

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE – SOUTH CAROLINA

PART C – UNINSURED MOTORISTS COVERAGE is replaced by the following **PART C - UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE**:

INSURING AGREEMENT

A. Uninsured Motorists Coverage (UM)

If the premium for **Uninsured Motorists Coverage** has been paid, 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 that “insured”, and/or “property damage”, when 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”.

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. Underinsured Motorists Coverage (UIM)

If the premium for **Underinsured Motorists Coverage** has been paid, 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 that “insured”, and/or “property damage”, when 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 “underinsured motor vehicle”.

Any payment by us for this **Underinsured 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.

C. “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. 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”. 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 motorist coverage, and applies only after all other insurance and other sources of recovery have been exhausted by payment.

- D. “Family member”, as used in this endorsement, means and includes a person related to you by blood, marriage or adoption and who is a resident of the named insured’s household, including your ward or foster child.
- 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 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 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 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 liability at the time of the accident, but the:
 - a. Bonding or insuring company successfully denies coverage;
 - 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 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 his or her behalf, has reported the accident to some appropriate police authority within a reasonable time, under all the circumstances, after its occurrence;
- b. The “bodily injury” or “property damage” was caused by physical contact with the unknown vehicle, or the accident must have been witnessed by someone other than the owner or driver 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; and
- c. 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 & 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 of, or as soon as practicable after or within a reasonable time after (under all the circumstances), that accident, and file a written report; and
2. Us within 30 days of, or as soon as practicable after, that accident.

EXCLUSIONS

A. **PART C - UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE** 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 using or "occupying" a vehicle without permission from the owner of the vehicle or, if a guest passenger in "your covered auto", if without a 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 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 compensation or a fee. This exclusion (A.3.) does not apply to shared expense car pools.
4. That occurs while "occupying", operating or otherwise using any vehicle owned by you, a "family member" or any other person related to you who resides with you, if that vehicle is not "your covered auto" and the coverage being sought, **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage**, as applicable, 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.

B. **PART C - 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;
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 **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** limit of liability that applies, which is the most we will pay, is the 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 for "bodily injury", 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. If the limit shown in the Declarations or Schedule shows a separate limit of "property damage" for each accident for **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage**, that limit is the most we will pay for all covered damages related to, or arising out of, "property damage" resulting from 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** or **Underinsured 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. 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 Schedule; 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 **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** 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 or Schedule 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 or Schedule for any one (1) of "your covered autos" with that **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** being sought.
 3. Subject to the per person limit, when stacking applies as set forth in clause 2. above, the per accident limit that is shown as the limit of liability in the Declarations or Schedule will increase to the extent that the stacking described in clause 2. above increases the amount payable to a Class I "insured" (you and "family members") who is entitled under South Carolina law to stack coverage to an amount that exceeds the (nonstacked) per person limit of liability shown in the Declarations or Schedule that is otherwise the limit applicable to that Class I "insured" (you and "family members"). 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 to be paid because of “bodily injury” or “property damage” 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 – LIABILITY COVERAGE** 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 – MEDICAL PAYMENTS COVERAGE** and/or **PART D – COVERAGE FOR DAMAGE TO YOUR COVERED AUTO** 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 to be paid from any other source of recovery, including any other insurance policy.
- E. The applicable limit shown in the Declarations or Schedule for “property damage” for **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage** is the most we will pay for all covered damages for or related to “property damage” sustained in any one accident, and is also subject to the following:
1. For the “property damage”, we shall not pay more than the lowest of the:
 - a. “Property damage” limits shown in the Declarations or Schedule for **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage**;
 - b. Cost of repair or replacement; or
 - c. Guaranteed Value® of the damaged property, as shown in the Declarations or Schedule, at the time of the accident, if the damaged property is “your covered auto”.
 2. Our payment will not include, and you are responsible for (when applicable), the amount of:
 - a. Any deductible that applies as shown in the Declarations or Schedule for “property damage” for under **Uninsured Motorists Coverage** or **Underinsured Motorists Coverage**, or the first \$200 of the amount of “property damage” in any one accident.
 - b. 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.
- F. 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

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:

- 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** or **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** section, 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.

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".

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".

Under **PART F - GENERAL PROVISIONS**, the following is added to the **Two or More Auto Policies** provision:

This policy provision and limitation does not apply to **PART C - UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE**, if, when and as required by South Carolina law, as amended, and as described by the terms under that **PART C**.

All other policy provisions apply.