

PLEASE READ THIS ENDORSEMENT CAREFULLY AS IT CHANGES YOUR POLICY

## **UNINSURED MOTORISTS COVERAGE AND UNDERINSURED MOTORISTS COVERAGE - WISCONSIN**

**PART C – UNINSURED MOTORISTS COVERAGE** is replaced by the following **PART C – 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 OR SCHEDULE 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 OR SCHEDULE (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 AGREEMENTS**

#### **A. Uninsured Motorists Bodily Injury Coverage**

If the premium for Uninsured Motorists Bodily Injury 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 that "insured" and 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, and is also subject to all other policy terms, definitions, conditions, exclusions, limitations (which reduce coverage to less than the limit shown in the Declarations or Schedule), and duties for coverage to apply.

#### **B. Underinsured Motorists Bodily Injury Coverage**

If the premium for Underinsured Motorists Bodily Injury 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 that “insured” and 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, and is also subject to all other policy terms, definitions, conditions, exclusions, limitations (which reduce coverage to less than the limit shown in the Declarations or Schedule), 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. While not “occupying” or using a motor vehicle: you, a “family member” or any relative who resides with you.
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. 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”.

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 here below 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 or Schedule shows a single per 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 directly above 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 coverage:
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 Schedule, or insured under the liability coverage, of this policy;
  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; 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; or
  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" or "your covered auto"; or
  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; and
    - 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 Schedule, or insured under the liability coverage, of this policy;
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;
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 & 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** and **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 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.

### **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 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 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, 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”.
- 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;
  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 shown in the Declarations or Schedule is the most we will pay for **Uninsured Motorists Coverage** and/or **Underinsured Motorists Coverage**, whichever you bought and applies to the accident. 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 or Schedule), and duties for coverage to apply as well as all 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. If only a single per accident limit is shown as the limit of liability in the Declarations or Schedule for **Uninsured Motorists Coverage** and/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.

The limit that applies as set forth above is subject to all reductions and terms as set forth in all sections of this **Limit of Liability** provision, including the reductions listed further below.

- 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. Our limit of liability for **Uninsured Motorists Coverage** and **Underinsured Motorists Coverage** shall be reduced by any amount paid or to be paid because of "bodily injury":
  1. 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. Paid under **PART B – MEDICAL PAYMENTS COVERAGE** 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.
- 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:

- 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.

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".

## 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 (i.e. liability and damages).

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 time of 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, or who is an "insured", the validity of any coverage election or rejection or selection, residency status of a claimant, qualification of a person as an "insured", rights or duties under the policy, or statutes of limitations, or other policy interpretation issues; or
  - 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.