

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

PART C – SOUTH CAROLINA

UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE INSURING AGREEMENT

A. Uninsured Motorists Coverage

If the Declarations indicates this coverage applies, we will pay for 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/or “property damage”, when 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”.

B. Underinsured Motorists Coverage

If the Declarations indicates this coverage applies, we will pay for 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/or “property damage”, when 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”.

C. Any payment by us for coverage under this **PART C** is subject to the limits elected and shown in the Declarations, and as further described in the **Limit of Liability** provision of this endorsement.

D. “Insured” as used in this endorsement means:

1. You or a “family member”.
2. Any other person while “occupying” or using “your covered auto” with permission from you, including a guest passenger in “your covered auto” if that guest passenger has a reasonable belief that he or she has permission to be in “your covered auto”.
3. Any person, for damages that person is legally entitled to recover because of “bodily injury” to a person described in this definition in 1. or 2. 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. or 2. above.

However, “insured” shall NOT mean and does NOT include, unless otherwise required by law:

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”. To the extent such a person is or will be required by law to be an “insured”, that person will only be deemed an “insured” under **PART C** for “minimum limits”, and any and all coverage under this **PART C** for such an “insured” applies excess to all other available uninsured and/or underinsured motorists coverage, and applies only after all other insurance and other sources of recovery have been exhausted by payment.

E. “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.

- F. "Property damage", as used in this endorsement, means physical harm to, destruction of, or loss of use of tangible property owned by:
1. You or a "family member"; or
 2. Any other "insured" who is not you or a "family member", but only if that property that was damaged was in "your covered auto" at the time of the accident.

- G. "Underinsured motor vehicle" means a land motor vehicle, including a moped, for which one or more "bodily injury" and/or "property damage" liability bonds or policies in limits equal to or greater than "minimum limits" apply at the time of the accident, but all limits available under those bonds and policies for "bodily injury" and/or "property damage" liability coverage are less than the amount of damages the "insured" is legally entitled to recover from the owner and/or operator of that motor vehicle because of the "bodily injury" and/or "property damage" sustained in the accident.

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; or
4. That is an "uninsured motor vehicle".

- H. "Uninsured motor vehicle" means a land motor vehicle, including a moped, that is:

1. Not insured or bonded for "bodily injury" or "property damage" liability at the time of the accident, or for which no self-insurance, or the owner of the motor vehicle has not qualified as a self-insurer, cash deposit or security applies;
2. Insured or bonded for "bodily injury" or "property damage" liability at the time of the accident, but the:
 - a. Bonding or insuring company successfully denies coverage; or
 - b. Bonding or insuring company is:
 - 1) Or becomes insolvent;
 - 2) In delinquency proceedings, suspension or receivership; or
 - 3) Proven unable to fully respond to a judgment in favor of an insured; or
 - c. Limit of liability for "bodily injury" or "property damage" under that policy or bond, or the amount of the cash deposit or security, is less than the "minimum limits"; or
3. A motor vehicle for which the owner or operator cannot be identified, and all of the following apply:
 - a. The "insured", or someone on the "insured's" behalf, reports the accident to some appropriate police authority within a reasonable time, under all circumstances, after its occurrence, and one of the following conditions is met;
 - 1) The "bodily injury" or "property damage" was caused by physical contact with the unknown vehicle;
 - 2) The accident was witnessed by someone other than the owner or operator of "your covered auto"; provided however, the witness must sign an affidavit attesting to the truth of the facts of the accident contained in the affidavit; or upon failing to obtain the affidavit, the insured may seek a court order for a presuit deposition of the witness under the procedures set forth in Rule 27, South Carolina Rules of Civil Procedure; or
 - 3) The insured can provide a recording of the accident, obtained electronically or otherwise, showing the damage or injury was caused by an unknown vehicle; and
 - b. The "insured" was not negligent in failing to determine the identity of the other vehicle and the driver of the other vehicle at the time of the accident.

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, except when:
 - a. Operated by a person without proper authorization; or
 - b. A cause of action against, or damages owed by, the government arising out of a motor vehicle accident is barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law;
5. Owned or operated by a self-insurer under any motor vehicle law that applies, other than a self-insurer that is or becomes insolvent or who does not qualify as a self-insurer under applicable law; or
6. 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, bond or other security, we will not make a payment under **PART C** 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 24 hours, or as soon as practicable, or under all the circumstances within a reasonable time; 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. **PART C** does NOT cover "bodily injury" to an "insured" or any person, and does not cover "property damage":
 1. If the claim is settled and our rights are prejudiced.
 2. That occurs while "occupying" or using a vehicle without permission from the owner of the vehicle or, if a guest passenger in "your covered auto", if without reasonable belief that he or she has permission to be in "your covered auto". 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, you or a "family member", if that vehicle is not "your covered auto" and the coverage under **PART C** being sought has

been rejected, declined, or not purchased by that “insured” for that vehicle he or she owns and which he or she is “occupying” or using when involved in the accident.

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. PART C 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 of property.

C. There is no coverage under **PART C** for or related to:

1. “Property damage” that has been compensated by insurance or otherwise.
2. Any deductible amount for or related to any “property damage”, or other unpaid portions of loss or damage related to “property damage”, for which you or any “insured” are responsible for under this or any other policy or source of recovery.

LIMIT OF LIABILITY

Our limit of liability is the limit shown in the Declarations. That limit is subject to the following terms:

A. This is the most we will pay for all covered damages.

1. If a split limit of liability is shown in the Declarations for **Uninsured Motorists Bodily Injury** and/or **Underinsured Motorists Bodily Injury** for each person/each accident, 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.

The 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 separate limit of liability shown in the Declarations for **Uninsured Motorists Property Damage** and/or **Underinsured Motorists Property Damage** shall apply to all claims for "property damage" related to, arising out of, or sustained in any one accident.
3. If a single limit of liability is shown in the Declarations for **Uninsured Motorists Bodily Injury & Property Damage** and/or **Underinsured Motorists Bodily Injury & Property Damage** for each accident, that amount shown is the most we will pay for the total of all covered damages resulting from any one accident for "bodily injury" and/or "property damage". 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.
4. "Property damage" is subject to the following:
 - a. We shall not pay more than the lowest of the:
 - 1) The limit shown in the Declarations for **Uninsured Motorists Property Damage** and/or **Underinsured Motorists Property Damage**;
 - 2) Cost of repair or replacement; or
 - 3) "Guaranteed Value[®]" of the damaged property as shown in the Declarations at the time of the accident, if the damaged property is "your covered auto".
 - b. Our payment will not include, and you are responsible for the amount of:
 - 1) Any deductible that applies as shown in the Declarations for **Uninsured Motorists Property Damage**, or the first \$200 of the amount of "property damage".
 - 2) The salvage value if you or the owner retains salvage. The right of salvage belongs to us. You may, at your option, purchase the salvage from us. You must advise us of your intent prior to our making payments under the terms of this policy.

B. 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.

C. However, notwithstanding any policy provision to the contrary, when coverage under **PART C** applies to an "insured" who is you and/or a "family member", also referred to as a Class I "insured", and that person owns or has a vehicle involved in the accident, then any stacking or adding of coverage under this **PART C** that is required by South Carolina law, as amended, for you or a "family member" will:

1. Be provided only if, when and as required by South Carolina law, as amended.

2. Be limited to that required stacking or adding of coverage, subject to the following:
 - a. If you and/or a “family member” has **PART C** in excess of “minimum limits”, then you and/or a “family member” are protected, at most, only to the extent of either the limit of liability shown in the Declarations for “your covered auto” involved in the accident or, if “your covered auto” is not involved in the accident, then the coverage that person has on the motor vehicle involved in the accident.
 - b. If you and/or a “family member” has no motor vehicle involved in the accident, then any coverage that applies is available, at most, only to the extent of the highest limit of liability shown in the Declarations for any 1 of “your covered autos” with that **PART C** being sought.
 3. Subject to the each person limit, when stacking applies as set forth in C.2. above, the each accident limit that is shown as the limit of liability in the Declarations will increase to the extent that the stacking described in C.2. above increases the amount payable to a Class I “insured” who is entitled under South Carolina law to stack coverage to an amount that exceeds the non-stacked each person limit of liability shown in the Declarations that is otherwise the limit applicable to that Class I “insured”. Stacking shall not increase the amount that would be payable to any other “insureds”.
- D. The total damages an “insured” is legally entitled to recover because of the accident shall be reduced by any amount:
1. Paid or payable because of “bodily injury” or “property damage” by or on behalf of any persons or parties that may be legally responsible for the injury or damage, including, but not limited to, all amounts paid under **PART A** of this policy; and
 2. Of any other liability insurance coverage, bond or other form of security that was not exhausted in a settlement with the owner or operator of the uninsured motor vehicle or underinsured motor vehicle, or any other person or party liable; and
 3. Paid under **PART B** and/or **PART D** of this policy; and
 4. 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; and
 5. Paid or payable from any other source of recovery, including any other insurance policy.
- 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

- A. As to “bodily injury”, and any damages arising from “bodily injury”, 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:
1. Except when the “insured” is “occupying” “your covered auto”, any applicable coverage under this policy 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 **PART C** bears to the total of all applicable limits with the same priority as this coverage.
 2. 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. However, any stacking or adding of coverage that is required by South Carolina law will be provided only if, when and as required by South Carolina law, as amended, and subject to the Limit of Liability provision in this endorsement.
- In no event is any “insured”, person or party entitled to receive duplicate payments from us for the same elements of damages, expense or loss paid under any other source or policy.
- B. As to “property damage”, and any damages arising from “property damage”, if there is any kind of insurance (similar or otherwise) or any other source of recovery that applies or is available, then we do not provide coverage under this **PART C** for what has been or will be compensated by any other insurance or any other source of recovery for or related to “property damage”.

- C. 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".

All other policy provisions apply.