

TEXAS PERSONAL AUTO POLICY

FOR USE IN WRITING INSURANCE THROUGH TEXAS AUTOMOBILE INSURANCE PLAN ASSOCIATION

YOUR TEXAS PERSONAL AUTO POLICY – QUICK REFERENCE

DECLARATIONS PAGE

Name of Insurance Company
 Your Name and Address
 Your Auto or Trailer
 Policy Period Coverage
 and Amounts of Insurance

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TEXAS PERSONAL AUTO POLICY

AGREEMENT

In return for payment of the premium and subject to all the terms of this policy we agree with you as follows:

DEFINITIONS

- A. Throughout this policy, "you" and "your" refer to:
 - 1. The "named insured" shown in the Declarations, and
 - 2. The spouse if a resident of the same household.
- B. "We", "us" and "our" refer to the company providing this insurance.
- C. For purposes of this policy, a private passenger type auto or pickup or van shall be deemed to be owned by a person if leased:
 - 1. Under a written agreement to that person; and
 - 2. For a continuous period of at least six months.

Other words and phrases are defined. They are boldfaced when used.

- D. "**Family member**" means a person who is a resident of your household and related to you by blood, marriage or adoption. This definition includes a ward or foster child who is a resident of your household, and also includes your spouse even when not a resident of your household during a period of separation in contemplation of divorce.
- E. "**Occupying**" means in, upon, getting in, on, out or off.
- F. "**Trailer**" means a vehicle designed to be pulled by a:
 - 1. Private passenger auto; or
 - 2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in F.1. or F.2. above.

- G. "**Your covered auto**" means:
 - 1. Any vehicle shown in the Declarations;
 - 2.
 - I. Any of the following types of vehicles on the date you became the owner:
 - a. a private passenger automobile; or
 - b. a pickup, utility vehicle, or van with a gross vehicle weight of 25,000 pounds or less that is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - (A) the delivery of the goods, materials, or supplies is not the primary use for which the vehicle is employed; or
 - (B) the vehicle is used for farming or ranching.
 - II. Coverage under this section is required only for a vehicle that is acquired during the policy term.
 - a. Coverage under this section for a vehicle that replaces a covered vehicle shown in the Declarations for the policy must be the same as the coverage for the vehicle being replaced.
 - b. Coverage under this section for a vehicle that is acquired during the policy term in addition to the covered vehicles shown in the Declarations for the policy must be the broadest coverage provided under the policy for any covered vehicle shown in the Declarations and of which the insurer is notified on or before the 30th day after the date on which the insured becomes the owner of the vehicle
 - 3. Any **trailer** you own.
 - 4. Any auto or **trailer** you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.
- H. "**Business day**" means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.
- I. "**Repair facility**" means a person who rebuilds, repairs, or services a motor vehicle for consideration or under a warranty, service, or maintenance contract.
- J. "**Resident relative**" means an individual who:
 - 1. resides in the same household as the insured; and
 - 2. is related to the insured within the third degree of consanguinity or affinity as described by Chapter 573, Government Code, including individuals who are parents, children (by birth or by adoption), brothers, sisters, grandparents, grandchildren, great grandparents, great grandchildren, aunts, uncles, nephews or nieces.
- K. "**Temporary vehicle**" includes a vehicle that is loaned or provided to an insured by an automobile **repair facility** for the insured's use while the insured's vehicle is at the facility for service, repair, maintenance, or damage or to obtain an estimate and is:
 - 1. in the lawful possession of the insured or **resident relative** of the insured;

2. not owned by the insured, any **resident relative** of the insured, or any other person residing in the insured's household; and
3. operated by or in the possession of the insured or **resident relative** of the insured until the vehicle is returned to the repair facility.

PART A – LIABILITY COVERAGE

INSURING AGREEMENT

- A. We will pay damages for bodily injury or property damage for which any **covered person** becomes legally responsible because of an auto accident. Property damage includes loss of use of the damaged property. Damages include prejudgment interest awarded against the **covered person**. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted.
- B. "**Covered person**" as used in this Part means:
 1. You or any **family member** for the ownership, maintenance or use of any auto or **trailer**.
 2. Any person using **your covered auto**.
 3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
 4. For any auto or **trailer**, other than **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of you or any **family member** for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or **trailer**.
- C. In accordance with Texas Insurance Code Section 1952.060, this policy provides primary liability coverage for the insured's legal liability for bodily injury and property damage, and for damage to a **temporary vehicle**, that arises out of the use of the **temporary vehicle** by the insured, a **resident relative**, or other licensed operator residing in the insured's household who is using the vehicle with the permission of the insured.

Coverage under this section is provided for a **temporary vehicle** that is:

1. a private passenger automobile; or
2. a pickup, utility vehicle, or van with a gross vehicle weight of 14,000 pounds or less that is not used for the delivery or transportation of goods, materials, or supplies, other than samples, unless:
 - a. the delivery of the goods, materials, or supplies is not the primary use for which the vehicle is employed; or
 - b. the vehicle is used for farming or ranching.

SUPPLEMENTARY PAYMENTS

In addition to our limit of liability, we will pay on behalf of a **covered person**:

1. Up to \$250 for the cost of bail bonds required because of an accident including related traffic law violations. The accident must result in bodily injury or property damage covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Interest accruing after a judgment is entered in any suit we defend. Our duty to pay interest ends when we offer to pay that part of the judgment which does not exceed our limit of liability for this coverage.
4. Up to \$50 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
5. Other reasonable expenses incurred at our request.

EXCLUSIONS

- A. We do not provide Liability Coverage for any person:
 1. Who intentionally causes bodily injury or property damage;
 2. For damage to property owned or being transported by that person;
 3.
 - I. For damage to property:
 - a. rented to;
 - b. used by; or
 - c. in the care of; that person.
 - II. This exclusion (A.3.I.) does not apply to damage to:
 - a. a residence or private garage; or
 - b. any of the following type vehicles not owned by or furnished or available for the regular use of you or any **family member**:
 - (1) private passenger autos;
 - (2) **trailers**; or
 - (3) pickups or vans.

However, the exclusion 3.I. does apply to a loss due to or as a consequence of a seizure of an auto listed in 3.II.b. by a federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the Federal Controlled Substances Act if you are convicted in such case.
 4. For bodily injury to an employee of that person during the course of employment. This exclusion (A.4.) does not apply to bodily injury to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.
 5. For that person's liability arising out of the ownership or operation of a vehicle while it is;
 - a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool.

- b. being used to carry property for a fee; this does not apply to:
 - i. a **temporary vehicle** that is covered under Subsection C of the Insuring Agreement in Part A--Liability Coverage; or
 - ii. you or any **family member** unless the primary usage of the vehicle is to carry property for a fee; or
 - c. rented or leased to another; this does not apply if you or any **family member** lends your covered auto to another for reimbursement of operating expenses only.
6. While employed or otherwise engaged in the business or occupation of:
- a. selling;
 - b. repairing;
 - c. servicing;
 - d. storing; or
 - e. parking;
- vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion (A.6.) does not apply to the ownership, maintenance or use of **your covered auto** by:
- 1. you
 - 2. any **family member**; or;
 - 3. any partner, agent or employee of you or any **family member**.
7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion A.6. This exclusion (A.7.) does not apply to the maintenance or use of a:
- a. private passenger auto;
 - b. pickup or van that is **your covered auto**; or
 - c. **trailer** used with a vehicle described in 7.a. or 7.b. above.
8. Using a vehicle without a reasonable belief that that person is entitled to do so. This exclusion (8.) does not apply to you or any **family member** while using **your covered auto**.
9. I. For bodily injury or property damage for which that person:
- a. is an insured under a nuclear energy liability policy; or
 - b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- II. A nuclear energy liability policy is a policy issued by any of the following or their successors:
- a. American Nuclear Insurers;
 - b. Mutual Atomic Energy Liability Underwriters; or
 - c. Nuclear Insurance Association of Canada.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:
- 1. Any motorized vehicle having fewer than four wheels;
 - 2. Any vehicle, other than **your covered auto**, which is:
 - a. owned by you; or
 - b. furnished or available for your regular use.
 - 3. I. Any vehicle, other than **your covered auto**, which is:
 - a. owned by any **family member**; or
 - b. furnished or available for the regular use of any **family member**.
 - II. However, this exclusion (B.3.) does not apply to your maintenance or use of any vehicle which is:
 - a. owned by a family member; or
 - b. furnished or available for the regular use of a family member.
- C. We do not provide Liability Coverage for you or any **family member** for bodily injury to you or any **family member**, except to the extent of the minimum limits of Liability Coverage required by Texas Civil Statutes, Article 6701h, entitled "Texas Motor Vehicle Safety – Responsibility Act."

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one auto accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one auto accident. The limit of liability shown in the Declarations for "each accident" for property damage liability is our maximum limit of liability for all damages to all property resulting from any one auto accident. This is the most we will pay regardless of the number of:
- 1. **Covered persons;**
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the auto accident.
- B. Any payment under the Uninsured/Underinsured Motorists Coverage or the Personal Injury Protection Coverage of this policy to or for a **covered person** will reduce any amount that person is entitled to recover under this coverage.

OUT OF STATE COVERAGE

- If an auto accident to which this policy applies occurs in any state or province other than the one in which **your covered auto** is principally garaged, we will interpret your policy for that accident as follows:
- A. If the state or province has:
- 1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.

2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.
- B.** No one will be entitled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY REQUIRED When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required.

OTHER INSURANCE If there is other applicable liability insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits.
 However, any liability insurance we provide to a **covered person** for the maintenance or use of a vehicle you do not own shall be excess over any other applicable liability insurance, except that coverage under PART A – LIABILITY COVERAGE – C for a **temporary vehicle** is provided on a primary basis.

PART B – PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

A. We will pay Personal Injury Protection benefits because of bodily injury:

1. resulting from a motor vehicle accident; and
2. sustained by a **covered person**.

Our payment will only be for losses or expenses incurred within three years from the date of accident.

B. Personal Injury Protection benefits consist of:

1. Reasonable expenses incurred for necessary medical and funeral services.
2.
 - I. Eighty percent of a **covered person's** loss of income from employment. These benefits apply only if, at the time of the accident, the **covered person**
 - a. was an income producer; and
 - b. was in an occupational status.
 These benefits do not apply to any loss after the **covered person** dies.
 - II. Loss of income is the difference between
 - a. income which would have been earned had the **covered person** not been injured; and
 - b. the amount of income actually received from employment during the disability.
 - III. If the income being earned as of the date of accident is a salary or fixed remuneration, it shall be used in determining the amount of income which would have been earned. Otherwise, the average monthly income earned during the period (not more than 12 months) preceding the accident shall be used.
3.
 - I. Reasonable expenses incurred for obtaining services. These services must replace those a **covered person** would normally have performed:
 - a. without pay;
 - b. during a period of disability; and
 - c. for the care and maintenance of the family or household.
 - II. These benefits apply only if, at the time of the accident, the **covered person**:
 - a. was not an income producer; and
 - b. was not in an occupational status.
 The benefits do not apply to any loss after the **covered person** dies.

C. “**Covered person**” as used in this Part means:

1. You or any family member:
 - a. while **occupying**; or
 - b. when struck by;
 - a motor vehicle designed for use mainly on public roads or a **trailer** of any type.
2. Any other person while **occupying your covered auto** with your permission.

EXCLUSIONS We do not provide Personal Injury Protection Coverage for any person for bodily injury sustained:

1. In an accident caused intentionally by that person.
2. By that person while in the commission of a felony.
3. By that person while attempting to elude arrest by a law enforcement official.
4. While **occupying**, or when struck by, any motor vehicle (other than **your covered auto**) which is owned by you.
5. By a **family member** while **occupying**, or when struck by any motor vehicle (other than **your covered auto**) which is owned by a **family member**.

LIMIT OF LIABILITY The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

1. **Covered persons**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

OTHER INSURANCE If there is other Personal Injury Protection Insurance, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible Personal Injury Protection insurance.

OTHER PROVISIONS	<p>A. Loss Payments. Benefits are payable:</p> <ol style="list-style-type: none"> 1. Not more frequently than every two weeks; and 2. Within 30 days after satisfactory proof of claim is received. <p>B. Modification. The General Provision part of this policy entitled "Our Right To Recover Payment" does not apply to this coverage.</p>
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ASSIGNMENT OF BENEFITS	Payments for medical expenses will be paid directly to a physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.
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PART C – UNINSURED/UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT	<p>A. We will pay damages which a covered person is legally entitled to recover from the owner or operator of an uninsured motor vehicle because of bodily injury sustained by a covered person, or property damage, caused by an accident. The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the uninsured motor vehicle. Any judgment for damages arising out of a suit brought without our consent is not binding on us. If we and you do not agree as to whether or not a vehicle is actually uninsured, the burden of proof as to that issue shall be on us.</p> <p>B. "Covered person" as used in this Part means:</p> <ol style="list-style-type: none"> 1. You or any family member; 2. Any other person occupying your covered auto; 3. Any person for damages that person is entitled to recover because of bodily injury to which this coverage applies sustained by a person described in B.1. or B.2. above. <p>C. "Property damage" as used in this Part means injury to, destruction of or loss of use of:</p> <ol style="list-style-type: none"> 1. Your covered auto, not including a temporary substitute auto. 2. Any property owned by a person listed in B.1. or B.2. of covered person while contained in your covered auto. 3. Any property owned by you or any family member while contained in any auto not owned, but being operated, by you or any family member. <p>D. I. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type,</p> <ol style="list-style-type: none"> 1. To which no liability bond or policy applies at the time of the accident, 2. Which is a hit and run vehicle whose operator or owner cannot be identified and which hits: <ol style="list-style-type: none"> a. you or any family member; b. a vehicle which you or any family member are occupying; or c. your covered auto. 3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company: <ol style="list-style-type: none"> a. denies coverage; or b. is or becomes insolvent. 4. Which is an underinsured motor vehicle. An underinsured motor vehicle is one to which a liability bond or policy applies at the time of the accident but its limit of liability either: <ol style="list-style-type: none"> a. is not enough to pay the full amount the covered person is legally entitled to recover as damages; or b. has been reduced by payment of claims to an amount which is not enough to pay the full amount the covered person is legally entitled to recover as damages. <p>II. However, "uninsured motor vehicle" does not include any vehicle or equipment:</p> <ol style="list-style-type: none"> 1. Owned by or furnished or available for the regular use of you or any family member. 2. Owned or operated by a self-insurer under any applicable motor vehicle law. 3. Owned by any governmental body unless: <ol style="list-style-type: none"> 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. 4. Operated on rails or crawler treads. 5. Designed mainly for use off public roads while not on public roads. 6. While located for use as a residence or premises.
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EXCLUSIONS	<p>A. We do not provide Uninsured/Underinsured Motorists Coverage for any person:</p> <ol style="list-style-type: none"> 1. For bodily injury sustained while occupying, or when struck by, any motor vehicle or trailer of any type owned by you or any family member which is not insured for this coverage under this policy. 2. If that person or the legal representative settles the claim without our written consent. 3. When your covered auto is: <ol style="list-style-type: none"> a. being used to carry persons for a fee; this does not apply to a share-the-expense car pool; or b. being used to carry property for a fee; this does not apply to you or any family member unless the primary usage of the vehicle is to carry property for a fee; or c. rented or leased to another; this does not apply if you or any family member lends your covered auto to another for reimbursement of operating expenses only. 4. For the first \$250 of the amount of damage to the property of that person as the result of any one accident.
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5. Using a vehicle without a reasonable belief that the person is entitled to do so. This exclusion (A.5.) does not apply to you or any **family member** while using **your covered auto**.
 6. For bodily injury or **property damage** resulting from the intentional acts of that person.
- B.** This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
 2. Any insurer of property.

LIMIT OF LIABILITY	<p>A. 1. The limit of liability shown in the Declarations for "each person" for bodily injury liability is our maximum limit of liability for all damages for bodily injury sustained by any one person in any one motor vehicle accident. Subject to this limit for "each person", the limit of liability shown in the Declarations for "each accident" for bodily injury liability is our maximum limit of liability for all damages for bodily injury resulting from any one motor vehicle accident. The limit of liability shown in the Declarations for "each accident" for property damage liability is our maximum limit of liability for all damages to all property resulting from any one motor vehicle accident. This is the most we will pay regardless of the number of:</p> <ol style="list-style-type: none"> a. Covered persons; b. Claims made; c. Policies or bonds applicable; d. Vehicles or premiums shown in the Declarations; or e. Vehicles involved in the accident. <p>2. Subject to this maximum, our limit of liability will be the lesser of:</p> <ol style="list-style-type: none"> a. The difference between the amount of a covered person's damages for bodily injury or property damage and the amount paid or payable to that covered person for such damages, by or on behalf of persons or organizations who may be legally responsible; and b. The applicable limit of liability for this coverage. <p>B. In order to avoid insurance benefits payments in excess of actual damages sustained, subject only to the limits set out in the Declarations and other applicable provisions of this coverage, we will pay all covered damages not paid or payable under any workers' compensation law, disability benefits law, any similar law, auto medical expense coverage or Personal Injury Protection Coverage.</p> <p>C. Any payment under this coverage to or for a covered person will reduce any amount that person is entitled to recover for the same damages under the Liability Coverage of this policy.</p>
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OTHER INSURANCE	<p>A. If there is other applicable similar insurance we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.</p> <p>B. For any property damage to which the Coverage for Damage to Your Auto of this policy (or similar coverage from another policy) and this coverage both apply, you may choose the coverage from which damages will be paid. You may recover under both coverages, but only if:</p> <ol style="list-style-type: none"> 1. Neither one by itself is sufficient to cover the loss; 2. You pay the higher deductible amount (but you do not have to pay both deductibles); and 3. You will not recover more than the actual damages.
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PART D –DUTIES AFTER AN ACCIDENT OR LOSS

GENERAL DUTIES	<p>A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses. If we show that your failure to provide notice prejudices our defense, there is no liability coverage under the policy.</p> <p>B. A person seeking any coverage must:</p> <ol style="list-style-type: none"> 1. Cooperate with us in the investigation, settlement or defense of any claim or suit. 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss. 3. Submit, as often as we reasonably require, to physical exams by physicians we select. We will pay for these exams. 4. Authorize us to obtain: <ol style="list-style-type: none"> a. medical records which are reasonably related to the injury or damage asserted; and b. other pertinent records. 5. When required by us: <ol style="list-style-type: none"> a. submit a sworn proof of loss; b. submit to examination under oath. <p>C. Within 15 days after we receive your written notice of claim, we must:</p> <ol style="list-style-type: none"> 1. acknowledge receipt of the claim. If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment. 2. begin any investigation of the claim. 3. specify the information you must provide in accordance with paragraph B. above. We may request more information, if during the investigation of the claim such additional information is necessary. <p>D. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:</p> <ol style="list-style-type: none"> 1. within 15 business days; or 2. within 30 days if we have reason to believe the loss resulted from arson.
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- E. If we do not approve payment of your claim or require more time for processing your claim, we must:
 1. give the reasons for denying your claim, or
 2. give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.
- F. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.
- G. Loss Payment
 1. If we notify you that we will pay your claim, or part of your claim, we must pay within 5 **business days** after we notify you.
 2. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 **business days** after the date you perform the act.
- H. Notice of Settlement of Liability Claim
 1. We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.
 2. We will notify you in writing of any settlement of a claim against you under the liability section of this policy. We will give you notice within 30 days after the date of the settlement.

ADDITIONAL DUTIES FOR UNINSURED/UNDERINSURED MOTORISTS A person seeking Uninsured/Underinsured Motorists Coverage must also:

1. Promptly notify the police if a hit and run driver is involved;
2. Promptly send us copies of the legal papers if a suit is brought;
3. Take reasonable steps after loss, at our expense, to protect damaged property from further loss; and
4. Permit us to inspect and appraise the damaged property before its repair or disposal. **COVERAGE**

PART E – GENERAL PROVISIONS

BANKRUPTCY Bankruptcy or insolvency of the **covered person** shall not relieve us of any obligations under this policy.

- CHANGES**
- A. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
 - B. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change in accordance with rules prescribed by the Texas Automobile Insurance Plan Association. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:
 1. The number, type or use classification of the insured autos;
 2. Operators using insured autos;
 3. The place of principal garaging of insured autos;
 4. Coverage or limits.
 - C. If this policy form is revised to provide more coverage without additional premium charge, we will automatically provide the additional coverage as of the date the revision is effective.
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- LEGAL ACTION AGAINST US**
- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Liability Coverage, no legal action may be brought against us until:
 1. We agree in writing that the **covered person** has an obligation to pay; or
 2. The amount of that obligation has been finally determined by judgment after trial.
 - B. No person or organization has any right under this policy to bring us into any action to determine the liability of a **covered person**.
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- OUR RIGHT TO RECOVER PAYMENT**
- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another we shall be subrogated to that right. That person shall do:
 1. Whatever is necessary to enable us to exercise our rights; and
 2. Nothing after loss to prejudice them.
(A release of the insurer of an underinsured motor vehicle does not prejudice our rights.)
 - B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 1. Hold in trust for us the proceeds of the recovery; and
 2. Reimburse us to the extent of our payment. (However, we may not claim the amount recovered from an insurer of any underinsured motor vehicle.)
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- POLICY PERIOD AND TERRITORY**
- A. This policy applies only to accidents and losses which occur:
 1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
 - B. The policy territory is:
 1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.
- This policy also applies to loss to, or accidents involving, **your covered auto** while being transported between their ports.
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- TERMINATION**
- A. **Cancellation.** This policy may be cancelled during the policy period as follows:
 1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to us; or

- b. giving us advance written notice of the date cancellation is to take effect.
- 2. We may cancel by mailing at least 10 days notice to the named insured shown in the Declarations at the address shown in the Declarations for the following reasons:
 - a. the insured is not, or ceases to be, eligible for insurance through Texas Automobile Insurance Plan Association;
 - b. there has been a loss of the insurer's reinsurance covering all or part of the risk covered by the policy or binder;
 - c. the insured has obtained the insurance through fraud;
 - d. the insured has failed after written notice to pay the insurer any premiums due under the policy; or
 - e. prior to the sixtieth day after assignment or renewal, the insured cannot be located by the insurer for purposes of its underwriting review, or fails to respond to at least two (2) written requests for pertinent underwriting information which would have a direct bearing on the rating of a policy;
 - f. if your drivers license or motor vehicle registration or that of;
 - (1) any driver that lives with you; or
 - (2) any driver that customarily uses **your covered auto** has been suspended or revoked. However, we will not cancel if you consent to the attachment of an endorsement eliminating coverage when **your covered auto** is being operated by the driver whose license has been suspended or revoked.
- 3. We may not cancel this policy based solely on the fact that you are an elected official.

Automatic Termination. If, at any time, you obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance. If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

Other Termination Provisions.

- 1. Proof of mailing of any notice shall be sufficient proof of notice. We may deliver any notice instead of mailing it.
- 2. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund promptly. The premium refund, if any, will be computed pro rata, subject to the policy minimum premium. However, making or offering to make the refund is not a condition of cancellation.
- 3. The effective date of cancellation stated in the notice shall become the end of the policy period.

B. Non-Renewal. We will not renew this policy if:

- 1. You are not eligible for coverage in accordance with the rules of Texas Automobile Insurance Plan Association; or
- 2. Your three consecutive years' assignment to us will end as of the policy expiration date; or
- 3. Your policy was transferred to another insurer in accordance with the rules of the Texas Automobile Insurance Plan Association.

We will mail notice of non renewal to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 30 days before the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
 - 1. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations.
 - 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.
 - B. Coverage will be provided until the end of the policy period.
- NOTE:** Refer to Personal Injury Protection Coverages for Assignment of Benefits.

TWO OR MORE AUTO POLICIES

If this policy and any other auto insurance policy issued to you by us apply to the same accident, the maximum limit of our liability under all the policies shall not exceed the highest applicable limit of liability under one policy
