. Racing facility; or
 - b. Facility or roadway temporarily designated for speed, time, racing, or performance driving events. This includes, but is not limited to, the use of “your covered auto” at a performance or racing driving school, a rally in excess of the legal speed limit, or a closed road rally.

However, Exclusions 5.a. and 6. do not apply while “your covered auto” is:

- a. In a race facility’s “paddock” area or a specified show display area;
 - b. Being trailered from one location to another;
 - c. Used by you to attend a racing event as a spectator;
 - d. Being operated for purposes of display in any pre- or post-race parade laps; or
 - e. Involved in an organized event on public roads while operated within legal speed.
7. Using “your covered auto” to prepare, practice, qualify for, or participate in any of the following activities, regardless of where they take place:
 - a. Forced hydraulic bouncing competitions or exhibitions;
 - b. Pulling against another vehicle, or pulling of a weighted object during competitions or exhibitions, but

not including trailer pulling;

- c. Stereo thumping competitions or exhibitions; or
- d. Any other similar competitive or exhibition activity that a reasonable person could foresee may cause injury or damage.

However, this Exclusion 7. does not apply while "your covered auto" is:

- a. In a facility or a specified show display area and is not involved in any competitive or exhibition activity described in this exclusion;
- b. Being trailered from one location to another; or
- c. Used by you to attend an event as a spectator.

B. **Uninsured Motorists Coverage** and **Underinsured Motorists Coverage** shall NOT apply, directly or indirectly, to benefit any:

- 1. Workers' compensation or disability benefits insurer;
- 2. Self-insurer under any workers' compensation, or disability benefits or similar law; or
- 3. Government body or agency; Or
- 4. Insurer or self-insurer providing any health or medical benefits

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. Attorney fees, interest, costs, or other fees awarded in connection with the award of any such punitive or exemplary damages.

LIMIT OF LIABILITY

Our limit of liability, which is the most we will pay, is the limit shown in the Declarations. That limit is subject to all other policy terms, definitions, conditions, exclusions, limitations which reduce coverage to less than the limit shown in the Declarations, and duties for coverage to apply as well as all the following terms:

A. If a split limit of liability is shown in the Declarations for **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** for each person and each accident, this is the most we will pay for all covered damages.

- 1. This limit shall apply to all claims due to "bodily injury" to:
 - a. Any one person in any one accident; and
 - b. Two or more persons in any one accident, subject to the "bodily injury" limit for each person as described in a. above.

This each person limit includes 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. The limit for "property damage" related to, or arising out of, any one accident, if there is a separate limit shown in the Declarations for **Uninsured Motorists Property Damage Coverage**.

B. If a single limit of liability is shown in the Declarations for **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage**, this is the most we will pay for the total of all covered damages for "bodily injury" (and if applicable "property damage") 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.

C. There will be no adding, stacking, or combining of limits for any one covered accident no matter 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
5. Policies issued by us.

D. Our limit of liability for each person and each accident, or single limit for any one accident, for **Uninsured Motorists Coverage** and **Underinsured Motorists Coverage** shall be reduced by any amount:

1. Paid or payable because of "bodily injury" by or on behalf of any persons or parties that may be legally responsible for the injury, including, but not limited to, all amounts paid under **PART A** of this policy;
2. Paid under **PART B** of this policy; and
3. Paid or payable because of "bodily injury" under any workers' compensation law, disability benefits law, or similar laws, exclusive of any state non-occupational disability benefits law.

E. 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:

- A. 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** and **Underinsured Motorists Coverage** bears to the total of all applicable limits with the same priority as this coverage.
- B. Notwithstanding paragraph A. above in this **Other Insurance** provision, the total recovery under all such policies or coverages cannot be greater than the single highest limit that applies for any one vehicle under one policy of insurance providing coverage on either a primary, secondary, or excess basis.

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 and any "family members". However, this insurance shall be primary to such other insurance for any "insured" while "occupying" or using "your covered auto".

ARBITRATION

Arbitration is not available to resolve any disputes as to coverage or policy interpretation issues.

Arbitration may be used, if mutually agreed to by both parties, if we and an "insured" do not agree as to:

- A. Whether or not that "insured" is legally entitled to recover damages; or
- B. The amount of damages that "insured" is legally entitled to recover;

from the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle". Any such arbitration is limited to resolving only either one or both of those issues.

The following terms govern the arbitration process unless we and the "insured" otherwise agree in writing:

- A. Each party will select an impartial and qualified arbitrator. Those two arbitrators will select a third impartial and qualified arbitrator. If the first two arbitrators cannot agree within 30 days, either may request that selection of the third arbitrator be made by a court with proper jurisdiction.
- B. Arbitration will take place in the county in which the "insured" resides at the time of the accident.
- C. Local rules of law as to procedure and evidence will apply. Disputes as to procedure and evidence shall be subject to the authority of the arbitrator.

D. Costs will be paid by each party as follows:

1. Each party will pay the expenses it incurs and the costs of its own arbitrator selected; and
2. Each party will share the expenses of the third arbitrator equally.

E. A decision agreed to by two of the arbitrators will be binding as to:

1. Whether or not that "insured" is legally entitled to recover damages; and
2. The amount of damages that "insured" is legally entitled to recover, but only if that amount is not greater than "minimum limits".

If the arbitrators' award is greater than "minimum limits", 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 then be binding.

F. The arbitrators shall have no authority to:

1. Resolve any disputes as to coverage; who is an "insured"; the validity of any coverage election, rejection, or selection; residency status of a claimant; qualification of a person as an "insured"; rights or duties under the policy; statutes of limitations; or other policy interpretation issues;
2. Award any amount greater than the limit of liability; or
3. Award any amount as punitive or exemplary damages, costs, interest, attorney fees, or other fees.

If there is no mutual agreement to arbitrate, all issues shall be resolved in a court of proper and competent jurisdiction.

All other policy provisions apply.