



**OREGON MUTUAL INSURANCE GROUP**

BULLETIN NO: 2078

DATE: December 6, 2007

DEPT: Personal Lines

SUBJECT: Personal Auto Policy, Personal Injury Protection, and Uninsured/Underinsured Motorist forms

**TO:** All OMI & WesPro Oregon Personal Lines Agents

Effective February 15, 2008 for new business and March 15, 2008 for renewals we have made changes to our Preferred and Special Auto policies and our Personal Injury Protection and Uninsured/Underinsured Motorist endorsements to comply with 2007 Oregon Insurance Legislation that is effective January 1, 2008.

Contract language previously found in our amendatory endorsements is now included in the auto policy language. In both policies we have also clarified that the definition of **you** now includes a domestic partner.

We have also updated the WesPro Special Auto policy to follow our OMI/WesPro Preferred Auto policy contract.

For your reference the applicable policyholder stuffers explaining all changes in detail are included with this notice.

We have instructed our claims staff that effective January 1, 2008 they are to handle claim interpretation in accordance with the revised contract forms even though the forms will not be available for our policyholders until the above effective dates.

Should you have any questions, please contact your Personal Lines Underwriter or Agency Marketing Manager.

As the year end nears, we wish to express our thanks for the strong support we have received from our Oregon agency force during 2007. Please let us know if there are things which we can do to assist you in making 2008 a success.

Eric Cutler, CPCU, CIC  
Northwest Personal Lines  
Business Unit Manager



OREGON MUTUAL INSURANCE GROUP  
SECTION III  
UNINSURED/UNDERINSURED MOTORISTS

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We agree with **you**, subject to all the terms of this endorsement and to all the terms of the policy except as modified herein, as follows:

**Coverage D - Uninsured/Underinsured Motorist Coverage**

We will pay **damages** for **bodily injury** which a **covered person** shall be legally entitled to recover from the owner or operator of an **uninsured/underinsured motor vehicle**. The **bodily injury** must be caused by an **auto accident** and arise out of the ownership, maintenance or use of the **uninsured/underinsured motor vehicle**.

**Uninsured/underinsured motorist** coverage also provides coverage for bodily injury or death when:

1. The limits for uninsured motorist coverage of the insured equal the limits of the liability policy of the person whose fault caused the **bodily injury** or death; and
2. The amount of liability insurance recovered is less than the limits for uninsured motorist coverage of the **insured**.

We will pay under this coverage only after the limits of liability under any applicable **bodily injury** liability policies have been used up in payment of settlements or judgments.

Determination of whether a **covered person** is legally entitled to recover **damages** or the amount of **damages** shall be made by agreement between the **covered person** and **us**. If no agreement is reached, the decision may be made by arbitration as provided for in this policy.

If suit is brought to determine legal liability for **damages** without **our** written consent, **we** are not bound by any resulting judgment.

**ADDITIONAL DEFINITIONS USED IN THIS SECTION ONLY**

As used in this SECTION:

1. "**Covered person**" means:
  - a. **you** or a **family member**;
  - b. any other person **occupying your covered auto**; and
  - c. any other person for **damages** that person is entitled to recover because of **bodily injury** to **you**, a **family member**, or another occupant of **your covered auto**.

But, no person shall be considered a **covered person** if that person uses a vehicle without a reasonable belief that:

- (1) the person is entitled to do so; and
- (2) the person is using the vehicle within the scope of the permission granted.

2. "**Motor vehicle**" means a land **motor vehicle** or a **trailer**, if described in this policy, but does not mean such a vehicle:
  - a. operated on rails or crawler-treads;
  - b. which is a farm type tractor or equipment designed for use principally off public roads, while not on public roads;
  - c. located for use as a residence or premises; and
  - d. any vehicle not requiring state licensing.
3. "**Uninsured/underinsured motor vehicle**" means a land motor vehicle or **trailer** which is:
  - a. not insured by a **bodily injury** liability policy at the time of the **auto accident**;
  - b. insured by a liability policy at the time of the **auto accident** but its limit for **bodily injury** liability is less than the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which **your covered auto** is principally garaged.
  - c. insured by a **bodily injury** liability policy at the time of the **auto accident**, but the insurance company denies coverage or, within two years of the date of the accident, the company writing the insurance becomes voluntarily or involuntarily declared bankrupt or for which a receiver is appointed or becomes insolvent.
  - d. insured by **bodily injury** policies at the time of the **auto accident**, but the sum of the limits of liability under all such **bodily injury** liability policies applicable at the time of the accident is less than the applicable limits of liability under this insurance;
  - e. a hit-and-run vehicle whose operator or owner is unknown and which strikes, or causes an accident resulting in **bodily injury** without striking:
    - (1) **you** or any **family member**;
    - (2) a **motor vehicle** which **you** or a **family member** are occupying;
    - (3) **your covered auto**.When there is no physical contact with the hit-and-run vehicle, the facts of the **auto accident** must be provided and verified by someone other than the testimony of the person making a claim under this or any similar coverage.
  - f. a "**stolen vehicle**". A **stolen vehicle** means an insured vehicle that causes **bodily injury** to the insured arising out of a motor vehicle accident if:
    - (1) the vehicle is operated without the consent of the insured;
    - (2) the operator of the vehicle does not have collectible motor vehicle **bodily injury** liability insurance;

- (3) the insured or someone on behalf of the insured reported the accident within 72 hours to a police, peace or judicial officer or to the equivalent department in the state where the accident occurred; and
  - (4) the insured or someone on behalf of the insured cooperates with the appropriate law enforcement agency in the prosecution of the theft of the vehicle.
- g. A vehicle that is owned or operated by a self-insurer:
- (1) that is not in compliance with ORS 806.130 (1) (c);
  - (2) that provides recovery to an insured in an amount that is less than the limits for uninsured motorist coverage of the insured; or
  - (3) that is a public body for which recovery to an insured exhausts the limit of uninsured motorist coverage required by ORS 30.270.

"Uninsured/underinsured motor vehicle" does not include any vehicle:

- a. owned by or furnished or available for the regular use of **you** or a **family member**;
- b. Except as provided above, that is owned or operated by a self-insurer as contemplated by any financial responsibility law, motor carrier law, or similar law.
- c. operated on rails or crawler treads;
- d. which is a farm type tractor or equipment designed mainly for use off public roads while not on public roads;
- e. while located for use as a residence or premises; and
- f. described in the Declarations for which a specific premium charge indicates coverage is afforded, unless the vehicle is a stolen vehicle.

## EXCLUSIONS

This coverage does not apply to **bodily injury** by a person:

- 1. While operating or **occupying a motor vehicle**, including a **trailer** used with it, owned by, furnished or available for regular use by **you** or any **family member** for which insurance is not afforded under SECTION I - LIABILITY of this policy.
- 2. If that person or the legal representative of that person makes a settlement without **our** written consent;
- 3. While **occupying your covered auto** when used to carry persons or property for a charge.

This exclusion does not apply to shared-expense car pools;

- 4. Using a vehicle without a reasonable belief that:
  - a. the person is entitled to do so; and
  - b. the person is using the vehicle within the scope of the permission granted.
- 5. During participation in any organized or agreed upon racing or speed contest or demonstration or in practice or preparation for any such contest; and
- 6. While operating or **occupying a motorized vehicle** with less than four wheels.

Uninsured/Underinsured Motorists Coverage shall not apply to the benefit of any insurer or self-insurer under any workers' compensation or disability benefits law or any similar law.

Uninsured/Underinsured Motorists Coverage does not apply to punitive or exemplary damages.

## LIMITS OF LIABILITY

### Split Limit

The limit of liability shown in the Declarations for "each person" for Uninsured/Underinsured Motorists Coverage 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 Uninsured/Underinsured Motorist Coverage is **our** maximum limit of liability for all **damages** for **bodily injury** resulting from any one **auto accident**.

This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles or premiums shown in the Declarations, vehicles involved in the **auto accident** or policies issued to **you** by **us**.

### Single Limit

The limit of liability shown in the Declarations for this coverage is **our** maximum limit of liability for all **damages** resulting from any one accident. This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles or premiums shown in the Declarations or vehicles involved in the **auto accident**.

Any amounts otherwise payable for **damages** under either SPLIT or SINGLE LIMIT which the **covered person** is legally entitled to recover from the owner or operator of an **uninsured/underinsured motor vehicle** because of **bodily injury** caused by an **auto accident** shall be reduced by:

- 1. All sums paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under the Liability coverage of this policy;
- 2. Any amount payable for **damages** under this insurance will be reduced by any amount an **insured** may be paid under Personal Injury Protection Insurance.

Any payment under this section to or for a **covered person** will reduce any amount that person is entitled to recover under Section I - Liability, of this policy.

## OTHER INSURANCE

If there is other similar insurance on a loss covered by this Section with respect to **bodily injury** to an insured:

1. While occupying a vehicle not owned by a named insured under this coverage, the insurance under this coverage shall apply only as excess insurance over any primary insurance available to the occupant that is similar to this coverage, and this excess insurance shall then apply only in the amount by which the applicable limit of liability of this excess coverage exceeds the sum of the applicable limits of liability of all primary insurance available to the occupant.
2. If an **insured** is an **insured** under other primary or excess insurance available to the **insured** that is similar to this coverage, then the insured's damages are deemed not to exceed the higher of the applicable limits of liability of this insurance or the additional primary or excess insurance available to the insured, and **we** are not liable under this coverage for a greater proportion of the insured's damages than the applicable limit of liability of this coverage bears to the sum of the applicable limits of liability of this insurance and other primary or excess insurance available to the insured.
3. While occupying any motor vehicle used as a public or livery conveyance, the insurance under this coverage shall apply only as excess insurance over any other insurance available to the **insured** that is similar to this coverage, and this insurance shall then apply in the amount by which the applicable limit of liability of this coverage exceeds the sum of the applicable limits of liability of all other insurance.

## ARBITRATION

If a **covered person** and **we** do not agree:

1. that the person is legally entitled to recover **damages** from the owner or operator of an **uninsured/underinsured motor vehicle**; or
2. as to the amount of damages which are recoverable by the **covered person**; from the owner or operator of an **uninsured/underinsured motor vehicle**, then the matter may be arbitrated. However, disputes concerning coverage under this Section may not be arbitrated.

Both parties must agree to the arbitration. If so agreed, each party will select a competent and disinterested arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within 30 days then, upon the request of such person or **us**, such third arbitrator shall be selected by a judge of a court of record in the county and state in which such arbitration is pending.

The arbitrators shall then hear and determine the question or questions so in dispute, and the decision in writing of any two arbitrators are:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated can not be used to prevent the same issues from being re-litigated in another cause of action.

Each arbitration party shall pay his or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration. However, the costs to the **covered person** of the arbitration proceedings shall not exceed \$100 and all other costs of arbitration shall be borne by **us**. Costs shall not include attorney's fees; and fees paid to medical or other witness are not deemed to be expenses of arbitration, but are to be borne by the party incurring them. Unless the parties otherwise agree the arbitration proceedings shall be conducted under local court rules in the county where the arbitration is held.

## ADDITIONAL DUTIES AFTER AN ACCIDENT OR LOSS

A person seeking **Uninsured/Underinsured Motorists** Coverage, or someone on that person's behalf, must also:

1. Report the accident within 72 hours to the appropriate law enforcement agency, in the event the accident involves a hit-and-run vehicle as described in the definition of **uninsured/underinsured motor vehicle** item e., and files with **us** within 30 days thereafter a statement under oath that the **insured** or the legal representative of the insured has a cause or causes of action arising out of the accident for damages against a person or persons whose identities are unascertainable, and setting forth the facts in support thereof; and
2. At **our** request, the insured or the legal representative of the insured makes available for inspection the vehicle the insured was occupying at the time of the accident.

## CAUSE OF ACTION

The parties to this coverage agree that no cause of action shall accrue to the **insured** under this coverage unless within two years from the date of the accident:

1. suit for **bodily injury** has been filed against the **uninsured/underinsured** motorist, in a court of competent jurisdiction;
2. agreement as to the amount due under the policy has been concluded; or
3. the **insured** or the Company has formally instituted arbitration proceedings.



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**AGREEMENT**

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

**DEFINITIONS**

Certain words in our policy and endorsements have special meaning. They appear in boldface when used throughout the policy.

**"Auto Accident"** or **"occurrence"** means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** or **property damage** neither expected nor intended by the **covered person**.

**"Bodily injury"** means **bodily injury** to or sickness, disease or death of any person.

**"Damages"** are the costs of compensating those who suffer **bodily injury** or **property damage** from an **auto accident**.

**"Family member"** means a person related to **you** by blood, marriage or adoption, who is a resident of **your** household, including a ward or foster child under the age of 21.

**"Loss"** means direct and accidental **loss** of or damage to **your covered auto**, including its equipment.

**"Occupying"** means in, on, getting into or out of.

**"Private Passenger Auto"** means a four-wheel land motor vehicle of the private passenger or station

wagon type actually licensed for use on public roadways. It includes any motor home with no more than six wheels and not used for business purposes.

A **private passenger auto** does not mean such a vehicle: located for use as a residence or premises; operated on rails or crawler treads; which is a farm type tractor or equipment designed for use principally off public roads.

**"Property Damage"** means physical injury to or destruction of tangible property, including **loss** of its use.

**"Trailer"** means a vehicle designed to be towed by a **private passenger auto** and includes a farm wagon while towed by a **private passenger auto** or **utility auto**.

It does not include a **trailer** used as an office, store, display or passenger **trailer**.

**"Utility Auto"** means a land motor vehicle having at least four wheels, which is actually licensed for use upon public roadways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type.

This does not mean a vehicle used in any business or occupation other than farming or ranching, unless the vehicle is specifically insured by this policy and shown on the declaration page.

**"We"**, **"us"**, and **"our"** refer to the company providing this insurance.

"**You**" and "**your**" refer to the person named in the Declarations and the spouse (includes a person who is a partner in a domestic partnership as those terms are defined by Oregon law) if a resident of the same household.

"**Your covered auto**" means:

1. A **private passenger** or **utility automobile** owned by **you** and described in the Declarations for which a specific premium charge indicates that coverage is afforded.
2. Any other **private passenger** or **utility automobile** ownership which is acquired by **you** during the policy period; provided
  - a. **you** notify **us** within 30 days of its acquisition, and
  - b. as of the date of acquisition, all **private passenger** and **utility automobiles you own** are insured with Oregon Mutual Insurance Company or with Western Protectors Insurance Company.Ownership shall include the written leasing of a **private passenger** or **utility auto** for a continuous period of at least six months.
3. Any **trailer you** own.
4. Any **private passenger auto, utility auto or trailer** not owned by **you** or any **family member** while being temporarily used as a substitute for any other vehicle described in this definition because of its withdrawal from normal use due to breakdown, repair, servicing, **loss** or destruction.

#### **YOUR DUTIES AFTER AN ACCIDENT OR LOSS NOTICE**

In the event of an **accident**, or **loss**, notice must be given to **us** promptly. The notice must give the time, date, place and circumstances of the **accident**, or **loss**, including the names and addresses of injured persons and witnesses.

#### **OTHER DUTIES**

A person claiming any coverage of this policy must also:

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 **auto accident** or **loss**.
3. Submit at **our** expense and as often as **we** reasonably require, to physical examinations by physicians **we** select.
4. Authorize **us** to obtain medical reports and other pertinent records.
5. Provide any written proofs of loss **we** require.
6. Allow us to examine any insured under oath, while not in the presence of any other insured and as many times as may be reasonably required, about any matter relating to this insurance or claim. In the event of an examination, an insured's answers must be signed.

A person claiming 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.

A person claiming coverage for Damage To **Your** Auto must also:

1. Take reasonable steps after **loss**, at **our** expense to protect **your covered auto** and its equipment from further **loss**.
2. Promptly notify the police if **your covered auto** is stolen.
3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

### **SECTION I - LIABILITY COVERAGE**

#### **COVERAGE A - BODILY INJURY**

#### **COVERAGE B - PROPERTY DAMAGE**

**We** will pay **damages** for **bodily injury** or **property damage** for which any **covered person** becomes legally liable to pay because of an **auto accident** involving a **covered auto**. **Damages** include prejudgment interest awarded against any **covered person**.

**We** will defend any claim or suit asking for these **damages**. **We** may settle when **we** consider it appropriate.

Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements.

**We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

#### **ADDITIONAL DEFINITIONS FOR THIS SECTION ONLY**

"**Covered person**" as used in this section means:

1. **You** or any **family member** with respect to the ownership, maintenance, or use of **your covered auto**.
2. Any person using **your covered auto**.
3. Any other person or organization with respect only to legal liability for acts or omissions of:
  - a. Any person covered under this part while using **your covered auto**.
  - b. **You** or any **family member** covered under this section while using any **private passenger auto, utility auto, or trailer** other than **your covered auto** if not owned or hired by that person.

"**Covered Person**" does not mean:

1. The United States of America or any of its agencies.

2. Any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
3. Any person using a vehicle without a reasonable belief that the person is entitled to do so and that the person is using the vehicle within the scope of the permission granted.

"**Your covered auto**" as used in this section shall include any other **private passenger auto, utility auto, or trailer** not owned by, furnished or available for the regular use of **you** or a **family member**.

But no vehicle shall be considered as **your covered auto** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by **you** or a **family member**.

#### ADDITIONAL PAYMENTS FOR THIS SECTION ONLY

In addition to **our** limit of liability, **we** will pay these benefits as respects a **covered person**.

1. All costs **we** incur in the settlement of any claim or defense of any suit.
2. 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.
3. **We** will pay:
  - a. all premiums on appeal bonds on any suit **we** defend which **we** decide to appeal.
  - b. premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy.
  - c. up to \$300 for the cost of bail bonds required because of an accident, including related traffic law violations, resulting in **bodily injury** or **property damage** covered under this policy.

**We** are not obligated to apply for or furnish any of the above bonds.
4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at **our** request.
5. Expenses **you** incur for immediate medical and surgical treatment for others performed at the scene of the **auto accident** resulting in **bodily injury** covered by this part.
6. Other reasonable expenses incurred at **our** request.

#### EXCLUSIONS

**We** will not pay:

1. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use, loading or unloading of a vehicle when used to carry persons or property for a fee.  
This exclusion does not apply to shared-expense car pools.

2. For **bodily injury** or **property damage** caused intentionally by or at the direction of any person. This exclusion applies regardless of the person or persons by or at whom the intentional act was directed.
3. For the legal liability of any person for **bodily injury** to an employee of that person during the course of employment.

This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation benefits are required or available for that domestic employee.

4. For the legal liability of any person while employed or otherwise engaged in the business or occupation of selling, repairing, servicing, storing, or parking of vehicles designed for use mainly on public highways, including road testing and delivery.

This exclusion does not apply to the ownership, maintenance or use of **your covered auto** by **you**, any **family member**, or any partner, agent, or employee of **you** or any **family member**.

5. For the legal liability of any person maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion 4.

This exclusion does not apply to the ownership, maintenance, or use of a **private passenger auto** or **utility auto**.

6. For damage to property owned or being transported by a **covered person**.
7. For the legal liability of any person, for damage to property rented to, owned by, or in the care of that person.

This exclusion does not apply to damage to a residence or private garage.

8. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use by a **covered person** of a motorized vehicle with less than four wheels, or designed mainly for use off public roads.

This exclusion (8.) does not apply:

- a. While such vehicle is being used by an **insured** in a medical emergency;
- b. To any **trailer**; or
- c. To any non-owned golf cart.
9. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle other than **your covered auto**, which is owned by or furnished or available for regular use by **you** or a **family member**.
10. For any legal liability arising from the sponsorship or taking part in any racing or speed contest, demolition, stunting activity or contest, or demonstration in which **your covered auto** has participation. This also applies to practice or preparation for any such contest, activity, or event.

11. For the legal liability of a **covered person** for **bodily injury** to **you** or a **family member**.
12. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use by any person of a vehicle in which **you** have transferred interest but the transfer does not comply with the vehicle transfer provisions of the state law.
13. For the legal liability of any person using a vehicle without a reasonable belief that the person is entitled to do so.

This exclusion (13.) does not apply to a **family member** using **your covered auto**, which is owned by **you**.

14. For **bodily injury** or **property damage** arising out of the operation of farm machinery.
15. For the legal liability of any person for **bodily injury** or **property damage** for which that person is an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.

16. **We** do not provide Liability Coverage to **you** or any **family member** residing in **your** household for **bodily injury** to the extent that the limits of liability for this coverage exceeds the following limit as required by the Oregon Financial Responsibility Law:

\$25,000 for each person/\$50,000 for each accident in all other cases.

However, if economic damages, as defined in ORS 31.710, arising from bodily injury or death to an insured or a member of the insured's household exceed the minimum coverage allowed by this subsection, the maximum liability for damages arising from bodily injury or death to the insured or a member of the insured's household is the amount of economic damages subject to the limits of liability stated in this policy.

#### LIMIT OF LIABILITY

Under either Split or Single Limit, no one will be entitled to receive duplicate payments for the same elements of loss under this coverage, medical or personal injury protection, and uninsured/underinsured motorist coverage provided by this policy. The limit of liability shown in the Declarations apply subject to the following:

##### Split Limit

1. The **bodily injury** liability for "each person" is **our** maximum limit of liability for all **damages** for **bodily injury** sustained by any one person in any one **auto accident**. This is the most **we** will pay regardless of the number of **covered persons**,

claims made, vehicles for which premiums are shown in the Declarations, vehicles involved in the **auto accident**, or policies issued to **you** by **us**.

Any claim for loss of consortium or injury to any relationship arising from this injury shall be included within the limit of liability for the injured person.

2. Subject to the **bodily injury** liability limit for "each person" the **bodily injury** liability limit for "each **auto accident**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any one **auto accident**.
3. The **property damage** liability limit for "each **auto accident**" is the maximum for all **damages** to all property in any one **auto accident**.

##### Single Limit

The limit of liability shown in the Declarations is the maximum limit of liability for all **damages** resulting from any one **auto accident**. This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles for which premiums are shown in the Declarations, vehicles involved in the **auto accident**, or policies issued to **you** by **us**.

#### 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:

1. If the state or province has 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. If the state or province has a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a vehicle in that state or province, **your** policy will provide at least the required minimum amounts and types of coverage.

No one can collect more than once for the same elements of **loss** as a result of the application of this provision.

#### CONFORMITY WITH FINANCIAL RESPONSIBILITY LAWS

If **we** certify this policy as proof of financial responsibility for the future under any financial responsibility law, this policy shall comply with the provisions of the law to the extent of the coverage required.

**You** agree to reimburse **us** for any payment made by **us** which **we** would not have been obligated to make under the terms of this policy except for the agreement contained in this provision.



## OTHER INSURANCE

If there is other applicable liability 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 for a vehicle **you** do not own shall be excess over any other collectible insurance.

## SECTION II - PERSONAL INJURY PROTECTION OR MEDICAL PAYMENTS COVERAGE

**We** will pay Personal Injury Protection or Medical Payments Coverage benefits and expenses according to the coverage indicated on the Declarations page. The applicable Section II endorsement is attached to and made a part of this policy.

## SECTION III - UNINSURED MOTORISTS/UNDERINSURED MOTORISTS

**We** will pay Uninsured/Underinsured Motorists Protection Benefits according to the coverage indicated on the Declarations page. The applicable Section III endorsement is attached to and made a part of this policy.

## SECTION IV - DAMAGE TO YOUR AUTO COVERAGE F - COMPREHENSIVE

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that **Comprehensive** coverage is afforded.

**We** will pay for **loss** to **your covered auto** caused by an accidental means except **collision**, less any applicable deductible stated in the Declaration. This deductible applies separately to each **loss**.

**Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by **collision**. If breakage of glass results from a **collision**, **you** may elect to have it treated as **loss** caused by **collision**.

## COVERAGE G - COLLISION

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that **Collision** coverage is afforded.

**We** will pay for **loss** to **your covered auto** caused by **collision**, less any applicable deductibles stated in the Declarations. No deductible shall apply if the **collision** is with another auto insured by either Western Protectors Insurance Company or Oregon Mutual Insurance Company. Any deductible shall apply separately to each **loss**.

## ADDITIONAL DEFINITIONS USED IN THIS SECTION ONLY

1. "**Collision**" means the **collision** of **your covered auto** with another object or upset of **your covered auto**.

2. "**Comprehensive**" means **loss** other than **collision** to **your covered auto** caused by accidental means except **collision**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by **collision**. If breakage of glass results from a **collision**, **you** may elect to have it treated as **loss** caused by **collision**.
3. "**Loss**" means direct and accidental **loss** of or **damage** to **your covered auto**, including its equipment.
4. "**Your Covered Auto**" shall also include any other **private passenger auto, utility auto** or **trailer** not owned by or furnished or available for the regular use of **you** or any **family member**.  
But no vehicle shall be considered as **your covered auto** unless there is sufficient reason to believe that the use is with the permission of the owner, and **you** are using it within the scope of the permission granted, and unless it is used by **you** or any **family member**.

## SUPPLEMENTARY PAYMENTS

1. **Automobile Liability Assumed By Contract**  
**We** will pay, up to \$1,000, for damage to a **private passenger auto**, rented to **you** resulting from liability assumed by **you** under a rental contract. The contract must be in writing and made before the loss. The provision does not apply to a **private passenger auto** rented for a period greater than one month.
2. **We** will pay up to, but not more than \$200 for **loss** of clothing or luggage in **your covered auto** and belonging to **you** or a **family member**. These items have to be in or on **your covered auto**. **Your covered auto** has to be covered under this policy for:
  - a. **Comprehensive**, and the **loss** caused by fire, lightning, flood, falling objects, explosion, earthquake or theft. If the **loss** is due to theft, **your entire covered auto** must have been stolen; or
  - b. **Collision**, and the **loss** caused by **collision**.
3. If **you** have **Comprehensive** coverage, **we** will pay for necessary reasonable transportation expenses **you** incur due to the total theft of **your covered auto**. **We** will pay up to \$35 per day, subject to a maximum of \$1,050. This coverage begins 24 hours after the theft has been reported to **us** and to the police, and ends when the **covered auto** is returned to use or **we** offer settlement for the loss.
4. **Automobile Glass Repair Waiver**  
When there is damage to glass caused by **comprehensive** covered perils and the glass can be repaired rather than replaced, **we** will waive the **comprehensive** deductible.

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that **Comprehensive** coverage is afforded.

#### 5. **Rental Cost**

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates coverage is afforded.

**We** will reimburse **you** for necessary reasonable transportation expenses **you** incur due to the loss of use of a **covered auto**, provided that:

- a. The auto is withdrawn from use for more than 24 hours, and;
- b. The **loss** is caused by **Collision** or a **Comprehensive** coverage peril.
- c. When a deductible applies to the insured peril, the **loss** must exceed the deductible amount before coverage applies.
- d. **You** give **us** or **our** authorized representatives evidence of **your** expenses.

**Our** payment will be limited to that period of time reasonably required to repair or replace the **covered auto**. **We** will pay up to \$35 per day. The maximum payable is \$1,050.

This coverage shall apply regardless of the expiration date of the policy period, provided the **loss** occurs during the policy period.

#### 6. **Towing and Labor Costs Coverage**

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that towing coverage is afforded.

**We** will pay up to \$100 for reasonable and necessary towing and labor costs incurred because of disablement of **your covered auto**.

The labor must be performed at the place of disablement.

### **EXCLUSIONS**

**We** will not pay for **loss**:

1. To **your covered auto** while used to carry persons or property for a charge.  
This exclusion does not apply to shared expense car pools.
2. Due to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.  
But coverage does apply if the **loss** results from burning of wire. Also coverage does apply if the **loss** results from the total theft of **your covered auto**.
3. Caused by war (declared or undeclared), civil war, insurrection, rebellion, riot, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
4. To equipment designed for the reproduction of sound, or any radio receiving and/or transmitting equipment. This applies to such equipment as a

tape player, tape recorder, citizens band radio and two-way mobile radio, telephone, television, computer, scanning monitor receiver, radar or laser detector. It also applies to any electronic device incorporating any of this equipment, as well as accessories and antennas.

However, coverage does apply to that equipment which is permanently installed in the opening of the dash or console of **your covered auto** normally used by the motor vehicle manufacturer of **your covered auto** for the installation of a radio, sound reproducing device, or telephone.

5. To tapes, records, reels, cassettes, cartridges, carrying cases or other devices for use with equipment designed for the reproduction of sound.
6. To a camper body, motor home or **trailer** not shown in the Declarations.

This exclusion does not apply to a camper body, motor home or **trailer** if **you** acquire ownership during the policy period and **you** ask **us** to insure it within thirty days after **you** become the owner.

7. To your **covered auto** or any non-owned auto due to destruction or confiscation by governmental or civil authorities because **you** or any **family member**:
  - a. engaged in illegal activities; or
  - b. failed to comply with Environmental Protection Agency or Department of Transportation standards.

This exclusion does not apply to the interests of Loss Payees on **your covered auto**.

8. To a vehicle not owned by **you** when used in the business or occupation of selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways, including road testing and delivery.
9. During any organized or agreed upon racing or speed contest, demolition, stunting activity or contest, or demonstration in which **your covered auto** has participation or in practice or preparation for any such contest.
10. For the repair or replacement of the following furnishings or equipment: special carpeting, insulation, wall paneling, furniture, bars, facilities for cooking and sleeping including enclosures or bathroom facilities, height-extending roofs, murals, paintings or other decals or graphics.
11. To any vehicle due to conversion, embezzlement or secretion by any person who has the vehicle due to any lien, rental or sales agreement.
12. For **you** or any **family member** using a non-owned auto without a reasonable belief that the person is entitled to do so and that the person is using the vehicle within the scope of the permission granted.
13. For any diminution in the value of a **covered auto** after any damage covered under this Section has been repaired.

**Diminution in value** means the actual or perceived loss in market or resale value which results from a direct and accidental loss.

14. To, or loss of use of, a non-owned auto rented by **you** or any **family member** if a rental vehicle company is precluded from recovering such loss or loss of use, from **you** or that **family member**, pursuant to the provisions of any applicable rental agreement or state law.

#### OUR LIMIT OF LIABILITY

**Our** limit of liability for **loss** will be the lesser of:

1. The actual cash value of the stolen or damaged property. (Actual cash value includes a deduction for depreciation, however caused.)
2. The amount necessary to repair or replace the property.
3. The limit of liability stated in the Declarations.
4. \$500 for a **trailer** not owned by **you** or any **family member**.

#### PAYMENT OF LOSS

**We** may pay the **loss** in money or repair or replace the damaged or stolen property. **We** may at **our** expense, return any stolen property to **you** or to the address shown in this policy. If **we** return stolen property **we** will pay for any damage resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value.

#### APPRAISAL

If **we** and **you** do not agree on the amount of loss, then an appraisal of the loss may be made. However, both parties must agree to appraisal and to be bound by the results of that appraisal. In such an event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss**, and failing to agree, shall submit their differences to the umpire. An agreement in writing of any two shall determine the amount of **loss**. **You** will pay **your** chosen appraiser and **we** will pay **our** chosen appraiser. **You** and **we** shall bear equally the other expenses of the appraisal and umpire.

**We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

#### OTHER INSURANCE

If other insurance also covers the **loss**, **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 for an auto **you** or any **family member** do not own shall be excess over any other collectible insurance.

## SECTION V - GENERAL PROVISIONS

### 1. POLICY PERIOD AND TERRITORY

This policy applies only to **auto accidents** and **losses** occurring during the policy period shown in the Declarations which occur within the United States, its territories or possessions, or Canada, or while the **covered auto** is being shipped between their ports.

#### NO MEXICO COVERAGE. READ THIS

**WARNING CAREFULLY.** No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an **automobile accident** a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican insurance company when needed.

### 2. MISREPRESENTATION, CONCEALMENT OR FRAUD

All statements made by or on behalf of the **insured**, in the absence of fraud, shall be deemed representations and not warranties. No such statements that arise from an error in the application shall be used in defense of a claim under the policy unless:

- a. The statements are contained in a written application; and
- b. A copy of the application is endorsed upon or attached to the policy when issued.

In order to use any representation by or on behalf of the **insured** in defense of a claim, **we** must show that the representations are material and that **we** relied on them.

There is no coverage under this policy if **you** or any other person insured under this policy has made false statements with the intent to conceal or misrepresent any material fact or circumstance in connection with any claim under this policy.

### 3. CHANGES

This policy with the Declarations includes all agreements between **you** and **us** relating to this insurance. Its terms may not be changed or waived except by endorsement or a new policy issued by **us**.

The premium for each term of this policy is determined by information in **our** possession at the inception of the term. Any changes in this information which would affect the rating of **your** policy, will allow **us** to make an additional charge or refund on a pro-rata basis.

If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of the change.

Policy terms which conflict with the laws of **your** state are hereby amended to conform to such laws. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in **your** state.

**We** may change this policy or replace it to conform to coverage currently in use. The change or new policy will be delivered to **you** or mailed to **you** at **your** mailing address shown in the policy at least 30 days before its effective date.

#### 4. **LEGAL ACTION AGAINST US**

**We** may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued under the Liability Coverage until the obligation of a person **we** insure to pay is finally determined either by judgment against that person at the actual trial or by written agreement of that person, the claimant and **us**. No person or organization shall have any right under this policy to make **us** a party to a suit to determine the liability of a person **we** insure.

#### 5. **TRANSFER OF YOUR INTEREST**

**Your** rights and duties under this policy may not be assigned without **our** written consent. However, if **you** die, coverage will be provided until the end of the policy period for:

- a. The surviving spouse if a resident in the same household at the time of death.
- b. **Your** legal representative. This applies only with respect to the representative's legal responsibility for the maintenance or use of **your covered auto**.

#### 6. **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 whatever is necessary to enable **us** to exercise **our** rights and shall do nothing after a **loss** to prejudice them.
- 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 hold in trust for **us** the proceeds of the recovery and shall reimburse **us** to the extent of **our** payment.

#### 7. **TWO OR MORE AUTOS INSURED WITH US**

If this policy insures two or more autos or if any other auto insurance policy issued to **you** by Western Protectors Insurance Company or Oregon Mutual Insurance Company applies to the same **auto accident**, the maximum limit of **our** liability under all policies shall not exceed the highest limit applicable under any one policy for that **occurrence**.

#### 8. **BANKRUPTCY**

Bankruptcy or insolvency of the **covered person** will not relieve **us** of any obligation under this policy.

#### 9. **LOSS PAYABLE CLAUSE**

**Loss** or **damage** under this policy shall be paid as interest may appear to **you** and the loss payee shown in the Declarations. This insurance covering

the interest of the loss payee shall become invalid only because of **your** fraudulent acts or omissions. However, **we** reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate the agreement as to the loss payee's interest. **We** will give advance notice of cancellation to the loss payee as required by law. When **we** pay the loss payee **we** shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.

#### 10. **TERMINATION**

a. **Cancellation.** This policy may be cancelled during the policy period as follows:

(1) **You** may cancel by returning the policy to **us** or by giving **us** advance written notice of the date cancellation is to take effect.

(2) **We** may cancel by mailing notice to **you** at the address shown in this policy;

(a) at least 10 days before cancellation date

i. if cancellation is for non-payment of premium; or

ii. if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy;

(b) at least 30 days notice in all other cases.

(3) After this policy is in effect for 60 days or if this is a renewal or continuation policy, **we** will cancel only;

(a) for non-payment of premium;

(b) if **your** driver's license or that of any driver who lives with **you** or customarily uses **your covered auto** has been suspended or revoked during the policy period; or

(c) if the insurance was obtained through fraudulent misrepresentation or **you** violate any of the terms and conditions of the policy.

b. **Nonrenewal.** If **we** decide not to renew or continue this policy **we** will mail notice to the **named insured** shown in the Declarations at the address shown on this policy at least 30 days before the end of the policy period.

c. **Automatic Termination.** 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.

If **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.

d. **OTHER TERMINATION PROVISIONS**

- (1) If the law in effect in **your** state at the time this policy is issued, renewed or continued, requires any longer notice period or any special form or procedure for giving notice, or modifies any of the stated termination reasons, **we** will comply with those requirements.
- (2) **We** may deliver any notice instead of mailing it. Proof of mailing any notice shall be sufficient proof of notice.

- (3) If this policy is cancelled, **you** may be entitled to a premium refund for the unexpired policy period on a pro rata basis. If so, **we** will send you the refund. However, making or offering to make the refund is not a condition of cancellation.
- (4) The effective date of cancellation stated in the notice shall become the end of the policy period.

**We** have signed this policy, but it will not be valid unless countersigned on the Declarations page by **our** authorized agent, when required by law.

SAMPLE



OREGON MUTUAL INSURANCE GROUP  
SECTION II - PERSONAL INJURY PROTECTION

G0574AO (1-08)

We agree with **you**, subject to all the terms of this endorsement and to all of the terms of the policy unless modified by this endorsement.

**COVERAGE C - PERSONAL INJURY PROTECTION**

We will pay Oregon Personal Injury Protection Benefits for:

1. **Medical and hospital expenses**,
2. **Income continuation expenses**,
3. **Loss of services expenses**,
4. **Funeral expenses**, and
5. **Child care services**

incurred with respect to **bodily injury** sustained by an **injured person** and caused by an **auto accident** arising out of ownership, maintenance or use of a **motor vehicle** as a **motor vehicle**.

**DEFINITIONS USED IN THIS ENDORSEMENT ONLY**

When used in reference to this coverage:

"**Auto accident**" means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** neither expected nor intended by the **injured person**.

"**Bodily Injury**" means **bodily injury**, sickness, or disease including death at any time resulting therefrom.

"**Damages**" are the cost of compensating those who suffer **bodily injury** from an **auto accident**.

"**Family member**" means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child under the age of 21.

"**Funeral Expenses**" means reasonable and necessary expenses for professional funeral services incurred within one year after the date of the **auto accident**.

"**Income**" means salary, wages, tips, commissions, professional fees, and profits from an individually owned business or farm.

"**Income continuation expenses**" means 70% of the **injured person's** loss of income during the period of the **injured person's** disability until the date the person is reasonably able to return to the person's usual occupation; provided that

1. such person was usually engaged in a remunerative occupation at the time of the **auto accident**,
2. the period of such disability continues for at least 14 days, and
3. **income continuous expenses** shall include only loss of **income** incurred from the date such disability commenced to the date on which such person is able to return to his usual occupation, or the expiration of not more than 52 weeks in the aggregate, or upon the death of such **injured person**, whichever occurs first.

"**Injured person**" means,

1. **you** or any **family member** who sustains **bodily injury** while **occupying a private passenger motor vehicle** or, while a **pedestrian**, through being struck by a **motor vehicle**;
2. any other person who sustains **bodily injury** while **occupying** or using the **insured motor vehicle**, with the permission of **you**, or while a **pedestrian**, through being struck by the **insured motor vehicle**.

"**Insured motor vehicle**" means a vehicle owned by **you**, to which the Bodily Injury Liability Insurance coverage of Section I of this policy applies and for which a specific premium is charged.

"**Loss of services expenses**" means expenses reasonably incurred by the **injured person** for essential services that were performed by a person who is not related to the injured person or residing in the injured person's household in lieu of the services the **injured person** would have performed without **income** during the period of the **injured person's** disability until the date the **injured person** is reasonably able to perform such essential services again; provided that,

1. such person was not usually engaged in remunerative occupation at the time of the accident,
2. the period of such disability continues for at least 14 days, and
3. **loss of services expenses** shall include only expense for such services actually rendered from the date such disability commenced to the date on which such person is reasonably able to perform such services, or the expiration of not more than 52 weeks in the aggregate, or the date of such **injured person's** death.

"**Medical and hospital expenses**" means all reasonable and necessary expenses incurred within one year from the date of the accident for medical, hospital, dental, surgical, ambulance and prosthetic services, provided that the cost of such expenses cannot exceed the lesser of:

1. An amount that does not exceed the amount the provider charges the general public; or
2. An amount that does not exceed the fee schedules for medical services published pursuant to ORS 656.248 for expenses of medical, hospital, dental, surgical, ambulance and prosthetic services.

This coverage includes expenses of hospital services that are subject to the adjusted cost-to-charge ratio specified for a hospital in the hospital fee schedule published pursuant to ORS 656.248, a provider of hospital services shall charge a person who receives personal injury protection benefits or that person's insurer the greater of:

1. The amount of the hospital charges multiplied by the adjusted cost-to-charge ratio specified for the hospital; or
2. Ninety percent of the hospital charges.

**"Motor vehicle"** means a self-propelled land **motor vehicle** or **trailer**, but does not include:

1. A vehicle operated on rails or crawler treads;
2. A farm type tractor or any other self-propelled equipment designed or modified for use principally off public roads, while not upon public roads;
3. A vehicle located for use as a residence or premises;
4. A vehicle, including a motorcycle or moped, which is owned by **you** or a **family member** and which is not covered by a motor vehicle liability insurance policy that provides personal injury protection benefits with respect to the use and maintenance of that vehicle;
5. A motorcycle or moped which is not owned by **you** or a **family member**.

However, this exclusion applies only when the injury or death results from such persons operating or riding upon the motorcycle or moped; or

6. A vehicle not described in sub-paragraphs 1 through 5 above of this paragraph and not a **private passenger motor vehicle**.

However this exclusion applies only when the injury or death results from such persons operating or **occupying** this vehicle.

**"Occupying"** means in, on, getting into or out of.

**"Pedestrian"** means a person while not occupying a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.

**"Private passenger motor vehicle"** means a four wheel passenger or station wagon type **motor vehicle** not used as a public or livery conveyance and includes any other four wheel **motor vehicle** of the utility, pickup body, sedan delivery, or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobile home and farm truck.

**"Total amount of benefits"** means the amount of money recovered by a person from: (1) Applicable underinsured motorist benefits described in ORS 742.502 paragraph 2; (2) Liability insurance coverage available to the person receiving the personal injury protection benefits from other parties to the accident; (3) Personal injury protection payments; and (4) Any other payments by or on behalf of the party whose fault caused the **damages**. (5) Nothing in this section requires a person to repay more than the amount of personal injury protection benefits actually received.

**"Utility Auto"** means a land motor vehicle having at least four wheels actually licensed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type.

This does not mean a vehicle used in any business or occupation other than farming or ranching.

**"We"**, **"us"**, and **"our"** refer to the company providing this insurance.

**"You"** and **"your"** refer to the **"named insured"** shown in the Declarations and the spouse if a resident of the same household.

## EXCLUSIONS

**We** will not pay:

1. For **bodily injury** intentionally caused by any insured person to him or herself. This exclusion applies regardless of the person or persons to whom the intentional act was directed.
2. For **bodily injury** sustained by any person while participating in any organized, prearranged, or agreed upon racing or speed contest, a one-car speed or performance exhibition, demolition, stunting activity contest, demonstration, or in practice or preparation for any such contest.
3. **Income continuation expenses, loss of services expenses, and child care expenses** with respect to **bodily injury** sustained by any **pedestrian** in an **auto accident** which occurs outside the State of Oregon.  
However, these coverages do apply to **you** or any **family member**.
4. For **bodily injury** due to war (declared or undeclared), civil war, insurrection, rebellion, revolution, riot, civil commotion, discharge of any nuclear weapon, or any consequences of any of these.
5. For **bodily injury** sustained by **you** or a **family member** while **occupying** any **motor vehicle**, including a motorcycle or moped, owned by or furnished or available for the regular use of **you** or a **family member** and not insured for Oregon Personal Injury Protection Benefits coverage under this policy.
6. For **bodily injury** sustained by **you** or a **family member** when the **bodily injury** results from such person's operation or riding upon a motorcycle or moped not owned by or furnished or available for regular use of **you** or a **family member**, and not insured for Oregon Personal Injury Protection Coverage under this policy.
7. For injury to any person arising out of the ownership, maintenance, or use of any motorized vehicle with less than four wheels.
8. For **bodily injury** sustained while **occupying** any vehicle located for use as a residence or premises.

9. For **bodily injury** resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
10. For **bodily injury** to an **injured person** who is entitled to receive, under the laws of this state or any other state of the United States, workers' compensation benefits or any other similar medical or disability benefits.
11. For any coverage under this endorsement if **you** or any other person insured under this policy willfully conceals or misrepresents any material fact in connection with a claim for personal injury protection benefits.

## LIMITS OF LIABILITY

Regardless of the number of persons or organizations insured, policies or bonds applicable, claims made, number of claimants, or **insured motor vehicles** to which this insurance applies, **we** will pay no more than the limits of liability described in this coverage section. Our liability for Oregon Personal Injury Protection Benefits with respect to **bodily injury** sustained by any one **injured person** in any one **motor vehicle** accident is limited as follows:

1. The total amount payable shall not exceed the sum of:
  - a. \$15,000 for **medical and hospital expenses**; or such higher limit of liability as is stated in the Declarations page of this policy to which this endorsement is attached, subject to stipulations as defined in the Definition section.
  - b. \$1,250 per month for **income continuation expenses** subject to stipulations as defined in the Definition section.
  - c. \$30 per day for **loss of services expenses** subject to stipulations as defined in the Definition section.
  - d. \$5,000 for **funeral expenses**.
  - e. \$750 for child care for an injured parent of a minor child. If the **injured person** is a parent of a minor child and is required to be hospitalized for a minimum of 24 hours, \$25 per day for child care, with payments to begin after the initial 24 hours of hospitalization and to be made for as long as the person is unable to return to work if the person is engaged in a remunerative occupation, or for as long as the person is unable to perform essential services that the person would have performed without income if the person is not usually engaged in a remunerative occupation.
2. Any amount payable under the terms of this insurance shall be reduced or eliminated by the amount paid or payable to or on behalf of an **injured person** under any worker's compensation benefits recoverable under the laws of this state or any other state of the United States or any medical or disability benefits law.

3. Any Oregon Personal Injury Protection Benefits payable to an insured under this policy shall be applied in reduction of the amount of damages that the insured may be entitled to recover from the insurer under Uninsured Motorist coverage for the same accident.
4. Any payments made by the Company under this insurance either as benefits to or on behalf of the **injured person** or as reimbursement, pursuant to Oregon Automobile Personal Injury Protection statutes, to any other insurer or organization for such benefits paid by it shall be applied in reduction of the amount of **damages** which, because of **bodily injury** sustained in the same accident, such **injured person** may be entitled to recover from the Company or any other insurer under insurance afforded for either **bodily injury** liability or protection against uninsured/underinsured motorists.
5. Any amount payable to or for the benefit of a pedestrian injured by the **insured motor vehicle** shall be excess over any other collateral benefits to which the **injured person** is entitled including but not limited to insurance benefits, governmental benefits (except Medicare benefits) or gratuitous benefits.

## POLICY PERIOD; TERRITORY

This insurance applies only to **auto accidents** which occur during the policy period within the United States of America, its territories or possessions, or Canada.

**NO MEXICO COVERAGE. READ THIS WARNING CAREFULLY.** No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an automobile accident a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican Insurance Company when needed.

## NOTICE

In the event of an **auto accident**, written notice containing particulars sufficient to identify the **injured persons**, and also reasonably obtainable information respecting the time, date, place and circumstances of the **auto accident** shall be given by or on behalf of each **injured person to us** or any of **our** authorized agents as soon as practicable. If any **injured person** or his legal representative shall institute legal action to recover **damages for bodily injury** against a person or organization who is or may be liable in tort therefor, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to **us** by such **injured person** or his legal representative.

Any **injured person** who has received benefits and who makes a claim or institutes legal action against any person or organization legally responsible for the **bodily injury** shall give notice of such claim or action to **us** by personal service or by registered or certified mail.



If **we** have not been a party to an interinsurer reimbursement proceeding with respect to benefits under ORS 742.534, **we** may seek reimbursement for benefits **we** have furnished, out of any recovery under a claim or legal action filed by an **injured person**. **We** shall give written notice of such election within 30 days from the receipt of notice of such claim or legal action from the **injured person**.

If **we** serve the written notice of election:

- a. **We** have a lien against such action for benefits **we** have furnished, less the proportion, not to exceed 100 percent, of the expenses, costs, and attorney's fees incurred by the **injured person** in connection with the recovery that the amount of the lien before such reduction bears to the amount of the recovery.
- b. The benefits furnished by **us** shall be included as **damages** in the claim by the **injured person**.
- c. Any legal action shall be taken in the name of the **injured person**.

If **we** furnished personal injury protection benefits for a person injured in a motor vehicle accident and the interinsurer reimbursement benefit of ORS 742.534 is not available under the terms of that section, and **we** have not elected recovery by lien as provided in ORS 742.536, **we** are entitled to the following subrogation benefits as stipulated by ORS 742.538.

#### **SUBROGATION**

In the event of payment to any person of any benefits under this endorsement:

1. **We** are entitled to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of the **injured person** against any person legally responsible for the accident, to the extent of such benefits furnished by **us** less **our** share of expenses, costs and attorney fees incurred by the **injured person** in connection with such recovery.
2. **We** are entitled to reimbursement for personal injury protection payments made on behalf of any person only to the extent that the **total amount of benefits** paid exceeds the economic damages as defined in ORS 18.560 suffered by that person.
3. The **injured person** shall hold in trust for the benefit of **us** all such rights of recovery which the **injured person** has, but only to the extent of such benefits furnished.
4. The **injured person** shall do whatever is proper to secure, and shall do nothing after loss to prejudice, such rights.
5. If requested in writing by **us**, the **injured person** shall take, through any representative not in conflict in interest with the **injured person** designated by **us**, such action as may be necessary or appropriate to recover such benefits furnished as damages from such responsible person, such action to be taken in

the name of the **injured person**, but only to the extent of the benefits furnished by **us**. In the event of a recovery, **we** shall also be reimbursed out of such recovery for the injured person's share of expenses, costs and attorney fees incurred by **us** in connection with the recovery.

6. In calculating respective shares of expenses, costs and attorney fees under this section, the basis of allocation shall be the respective proportions borne to the total recovery by:
  - a. such benefits furnished by **us**; and
  - b. the total recovery less 6.a.
7. The **injured person** shall execute and deliver to **us** such instruments and papers as may be appropriate to secure the rights and obligations of **us** and the **injured person** as established in this section.

#### **MEDICAL REPORTS: PROOF OF CLAIM**

As soon as practicable the **injured person** or someone on his behalf shall give to **us** written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist **us** in determining the amount due and payable. The **injured person** shall submit to physical examinations by physicians selected by **us** when and as often as **we** may reasonably require.

The **injured person** or in the event of his incapacity or death, his legal representative, shall upon each request from **us** execute authorization to enable **us** to obtain medical reports, copies of records and information with respect to loss of **income**. **We** may require that the **injured person**, as a condition for receiving **income continuation expenses**, cooperate in furnishing **us** reasonable medical proof of his inability to work.

#### **PAYMENT OF CLAIMS**

**We** will pay any amount due:

1. To the **injured person**;
2. If the **injured person** is a minor or an incompetent person, to the parent or legal guardian;
3. If the **injured person** is deceased, to the surviving spouse if a resident of the same household at the time of the **auto accident**; or
4. At **our** option, to a person authorized by law to receive such payment.

#### **ARBITRATION**

If **we** and the **insured** do not agree as to whether the **insured** is entitled to recover personal injury protection benefits; or the amount of benefits which are recoverable by the **insured**; then the matter may be arbitrated.

Both parties must agree to the arbitration. If so agreed, each party will select a competent and disinterested arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within 30

days then, upon the request of such person or **us**, such third arbitrator shall be selected by a judge of a court of record in the county and state in which such arbitration is pending.

The arbitrators shall then hear and determine the question or questions so in dispute, and the decision in writing of any two arbitrators are:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated can not be used to prevent the same issues from being re-litigated in another cause of action.

Each arbitration party shall pay his or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration, provided that attorney's fees and fees paid to medical or other witnesses are not deemed to be expenses of arbitration, but are to be borne by the party incurring them. Unless the parties otherwise agree the arbitration proceedings shall be conducted under local court rules in the county where the arbitration is held.

#### **Oregon Special Arbitration Provisions**

We will reimburse the insured for any arbitration costs in excess of \$100. Costs do not include attorney's fees or expenses incurred in the production of evidence or witnesses or making transcripts of the arbitration proceedings.

#### **OTHER INSURANCE**

The insurance afforded under this endorsement shall be excess for:

1. **Bodily injury** sustained by any **pedestrian**, other than **you** or any **family member**, over any other collateral benefits to which the **injured person** is entitled, including but not limited to insurance benefits, governmental benefits or gratuitous benefits by another insurer, governmental benefits (except Medicare benefits), gratuitous benefits or Oregon Personal Injury Protection Benefits.
2. **Bodily injury** sustained by **you** or any **family member** while occupying any **motor vehicle**, other than the **covered motor vehicle**, with respect to which Oregon Personal Injury Protection Benefits are in effect.

Notwithstanding the above, if this policy insures two or more autos or if any other auto insurance policy issued to **you** by **us** applies to the same **auto accident**, the maximum limit of **our** liability shall not exceed the highest limit applicable to any one auto.

It is further agreed that any Personal Injury Protection Insurance afforded under this policy shall be excess insurance over any medical expense benefits paid or payable under this or any other automobile insurance policy because of **bodily injury** to an **injured person**.



**OREGON MUTUAL INSURANCE GROUP**  
**IMPORTANT NOTICE TO POLICYHOLDERS**

M8635AO (1-08)

Dear Policyholder,

Effective with the renewal of your policy we have revised the following automobile contract and endorsements to comply with several bills passed by the 2007 Oregon State Legislature. The following information summarizes these changes:

**CHANGES OR ENHANCEMENTS IN COVERAGE**

**AUTOMOBILE PROTECTOR POLICY – G0560AO (1-08)**

**Under YOUR DUTIES AFTER AN ACCIDENT OR LOSS – OTHER DUTIES, item 6**, we added an examination under oath explanation previously found in our Amendatory endorsement G0093A (1-06).

**Under EXCLUSIONS item 16** – We have clarified that economic damages exceeding the minimum coverage allowed by the subsection, arising from bodily injury or death to the insured or a member of the insured's household, is subject to the limits of liability stated in the policy.

**SECTION II – PERSONAL INJURY PROTECTION – G0574AO (1-08)**

**Under NOTICE** we have clarified that if we furnished personal injury protection benefits for a person injured in a motor vehicle accident and the inter-insurer reimbursement benefit is not available to us and we have not elected recovery by lien, we are entitled to subrogation benefits.

**We eliminated the REIMBURSEMENT AND TRUST AGREEMENT provision and added a SUBROGATION provision.** Most of this new provision was found in the prior Reimbursement and Trust Agreement provision.

**Under the ARBITRATION provision** – We revised this section to state that a decision in writing of any two arbitrators is:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated cannot be used to prevent the same issue from being re-litigated in another cause of action.

**SECTION III – UNINSURED/UNDERINSURED MOTORISTS – G0307AO (1-08)**

**Under Coverage D** – Uninsured/Underinsured Motorist Coverage we clarified that if no agreement was made regarding the recovery of damages, a decision **may** be made by arbitration.

**Under the definition of an uninsured/underinsured motor vehicle** – We added (item g.), a vehicle that is owned or operated by a self-insurer:

- (1) that is not in compliance with ORS 806.130 (1) (c);
- (2) that provides recovery to an insured in an amount that is less than the limits for uninsured motorist coverage of the insured; or
- (3) that is a public body for which recovery to an insured exhausts the limit of uninsured motorist coverage required by ORS 30.270.

**Under the ARBITRATION provision** – We revised this section to state that a decision in writing of any two arbitrators is:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated cannot be used to prevent the same issue from being re-litigated in another cause of action.

Please read the enclosed revised automobile contract and endorsements and attach them to your existing Declaration page and other applicable automobile endorsements.

If you have any questions regarding this information, or any other insurance matter, please contact your insurance agent.

We appreciate your business. Thank you for insuring with the Oregon Mutual Insurance Group.

A handwritten signature in black ink, appearing to read "Eric Cutler". The signature is fluid and cursive, with a large initial "E" and "C".

Eric Cutler, CPCU, CIC  
Northwest Personal Lines  
Business Unit Manager



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AGREEMENT

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

DEFINITIONS

**We** define some words to shorten the policy. This makes it easier to read and understand. Defined words are printed in boldface when used.

**"Auto Accident"** or **"occurrence"** means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** or **property damage** neither expected nor intended by the **covered person**.

**"Bodily injury"** means bodily injury to or sickness, disease or death of any person.

**"Damages"** are the costs of compensating those who suffer **bodily injury** or **property damage** from an **auto accident**.

**"Family member"** means a person related to **you** by blood, marriage or adoption, who is a resident of **your** household, including a ward or foster child under the age of 21.

**"Loss"** means direct and accidental **loss** of or damage to **your covered auto**, including its equipment.

**"Occupying"** means in, on, getting into or out of.

**"Private Passenger Auto"** means a four-wheel land motor vehicle of the private passenger or station wagon type actually licensed for use on public roadways. It includes any motor home with no more than six wheels and not used for business purposes.

A **private passenger auto** does not mean such a vehicle: located for use as a residence or premises; operated on rails or crawler treads; which is a farm type tractor or equipment designed for use principally off public roads.

**"Property Damage"** means physical injury to or destruction of tangible property, including **loss** of its use.

**"Trailer"** means a vehicle designed to be towed by a **private passenger auto** and includes a farm wagon while towed by a **private passenger auto** or **utility auto**.

It does not include a **trailer** used as an office, store, display or passenger **trailer**.

**"Utility Auto"** means a land motor vehicle having at least four wheels, which is actually licensed for use upon public roadways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type.

This does not mean a vehicle used in any business or occupation other than farming or ranching, unless the vehicle is specifically insured by this policy and shown on the Declaration page.

**"We"**, **"us"**, and **"our"** refer to the Company providing this insurance.

**"You"** and **"your"** refer to the person named in the Declarations and the spouse (includes a person who is a partner in a domestic partnership as those terms are defined by Oregon law) if a resident of the same household.

**"Your covered auto"** means:

1. A **private passenger** or **utility automobile** owned by **you** and described in the Declarations for which a specific premium charge indicates that coverage is afforded.
2. Any other **private passenger** or **utility automobile** ownership which is acquired by **you** during the policy period; provided
  - a. **you** notify **us** within 30 days of its acquisition, and
  - b. as of the date of acquisition, all **private passenger** and **utility automobiles you** own are insured with Oregon Mutual Insurance Company or with Western Protectors Insurance Company.

Ownership shall include the written leasing of a **private passenger** or **utility auto** for a continuous period of at least six months.

3. Any **trailer you** own.
4. Any **private passenger auto, utility auto** or **trailer** not owned by **you** or any **family member** while being temporarily used as a substitute for any other vehicle described in this definition because of its withdrawal from normal use due to breakdown, repair, servicing, **loss** or destruction.

## YOUR DUTIES AFTER AN ACCIDENT OR LOSS

### NOTICE

In the event of an **accident**, or **loss**, notice must be given to **us** promptly. The notice must give the time, date, place and circumstances of the **accident**, or **loss**, including the names and addresses of injured persons and witnesses.

### OTHER DUTIES

A person claiming any coverage of this policy must also:

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 **auto accident** or **loss**.
3. Submit at **our** expense and as often as **we** reasonably require, to physical examinations by physicians **we** select.
4. Authorize **us** to obtain medical reports and other pertinent records.
5. Provide any written proofs of loss **we** require.
6. Allow us to examine any insured under oath, while not in the presence of any other insured and as many times as may be reasonably required, about any matter relating to this insurance or claim. In the event of an examination, an insured's answers must be signed.

A person claiming 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.

A person claiming coverage for Damage to **Your** Auto must also:

1. Take reasonable steps after **loss**, at **our** expense to protect **your covered auto** and its equipment from further **loss**.
2. Promptly notify the police if **your covered auto** is stolen.
3. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

## SECTION I - LIABILITY COVERAGE

### COVERAGE A - BODILY INJURY

### COVERAGE B - PROPERTY DAMAGE

**We** will pay **damages** for **bodily injury** or **property damage** for which any **covered person** becomes legally liable to pay because of an **auto accident** involving a **covered auto**. **Damages** include prejudgment interest awarded against any **covered person**.

**We** will defend any claim or suit asking for these **damages**. **We** may settle when **we** consider it appropriate.

Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements.

**We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

#### **ADDITIONAL DEFINITIONS FOR THIS SECTION ONLY**

"**Covered person**" as used in this section means:

1. **You** or any **family member** with respect to the ownership, maintenance, or use of **your covered auto**.
2. Any person using **your covered auto**.
3. Any other person or organization with respect only to legal liability for acts or omissions of:
  - a. Any person covered under this part while using **your covered auto**.
  - b. **You** or any **family member** covered under this section while using any **private passenger auto, utility auto, or trailer** other than **your covered auto** if not owned or hired by that person.

"**Covered Person**" does not mean:

1. The United States of America or any of its agencies.
2. Any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
3. Any person using a vehicle without a reasonable belief that the person is entitled to do so and that the person is using the vehicle within the scope of the permission granted.

"**Your covered auto**" as used in this section shall include any other **private passenger auto, utility auto, or trailer** not owned by, furnished or available for the regular use of **you** or a **family member**.

But no vehicle shall be considered as **your covered auto** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by **you** or a **family member**.

#### **ADDITIONAL PAYMENTS FOR THIS SECTION ONLY**

In addition to **our** limit of liability, **we** will pay these benefits as respects a **covered person**:

1. All costs **we** incur in the settlement of any claim or defense of any suit.

2. 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.
3. **We** will pay:
  - a. all premiums on appeal bonds on any suit **we** defend which **we** decide to appeal.
  - b. premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy.
  - c. up to \$300 for the cost of bail bonds required because of an accident, including related traffic law violations, resulting in **bodily injury** or **property damage** covered under this policy. **We** are not obligated to apply for or furnish any of the above bonds.
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. Expenses **you** incur for immediate medical and surgical treatment for others performed at the scene of the **auto accident** resulting in **bodily injury** covered by this part.
6. Other reasonable expenses incurred at **our** request.

#### **EXCLUSIONS**

**We** will not pay:

1. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use, loading or unloading of a vehicle when used to carry persons or property for a fee.  
This exclusion does not apply to shared-expense car pools.
2. For **bodily injury** or **property damage** caused intentionally by or at the direction of any person. This exclusion applies regardless of the person or persons by or at whom the intentional act was directed.
3. For the legal liability of any person for **bodily injury** to an employee of that person during the course of employment.  
This exclusion does not apply to **bodily injury** to a domestic employee unless worker's compensation benefits are required or available for that domestic employee.
4. For the legal liability of any person while employed or otherwise engaged in the business or occupation of selling, repairing, servicing, storing, or parking of vehicles designed for use mainly on public highways, including road testing and delivery.  
This exclusion does not apply to the ownership, maintenance or use of **your covered auto** by **you**, any **family member**, or any partner, agent, or employee of **you** or any **family member**.

5. For the legal liability of any person maintaining or using any vehicle while that person is employed or otherwise engaged in any business or occupation not described in Exclusion 4.

This exclusion does not apply to the ownership, maintenance, or use of a **private passenger auto** or **utility auto**.

6. For damage to property owned or being transported by a **covered person**.

7. For the legal liability of any person, for damage to property rented to, owned by, or in the care of that person.

This exclusion does not apply to damage to a residence or private garage.

8. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use by a **covered person** of a motorized vehicle with less than four wheels or designed mainly for use off public roads.

This exclusion (8.) does not apply:

- while such vehicle is being used by an **insured** in a medical emergency;
  - To any **trailer**; or
  - To any non-owned golf cart.
9. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle other than **your covered auto**, which is owned by or furnished or available for regular use by **you** or a **family member**.
10. For any legal liability arising from the sponsorship or taking part in any racing or speed contest, demolition, stunting activity or contest, or demonstration in which **your covered auto** has participation. This also applies to practice or preparation for any such contest, activity or event.
11. For the legal liability of a **covered person** for **bodily injury** to **you** or a **family member**.
12. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use by any person of a vehicle in which **you** have transferred interest but the transfer does not comply with the vehicle transfer provisions of the state law.
13. For the legal liability of any person using a vehicle without a reasonable belief that the person is entitled to do so.
- This exclusion (13.) does not apply to a **family member** using **your covered auto**, which is owned by **you**.
14. For **bodily injury** or **property damage** arising out of the operation of farm machinery.

15. For the legal liability of any person for **bodily injury** or **property damage** for which that person is an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.

16. We do not provide Liability Coverage to **you** or any **family member** residing in **your** household for **bodily injury** to the extent that the limits of liability for this coverage exceeds the following limit as required by the Oregon Financial Responsibility Law: \$25,000 for each person/\$50,000 for each accident in all other cases.

However, if economic damages, as defined in ORS 31.710, arising from bodily injury or death to an insured or a member of the insured's household exceed the minimum coverage allowed by this subsection, the maximum liability for damages arising from bodily injury or death to an insured or a member of the insured's household is the amount of economic damages subject to the limits of liability stated in this policy.

#### LIMIT OF LIABILITY

Under either Split or Single Limit, no one will be entitled to receive duplicate payments for the same elements of loss under this coverage, medical or personal injury protection, and uninsured/underinsured motorist coverage provided by this policy. The limit of liability shown in the Declarations apply subject to the following:

#### SPLIT LIMIT

- The **bodily injury** liability for "each person" is **our** maximum limit of liability for all **damages** for **bodily injury** sustained by any one person in any one **auto accident**. This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles for which premiums are shown in the Declarations, vehicles involved in the **auto accident**, or policies issued to **you** by **us**.  
Any claim for loss of consortium or injury to any relationship arising from this injury shall be included within the limit of liability for the injured person.
- Subject to the **bodily injury** liability limit for "each person" the **bodily injury** liability limit for "each **auto accident**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any one **auto accident**.
- The **property damage** liability limit for "each **auto accident**" is the maximum for all **damages** to all property in any one **auto accident**.



## SINGLE LIMIT

The limit of liability shown in the Declarations is the maximum limit of liability for all **damages** resulting from any one **auto accident**. This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles for which premiums are shown in the Declarations, vehicles involved in the **auto accident**, or policies issued to **you** by **us**.

## 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:

1. If the State or Province has 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. If the State or Province has a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses a vehicle in that State or Province, **your** policy will provide at least the required minimum amounts and types of coverage.

No one can collect more than once for the same elements of loss as a result of the application of this provision.

## CONFORMITY WITH FINANCIAL RESPONSIBILITY LAWS

If **we** certify this policy as proof of financial responsibility for the future under any financial responsibility law, this policy shall comply with the provisions of the law to the extent of the coverage required.

**You** agree to reimburse **us** for any payment made by **us** which **we** would not have been obligated to make under the terms of this policy except for the agreement contained in this provision.

## OTHER INSURANCE

If there is other applicable liability 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 for a vehicle **you** do not own shall be excess over any other collectable insurance.

## SECTION II - PERSONAL INJURY PROTECTION OR MEDICAL PAYMENTS COVERAGE

**We** will pay Personal Injury Protection or Medical Payments Coverage Benefits and Expenses according to the coverage indicated on the Declarations page. The applicable Section II endorsement is attached to and made a part of this policy.

## SECTION III - UNINSURED MOTORISTS/UNDERINSURED MOTORISTS

**We** will pay Uninsured/Underinsured Motorists Protection Benefits according to the coverage indicated on the Declarations page. The applicable Section III endorsement is attached to and made a part of this policy.

## SECTION IV - DAMAGE TO YOUR AUTO COVERAGE F - COMPREHENSIVE

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that **Comprehensive** coverage is afforded.

**We** will pay for **loss to your covered auto** caused by an accidental means except **collision**, less any applicable deductible stated in the Declaration. This deductible applies separately to each **loss**.

**Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by **collision**. If breakage of glass results from a **collision**, **you** may elect to have it treated as **loss** caused by **collision**.

## COVERAGE G - COLLISION

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates that **Collision** coverage is afforded.

**We** will pay for **loss to your covered auto** caused by **collision**, less any applicable deductibles stated in the Declarations. No deductible shall apply if the **collision** is with another auto insured by either Western Protectors Insurance Company or Oregon Mutual Insurance Company. Any deductible shall apply separately to each **loss**.

## ADDITIONAL DEFINITIONS USED IN THIS SECTION ONLY

1. "**Collision**" means the collision of **your covered auto** with another object or upset of **your covered auto**.
2. "**Comprehensive**" means **loss** other than **collision** to **your covered auto** caused by accidental means except **collision**. **Loss** caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by **collision**. If breakage of glass results from a **collision**, **you** may elect to have it treated as **loss** caused by **collision**.

3. **"Loss"** means direct and accidental **loss** of or damage to **your covered auto**, including its equipment.
4. **"Your Covered Auto"** shall also include any other **private passenger auto, utility auto or trailer** not owned by or furnished or available for the regular use of **you** or any **family member**.

But no vehicle shall be considered as **your covered auto** unless there is sufficient reason to believe that the use is with the permission of the owner, and **you** are using it within the scope of the permission granted, and unless it is used by **you** or any **family member**.

### SUPPLEMENTARY PAYMENTS

1. We will pay up to, but not more than \$200 for **loss** of clothing or luggage in **your covered auto** and belonging to **you** or a **family member**. These items have to be in or on **your covered auto**. **Your covered auto** has to be covered under this policy for:
  - a. **Comprehensive**, and the **loss** caused by fire, lightning, flood, falling objects, explosion, earthquake or theft. If the **loss** is due to theft, **your entire covered auto** must have been stolen; or
  - b. **Collision**, and the **loss** caused by **collision**.
2. **Rental Cost**

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates coverage is afforded.

**We** will reimburse **you** for necessary reasonable transportation expenses **you** incur due to the loss of use of a **covered auto**, provided that:

- a. The auto is withdrawn from use for more than 24 hours, and;
- b. The **loss** is caused by **Collision** or a **Comprehensive** coverage peril.
- c. When a deductible applies to the insured peril, the **loss** must exceed the deductible amount before coverage applies.
- d. **You** give **us** or **our** authorized representatives evidence of **your** expenses.

**Our** payment will be limited to that period of time reasonably required to repair or replace the **covered auto**. **We** will pay up to \$35 per day. The maximum payable is \$1,050.

This coverage shall apply regardless of the expiration date of the policy period, provided the **loss** occurs during the policy period.

### 3. Transportation Coverage

If **you** have **Comprehensive** coverage, **we** will pay for necessary reasonable transportation expenses **you** incur due to the total theft of **your covered auto**. **We** will pay up to \$35 per day, subject to a maximum of \$1,050. This coverage begins 24 hours after the theft has been reported to **us** and to the police, and ends when the **covered auto** is returned to use or **we** offer settlement for the **loss**.

### 4. Towing and Labor Costs Coverage

**You** have this coverage for any vehicle described in the Declarations for which a specific premium charge indicates coverage is afforded.

**We** will pay up to \$100 for reasonable and necessary towing and labor costs incurred because of disablement of **your covered auto**. The labor must be performed at the place of disablement.

### EXCLUSIONS

**We** will not pay for loss:

1. To **your covered auto** while used to carry persons or property for a charge.  
This exclusion does not apply to shared expense car pools.
2. Due to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.  
But coverage does apply if the **loss** results from burning of wire. Also coverage does apply if the **loss** results from the total theft of **your covered auto**.
3. Caused by war (declared or undeclared), civil war, insurrection, rebellion, riot, revolution, nuclear reaction, radiation or radioactive contamination, or any consequences of any of these.
4. To equipment designed for the reproduction of sound, or any radio receiving and/or transmitting equipment. This applies to such equipment as a tape player, tape recorder, citizens band radio and two-way mobile radio, telephone, television, scanning monitor receiver or radar detector. It also applies to any electronic device incorporating any of this equipment, as well as accessories and antennas.  
However, coverage does apply to that equipment which is permanently installed in the opening of the dash or console of **your covered auto** normally used by the motor vehicle manufacturer of **your covered auto** for the installation of a radio or sound reproducing device.
5. To tapes, records, reels, cassettes, cartridges, carrying cases or other devices for use with equipment designed for the reproduction of sound.

6. To a camper body, motor home or **trailer** not shown in the Declarations.

This exclusion does not apply to a camper body, motor home or **trailer** if **you** acquire ownership during the policy period and **you** ask **us** to insure it within thirty days after **you** become the owner.

7. To awnings, cabanas, or equipment designed to provide additional living facilities.
8. To a vehicle not owned by **you** when used in the business or occupation of selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways, including road testing and delivery.
9. During any organized or agreed upon racing or speed contest, demolition, stunting activity or contest, or demonstration in which **your covered auto** has participation or in practice or preparation for any such contest.
10. For the repair or replacement of the following furnishings or equipment: special carpeting, insulation, wall paneling, furniture, bars, facilities for cooking and sleeping including enclosures or bathroom facilities, height-extending roofs, murals, paintings or other decals or graphics.
11. To any vehicle due to conversion, embezzlement or secretion by any person who has the vehicle due to any lien, rental or sales agreement.
12. For **you** or any **family member** using a non-owned auto without a reasonable belief that the person is entitled to do so and that the person is using the vehicle within the scope of the permission granted.
13. To your **covered auto** or any non-owned auto due to destruction or confiscation by governmental or civil authorities because **you** or your **family member**:
  - a. engaged in illegal activities; or
  - b. failed to comply with Environmental Protection Agency or Department of Transportation standards.
14. For any diminution in the value of a **covered auto** after any damage covered under this Section has been repaired.

**Diminution in value** means the actual or perceived loss in market or resale value which results from a direct and accidental loss.

15. To, or loss of use of, a non-owned auto rented by **you** or any **family member** if a rental vehicle company is precluded from recovering such loss or loss of use, from **you** or that **family member**, pursuant to the provisions of any applicable rental agreement or state law.

#### LIMIT OF LIABILITY

**Our** limit of liability for **loss** will be the lesser of:

1. The actual cash value of the stolen or damaged property. (Actual cash value includes a deduction for depreciation, however caused.)
2. The amount necessary to repair or replace the property.
3. The limit of liability stated in the Declarations.
4. \$500 for a **trailer** not owned by **you** or any **family member**.

#### PAYMENT OF LOSS

**We** may pay the **loss** in money or repair or replace the damaged or stolen property. **We** may at **our** expense, return any stolen property to **you** or to the address shown in this policy. If **we** return stolen property **we** will pay for any damage resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value.

#### APPRAISAL

If **you** or **we** fail to agree as to the amount of **loss**, either may demand an appraisal of the **loss**. However, both parties must agree to appraisal and to be bound by the results of that appraisal. In such an event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss**, and failing to agree, shall submit their differences to the umpire. An agreement in writing of any two shall determine the amount of **loss**. **You** will pay **your** chosen appraiser and **we** will pay **our** chosen appraiser. **You** and **we** shall bear equally the other expenses of the appraisal and umpire.

**We** shall not be held to have waived any of **our** rights by any act relating to appraisal.

#### OTHER INSURANCE

If other insurance also covers the **loss**, **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 for an auto **you** or any **family member** does not own shall be excess over any other collectible insurance.

## SECTION V - GENERAL PROVISIONS

### 1. POLICY PERIOD AND TERRITORY

This policy applies only to **auto accidents** and **losses** occurring during the policy period shown in the Declarations which occur within the United States, its territories or possessions, or Canada, or while the **covered auto** is being shipped between their ports.

**NO MEXICO COVERAGE. READ THIS WARNING CAREFULLY.** No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an **automobile accident** a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican insurance company when needed.

### 2. CHANGES

This policy with the Declarations includes all agreements between **you** and **us** relating to this insurance. Its terms may not be changed or waived except by endorsement or a new policy issued by **us**.

The premium for each term of this policy is determined by information in **our** possession at the inception of the term. Any changes in this information which would affect the rating of **your** policy, will allow **us** to make an additional charge or refund on a pro-rata basis.

If a premium adjustment is necessary, **we** will make the adjustment as of the effective date of the change.

Policy terms which conflict with the laws of **your** state are hereby amended to conform to such laws. When **we** broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in your state.

**We** may change this policy or replace it to conform to coverage currently in use. The change or new policy will be delivered to **you** or mailed to **you** at **your** mailing address shown in the policy at least 30 days before its effective date.

### 3. LEGAL ACTION AGAINST US

**We** may not be sued unless there is full compliance with all the terms of this policy. **We** may not be sued under the Liability Coverage until the obligation of a person **we** insure to pay is finally determined either by judgment against that person at the actual trial or by written agreement of that person, the claimant and **us**. No person or organization shall have any right under this policy to make **us** a party to a suit to determine the liability of a person **we** insure.

### 4. TRANSFER OF YOUR INTEREST

**Your** rights and duties under this policy may not be assigned without **our** written consent. However, if **you** die, coverage will be provided until the end of the policy period for:

- a. The surviving spouse if a resident in the same household at the time of death.
- b. **Your** legal representative. This applies only with respect to the representative's legal responsibility for the maintenance or use of **your covered auto**.

### 5. 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 whatever is necessary to enable **us** to exercise **our** rights and shall do nothing after a **loss** to prejudice them.
- 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 hold in trust for **us** the proceeds of the recovery and shall reimburse **us** to the extent of **our** payment.

### 6. TWO OR MORE AUTOS INSURED WITH US

If this policy insures two or more autos or if any other auto insurance policy issued to **you** by Western Protectors Insurance Company or Oregon Mutual Insurance Company applies to the same **auto accident**, the maximum limit of **our** liability under all policies shall not exceed the highest limit applicable under any one policy for that **occurrence**.

### 7. BANKRUPTCY

Bankruptcy or insolvency of the **covered person** will not relieve **us** of any obligation under this policy.

### 8. LOSS PAYABLE CLAUSE

**Loss** or damage under this policy shall be paid as interest may appear to **you** and the loss payee shown in the Declarations. This insurance covering the interest of the loss payee shall become invalid only because of **your** fraudulent acts or omissions.

However, **we** reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate the agreement as to the loss payee's interest. **We** will give advance notice of cancellation to the loss payee as required by law.

When **we** pay the loss payee **we** shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.

## 9. TERMINATION

- a. **Cancellation.** This policy may be cancelled during the policy period as follows:
- 1) **You** may cancel by returning the policy to **us** or by giving **us** advance written notice of the date cancellation is to take effect.
  - 2) **We** may cancel by mailing notice to **you** at the address shown in this policy;
    - a) at least 10 days before cancellation date
      - i. if cancellation is for non-payment of premium; or
      - ii. if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy;
    - b) at least 30 days notice in all other cases.
  - 3) After this policy is in effect for 60 days or if this is a renewal or continuation policy, **we** will cancel only;
    - a) for non-payment of premium;
    - b) if **your** driver's license or that of any driver who lives with **you** or customarily uses **your covered auto** has been suspended or revoked during the policy period; or
    - c) if the insurance was obtained through fraudulent misrepresentation or **you** violate any of the terms and conditions of the policy.
- b. **Nonrenewal.** If **we** decide not to renew or continue this policy **we** will mail notice to the **named insured** shown in the Declarations at the address shown on this policy at least 30 days before the end of the policy period.
- c. **Automatic Termination.** 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.
- If **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.

## d. OTHER TERMINATION PROVISIONS

- 1) If the law in effect in **your** state at the time this policy is issued, renewed or continued, requires any longer notice period or any special form or procedure for giving notice, or modifies any of the stated termination reasons, **we** will comply with those requirements.
- 2) **We** may deliver any notice instead of mailing it. Proof of mailing any notice shall be sufficient proof of notice.
- 3) If this policy is cancelled, **you** may be entitled to a premium refund for the unexpired policy period on a pro rate basis. If so, **we** will send you the refund. However, making or offering to make the refund is not a condition of cancellation.
- 4) The effective date of cancellation stated in the notice shall become the end of the policy period.

## 10. MISREPRESENTATION, CONCEALMENT, FRAUD

All Statements made by or on behalf of the **insured**, in the absence of fraud, shall be deemed representations and not warranties. No such statements that arise from an error in the application shall be used in defense of a claim under the policy unless:

- a. the statements are contained in a written application; and
- b. a copy of the application is endorsed upon or attached to the policy when issued.

In order to use any representation by or on behalf of the **insured** in defense of a claim, **we** must show that the representations are material and that **we** relied on them.

There is no coverage under this policy if **you** or any other person insured under this policy has made false statements with the intent to conceal or misrepresent any material fact or circumstance in connection with any claim under this policy.

**We** have signed this policy, but it will not be valid unless countersigned on the Declarations page by **our** authorized agent, when required by law.



WESTERN PROTECTORS INSURANCE COMPANY  
SECTION III - UNINSURED/UNDERINSURED MOTORIST

S0561A (1-08)

We agree with **you**, subject to all the terms of this endorsement and to all the terms of the policy except as modified herein, as follows:

**Coverage D - Uninsured/Underinsured Motorist Coverage**

We will pay **damages** for **bodily injury** which a **covered person** shall be legally entitled to recover from the owner or operator of an **uninsured/underinsured motor vehicle**. The **bodily injury** must be caused by an **auto accident** and arise out of the ownership, maintenance or use of the **uninsured/underinsured motor vehicle**.

**Uninsured/underinsured motorist** coverage also provides coverage for bodily injury or death when:

1. The limits for uninsured motorist coverage of the insured equal the limits of the liability policy of the person whose fault caused the **bodily injury** or death; and
2. The amount of liability insurance recovered is less than the limits for uninsured motorist coverage of the **insured**.

We will pay under this coverage only after the limits of liability under any applicable **bodily injury** liability policies have been used up in payment of settlements or judgments.

Determination of whether a **covered person** is legally entitled to recover **damages** or the amount of **damages** shall be made by agreement between the **covered person** and **us**. If no agreement is reached, the decision may be made by arbitration as provided for in this policy. If suit is brought to determine legal liability for **damages** without **our** written consent, **we** are not bound by any resulting judgment.

**ADDITIONAL DEFINITIONS USED IN THIS SECTION ONLY**

As used in this SECTION:

1. "**Covered person**" means:
  - a. **you** or a **family member**;
  - b. any other person **occupying your covered auto**; and
  - c. any other person for **damages** that person is entitled to recover because of **bodily injury** to **you**, a **family member**, or another occupant of **your covered auto**.  
But, no person shall be considered a **covered person** if that person uses a vehicle without a reasonable belief that:
    - 1) the person is entitled to do so; and
    - 2) the person is using the vehicle within the scope of the permission granted.
2. "**Motor vehicle**" means a land motor vehicle or a **trailer**, if described in this policy, but does not mean such a vehicle:

- a. operated on rails or crawler-treads;
  - b. which is a farm type tractor or equipment designed for use principally off public roads, while not on public roads;
  - c. located for use as a residence or premises; and
  - d. any vehicle not requiring state licensing.
3. "**Uninsured/Underinsured motor vehicle**" means a land motor vehicle or **trailer** which is:
    - a. not insured by a **bodily injury** liability policy at the time of the **auto accident**;
    - b. insured by a liability policy at the time of the **auto accident** but its limit for **bodily injury** liability is less than the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which **your covered auto** is principally garaged;
    - c. insured by a **bodily injury** liability policy at the time of the **auto accident**, but the insurance company denies coverage or, within two years of the date of the accident, the company writing the insurance becomes voluntarily or involuntarily declared bankrupt or for which a receiver is appointed or becomes insolvent.
    - d. insured by **bodily injury** policies at the time of the **auto accident**, but the sum of the limits of liability under all such **bodily injury** liability policies applicable at the time of the accident is less than the applicable limits of liability under this insurance;
    - e. a hit-and-run vehicle whose operator or owner is unknown and which strikes, or causes an accident resulting in **bodily injury** without striking:
      - 1) **you** or any **family member**;
      - 2) a **motor vehicle** which **you** or a **family member** are occupying;
      - 3) **your covered auto**.When there is no physical contact with the hit-and-run vehicle, the facts of the **auto accident** must be provided and verified by someone other than the testimony of the person making a claim under this or any similar coverage.
    - f. a "**stolen vehicle**". A **stolen vehicle** means an insured vehicle that causes **bodily injury** to the insured arising out of a motor vehicle accident if:
      - (1) the vehicle is operated without the consent of the insured;
      - (2) the operator of the vehicle does not have collectible motor vehicle **bodily injury** liability insurance;

- (3) the insured or someone on behalf of the insured reported the accident within 72 hours to a police, peace or judicial officer or to the equivalent department in the state where the accident occurred; and
  - (4) the insured or someone on behalf of the insured cooperates with the appropriate law enforcement agency in the prosecution of the theft of the vehicle.
- g. A vehicle that is owned or operated by a self-insurer:
- (1) that is not in compliance with ORS 806.130 (1) (c);
  - (2) that provides recovery to an insured in an amount that is less than the limits for uninsured motorist coverage of the insured; or
  - (3) that is a public body for which recovery to an insured exhausts the limit of uninsured motorist coverage required by ORS 30.270.

"Uninsured/underinsured motor vehicle" does not include any vehicle:

- a. owned by or furnished or available for the regular use of **you** or a **family member**;
- b. Except as provided above, that is owned or operated by a self-insurer as contemplated by any financial responsibility law, motor carrier law, or similar law.
- c. operated on rails or crawler treads;
- d. which is a farm type tractor or equipment designed mainly for use off public roads while not on public roads;
- e. while located for use as a residence or premises; and
- f. described in the Declarations for which a specific premium charge indicates coverage is afforded, unless the vehicle is a stolen vehicle.

## EXCLUSIONS

This coverage does not apply to **bodily injury** by a person:

- 1. While operating or **occupying a motor vehicle**, including a **trailer** used with it, owned by, furnished or available for regular use by **you** or any **family member** for which insurance is not afforded under SECTION I - LIABILITY of this policy.
- 2. If that person or the legal representative of that person makes a settlement without **our** written consent;
- 3. While **occupying your covered auto** when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools;
- 4. Using a vehicle without a reasonable belief that:
  - a. the person is entitled to do so; and
  - b. the person is using the vehicle within the scope of the permission granted.

- 5. During participation in any organized or agreed upon racing or speed contest or demonstration or in practice or preparation for any such contest; and
- 6. While operating or **occupying a motorized vehicle** with less than four wheels.

Uninsured/Underinsured Motorists Coverage shall not apply to the benefit of any insurer or self-insurer under any workers' compensation or disability benefits law or any similar law.

Uninsured/Underinsured Motorists Coverage does not apply to punitive or exemplary damages.

## LIMITS OF LIABILITY

### SPLIT LIMIT

The limit of liability shown in the Declarations for "each person" for Uninsured/Underinsured Motorists Coverage 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 Uninsured/Underinsured Motorist Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **auto accident**.

This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles or premiums shown in the Declarations, vehicles involved in the **auto accident** or policies issued to **you** by **us**.

### SINGLE LIMIT

The limit of liability shown in the Declarations for this coverage is **our** maximum limit of liability for all damages resulting from any one accident. This is the most **we** will pay regardless of the number of **covered persons**, claims made, vehicles or premiums shown in the Declarations or vehicles involved in the **auto accident**.

Any amounts otherwise payable for damages under either SPLIT or SINGLE LIMIT which the **covered person** is legally entitled to recover from the owner or operator of an **uninsured/underinsured motor vehicle** because of **bodily injury** caused by an **auto accident** shall be reduced by:

- 1. All sums paid because of the **bodily injury** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under the Liability coverage of this policy;
- 2. Any amount payable for damages under this insurance will be reduced by any amount an **insured** may be paid under Personal Injury Protection Insurance.

Any payment under this section to or for a **covered person** will reduce any amount that person is entitled to recover under Section I - Liability, of this policy.

## OTHER INSURANCE

If there is other similar insurance on a loss covered by this Section with respect to **bodily injury** to an insured:

1. While occupying a vehicle not owned by a named insured under this coverage, the insurance under this coverage shall apply only as excess insurance over any primary insurance available to the occupant that is similar to this coverage, and this excess insurance shall then apply only in the amount by which the applicable limit of liability of this excess coverage exceeds the sum of the applicable limits of liability of all primary insurance available to the occupant.
2. If an **insured** is an **insured** under other primary or excess insurance available to the **insured** that is similar to this coverage, then the insured's damages are deemed not to exceed the higher of the applicable limits of liability of this insurance or the additional primary or excess insurance available to the insured, and **we** are not liable under this coverage for a greater proportion of the insured's damages than the applicable limit of liability of this coverage bears to the sum of the applicable limits of liability of this insurance and other primary or excess insurance available to the **insured**.
3. While occupying any motor vehicle used as a public or livery conveyance, the insurance under this coverage shall apply only as excess insurance over any other insurance available to the **insured** that is similar to this coverage, and this insurance shall then apply in the amount by which the applicable limit of liability of this coverage exceeds the sum of the applicable limits of liability of all other insurance.

## ARBITRATION

If a **covered person** and **we** do not agree:

1. that the person is legally entitled to recover **damages** from the owner or operator of an **uninsured/underinsured motor vehicle**; or
2. as to the amount of damages which are recoverable by the **covered person**; from the owner or operator of an **uninsured/underinsured motor vehicle**, then the matter may be arbitrated. However, disputes concerning coverage under this Section may not be arbitrated.

Both parties must agree to the arbitration. If so agreed, each party will select a competent and disinterested arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within 30 days then, upon the request of such person or **us**, such third arbitrator shall be selected by a judge of a court of record in the county and state in which such arbitration is pending.

The arbitrators shall then hear and determine the question or questions so in dispute and the decision in writing of any two arbitrators are:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated can not be used to prevent the same issues from being re-litigated in another cause of action.

Each arbitration party shall pay his or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration. However, the costs to the **covered person** of the arbitration proceedings shall not exceed \$100 and all other costs of arbitration shall be borne by **us**. Costs shall not include attorney's fees; and fees paid to medical or other witness are not deemed to be expenses of arbitration, but are to be borne by the party incurring them. Unless the parties otherwise agree the arbitration proceedings shall be conducted under local court rules in the county where the arbitration is held.

## ADDITIONAL DUTIES AFTER AN ACCIDENT OR LOSS

A person seeking **Uninsured/Underinsured Motorists Coverage**, or someone on that person's behalf, must also:

1. Report the accident within 72 hours to the appropriate law enforcement agency, in the event the accident involves a hit-and-run vehicle as described in the definition of **uninsured/underinsured motor vehicle** item e., and files with **us** within 30 days thereafter a statement under oath that the insured or the legal representative of the insured has a cause or causes of action arising out of the accident for damages against a person or persons whose identities are unascertainable, and setting forth the facts in support thereof; and
2. At **our** request, the insured or the legal representative of the **insured** makes available for inspection the vehicle the insured was occupying at the time of the accident.

## CAUSE OF ACTION

The parties to this coverage agree that no cause of action shall accrue to the **insured** under this coverage unless within two years from the date of the accident:

1. suit for **bodily injury** has been filed against the **uninsured/underinsured** motorist, in a court of competent jurisdiction;
2. agreement as to the amount due under the policy has been concluded; or
3. the **insured** or the Company has formally instituted arbitration proceedings.





We agree with **you**, subject to all the terms of this endorsement and to all of the terms of the policy except as modified herein, as follows.

### COVERAGE C - PERSONAL INJURY PROTECTION

We will pay Oregon Personal Injury Protection benefits for:

1. **Medical and hospital expenses,**
2. **Income continuation expenses,**
3. **Loss of services expenses,**
4. **Funeral expenses,** and
5. **Child care services**

incurred with respect to **bodily injury** sustained by an **injured person** and caused by an **auto accident** arising out of ownership, maintenance or use of a **motor vehicle** as a **motor vehicle**.

### DEFINITIONS USED IN THIS ENDORSEMENT ONLY

When used in reference to this coverage:

**"Auto accident"** means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** neither expected nor intended by the **injured person**.

**"Bodily Injury"** means **bodily injury**, sickness, or disease including death at any time resulting therefrom.

**"Damages"** are the cost of compensating those who suffer **bodily injury** from an **auto accident**.

**"Family member"** means a person related to **you** by blood, marriage or adoption who is a resident of your household, including a ward or foster child under the age of 21.

**"Funeral Expenses"** means reasonable and necessary expenses for professional funeral services incurred within one year after the date of the **auto accident**.

**"Income"** means salary, wages, tips, commissions, professional fees, and profits from an individually owned business or farm.

**"Income continuation expenses"** means 70% of the **injured person's** loss of income during the period of the **injured person's** disability until the date the person is reasonably able to return to the person's usual occupation; provided that

1. such person was usually engaged in a remunerative occupation at the time of the **auto accident**,
2. the period of such disability continues for at least 14 days, and
3. **income continuous expenses** shall include only loss of **income** incurred from the date such disability commenced to the date on which such person is able to return to his usual occupation, or the expiration of not more than 52 weeks in the aggregate, or upon the death of such **injured person**, whichever occurs first.

**"Injured person"** means,

1. **you** or any **family member** who sustains **bodily injury** while **occupying a private passenger motor vehicle** or while a **pedestrian**, through being struck by a **motor vehicle**;
2. any other person who sustains **bodily injury** while **occupying** or using the **insured motor vehicle**, with the permission of **you**, or while a **pedestrian**, through being struck by the **insured motor vehicle**.

**"Insured motor vehicle"** means a vehicle owned by **you**, to which the Bodily Injury Liability Insurance coverage of Section I of this policy applies and for which a specific premium is charged.

**"Loss of services expenses"** means expenses reasonably incurred by the **injured person** for essential services that were performed by a person who is not related to the injured person or residing in the injured person's household in lieu of the services the **injured person** would have performed without **income** during the period of the **injured person's** disability until the date the **injured person** is reasonably able to perform such essential services again; provided that,

1. such person was not usually engaged in remunerative occupation at the time of the accident,
2. the period of such disability continues for at least 14 days, and
3. **loss of services expenses** shall include only expense for such services actually rendered from the date such disability commenced to the date on which such person is reasonably able to perform such services, or the expiration of not more than 52 weeks in the aggregate, or the date of such injured person's death.

**"Medical and hospital expenses"** means all reasonable and necessary expenses incurred within one year from the date of the accident for medical, hospital, dental, surgical, ambulance and prosthetic services, provided that the cost of such expenses cannot exceed the lesser of:

1. An amount that does not exceed the amount the provider charges the general public; or
2. An amount that does not exceed the fee schedules for medical services published pursuant to ORS 656.248 for expenses of medical, hospital, dental, surgical, ambulance and prosthetic services.

This coverage includes expenses of hospital services that are subject to the adjusted cost-to-charge ratio specified for a hospital in the hospital fee schedule published pursuant to ORS 656.248, a provider of hospital services shall charge a person who receives

personal injury protection benefits or that person's insurer the greater of:

1. The amount of the hospital charges multiplied by the adjusted cost-to-charge ratio specified for the hospital; or
2. Ninety percent of the hospital charges.

**"Motor vehicle"** means a self-propelled land **motor vehicle** or **trailer**, but does not include:

1. A vehicle operated on rails or crawler treads;
2. A farm type tractor or any other self-propelled equipment designed or modified for use principally off public roads, while not upon public roads;
3. A vehicle located for use as a residence or premises;
4. A vehicle, including a motorcycle or moped, which is owned by **you** or a **family member** and which is not covered by a motor vehicle liability insurance policy that provides personal injury protection benefits with respect to the use and maintenance of that vehicle;
5. A motorcycle or moped which is not owned by **you** or a **family member**.

However, this exclusion applies only when the injury or death results from such persons operating or riding upon the motorcycle or moped; or

6. A vehicle not described in sub-paragraphs 1 through 5 above of this paragraph and not a **private passenger motor vehicle**.

However this exclusion applies only when the injury or death results from such persons operating or **occupying** this vehicle.

**"Occupying"** means in, on, getting into or out of.

**"Pedestrian"** means a person while not occupying a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.

**"Private passenger motor vehicle"** means a four wheel passenger or station wagon type **motor vehicle** not used as a public or livery conveyance and includes any other four wheel **motor vehicle** of the utility, pickup body, sedan delivery, or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobile home and farm truck.

**"Total amount of benefits"** means the amount of money recovered by a person from: (1) Applicable underinsured motorist benefits described in ORS 742.502 paragraph 2; (2) Liability insurance coverage available to the person receiving the personal injury protection benefits from other parties to the accident; (3) Personal injury protection payments; and (4) Any other payments by or on behalf of the party whose fault caused the damages. (5) Nothing in this section requires a person to repay more than the amount of personal injury protection benefits actually received.

**"Utility Auto"** means a land motor vehicle having at least four wheels actually licensed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type.

This does not mean a vehicle used in any business or occupation other than farming or ranching.

**"We"**, **"us"**, and **"our"** refer to the Company providing this insurance.

**"You"** and **"your"** refer to the **"named insured"** shown in the Declarations and the spouse if a resident of the same household.

## EXCLUSIONS

We will not pay:

1. For **bodily injury** intentionally caused by any insured person to him or herself. This exclusion applies regardless of the person or persons to whom the intentional act was directed.
2. For **bodily injury** sustained by any person while participating in any organized, prearranged, or agreed upon racing or speed contest, a one-car speed or performance exhibition, demolition, stunting activity contest, demonstration, or in practice or preparation for any such contest.
3. **Income continuation expenses, loss of services expenses, and child care expenses** with respect to **bodily injury** sustained by any **pedestrian** in an **auto accident** which occurs outside the State of Oregon.  
However, these coverages do apply to **you** or any **family member**.
4. For **bodily injury** due to war (declared or undeclared), civil war, insurrection, rebellion, revolution, riot, civil commotion, discharge of any nuclear weapon, or any consequences of these.
5. For **bodily injury** sustained by **you** or a **family member** while **occupying** any **motor vehicle**, including a motorcycle or moped, owned by **you** or a **family member** and not insured by a **motor vehicle** liability policy which provides Oregon Personal Injury Protection benefits with respect to the use and maintenance of that vehicle.
6. For **bodily injury** sustained by **you** or a **family member** when the **bodily injury** results from such person's operation or riding upon a motorcycle or moped not owned by **you** or a **family member**.
7. For injury to any person arising out of the ownership, maintenance, or use of any motorized vehicle with less than four wheels.
8. For **bodily injury** sustained while **occupying** any vehicle located for use as a residence or premises.
9. For **bodily injury** resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.

10. For **bodily injury** to an **injured person** who is entitled to receive, under the laws of this state or any other state of the United States, workers' compensation benefits or any other similar medical or disability benefits.
11. For any coverage under this endorsement if **you** or any other person insured under this policy willfully conceals or misrepresents any material fact in connection with a claim for personal injury protection benefits.

#### LIMITS OF LIABILITY

Regardless of the number of persons or organizations insured, policies or bonds applicable, claims made, number of claimants, or **insured motor vehicles** to which this insurance applies, **we** will pay no more than the limits of liability described in this coverage section. Our liability for Oregon Personal Injury Protection Benefits with respect to **bodily injury** sustained by any one **injured person** in any one **motor vehicle** accident is limited as follows:

1. The total amount payable shall not exceed the sum of:
  - a. \$15,000 for **medical and hospital expenses**; or such higher limit of liability as is stated in the Declarations page of this policy to which this endorsement is attached, subject to stipulations as defined in the Definition section.
  - b. \$1,250 per month for **income continuation expenses** subject to stipulations as defined in the Definition section.
  - c. \$30 per day for **loss of services expenses** subject to stipulations as defined in the Definition section.
  - d. \$5,000 for **funeral expenses**.
  - e. \$750 for child care for an injured parent of a minor child. If the **injured person** is parent of a minor child and is required to be hospitalized for a minimum of 24 hours, \$25 per day for child care, with payments to begin after the initial 24 hours of hospitalization and to be made for as long as the person is unable to return to work if the person is engaged in a remunerative occupation or for as long as the person is unable to perform essential services that the person would have performed without income if the person is not usually engaged in a remunerative occupation.
2. Any amount payable under the terms of this insurance shall be reduced or eliminated by the amount paid or payable to or on behalf of an **injured person** under any worker's compensation benefits recoverable under the laws of this state or any other state of the United States or any medical or disability benefits law.

3. Any Oregon Personal Injury Protection Benefits payable to an insured under this policy shall be applied in reduction of the amount of damages that the insured may be entitled to recover from the insurer under Uninsured Motorist Coverage for the same accident.
4. Any payments made by the Company under this insurance either as benefits to or on behalf of the **injured person** or as reimbursement, pursuant to Oregon Automobile Personal Injury Protection statutes, to any other insurer or organization for such benefits paid by it shall be applied in reduction of the amount of **damages** which, because of **bodily injury** sustained in the same accident, such **injured person** may be entitled to recover from the Company or any other insurer under insurance afforded for either **bodily injury** liability or protection against uninsured/underinsured motorists.
5. Any amount payable to or for the benefit of a pedestrian injured by the **insured motor vehicle** shall be excess over any other collateral benefits to which the **injured person** is entitled including but not limited to insurance benefits, governmental benefits (except Medicare benefits) or gratuitous benefits.

#### POLICY PERIOD; TERRITORY

This insurance applies only to **auto accidents** which occur during the policy period within the United States of America, its territories or possessions, or Canada.

**NO MEXICO COVERAGE. READ THIS WARNING CAREFULLY.** No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an automobile accident a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican Insurance Company when needed.

#### NOTICE

In the event of an **auto accident**, written notice containing particulars sufficient to identify the **injured persons**, and also reasonably obtainable information respecting the time, date, place and circumstances of the **auto accident** shall be given by or on behalf of each **injured person to us** or any of **our** authorized agents as soon as practicable. If any **injured person** or his legal representative shall institute legal action to recover **damages** for **bodily injury** against a person or organization who is or may be liable in tort therefor, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to **us** by such **injured person** or his legal representative.

Any **injured person** who has received benefits and who makes a claim or institutes legal action against any person or organization legally responsible for the **bodily injury** shall give notice of such claim or action to **us** by personal service or by registered or certified mail.

If **we** have not been a party to an interinsurer reimbursement proceeding with respect to benefits under ORS 742.534, **we** may seek reimbursement for benefits **we** have furnished, out of any recovery under a claim or legal action filed by an **injured person**. **We** shall give written notice of such election within 30 days from the receipt of notice of such claim or legal action from the **injured person**.

If **we** serve the written notice of election:

- a. **We** have a lien against such action for benefits **we** have furnished, less the proportion, not to exceed 100 percent, of the expenses, costs, and attorney's fees incurred by the **injured person** in connection with the recovery that the amount of the lien before such reduction bears to the amount of the recovery.
- b. The benefits furnished by **us** shall be included as **damages** in the claim by the **injured person**.
- c. Any legal action shall be taken in the name of the **injured person**.

If **we** furnished personal injury protection benefits for a person injured in a motor vehicle accident and the interinsurer reimbursement benefit of ORS 742.534 is not available under the terms of that section, and **we** have not elected recover by lien as provided in ORS 742.536, **we** are entitled to the following subrogation benefits as stipulated by ORS 742.538.

## SUBROGATION

In the event of payment to any person of any benefits under this endorsement:

1. **We** are entitled to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of the **injured person** against any person legally responsible for the accident, to the extent of such benefits furnished by **us** less **our** share of expenses, costs and attorney fees incurred by the **injured person** in connection with such recovery.
2. **We** are entitled to reimbursement for personal injury protection payments made on behalf of any person only to the extent that the **total amount of benefits** paid exceeds the economic damages as defined in ORS 18.560 suffered by that person.
3. The **injured person** shall hold in trust for the benefit of **us** all such rights of recovery which the **injured person** has, but only to the extent of such benefits furnished.
4. The **injured person** shall do whatever is proper to secure, and shall do nothing after loss to prejudice, such rights.
5. If requested in writing by **us**, the **injured person** shall take, through any representative not in conflict in interest with the **injured person** designated by **us**, such action as may be necessary or appropriate to recover such benefits furnished as damages from such responsible person, such action to be taken in

the name of the **injured person**, but only to the extent of the benefits furnished by **us**. In the event of a recovery, **we** shall also be reimbursed out of such recovery for the injured person's share of expenses, costs and attorney fees incurred by **us** in connection with the recovery.

6. In calculating respective shares of expenses, costs and attorney fees under this section, the basis of allocation shall be the respective proportions borne to the total recovery by:
  - a. such benefits furnished by **us**; and
  - b. the total recover less 6a.
7. The **injured person** shall execute and deliver to **us** such instruments and papers as may be appropriate to secure the rights and obligations of **us** and the **injured person** as established in this section.

## MEDICAL REPORTS; PROOF OF CLAIM

As soon as practicable the **injured person** or someone on his behalf shall give to **us** written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist **us** in determining the amount due and payable. The **injured person** shall submit to physical examinations by physicians selected by **us** when and as often as **we** may reasonably require.

The **injured person** or in the event of his incapacity or death his legal representative, shall upon each request from **us** execute authorization to enable **us** to obtain medical reports, copies of records and information with respect to loss of **income**. **We** may require that the **injured person**, as a condition for receiving **income continuation expenses**, cooperate in furnishing **us** reasonable medical proof of his inability to work.

## PAYMENT OF CLAIMS

**We** will pay any amount due:

1. To the **injured person**;
2. If the **injured person** is a minor or an incompetent person, to the parent or legal guardian;
3. If the **injured person** is deceased, to the surviving spouse if a resident of the same household at the time of the **auto accident**; or
4. At **our** option, to a person authorized by law to receive such payment.

## ARBITRATION

If **we** and the **insured** do not agree as to whether the **insured** is entitled to recover personal injury protection benefits; or the amount of benefits which are recoverable by the **insured**; then the matter may be arbitrated.

Both parties must agree to the arbitration. If so agreed, each party will select a competent and disinterested

arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within 30 days then, upon the request of such person or **us**, such third arbitrator shall be selected by a judge of a court of record in the county and state in which such arbitration is pending.

The arbitrators shall then hear and determine the question or questions so in dispute, and the decision in writing of any two arbitrators are:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated can not be used to prevent the same issues from being re-litigated in another cause of action.

Each arbitration party shall pay his or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration, provided that attorney's fees and fees paid to medical or other witnesses are not deemed to be expenses of arbitration, but are to be borne by the party incurring them. Unless the parties otherwise agree the arbitration proceedings shall be conducted under local court rules in the county where the arbitration is held.

#### **Oregon Special Arbitration Provisions**

**We** will reimburse the insured for any arbitration costs in excess of \$100. Costs do not include attorney's fees or expenses incurred in the production of evidence or witnesses or making transcripts of the arbitration proceedings.

#### **OTHER INSURANCE**

The insurance afforded under this endorsement shall be excess for:

1. **Bodily injury** sustained by any **pedestrian**, other than **you** or any **family member**, over any other collateral benefits to which the **injured person** is entitled, including but not limited to insurance benefits, governmental benefits or gratuitous benefits by another insurer, governmental benefits (except Medicare benefits), gratuitous benefits or Oregon Personal Injury Protection Benefits.
2. **Bodily injury** sustained by **you** or any **family member** while occupying any **motor vehicle**, other than the **covered motor vehicle**, with respect to which Oregon Personal Injury Protection Benefits are in effect.

Notwithstanding the above, if this policy insures two or more autos or if any other auto insurance policy issued to **you** by **us** applies to the same **auto accident**, the maximum limit of **our** liability shall not exceed the highest limit applicable to any one auto.

It is further agreed that any Personal Injury Protection Insurance afforded under this policy shall be excess insurance over any medical expense benefits paid or payable under this or any other automobile insurance policy because of **bodily injury** to an **injured person**.



**IMPORTANT NOTICE TO POLICYHOLDERS**

Dear Policyholder,

Effective with the renewal of your policy we have revised the following automobile contract and endorsements to comply with several bills passed by the 2007 Oregon State Legislature. We have also updated our Special Auto Policy to follow our Preferred Auto Contract and to include our previous amendatory endorsement. The following information summarizes these changes:

**CHANGES AND ENHANCEMENTS IN COVERAGE**

**SPECIAL AUTO POLICY – S0560A (1-08)**

Under YOUR DUTIES AFTER AN ACCIDENT OR LOSS – OTHER DUTIES, item 6, we added an examination under oath explanation.

**Under SECTION I – LIABILITY COVERAGE** we have stated that our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of judgments or settlements. We have clarified that we have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy.

**Under EXCLUSIONS** we have made the following changes:

**Exclusion 8** – We have clarified that this exclusion does not apply while such vehicle is being used by an insured in a medical emergency; to any trailer; or to any non-owned golf cart.

**Exclusion 13** – We have clarified that this exclusion does not apply to a family member using your covered auto which is owned by you.

**Exclusion 16** is a new exclusion that excludes liability coverage for you and family members beyond the minimum Oregon Financial Responsibility law limit. It also clarifies that economic damages exceeding the minimum coverage allowed by the subsection, arising from bodily injury or death to the insured or a member of the insured's household, is subject to the limits of liability stated in the policy.

**Under LIMIT OF LIABILITY** we have clarified that under either Split or Single Limits, no one will be entitled to receive duplicate payments for the same elements of loss under this coverage.

**Under CONFORMITY WITH FINANCIAL RESPONSIBILITY**, we have stated that you agree to reimburse us for any payment made by us which we would not have been obligated to make under the terms of this policy except for the agreement contained in this provision.

**Under SECTION IV – DAMAGE TO YOUR AUTO, EXCLUSIONS** we have added the following exclusions clarifying, **we will not pay for loss:**

13. To your covered auto or any non-owned auto due to destruction or confiscation by governmental or civil authorities because you or your family member:
  - a. engaged in illegal activities; or
  - b. failed to comply with Environmental Protection Agency or Department of Transportation standards.This exclusion does not apply to the interests of Loss Payees on your covered auto.
15. To, or loss of use of, a non-owned auto rented by you or any family member if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that family member, pursuant to the provisions of any applicable rental agreement or state law.

**Under OTHER TERMINATION PROVISIONS, item 3)**, we have stated that if this policy is cancelled, you may be entitled to a premium refund for the unexpired policy period on a pro rated basis. Is so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation.

## SECTION II – PERSONAL INJURY PROTECTION – S0574A (1-08)

Under NOTICE we have clarified that if we furnished personal injury protection benefits for a person injured in a motor vehicle accident and the inter-insurer reimbursement benefit is not available to us and we have not elected recovery by lien, we are entitled to subrogation benefits.

**We eliminated the REIMBURSEMENT AND TRUST AGREEMENT provision and added a SUBROGATION provision.** Most of this new provision was found in the prior Reimbursement and Trust Agreement provision.

**Under the ARBITRATION provision,** we revised this section to state that a decision in writing of any two arbitrators is:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated cannot be used to prevent the same issue from being re-litigated in another cause of action.

## SECTION III – UNINSURED/UNDERINSURED MOTORISTS – S0561A (1-08)

**Under Coverage D – Uninsured/Underinsured Motorist Coverage** we clarified that if no agreement was made regarding the recovery of damages, a decision **may** be made by arbitration.

Under the definition of an Uninsured/underinsured motor vehicle we added (item g.), a vehicle that is owned or operated by a self-insurer:

- (1) that is not in compliance with ORS 806.130 (1) (c);
- (2) that provides recovery to an insured in an amount that is less than the limits for uninsured motorist coverage of the insured; or
- (3) that is a public body for which recovery to an insured exhausts the limit of uninsured motorist coverage required by ORS 30.270.

Under the ARBITRATION provision, we revised this section to state that a decision in writing of any two arbitrators is:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

**Collateral estoppel** as used in this section means the issue of law or fact arbitrated cannot be used to prevent the same issue from being re-litigated in another cause of action.

Please read the enclosed revised automobile contract and endorsements and attach them to your existing Declaration page and other applicable automobile endorsements.

If you have any questions regarding the changes in your policy, or any other insurance matter, please contact your insurance agent.

We appreciate your business. Thank you for insuring with Western Protectors Insurance Company.



Eric Cutler, CPCU, CIC  
Northwest Personal Lines  
Business Unit Manager