



AMERICAN ALLIANCE

CASUALTY COMPANY

PERSONAL AUTOMOBILE INSURANCE POLICY ILLINOIS

This is your policy of insurance.

Your policy has been issued based upon your statements contained and the information as provided in your application which is incorporated into this policy. Please take the time to review your entire policy, including any enclosures or attachments. If you find any errors, please immediately contact the Company.

**As provided for in Condition 3A, in the event of an
accident, occurrence, or loss contact our Claims
Department at (847) 916-3200
or visit our website at**

www.myamericanalliance.com/submit-a-claim/

AMERICAN ALLIANCE CASUALTY COMPANY

Chicago, Illinois (the "Company")

agrees with the insured, named in the Declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the Application made a part hereof, and subject to the Declarations and all the terms of this policy:

PART I – LIABILITY

A - Bodily Injury Liability; B - Property Damage Liability. To pay on behalf of the insured, but only to the extent of the applicable policy limits, all sums which the insured shall become legally obligated to pay as damages because of:

A. bodily injury, or

B. property damage

arising out of the ownership or use of an owned automobile or a non-owned automobile. The Company shall defend any lawsuit alleging such bodily injury or property damage and seeking damages which are payable under the terms of this policy, even if any of the allegations of the lawsuit are groundless, false, or fraudulent. The Company may make such investigation and settlement of any claim or lawsuit as it deems expedient. It is understood and agreed that the Company has no obligation to any insured after the applicable limits of the policy have been exhausted by payment; it is further understood and agreed that the Company is not obligated to pay, and shall not pay, attorney fees for any legal or investigative work unless such attorneys are specifically selected by the Company; it is further understood and agreed that the Company is not obligated to pay, and shall not pay, any sum which the insured may be legally obligated to pay as a result of a lawsuit unless the Company received actual notice of said lawsuit before any judgment as defined in Condition 3B had been entered in said lawsuit. It is understood and agreed that the Company has the sole right to settle or defend any lawsuit including, but not limited, to the right to accept or reject arbitration awards entered in such suit.

Supplementary Payments. To pay, in addition to the applicable limits of liability:

- (a) all expenses incurred by the Company, all costs taxed against the insured in any such lawsuit, and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon;
- (b) premiums on appeal bonds required in any such lawsuit, premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy and the cost of bail bonds required of the insured because of accident or traffic law violation arising out of the use of an automobile insured hereunder, not to exceed \$100 per bail bond, but without any obligation to apply for or furnish any such bonds;
- (c) all reasonable expenses, other than loss of earnings, incurred by the insured at the Company's request.

Persons Insured. The following are insureds under Part I:

- (a) with respect to the owned automobile,
 - (1) the named insured, or
 - (2) any other person using such automobile to whom the

named insured has given permission, provided the use is within the scope of such permission;

- (b) with respect to a non-owned automobile;
 - (1) the named insured, provided the named insured received the permission of its owner, and the use is within the scope of such permission,
 - (2) a relative, but only with respect to a private passenger automobile, provided the person using such automobile has received the permission of its owner and the use is within the scope of such permission;
- (c) any other person or organization legally responsible for the use of:
 - (1) an owned automobile, or
 - (2) a non-owned automobile, if such automobile is not owned or hired by such person or organization, provided the actual use thereof is by a person who is an insured under (a) or (b) above with respect to such owned automobile or non-owned automobile; and
- (d) any other person while using either an owned automobile or non-owned automobile. The use of such owned automobile or non-owned automobile must be within the scope of consent of the insured.

The insurance afforded under Part I applies separately to each insured against whom claim is made or suit is brought, but neither the inclusion herein of more than one insured nor the application of the policy to more than one automobile shall operate to increase the limits of liability stated in the Declarations for the liability coverages.

Definitions. Under Part I:

"named insured" means the individual named as Named Insured on the Declarations and also includes his or her spouse, if a resident of the same household;

"spouse" means a lawfully wedded spouse and also means a person joined in a civil union according to statute; **"insured"** means a person or organization described under "Persons Insured";

"relative" means a person related to the named insured or his spouse by blood, marriage or adoption and who is a resident of the same household as the named insured or spouse and is either a non-driver or is listed on the application for this insurance and not excluded, provided neither such relative nor his spouse owns an automobile. A relative who is excluded on the declarations or endorsement thereto is not an insured under any coverage provided by this policy;

"owned automobile" means:

- (a) a private passenger, farm, or utility automobile owned by the named insured or listed driver and that is described in this policy;
- (b) an automobile, the ownership of which is acquired by the named insured during the policy period provided:
 - (1) (a) that the acquired automobile replaces an automobile

described in this policy; (b) that neither the named insured nor any resident of his household retains ownership of the described replaced automobile; and (c) that the named insured notified the Company in writing within 30 days after the acquisition of his intention to make this policy applicable to such acquired replacement automobile; or

- (2) (a) that the Company insures all automobiles owned by the named insured on the date of such acquisition and (b) the named insured notified the Company in writing within 30 days after the date of such acquisition of his election to make this and no other policy issued by the Company applicable to such automobile; or,

(c) a temporary substitute automobile;

"temporary substitute automobile" means any automobile not owned by the named insured, or by any resident of the same household, while temporarily used as a substitute for the owned automobile when withdrawn from normal use because of its breakdown, repair, servicing, loss, or destruction (note the change to the definition of temporary substitute automobile under Part V);

"non-owned automobile" means an automobile not owned by, rented by, furnished, or available for the **regular use** of either the named insured or any resident of the same household, while said automobile is in the possession or custody of the named insured or any resident of the same household, or is being operated by him or her, other than a temporary substitute automobile; **"regular use"** means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

"automobile" means only a "private passenger automobile", "utility automobile", and "farm automobile";

"private passenger automobile" means a four-wheel private passenger, station wagon, or jeep type automobile, whether operable or not and does not include golf carts, all-terrain vehicles, or any other vehicle not legal for use on public roads;

"farm automobile" means an automobile of the truck type with a load capacity of fifteen hundred pounds or less not used for business or commercial purposes other than farming;

"utility automobile" means an automobile, other than a farm automobile, with a load capacity of fifteen hundred pounds or less of the pick-up body, sedan delivery, or panel truck type not used for business or commercial purposes;

"trailer" means an unpowered vehicle designed to be towed by a private passenger automobile,;

"automobile business" means the business or occupation of selling, repairing, servicing, storing, or parking automobiles;

"Property damage" mean physical injury to, destruction of, or loss of use to tangible property which is caused by an accident covered under this policy and occurring while the policy is in force;

"bodily injury" means bodily harm, sickness, or disease, including death that results therefrom, excluding emotional, psychological, or psychiatric injury that does not have a physical manifestation, and which is caused by an accident covered under this policy and occurring while the policy is in force. Bodily injury does not include harm, sickness, disease, or death arising out of a medically defined sexually transmitted disease contracted by any person or the exposure of such a disease by any person to any other person;

"use" of an automobile includes the loading and unloading thereof;

"war" means war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to any of the foregoing.

"business use" shall mean the use of an automobile for the benefit of any business, or commercial enterprise, or related to any activity of any kind for a fee and includes, but is not limit to, the following:

(a) The operation of a motor vehicle for hire or compensation, including (1) livery, (2) taxi, or (3) paid ride share such as Uber, Lyft, or other similar ride share services; or

(b) The operation of a motor vehicle for any compensation or fee in order to deliver goods, food, newspaper, mail, or packages; or

I The operation of a motor vehicle for the transportation or delivery of any goods, persons or equipment for the benefit of an employer or commercial enterprise; or

(d) The operation of a motor vehicle in which, at the time of use, the insured is (1) acting as an agent for his/her employer, other commercial enterprise, or related to any activity of any kind for a fee or (2) within the scope of any employment; or (e) The operation of motor vehicle in a realtor business; or

(f) The operation of a motor vehicle in for purposes of making sales calls; or

(g) The operation of a motor vehicle which is an integral part of the operator's employment or which is for the benefit of the insured's employer or any commercial enterprise; or

(h) The operation of a motor vehicle while used for snow and ice removal, including plowing snow and spreading salt; or

(i) The operation of a motor vehicle while used for collecting, transporting, or searching for scrap metal.

Exclusions. This policy *does not* apply under Part I:

(a) to bodily injury, or property damage to the named insured and any relative of the insured related by blood, marriage or adoption residing in the same household as the insured. The term "insured" as used in this exclusion means the person against whom the claim is made or lawsuit is brought. This exclusion shall not apply when a third party acquires the right of contribution against a member of the injured person's family. Nor shall this exclusion apply when any person not residing in the household of the named insured was driving the vehicle insured under this policy at the time of the accident that is the subject of the claim or lawsuit;

(b) to any automobile while used as a public or livery conveyance, but this exclusion does not apply to the named insured with respect to bodily injury or property damage which results from the named insured's occupancy of a non-owned automobile other than as the operator thereof;

(c) to bodily injury or property damage caused intentionally by or at the direction of the insured;

(d) to bodily injury or property damage arising out of the operation of farm machinery;

(e) to bodily injury of any employee of the insured arising out of and in the course of employment by the insured if such injury arises out of the ownership or use of an owned automobile or of a non-owned automobile;

(f) to bodily injury to any fellow employee of the insured injured in the course and scope of his/her employment if

such injury arises out of the ownership= or use of an automobile in the business of the insured's employer;

(g) to an owned automobile while used in the automobile business;

(h) to a non-owned automobile while used (1) in the automobile business by the insured or (2) in any other business or occupation of the insured except a private passenger automobile operated or occupied by the named insured or by his private chauffeur or domestic servant;

(i) to injury to or destruction of (1) property owned or transported by the insured or (2) property rented to or in charge of the insured other than a residence or private garage or (3) property as to which the insured is for any purpose exercising physical control. An automobile used, operated or maintained by an insured is considered property in charge of that insured;

(j) to any automobile, farm automobile or utility automobile, or any other type of motor vehicle, rented or leased by the insured where other valid and collectible insurance, self-insurance, or liability bond has been purchased by or furnished to the insured in connection with such rental or lease;

(k) to bodily injury or property damage with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability;

(l) to any automobile while being tested, repaired, or serviced, or to any automobile or motor vehicle while used, operated, or maintained in any race or speed test,;

(m) to bodily injury or property damage due to war, whether or not declared, civil war, riot, insurrection, rebellion, or revolution or to any act or condition incidental to any of the foregoing;

(n) to any automobile while being operated or used in the commission of a crime, other than a traffic violation, and including while fleeing and eluding the police or other law enforcement or government agencies;

(o) to any claim, suit, or separate count in any suit alleging punitive or exemplary damages or to the payment of any punitive or exemplary damages which includes, but is not limited to, any award, finding, verdict, or judgment of punitive or exemplary damages;

(p) to any automobile while operated by a person who is without a reasonable belief that he or she is entitled to do so, however, this exclusion does not apply to an owned automobile while operated by the named insured,;

(q) while any automobile is pushing or pulling another automobile, vehicle, or trailer or is being pushed or pulled by another automobile, vehicle, or trailer;

(r) to any person or vehicle while such vehicle is being operated for "Business Use";

(s) to the payment of civil fines, attorney fees, and any other charges levied or claimed by a municipality or other division of government with respect to property damage or bodily injury;

(t) to liability assumed by an insured under any contract or other agreement;

(u) to bodily injury or property damage resulting from the pushing or pulling of a vehicle (other than a trailer) by an insured automobile, or the pushing and pulling of an insured automobile by another vehicle (other than a tow truck).

Financial Responsibility Laws. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by the policy for bodily injury liability or for property damage liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability stated in this policy. The insured agrees to reimburse the Company for any payment made by the Company which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

Limits of Liability. The limit of Bodily Injury Liability stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages, including loss of service, society or consortium, to others resulting from the bodily injury. The limit of Bodily Injury Liability stated in the Declarations as applicable to "each occurrence" is the maximum amount of coverage, subject to the above provision respecting each person, for all bodily injury to two or more persons in the same occurrence. The limits of liability are not increased because more than one person is insured at the time of the accident. The limit of property damage liability stated in the Declarations is the total limit of the Company's liability for all damage to property of one or more persons arising out of the same occurrence. Any amounts payable under Part I of this policy will be reduced by any amounts paid or payable for the same elements of loss under Parts II, III or IV of this policy.

Other Insurance. If the insured is covered by other insurance or self-insurance against a loss covered by Part I of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectible insurance and self-insurance against such loss; provided, however, the insurance under this policy with respect to any automobile the insured does not own shall be excess insurance over any valid collectible insurance or self-insurance applicable to such automobile.

PART II – UNINSURED MOTORIST COVERAGE

Uninsured Motorist Coverage. To pay all sums which the insured or his legal representative shall be legally entitled to recover as damages from the owner or operator of an uninsured motor vehicle because of property damage to a

vehicle described in the policy and bodily injury, including death resulting therefrom, hereinafter called "bodily injury", sustained by the insured, caused by accident and arising out of the ownership or use of such uninsured motor vehicle,

provided, for the purposes of this coverage, determination of whether the insured or such representative is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the insured or such representative and the Company or, if they fail to agree, by arbitration. Recovery under this Part for "property damage" is subject to the payment of a specific separate premium for uninsured motorist property damage liability. No judgment against any person or organization alleged to be legally responsible for the bodily injury or property damage shall be conclusive, as between the insured and the Company, of the issues of liability of such person or organization or of the amount of damages to which the insured is legally entitled unless such judgment is entered pursuant to an action prosecuted by the insured with the written consent of the Company.

Definitions. The definitions under Part I, except the definition of "insured" and where limited or altered under the Limits of Liability of this coverage, apply to Part II and under Part II:

"insured" means:

- (a) the named insured and any relative of the named insured;
- (b) any other person while lawfully occupying an insured automobile;
- (c) any person, with respect to damages he is entitled to recover because of bodily injury to which this Part applies sustained by an insured under (a) or (b) above; and
- (d) any other person who is not insured for uninsured motor vehicle coverage under another vehicle policy while occupying your auto, a temporary substitute auto, a newly acquired auto or a trailer attached to such auto. Such vehicle has to be used within the scope of the consent of the insured or their spouse. Such other person occupying a vehicle used to carry persons for a charge is not an insured.

The insurance afforded under Part II applies to each insured, but the inclusion herein of more than one insured shall not operate to increase the limits of the Company's liability.

"insured automobile" means:

- (a) an automobile described in the policy for which a specific premium charge indicated that coverage is afforded;
- (b) a private passenger automobile, farm automobile or utility automobile, ownership of which is acquired by the named insured during the policy period, provided:
 - (1) it replaces an insured automobile defined in (a) above and the insured notifies the Company in writing within 30 days after the date of said replacement;
 - (2) the Company insures under this coverage all private passenger, farm and utility automobiles owned by the named insured on the date of such acquisition and the named insured notifies the Company in writing within 30 days after the date of such acquisition of his election to make the Liability and Uninsured Motorist Coverages under this and no other policy issued by the Company applicable to such automobile;
- (c) a temporary substitute automobile for an insured automobile as defined in (a) or (b) above;
- (d) a non-owned automobile while being operated by the named insured, but shall not include:
 - (1) any automobile or trailer owned by a resident of the same household as the named insured;

- (2) any automobile while used as a public or livery conveyance;
- (3) any automobile while being used without the permission of the owner; or
- (4) any automobile rented by the named insured or any person claiming coverage under Part II of this policy

"uninsured motor vehicle" includes a trailer of any type and means:

(a) a motor vehicle or trailer with respect to the ownership, or use of which, there is no bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such automobile, or said bond or insurance policy has limits less than that required by the Illinois Financial Responsibility Law provided that:

- (1) the insured provided notice of accident, occurrence, or loss within thirty (30) days of the accident as provided by Condition 3A. In the event the insured has been rendered legally incapacitated by the accident, occurrence, or loss due to injuries, the insured shall have thirty (30) days following the removal of the incapacity to notify the Company of the accident, occurrence, or loss; and
 - (2) the insured notifies the Company of his/her claim under this provision within two (2) years from the date of the accident, occurrence, or loss. To the extent that this provision conflicts with this policy's exclusion for claims submitted to the company more than two years after the accident, this provision shall control.
- (b) a hit-and-run motor vehicle; or
- (c) a motor vehicle where on, before, or after the accident date, the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified in the policy, because of the entry by a Court of competent jurisdiction of any order of rehabilitation or liquidation by reason of insolvency on or after the accident date, provided however that the insured notifies the Company of his/her claim under this provision within the later of 6 months from the date of such Court order of rehabilitation or insolvency or two years from the date of accident provided that:

- (1) the insured reported the accident to the Company as provided by Condition 3A within thirty (30) days of the accident, occurrence, or loss. In the event the insured has been rendered legally incapacitated by the accident, occurrence, or loss due to injuries, the insured shall have thirty (30) days following the removal of the incapacity to notify the Company of the accident, occurrence, or loss; and
 - (2) the insured notifies the Company of his/her claim under this provision within two (2) years from the date of the accident, occurrence, or loss. To the extent that this provision conflicts with this policy's exclusion for claims submitted to the company more than two years after the accident, this provision shall control.
- (d) However, the term "uninsured motor vehicle" shall not include:
- (1) an insured motor vehicle or a motor vehicle furnished or available for the regular use of the named insured or of a relative which causes bodily injury or property damage in excess of the limit required under the Illinois Financial Responsibility Law;

- (2) a motor vehicle or trailer owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law;
- (3) a motor vehicle or trailer owned by the United States of America, Canada, a state, a political subdivision of any such government or any agency of the foregoing or a municipal government;
- (4) a land motor vehicle or trailer if operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle; or
- (5) a farm type tractor or equipment designed for use principally off public roads, except while actually upon public roads.

"hit-and-run motor vehicle" means a motor vehicle which causes bodily injury to an insured arising out of physical contact of such motor vehicle with the insured or with an automobile which the insured is occupying at the time of the accident, provided, (a) there cannot be ascertained the identity of either the operator or owner of such "hit-and-run motor vehicle", (b) the insured or someone on his behalf shall have reported the accident within 24 hours to a police, peace or judicial officer to the Commissioner of Motor Vehicles, and shall have filed with the Company within 30 days thereafter a statement under oath that the insured or his legal representative has a cause or causes of action arising out of such accident for damages against a person or persons whose identity is unascertainable, and setting forth the facts in support thereof; and (c) at the Company's request, the insured or his legal representative makes available for inspection the motor vehicle which the insured was occupying at the time of the accident;

"occupying" means in or upon or entering into or alighting from;

"state" includes the District of Columbia, a territory or possession of the United States, and a province of Canada.

Exclusions. This policy does not apply under Part II:

- (a) to bodily injury or property damage to an insured with respect to which such insured, his legal representative or any person entitled to payment under this coverage shall, without written consent of the Company, make any settlement with any person or organization who may be legally liable therefor;
- (b) so as to inure directly or indirectly to the benefit of any workmen's compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any workmen's compensation or disability benefits law or any similar law;
- (c) to any claim for punitive or exemplary damages;
- (d) to property damage when the owned automobile has collision coverage or is described in any other policy of automobile insurance;
- (e) to any claim received by the Company more than 2 years after the date of accident;
- (f) to bodily injury of an insured while occupying a motor vehicle owned by, or furnished or available for the regular use of the insured, a resident spouse, or a resident relative, if that motor vehicle is not described in this policy or is not newly acquired or replacement motor vehicle covered under the terms of this policy;
- (g) to any claim for which the Company does not receive a

written demand for arbitration, which is defined as both (1) the insured's written demand for arbitration and (2) the insured's written selection of an arbitrator received at the same time, within two years of the date of accident or, if coverage for the claim is based on a Court order of rehabilitation or liquidation by reason of insolvency of an insurer, within the later of the two years of the date of the accident or six months of entry of the Court order of rehabilitation or liquidation by reason of insolvency;

(h) to any person operating, occupying, or using an automobile without a reasonable belief that the person is entitled to do so;;

(i) to any person or vehicle while such vehicle is being operated for "Business Use";

(j) to bodily injury or property damage which is either expected or intended by the insured.

(k) to bodily injury or property damage if Liability coverage or Underinsured Motorist coverage applies under this policy to the accident.

(l) while any vehicle is operated by an Excluded driver; and

(m) to any person who has not provided either 1) certification from the Illinois Department of Transportation of the uninsured motorist status of both the driver and owner of the uninsured motor vehicle as provided by Rule R-20 of the Illinois Uninsured/Underinsured Motorist Arbitration Rules of the American Arbitration Association or 2) an affidavit from both the driver and owner of the uninsured motor vehicle that they did not have applicable insurance.

Limits of Liability

(a) The limit of Uninsured Motorist Coverage stated in the Declarations as applicable to "each person" is the maximum limit of the Company's liability for all damages due to bodily injury to one person. Bodily injury to one person includes all injury and damages, including loss of service, society or consortium, to others resulting from the bodily injury. The limit of Uninsured Motorist Coverage as stated in the Declarations as applicable to "each occurrence" is the maximum amount of coverage, subject to the above provision respecting each person, for all bodily injury to two or more persons in the same accident. The limits of liability are not increased because more than one person is insured at the time of the accident.

(b) Any amount payable under the terms of Part II because of bodily injury sustained in an accident by a person who is an insured under Part II shall be reduced by:

- (1) all sums paid on account of such bodily injury by or on behalf of (i) the owner or operator of the uninsured motor vehicle and (ii) any other person or organization jointly or severally liable together with such owner or operator for such bodily injury including all sums paid under A of Part I, and

- (2) the amount paid and the present value of all amounts payable on account of such bodily injury under any workmen's compensation law, disability benefits law or any similar law.

(c) Any payment made under Part II to or for any insured shall be applied in reduction of the amount of the Limit of Liability under Part I.

(d) The Company's liability under this part shall be reduced

by amounts paid or payable Part IV of this policy. Further, the Company's liability shall be reduced by amounts paid or payable to the insured from the owner or operator of an uninsured automobile which represents medical payments paid or payable under Part IV of this policy.

(e) If more than one policy issued by this Company applies to Part II, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy.

(f) It is agreed between the insured and the Company that in no event shall the total limit of the Company's liability exceed the limits set forth in the Declarations regardless of the number of vehicles insured under the policy or the separate itemization of premiums therefor; and that coverage under this section shall not be "stacked" with any other similar or identical coverage that may be issued under this policy, including Underinsured Motorist Coverage (Part III).

(g) Uninsured Motorist Coverage does not apply nor is it applicable to any accident or loss where the insured has Underinsured Motorist Coverage which applies to such accident or loss.

(h) Any amount payable under Part II shall be reduced by all sums paid to the insured for property damage on behalf of the owner or operator of the uninsured automobile and any other person or organization jointly or severally liable together with such owner or operator.

(i) Property damage losses recoverable hereunder shall be limited to damages caused by the actual physical contact of an uninsured motor vehicle with the vehicle described in the policy.

(j) There shall be no coverage for loss of use of the insured motor vehicle and no coverage for loss or damage to personal property located in the insured motor vehicle, except with respect to replacement of a child restraint system that was in use by a child during an accident to which coverage is applicable.

(k) There shall be no liability imposed under the Uninsured Motorist Property Damage Coverage if the owner or the operator of the vehicle at fault or the hit-and-run motor vehicle cannot be identified.

(l) There shall be no coverage for the deductible amount of damage, as shown in the Declarations, to the property insured as the result of any one accident.

(m) If coverage is provided to a motor vehicle, defined herein as an uninsured motor vehicle, under a bond or insurance policy having limits less than required by the Illinois Financial Responsibility Law then the Company's maximum limit of liability under this Part for "each person" is the difference between the minimum limit required by the Illinois Financial Responsibility Law for injury to one person and the corresponding limit provided in such bond or insurance policy, and the Company's maximum limit of liability under this Part for "each accident" is the difference between the minimum limit required under the Illinois Financial Responsibility Law for injury to two or more persons and the corresponding limit provided in such bond or insurance policy.

Other Insurance.

If there is other Uninsured Motorist Coverage which applies,

we will pay our share of the damages. Our share will be the ratio of our limits of liability to the total of all limits which apply. Total damages payable for one occurrence shall be considered not to exceed the limits of liability of the applicable policy that has the highest limit of liability.

The coverage extended to automobiles you do not own will be excess over any other coverage available to you.

Arbitration. Any dispute with respect to whether the insured is legally entitled to recover damages or the amount of damages recoverable by the insured shall be submitted for arbitration to the American Arbitration Association and shall be subject to its rules governing the conduct of arbitration hearings as to all matters except medical opinions. Disputes regarding coverage under this Part may not be arbitrated. If the amount of damages being sought is equal to or less than the amount provided for in Section 7-203 (or its successor) of the Illinois Motor Vehicle Code, then the current American Arbitration Association Rules shall apply as to medical opinions. If the amount being sought in an American Arbitration Association case exceeds that amount as set forth in Section 7-203 (or its successor) of the Illinois Motor Vehicle Code, then the Rules of Evidence that apply in the Illinois Court's for placing medical opinions into evidence shall govern. Alternatively, disputes with respect to damages and the coverage shall be determined in the following manner: Upon the insured demanding arbitration and identifying its arbitrator, each party to the dispute shall select an arbitrator and the 2 arbitrators so named shall select a third arbitrator. If such arbitrators are not selected within 45 days from such demand, either party may demand that the arbitration be submitted to the American Arbitration Association. Any decision made by the arbitrators shall be written and shall be binding for the amount of damages not exceeding \$75,000 for bodily injury to or death of any one person, \$150,000 for bodily injury to or death of 2 or more persons in any one motor vehicle accident, or the corresponding policy limits under this Part, whichever is less. Arbitrations before a three arbitrator panel shall be subject to the rules of evidence in Illinois Courts, except to the extent the use of such rules is modified by the Illinois Insurance Code. Each party shall bear the cost of his/her own arbitrator and shall share equally the cost of the third arbitrator. All arbitration hearings under this policy shall take place in the Illinois County in which the insured resides and in accordance with the usual rules governing procedures and admissions of evidence in Courts of law of that county and not in accordance with any Court mandated arbitration or mediation rules. If the person demanding arbitration does not reside in Illinois, then arbitration shall take place in any Illinois County in which the Company has an office. Any person making claim hereunder shall answer written questions under oath when served by the Company, as well as comply with the Company's request for production of documents supporting that person's claim. No arbitrator shall have authority to entertain or decide class or representative claims.

Trust Agreement. In the event of payment to any person under Part II:

(a) the Company shall be entitled to the extent of such

payment to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against a person or organization legally responsible for the bodily injury because of which such payment is made;

(b) such person shall hold in trust for the benefit of the Company all rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under Part II;

(c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;

(d) if requested in writing by the Company, such person shall take, through any representative designated by the

Company, such actions as may be necessary or appropriate to recover such payment as damages from such other person or organization, such action to be taken in the name of such person; in the event of a recovery, the Company shall be reimbursed out of such recovery to expenses, costs and attorneys' fees incurred by it in connection therewith;

(e) such person shall execute and deliver to the Company such instruments and papers as may be appropriate to secure the rights and obligations of such person and the Company established be these provisions.

PART III – UNDERINSURED MOTORIST COVERAGE

Underinsured Motorist Coverage. To pay all damages which an insured is legally entitled to recover from the owner or operator of an underinsured motor vehicle because of bodily injury sustained by an insured. The owner's or operator's liability for these damages must arise out of the ownership or use of the underinsured motor vehicle provided, for the purposes of this coverage, determination as to whether the insured is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the insured and the Company or, if they fail to agree, by litigation or arbitration. No judgment against any person or organization alleged to be legally responsible for the bodily injury shall be conclusive, as between the insured and the Company, of the issues of liability of such person or organization or of the amount of damages to which the insured is legally entitled unless such judgment is entered pursuant to an action prosecuted by the insured with the written consent of the Company. The Company shall not be obligated to pay under this coverage until after the limits of liability under all applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements.

Definitions. The definitions under Part I apply to Part III, the definitions of "insured" and "insured automobile" from Part II apply to Part III, and the following also apply under this Part III:

"Underinsured motor vehicle" means a motor vehicle whose ownership or use has resulted in bodily injury or death of the insured, as defined in the policy, and for which the sum of the limits of liability under all bodily injury liability insurance policies or bonds or other security required to be maintained under Illinois law applicable to the driver or to the person or organization legally responsible for such vehicle and applicable to the vehicle, is less than the limits for Underinsured Motorist Coverage as stated on the Declarations or endorsement to this policy at the time of the accident.

However, "underinsured motor vehicle" does not include any vehicle:

- (1) owned by, rented by, or furnished or available for the regular use of the named insured or any relative;
- (2) owned by any governmental unit or agency;
- (3) operated on rails or crawler treads;
- (4) which is a farm type tractor or equipment designed mainly for use off public roads while not upon public roads;

(5) while located for use as a residence or premises;

(6) owned or operated by a person qualifying as a self-insurer under any applicable motor vehicle law;

(7) to which a bodily injury liability bond or policy applies at the time of the accident, but the bonding or insuring company denies coverage or is or becomes insolvent; or

(8) which is defined as an "uninsured motor vehicle" under Part II.

Exclusions. This policy does not apply under Part III:

(a) to any person or vehicle while such vehicle is being operated for "Business Use";

(b) to any person operating, occupying, or using a vehicle without a reasonable belief that the person is entitled to do so;

(c) so as to inure, directly or indirectly, to the benefit of any workers' compensation or disability benefits insurer or any person or organization qualifying as a self-insurer under any workers' compensation or disability benefits law or any similar law, provided, however, that there shall be no setoff or exclusion under this policy for amounts paid as disability benefits by the Social Security Administration or by any similar state or federal agency;

(d) to punitive or exemplary damage;

(e) to any claim against the Company submitted after the later of (i) two years after the date of accident, or (ii) six months after the limits of liability or portion thereof under all bodily injury liability insurance policies applicable to the underinsured motor vehicle and its operators have been partially or fully exhausted by payment of judgment or settlement; or

(f) to any claim by a person who operated, used or occupied an owned automobile or a non-owned automobile without a reasonable belief that he or she was entitled to do so;

(g) while any vehicle is operated by an Excluded driver;

(h) to any person listed on the declarations, or any endorsement to this policy, as Excluded.

Limit of Liability.

(a) The Company's maximum limit of liability for all damages due to bodily injury to one person is the limit of liability as shown in the Declarations for "each person" for Underinsured Motorist Coverage less those amounts actually recovered under the applicable bodily injury insurance policies, bonds or other security maintained on

the underinsured motor vehicle. Bodily injury to one person includes all injury and damages, including loss of service, society or consortium, to others resulting from this bodily injury. The Company's maximum limit of liability for all damages due to bodily injury to two or more persons in the same accident is the limit of liability as shown in the Declarations for "each occurrence" for Underinsured Motorist Coverage, subject to the above provision respecting each person, less those amounts actually recovered under the applicable bodily injury insurance policies, bonds or other security maintained on the underinsured motor vehicle. The limits of liability are not increased because more than one person is insured at the time of the accident. Any payment otherwise due under this coverage shall be reduced by a payment for bodily injury or medical expense under any other part of this policy. If more than one policy issued by this Company provides underinsured motorist coverage for the same bodily injury, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy. In no event shall the total limit of the Company's liability exceed the limits set forth in the Declarations, regardless of the number of vehicles insured under the policy or the separate itemization of premiums therefor and coverage under this section shall not be "stacked" with any other similar or identical coverage that may be issued under this policy, including Uninsured Motorist Coverage.

(b) The Company shall not be obligated to make payment under this coverage until the limits of liability under all bodily injury liability insurance policies applicable to the underinsured motor vehicle and its operators have been fully exhausted by payment of judgment or settlement.

(c) Notwithstanding any of the above, if the Company and the insured or his/her legal representative agree that the insured suffered bodily injury as a result of negligent operation, use or maintenance of an underinsured motor vehicle, and without arbitration, agree also on the amount of damages that the insured is legally entitled to collect, then the maximum amount payable pursuant to such an underinsured motor vehicle insurance settlement agreement shall not exceed the amount by which the limits of the Underinsured Motorist Coverage exceed the limits of bodily injury liability insurance of the owner or operator of the underinsured motor vehicle. Any such agreement shall be final as to the amount due and shall be binding upon the insured and the Company regardless of the amount of any judgments, or any settlement reached between any insured and the person or persons responsible for this accident. No such settlement shall be concluded unless: (i) the insured has complied with all other applicable policy terms and conditions; and (ii) before the conclusion of the settlement agreement, the insured has filed a lawsuit against the underinsured motor vehicle owner or operator and has not abandoned the suit, or settled the lawsuit without preserving the rights of the Company, provided, however, that lawsuit against the underinsured owner and operator may be dismissed where the Company has been given notice in advance of a settlement between the insured and the underinsured motorist and the Company fails to advance a payment to the insured in an amount equal to the tentative settlement within 30 days following receipt of such notice.

(d) The amount the Company will pay is reduced by any amounts paid or payable for the same bodily injury:

- (1) under Parts I and IV of this policy;
- (2) under a worker's compensation or similar law; or
- (3) by or on behalf of any person or organization who may be liable for the bodily injury.

Arbitration. If any person making claim hereunder and the Company do not agree that such person is legally entitled to recover damages from the owner or operator of an underinsured motor vehicle because of bodily injury to an insured or do not agree as to the amount payable hereunder, then these matters may be submitted to arbitration provided that both the Company and the person making the underinsured claim agree to arbitrate. However, disputes regarding coverage under this Part may not be arbitrated. If the parties do not agree to arbitrate then the matter shall be decided by litigation. The parties agree to a bench trial and agree to waive the right to a jury for all underinsured motorist claims which are litigated. Upon an agreement, in writing, to arbitrate the claim between the Company and the person making the underinsured motorist claim, each party to the dispute may select an arbitrator and the two arbitrators so named may select a third arbitrator. If such arbitrators are not selected within 45 days from such agreement, either party may request that such arbitration be submitted to the American Arbitration Association. The arbitrators shall then hear and determine the questions in dispute, and decision in writing of any two arbitrators shall be binding upon the parties. All arbitration hearings under this policy, including both the tripartite panel and the American Arbitration Association, shall be conducted in the County and State in which the insured resides and in accordance with the usual rules governing procedure and admission of evidence in Courts of law of the County and not in accordance with any Court mandated arbitration or mediation rules or the rules of the arbitration forum. Any decision made by the arbitrators shall be binding for the amount of damages not exceeding \$75,000.00 for bodily injury to or death to any one person, \$150,000.00 for bodily injury to or death of 2 or more persons in any one motor vehicle accident, or the corresponding policy limits for bodily injury or death under this Part, whichever is less ("UIM arbitration limits"). It is agreed that the arbitrators shall not enter an award in excess of UIM arbitration limits, and, if an award is entered in excess of the UIM arbitration limits then that portion of the award which exceeds the policy limits is void and not binding on either the insured or the company. All expenses of any arbitration hereunder shall be shared equally by the parties. No arbitrator shall have authority to entertain or decide class or representative claims.

Other Insurance.

If there is other Underinsured Motorist Coverage which applies, we will pay our share of the damages. Our share will be the ratio of our limits of liability to the total of all limits which apply. Total damages payable for one occurrence shall be considered not to exceed the limits of liability of the applicable policy that has the highest limit of liability.

The coverage extended to automobiles you do not own will be excess over any other coverage available to you.

PART IV - MEDICAL PAYMENTS

Medical Payments. The Company will reimburse to the "insured" with relation to a motor vehicle accident occurring during the term of this policy, all usual and customary expenses paid by the insured for the services provided by individuals or hospitals licensed under the Medical Practice Act of Illinois or comparable law incurred within one year of an accident for reasonable and necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital and professional nursing charges. The reasonable expense of funeral services is also covered in this Part. The medical and funeral expenses covered herein must have been caused by accident and sustained by:

Division 1. the named insured or a relative while occupying or through being struck by an automobile; or

Division 2. any other person while lawfully occupying

(a) an owned automobile while being operated or used by an insured, or (b) a non-owned automobile if the bodily injury results from its operation by an insured, provided that no such payment shall be made unless the person to or for whom such payment is made shall have executed a written agreement that the amount of such payment shall be applied toward the settlement of any claim or satisfaction of any judgment for damages entered in his/her favor, against any other person insured under the terms of this policy because of bodily injury arising out of an accident to which the Liability Coverage applies, or toward any award under the Uninsured Motorist Coverage of this policy.

We will reimburse to the insured only those medical expenses that were paid within one (1) year from the date of the accident. Expenses for Medical and Funeral Services means usual and customary charges incurred for reasonable and necessary services rendered to or on behalf of an insured within one (1) year from the date of the accident for: medical, surgical, x-ray, and dental services when performed by a licensed medical professional; pharmaceuticals, prosthetic devices; eye glasses; necessary ambulance, hospital, and professional nursing services when prescribed by a licensed medical professional; and funeral services.

Reasonable Medical expenses do not include expenses:

- (a) for treatment, services, products or procedures that are:
 - (1) experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - (2) not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of bodily injury; or
- (b) incurred for:
 - (1) the use of thermography or other related procedures of similar nature; or
 - (2) the use of acupuncture or other related procedures of a similar nature; or
 - (3) the purchase or rental of equipment not primarily designed to serve a medical purpose.

Definitions. The definitions under Part I apply to Part IV, and

the following also applies under Part IV:

"occupying" means in or upon or entering into or alighting from.

Exclusions. This policy does not apply under Part IV to bodily injury, sickness, disease or death:

- (a) to any vehicle while such vehicle is being operated for "Business Use."
- (b) sustained while occupying any vehicle while located for use as a residence or premises;
- (c) sustained by the named insured or a relative (1) while occupying an automobile owned by or furnished or available for the regular use of either the named insured or any relative, other than an automobile defined herein as an "owned automobile", or (2) while occupying or through being struck by (i) a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads, or (ii) a vehicle operated on rails or crawler- treads;
- (d) sustained by any person other than the named insured or a relative, resulting from use of (1) a non-owned automobile in the automobile business or as a public or lively conveyance, or (2) a non-owned automobile in any other business or occupation except operation or occupancy of private passenger automobile by the named insured or by his private chauffeur or domestic servant or of a trailer used therewith or with an owned automobile;
- (e) sustained by any person who is employed in the automobile business, if the accident arises out of the operation thereof and if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law (This includes a self-insurer, which would otherwise be required to provide coverage pursuant to any federal or state worker's compensation law or other similar law;);
- (f) to injury, sickness, disease, death or loss due to war;
- (g) to the extent that any medical expense is paid or payable to or on behalf of the injured person under the provisions of any (i) automobile or premises insurance affording benefits for medical expenses, (ii) individual, blanket or group accident, disability or hospitalization insurance, (iii) medical or surgical reimbursement plan, or (iv) workmen's compensation or disability benefits law or any similar law;
- (h) resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;
- (i) arising out of the operation of any automobile insured under this policy while used, operated, or maintained in any race or speed test;
- (j) to any claim by a person who operated, used or occupied an owned automobile or a non-owned automobile without permission or a reasonable belief that he or she was entitled to do so; or
- (k) to any person while engaged in use of or occupying a vehicle (1) to carry persons or property for compensation or a fee, including but not limited to delivery of food or any other products, messenger services; or (2) for snow removal.
- (l) bodily injury caused by or a consequence of a discharge or use of a weapon.

Limit of Liability. The limit of liability for medical payments stated in the Declarations as applicable to "each person" is the limit of the Company's liability for all expenses incurred by or on behalf of each person who sustains bodily injury as the result of any one accident. If more than one policy issued by this Company applies to this part, the total limit of this Company's liability under all such policies shall not exceed the amount applicable under only one policy. The limit of liability for medical payments is reduced for any payments made under Part I of this policy.

Other Insurance. If there is other automobile medical payments insurance against a loss covered by Part IV of this policy the Company shall not be liable under this policy for a greater proportion of such loss than the applicable limit of liability of all valid and collectible automobile medical payments insurance; provided however, the insurance with respect to a temporary substitute automobile or non-owned automobile shall be excess insurance over any other valid and collectible automobile medical payments insurance.

Arbitration. If any person making claim hereunder and the Company do not agree that a medical bill submitted for payment is not usual and customary or necessary and reasonable or do not otherwise agree that it is payable under Part IV, these matters shall be submitted to arbitration. Upon

the insured or the Company demanding arbitration and identifying their arbitrator, the insured and the Company shall each select an arbitrator and the two arbitrators so named shall select a third arbitrator. The three arbitrators so selected shall hear and determine the questions in dispute. Any decision made by the arbitrators shall be binding for the amount decided by the arbitrators to be payable hereunder not exceeding the limits of liability for Medical Payments as provided in the Declarations of this policy subject to all other terms and conditions of this policy. To the extent that an arbitration decision exceeds the limit of liability, it is void. The authority of the arbitrators is limited to a determination of the amount due for Medical Payments under this policy and does not extend to punitive damages or other damages other than Medical Payments covered by this policy. Each party shall bear the cost of his/her own arbitrator and shall share equally the costs of the third arbitrator. The arbitration shall take place in Illinois in the County of residence of the person demanding arbitration. If the person demanding arbitration does not reside in Illinois then the arbitration shall take place in an Illinois County where the Company maintains a place of business. In any arbitration hereunder the arbitrators shall be governed by the rules of evidence as used in Illinois courts. No arbitrator shall have authority to entertain or decide class or representative claims.

PART V –PHYSICAL DAMAGE COVERAGE.

A - Comprehensive (excluding Collision). At the Company's option to have repaired or to pay for loss caused other than by collision to the owned automobile operated by an insured but only for the amount of each such loss in excess of the deductible amount stated in the Declaration as applicable hereto. For the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion shall not be deemed to be loss caused by a collision.

B - Collision. At the Company's option to have repaired or to pay for loss caused by collision to the owned automobile but only for the amount of each such loss in excess of the deductible amount stated in the Declarations as applicable hereto.

C - Towing and Labor Costs. To pay for towing and labor costs necessitated by the disablement of the owned automobile, other than disablement due to running out of gas, provided:

1. the labor is performed at the place of disablement.
2. the disablement does not occur at your residence; and
3. you provide us with proof in the form of verifiable receipts of towing and labor charges incurred.

D – Rental. In consideration of the premium charged, to reimburse the insured for the rental fee expenses, but only to the extent of the applicable limits for rental under this Part V,

incurred (excluding mileage charge) commencing forty-eight (48) hours after the insured has reported the loss or theft to the Company and the loss is caused by an auto accident. Our payment will be limited to the lesser of that period of time:

1. Reasonably required to repair or replace your auto, or
2. the repair facility finishes the repairs;
3. we offer to replace the Insured auto;
4. we offer settlement to you

Coverage terminates upon the completion of the repairs, but in no event later than 12:01 AM on the last day of coverage identified in the Declarations. The Company shall not be obligated to pay aggregate expenses in excess of the amounts in the Declarations. In no event shall the Company accept a claim for collision reimbursement unless a verified itemized statement of rental charges is supplied by the insured within thirty (30) days after the date of accident.

Storage Charges: In addition, after an auto accident for which this coverage is provided, we will pay reasonable storage charges to the insured or any relative who is legally responsible for storing your covered auto.

If the insured fails to notify the company within 48 hours that the auto is in storage, or if the insured refuses to release the auto for movement to the company's preferred storage lot, we will only pay storage charges to a maximum of \$200. This coverage applies only if the Declarations indicate that "Collision" or "Comprehensive" is provided for that auto.

Supplementary Payments. In addition to the applicable limit of liability, the Company will pay reasonable general

and salvage charges for which the insured becomes legally liable as to the automobile being transported.

Definitions. The definitions of "named insured", "relative", "owned automobile", "farm automobile", "utility automobile", "automobile business", "war", "business use" in Part I apply to Part V and under Part V:

"date of accident", for purposes of the Collision coverage, means the date of the collision; for purposes of Comprehensive Coverage, "date of accident" means the date of the event out of which the claim arises, such as but not limited to the date of fire, theft, vandalism or other event described in Comprehensive Coverage.

"insured" means (a) with respect to the owned automobile (1) the named insured and (2) any person or organization, other than a person or organization engaged in the automobile business or as a carrier or the bailee for hire, maintaining, using or having custody of said automobile with the permission of the named insured; (b) with respect to a non-owned automobile, the named insured and any relative provided the actual use thereof is with the and within the scope of permission of the owner;

"non-owned automobile" means an automobile not owned by or furnished or available for the regular use of either the named insured or any relative, other than a temporary substitute automobile, while said automobile is in the possession or custody of the insured or is being operated by him;

"loss" means direct and accidental physical damage to the automobile or its parts, including any child restraint system that was in use by a child during an accident to which this coverage applies, but "loss" does not include diminution in value or loss of use;

"collision" means collision of an automobile covered by this policy with another object or with a vehicle to which it is attached or by upset of such automobile;

"trailer" means a trailer designed for use with a private passenger automobile, if not being used for business or commercial purposes with other than a private passenger, farm or utility automobile, and if not a home, office, store, display or passenger trailer;

"forcible entry" means unauthorized entry or use of the vehicle and 1) use of actual force or tampering to either access the vehicle or to use the vehicle as evidenced by marks or damage to the ignition, ignition locks, steering locks, or other security devices installed to prevent access or operation by unauthorized persons or 2) use of electronic means to either access or to operate the vehicle as evidenced by exploitation of a security vulnerability in the vehicle's software or deployment of malicious code.

"aftermarket crash part" means a replacement for any of the non-mechanical sheet metal or plastic parts that generally constitute the exterior of a motor vehicle, including inner and outer panels;

"non-original equipment manufacturer (Non-OEM) aftermarket crash part" means an aftermarket crash part not made for or by the manufacturer of the motor vehicle;

"like kind and quality part" includes but is not limited to a replacement part for any vehicle obtained from another vehicle;

"repair" means physical repair but does not mean restoration

to pre-accident value or condition. To determine the amount necessary to repair or replace the damaged property, the total cost of necessary repair or replacement may be reduced by unrepaired prior damage. Unrepaired prior damage includes broken, cracked, or missing parts; rust; dents; scrapes; gouges; and peeling paint. The reduction for unrepaired prior damage is the cost of labor, parts, and materials necessary to repair or replace damage, deterioration, defects, or wear and tear on exterior body parts, windshields and other glass, wheels, and paint, that existed prior to the accident and that is eliminated as a result of the repair or replacement of property damaged in the loss.;

"temporary substitute automobile" means any automobile not owned by the named insured, or by any resident of the same household, while temporarily used as a substitute for the owned automobile when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction. With respect to Part V, this definition does not include a vehicle rented by any insured and the Company will provide no coverage under Part V for any vehicle rented by any insured.

"diminution in value" means the actual or perceived decrease of market or resale value of an automobile or part thereof, measured after repair of physical damage.

Exclusions. This policy does not apply under Part V:

(a) to any vehicle while such vehicle is being operated for "Business Use";

(b) to loss of equipment which is not available from the manufacturers of the automobile named in the policy for that make, model, and model year;

(c) to loss of equipment which is available from the manufacturers of the automobile named in the policy for that make, model, and model year, but which is not permanently installed in the dash or console opening specified by the manufacturer of the automobile for the installation of such equipment;

(d) to loss to a non-owned automobile arising out of its use by the insured in the automobile business;

(e) to loss to a private passenger, farm or utility automobile or trailer owned by the named insured and not described in this policy or to any temporary substitute automobile therefor, if the insured has other valid and collectible insurance against such loss;

(f) to damage which is due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such damage results from a theft covered by this policy;

(g) to tires, unless damaged by fire, malicious mischief, vandalism, stolen or unless loss be coincident with and from same cause as other loss covered by this policy;

(h) to loss due to radioactive contamination;

(i) under B of Part V, to breakage of glass if insurance with respect to such breakage is otherwise afforded;

(j) to loss to any automobile while being tested, repaired or serviced or to any automobile or motor vehicle used, operated, or maintained in any race or speed test;

(k) to loss of or damage to any device or instrument designed for the recording, reproduction, receiving, or transmittal of sound, radio waves, microwaves or television

signals unless such device or instrument is permanently installed in the dash or console opening specified by the manufacturer of the motor vehicle for the installation of such equipment;

(l) to loss of or damage to any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound;

(m) to loss with respect to an automobile, ownership of which is acquired by the named insured during the policy period, the named insured has not notified the Company in writing within 30 days of such acquisition, of his election to make Part V of this policy applicable to such automobile;

(n) to any loss due to theft under Coverage (A) of Part V if evidence exists that forcible entry was not required to gain access to the automobile and to operate it, or that evidence exists that a key, key fob, or remote keyless entry device were left in, on or near the automobile while it was unattended;

(o) to loss to any custom furnishings or equipment in or upon any pick-up, panel truck, or van, including, but not limited to, special carpeting, insulation, furniture, bars, television receivers, facilities for cooking or sleeping, height extending roofs, custom murals, paintings or other decals or graphics;

(p) to damage caused intentionally by or at the direction of the insured, however this exclusion does not apply to the interest in the property of an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss, provided that payment to the innocent co-insured is limited to his or her ownership interest in the property as reduced by any payments to a mortgage or other secured interest;

(q) to any loss arising out of or during its use for the transportation of hazardous substance, flammable liquid, or similarly hazardous material;

(r) to loss due to war, declared or undeclared;

(s) to diminution in value to any vehicle.

Limit of Liability.

The Company's liability for all losses under Part V except for non-owned trailers shall not exceed the smallest of the following:

(a) the actual cash value of stolen or damaged property or part thereof at the time of the loss;

(b) the amount necessary to repair the damaged property using, at the sole direction of the company, new parts from the vehicle's manufacturer, aftermarket crash parts or non-original equipment manufacturer (Non- OEM) aftermarket crash parts or like kind and quality parts. Non original equipment manufacturer (Non- OEM) aftermarket crash parts will be identified on the repair estimate;

(c) the amount necessary to replace the stolen or damaged property at the time of the loss with like kind and quality property less depreciation.

The Company's liability for loss under Part V for non-owned trailers shall not exceed \$500.00.

Other Insurance. This insurance with respect to a temporary substitute automobile or non-owned automobile shall be excess insurance over any other valid and collectible insurance or self-insurance. Total damages payable for one occurrence shall be considered not to exceed the limits of liability of the applicable policy that has the highest limit of liability.

PART VI –NON OWNER COVERAGE.

Non-Owner Coverage. This Part VI applies only if the term "Non-Owner" appears on the Declarations of the policy. The purpose of "Non-Owner" Coverage is to insure the named insured against the liability imposed by the law upon the named insured for bodily injury to or death of any person or damage to property to the amounts and limits stated on the Declaration of this policy and growing out of the use or operation by the named insured within the continental limits of the United States or the Dominion of Canada of a non-owned automobile. If the term "Non-Owner" appears on the Declarations of the policy, then all the terms and conditions of the policy apply except as modified herein, and to the extent that any definition, term or provision of Part VI conflicts with any definition, term or provision of any other Part of this policy, the purpose, definitions, terms and provisions of Part VI shall control the other Part of this policy. If this Part VI applies, then:

1) In Part I - Liability and in all other Parts incorporating said section "Persons Insured" is deleted and the following is substituted:

"Persons Insured" The only person insured under this policy is the named insured and his or her spouse, if a resident of the same household, and then only with respect to a non-owned

automobile, provided the use and operation thereof is with the permission of its owner and within the scope of such permission.

2) Part VI Definitions to be substituted for definitions in Part I - Liability and as incorporated in other Parts or Conditions from Part I - Liability:

"Non-owned automobile" means an automobile not owned by, rented by, or furnished or available for the regular use of the named insured or any resident of the household of the named insured.

"regular use" means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

"Owned automobile" means any automobile owned by or furnished for the regular use of the named insured or a resident of the household of the named insured.

"regular use" means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

3) Part VI definitions to be substituted in specified Parts and related Conditions:

For purpose of Part II - Uninsured Motorist Coverage and of Part III - Underinsured Motorist Coverage:

"Insured" means the named insured and any relative of the named insured.

4) The following are added

Exclusions: In Part I - Liability:

(aa) to any automobile owned by or furnished or available for the regular use of the named insured, or owned by or furnished or available for the regular use of a resident of the household of the named insured;

“**regular use**” means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

(bb) to any automobile while used in a business or occupation of the named insured.

In Parts II - Uninsured Motorist Coverage and Part III - Underinsured Motorist Coverage:

(aa) to injuries arising out of the operation, use or maintenance of a motor vehicle owned by or furnished or available for the regular use of the named insured, resident spouse or other resident of the named insured's household.

“**regular use**” means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

In Part IV - Medical Payments:(aa) arising out of the use, operation, or maintenance of any automobile owned by or furnished or available for the regular use of the named insured or a resident of the household of the named insured;

“**regular use**” means the use of an automobile 3 or more times in the 6 months prior to any accident, occurrence, or loss;

5) In all Parts, delete the Other Insurance section and replace it with:

Other Insurance. This insurance shall be excess insurance over any other valid and collectible insurance or self-insurance. Total damages payable for one occurrence shall be considered not to exceed the limits of liability of the applicable policy that has the highest limit of liability.

CONDITIONS

1. Policy Period, Territory. This policy applies only to accidents, occurrences and losses during the policy period, as stated in the Declarations, while the automobile is within the United States of America, its territories or possessions, or Canada or is being transported between ports thereof. This policy may be renewed for successive policy periods by payment of the required premium to the Company on or before the effective date of each successive policy period. If such premium is not paid when due, the policy shall terminate as of that date and such date shall be the end of the policy period. Such premium shall be computed in accordance with the manuals then in use by the Company. Each policy period shall begin and end at 12:01 A.M. local time at the address of the named insured.

2. Premium. As a condition precedent to coverage under all parts of this policy and to allow the Company to determine whether and under what premium and conditions to continue coverage under this policy, during the term of this policy and any renewal thereof, the named insured shall immediately inform the Company of each change to an answer on the application for insurance, including, but not limited to, a) the name, address, birthdate, and drivers' license state and number of all registered owners of any newly acquired vehicle, b) the garaging address of any vehicle described in the policy, c) each new resident of the named insured's household over the age of 15 years old, d) each person who begins to make regular use (as defined in Part I) of a vehicle described in the policy, e) the suspension, expiration, and/or revocation of the drivers' license of the named insured or of any listed driver, and f) the commencement of use of any vehicle described in the policy for any purpose defined as “Business Use” in Part I of this policy. If the named insured disposes of or replaces a private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days of such change. If the named insured acquires ownership of an additional private passenger, farm or utility automobile, he shall inform the Company in writing within 30 days following the date of its delivery of his election to make this policy applicable to such owned automobile. Any premium adjustment necessary shall be made as of the date of such change or acquisition in accordance with the manuals in use by the

Company. The named insured shall, upon request, furnish reasonable proof of the number of such automobiles or trailers and a description thereof.

3. A. Notice of Accident, Occurrence, or Loss. As a condition precedent to coverage under every Part of this policy, within 30 days of any accident, occurrence, or loss, regardless of fault, the Company must receive notice in writing as defined in Condition 3C, via telephone at 847-916-3200, or via internet at <https://www.myamericanalliance.com/submit-a-claim/>. To constitute notice the information provided must contain at least the following: a) The time, place, and location of the accident, occurrence, or loss; and b) The full name and address of each known person who occupied any vehicle involved in the accident, occurrence, or loss and/or who was present at the scene at the time of the accident, occurrence, or loss; and c) The purpose of the use of the vehicle at the time of the accident, occurrence, or loss; and d) The facts surrounding the accident, occurrence, or loss; and e) Any other information the Company requests in order to conclude its investigation of the accident, occurrence, or loss. Failure to provide timely, written notice of an accident, loss, or occurrence will result in denial of any claim under this policy for that accident, loss, or occurrence.

In the event of a theft or hit-and-run of an owned automobile under Part V of this policy, the insured shall report the loss to the police within 24 hours after the discovery of the theft or hit-and-run and shall provide the Company with a copy of the police report with his/her notice of the loss. Further, in the case of a claim under Part II arising out of an accident, occurrence, loss with a “hit-and-run motor vehicle”, in addition to the notice required in the preceding paragraph, a statement under oath must be provided within 30 days that the insured or his legal representative has a cause or causes of action arising out of such accident for damages against a person or persons whose identity is unascertainable, and setting forth the facts in support thereof.

B. Notice of a Lawsuit under Part I. If claim is made or suit is brought against an insured, the insured shall immediately forward to the Company every demand, notice, summons or other process received by him, his representative or agent. The Company will not be obligated to pay, and shall not pay under Part I, unless the Company:

(1) received actual written notice of the loss pursuant to Condition 3A above; and (2) received actual notice of a lawsuit before a judgment had been entered in said suit. A judgment includes, but is not limited to, a default order, default judgment, a judgment on liability, and/or a monetary judgment.

If, before the Company makes a payment of loss under Part II, the insured or his legal representative shall institute any legal action for bodily injury against any person or organization legally responsible for the use of an automobile involved in the accident, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the Company by the insured or his legal representative.

C. Written Notice to the Company Defined. All written notices from the insured(s) required by this policy shall be made by certified mail, return receipt requested, or by personal hand delivery with signed receipt. All written notices must be received by the Company in order to be valid. A receipt which has been signed for by the company shall create a rebuttable presumption that such notice was received by the company, and the date of receipt or the date mailed as evidenced by the envelope, whichever is earlier, shall be the date of the notice. All notices shall be delivered and/or addressed to the company at:

American Alliance Casualty Company
PO Box 31670
Chicago, Illinois 60631

D. Notice to the Insured. All notices and written communications from the Company to the insured(s) shall be given by regular mail or certified mail at the last known address of the named insured.

E. Duty of the Insured in the Event of Relocation: In the event the insured relocates or moves during the terms of this policy, after an accident, or during the course of any claim or litigation regarding a loss which occurred during the policy period, the insured must provide written notice of his/her new address and phone number; and written notice of any additional operators and/or additional household members to the company as set forth in Condition 3C above, within 14 days of the relocation. The insured's failure to provide such notice shall serve as the insured's waiver of receiving actual notice from the company, other than notice sent to the Insured's last known address, as well as the insured's waiver of personal service of any legal proceeding, whether in Law or Equity, initiated by the Company against the insured.

In the event the insured fails to provide written notice to the Company of his relocation and the Company initiates legal proceedings against the insured, the insured appoints both the Illinois Secretary of State and the Insurance Broker who procured this policy on the insured's behalf, as his registered agent for the purpose of accepting service of process. In such an event, the insured shall also receive a copy of any summons and complaint via regular mail at the last known address of the "named insured" as set forth in the Declaration page.

F. Notice of Declaratory Judgment Action. The insured, and any claimant under this policy, must immediately forward to the Company every demand, notice, summons or other process

received by him, his representative or agent related to any declaratory judgment action arising from any accident, occurrence, or loss. The Company will not be obligated to pay, and shall not pay under any part of this policy, unless the Company: (1) received actual written notice of the loss pursuant to Condition 3A above; and (2) received actual notice of a declaratory judgment action before a judgment had been entered in said suit. A judgment includes, but is not limited to, a default order, judgment, a judgment on liability, and/or a monetary judgment.

4. Fraud and Misrepresentation.

(a) If there has been a misrepresentation or false warranty, made with actual intent to deceive or which materially affects either the risk or hazard assumed by the Company, made by the insured or in his behalf in the negotiation for this policy, or breach of condition of such policy, and if said misrepresentation or false warranty or breach of condition is stated in the policy or endorsement or rider attached thereto, or in the written application for this policy, then this policy shall be null and void and of no benefit, provided, however that the Company, during the lesser of the first year of the policy or the first term of the policy, rescinds the policy and declares this policy void. If the policy has been in effect more than the lesser of one year or the first policy term, then the Company shall not rescind this policy. Notwithstanding any other provisions of this policy, this policy shall provide no coverage or benefit to any person who, with respect to any accident, occurrence, or loss for which coverage or a benefit is sought under this policy or any renewal of this policy, 1) makes a false statement, 2) fails to provide material information to the Company, or 3) engages in fraudulent conduct..

(b) If, at any time, the Company becomes aware of misrepresentation that would have made the risk ineligible or resulted in a higher premium charge, the Company reserves the right to retroactively endorse the policy to the correct premium charge. In the event that the Company exercises that right, the named insured will be liable for the total premium amount charged for the applicable coverage, which shall include any additional premium amounts that the named insured would have been charged had such misrepresentation not been made. In addition, a two-hundred percent (200%) surcharge, based on the total premium amount the named insured would have been charged for the coverage had such misrepresentation not been made, may, at the Company's option, be assessed against the policy. However, the amount charged shall not exceed the claim amount, in the event that such claim is the reason the Company becomes aware of the misrepresentation. The total premium amount charged will be calculated based on the earlier of (1) the inception date of the policy, or (2) the date the misrepresentation occurred during the policy period. Nothing in this Condition shall preclude the Company from exercising or pursuing any other right or remedy available under Illinois law.

5. Two or More Automobiles - Parts I, IV, and V. When two or more automobiles are insured hereunder, the terms of this policy shall apply separately to each, but an automobile and a trailer attached thereto shall be held to be one automobile as respects limits of liability under Part I and IV of this policy, and separate automobiles under Part V of this policy, including any deductible provisions applicable

thereto.

6. Assistance and Cooperation of the Insured. As a condition precedent to the Company's duty of indemnity with respect to claims and lawsuits brought against an insured, the insured shall cooperate with the Company and upon request by the Company or attorneys hired by the Company to represent the insured, the insured shall assist in completing the Company's investigations including answering questions and providing all reasonably available evidence and in the litigation of any lawsuit including attending hearings, trials and examinations under oath, and assisting in making settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of any legal proceedings in connection with the subject matter of this insurance. During the pendency of any claim or lawsuit against an insured, the insured shall advise the Company in writing of his new residential address or new residential telephone number within 14 days of any change. The insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for such immediate medical and surgical relief to others as shall be imperative at the time of accident. Notwithstanding any other provision of this policy, any voluntary payment or assumption of any objection shall void all coverage under this policy for the accident, occurrence, or loss for which payment or assumption of objection is made. After the notice of claim under any part of this policy, the Company may require the insured to take such actions as may be necessary or appropriate to preserve his right to recover damage from any person or organization alleged to be legally responsible for the bodily injury or property damage; and in any action against the Company, the Company may require the insured to join such person or organization as a party defendant.

7. Examination under Oath. A. Examination under oath is a condition precedent to coverage under every Part of this policy. Wherever the term "examination under oath" appears in this policy, the provisions set forth in this Condition 7 shall apply.

B. The named insured, and any person seeking coverage under any part of this policy must submit to examination under oath as often as may be reasonably required by the Company and subscribe to the examination.

C. All examinations under oath shall take place outside of the presence of any other named insured, any insured's spouse, any relative of any insured, and/or any other person seeking coverage under this policy.

D. While the individual to be examined may be represented by counsel at the examination, counsel for the individual shall not disturb, interrupt, or interfere with the examination. Conduct of counsel for the individual being examined that disturbs, interrupts, or interferes with the examination shall be considered a breach of this condition precedent and coverage under the policy about which the examination is being conducted shall be waived. Counsel for any individual being examined shall not have the right to ask any questions during the examination.

E. The location of any examination under oath will at the sole choice of the Company, or its representatives, so long as that chosen location is in 1) the County of the Company's principal

place of business, 2) the County of the accident, occurrence, or loss giving rise to the claim, or 3) the County of residence of the individual to be examined.

F. The Company and its representative, may request that a person to be examined to produce documents related to the claim a reasonable period before an examination under oath. The Company or its representatives may also request that a person who has been examined produce documents after an examination under oath. The person to be examined shall produce all documents requested to the Company or its representatives by the time requested.

G. The named insured and any other person seeking coverage under any part of this policy shall take all reasonable efforts to assist the Company in obtaining the examination under oath or sworn statement of 1) any witness to the loss or occurrence that is the subject of a claim under this policy or 2) any individual with knowledge of the damages claimed as a result of any loss or occurrence that is the subject of a claim under this policy.

8. Action Against Company - Part I. No action shall lie against the Company unless, as a condition precedent thereto, the insured shall have fully complied with all terms of this policy, nor until the amount of the insured's obligation to pay shall have been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the claimant and the Company. Any lawsuit must be filed within one year after the date of loss or damage. However, this one-year period is tolled from the date proof is filed until the day the claim is denied in whole or in part. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Company as a party to any action against the insured to determine the insured's liability, nor shall the Company be impleaded by the insured or his legal representative. Bankruptcy or insolvency of the insured or the insured's estate shall not relieve the Company of any of its obligations hereunder.

Parts II, III, IV, and V. No action shall lie against the Company unless, as a condition precedent thereof, there shall have been full compliance with all the terms of this policy nor under Part V until 30 days after proof of loss is filed and the amount of loss is determined as provided in this policy. Under this policy the running of all contractual periods limiting time to file suit against the Company is tolled from the date proof of loss is filed, in whatever form is required by the policy, until the date the claim is denied in whole or in part. In no event shall lawsuit, arbitration or appraisal be commenced against the Company more than two years after the date of accident, except only in the following circumstances:

(a) under Part II, if coverage is based on entry of the court order of rehabilitation or liquidation by reason of insolvency of an insurer, lawsuit or arbitration shall not be commenced against the Company after the later of: two years after the date of the accident or six months after the entry of such court order of rehabilitation or liquidation by reason of insolvency; or

(b) under Part III, no action may be commenced after the later of: two years after the date of accident or six months after

the limits of liability or portion thereof under all bodily injury liability insurance policies applicable to the underinsured motor vehicle and its operators have been partially or fully exhausted by payment of judgment or settlement.

(c) Arbitration proceedings will not commence until the Company receives at the same time (1) the insured's written demand for arbitration and (2) the insured's written selection of an arbitrator.

9. Medical Report; Proof and Payment of Claim - Part

IV. As soon as practicable the injured person or someone on his behalf shall give to the Company written proof of claim, under oath if required, and shall, after each request from the Company, execute authorization to enable the Company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Company when and as often as the Company may reasonably require. The Company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the Company.

10. Insured's Duties in Event of Loss - Part V. In the event of loss, the insured shall:

(a) protect the automobile, whether or not the loss is covered by this policy, and any further loss due to the insured's failure to protect shall not be recoverable under this policy; reasonable expenses incurred in affording such protection shall be deemed incurred at the Company's request;

(b) file with the Company, within 91 days after loss, his sworn proof of loss in such form and including such information as the Company may reasonably require and shall, upon the Company's request, exhibit the damaged property and submit to examination under oath;

(c) report any loss to the Company as provided for in Condition 3A and, in the event of theft, fire or vandalism, report the theft, fire or vandalism to the police within 24 hours of the theft, fire or vandalism and shall provide the Company with a copy of the police report with his/her notice of the loss;

(d) Upon our request, allow us to obtain a written and/or recorded statement concerning the circumstances of the claim and any damages claimed as often as we may request;

(e) Provide us access, as we request, to recorded data contained in your covered auto event data recorder (EDR), global positioning system (GPS), or similar device, in connection with any matter concerning an accident, claim or suit;

(f) Notify us of the location of the auto and authorize us to move the damaged vehicle to a free storage facility of our choice at our expense, should we request it.

11. Proof of Claim; Medical Report - Part II, III, and IV.

As soon as practicable, the insured or other person making claim shall give to the Company written proof, under oath, if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering into the determination of the amount payable. The insured and every other person making claim shall submit to examinations under oath by any person named by the Company and subscribe the

same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the Company unless the Company shall have failed to furnish such forms within 15 days after receiving notice of claim. The injured person shall submit to physical examinations by physicians selected by the Company when and as often as the Company may reasonably require and he, or in the event of his incapacity his legal representative, or in the event of his death his legal representative or the person or persons entitled to sue therefor, shall upon each request from the Company execute authorization to enable the Company to obtain medical reports and copies of records.

12. Appraisal - Part V. If the insured and the Company fail to agree as to the amount of loss, then the dispute shall be decided by appraisal as described herein. In such event the insured and the Company shall each select a competent appraiser. The appraisers shall state separately the actual cash value and the cost of repairs and failing to agree shall submit their differences to an umpire whom they select. An award in writing of any two shall determine the actual cash value and the cost of repairs. The insured and the Company shall each pay his chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal. No appraiser or umpire shall have authority to entertain or decide class or representative claims.

13. Payment of Loss. Any amount due is payable (a) to the insured, or (b) if the insured is a minor to his parent or guardian, or (c) if the insured is deceased to his surviving spouse, otherwise (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents; provided, the Company may at its option pay any amount due in accordance with provision (d) hereof.

Part V. The Company may pay for the loss in money; or may repair or replace the damaged or stolen property; or may at any time before the loss is paid or the property is so replaced, at its expense return any stolen property to the named insured, or at its option to the address shown in the declarations, with payment for any resultant damage thereto less deductible; or may take all or such part of the property at the agreed or appraised value but there shall be no abandonment to the Company. If the Company deems the automobile a total loss, then the Company may pay the insured and the loss payee, if any. The interest of a loss payee is subject to any defenses available against the insured under the terms and conditions of this policy with respect to any loss. If the insured or owner elects to have the automobile repaired at a facility of his/her own choosing and that facility charges more than the Company would pay for the repair at another licensed auto repair facility reasonably available, then the Company may tender the amount payable under its estimate and the insured or owner will be responsible to pay the difference to the repair facility of his/her own choosing. If hidden or additional damage is identified, then the Company shall be given the opportunity to estimate the cost of such additional repair and the Company may tender such additional amount payable pursuant to its additional estimate.

14. No Benefit to Bailee - Part V. The insurance afforded by this policy shall not inure directly or indirectly to the

benefit of any carrier or other bailee for hire liable for loss to the automobile.

15. Subrogation.

(a) In the event of any payment under this policy, the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and paper and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights and the insured shall file suit against all potential tortfeasors.

(b) In the event of any payment under Part IV - Medical Payments, the Company shall be subrogated to all the rights of recovery therefor which the insured person or anyone receiving such payment may have against any person or organization and such person shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.

(c) In the event of any payment under the Underinsured Motorists Coverage, the Company shall not exercise any right of subrogation under a policy providing additional uninsured motorist coverage against an underinsured motorist where the Company has been provided with written notice in advance of a settlement between its insured and the underinsured motorist and the Company fails to advance a payment to the insured, in an amount equal to the tentative settlement, within 30 days following receipt of such notice

16. Changes. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.

17. Assignment. Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if however, the insured named as Named Insured of the Declarations, or his spouse if a resident of the same household, shall die, this policy shall cover (1) the survivor as named insured, (2) his legal representative as named insured but only while acting within the scope of his duties as such, (3) any person having proper temporary custody of an owned automobile, as an insured, until the appointment and qualification of such legal representative, and (4) under Division 1 of Part IV any person who was a relative at the time of such death.

18. Cancellation. This policy may be cancelled by the named insured named as Named Insured on the Declarations, or any authorized agent of the Named Insured, by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the Company by mailing to the named insured and loss payee at their last known addresses written notice stating when not less than 30 days thereafter such cancellation shall be effective, however, where cancellation is for non-payment of premiums at least ten (10) days notice must be given. The Company shall not exercise its right to cancel such

policy after it has been in effect for 60 days or any policy that has been renewed except for the reasons set forth in Section 5/143.19 of the Illinois Insurance Code. The mailing of notice as aforesaid on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office or other commercial mail delivery service shall be sufficient proof of notice, and a copy of such notice shall be sent to the insured's broker or the agent of record at the last mailing address known to the Company. In the event of the cancellation of this policy by the Company or the named insured, earned premium shall be computed pro-rata to the date of cancellation. Any refund of the premium shall be without prejudice to any claim arising prior to the cancellation, and such refund shall be made to the broker or the agent of the named insured by the Company within 30 days from (1) the date of the notice of cancellation by the Company, or (2) the date the Company receives the request for cancellation from the named insured or its representatives, but payment or tender of unearned premium is not a condition of cancellation. If this policy has been cancelled and reinstatement is requested, the Company may at its sole option reinstate the policy and determine the effective date of reinstatement. Coverage under a reinstated policy shall be prospective only as of the date stated in the reinstatement endorsement and is not retroactive to the prior cancellation date. No coverage is provided under a reinstatement of this policy relative to any accident, loss or occurrence between a prior cancellation and the effective date of reinstatement.

19. Declarations. By acceptance of this policy, the insured named as Named Insured of the Declarations agrees that the statements contained in the Application, which forms a part of this policy, have been made by him or on his behalf and that said statements and the statements of the Declarations and in any subsequent Application accepted by the Company are offered as an inducement to the Company to issue or continue this policy and that the same are his agreements and representations, and that this policy is issued and continued in reliance upon the truth of such statements and representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

20. Excluded Drivers. If any person is identified on the Declarations or an endorsement thereto in effect at the time of an accident as "EXCLUDED", and if the accident involves the use or operation of any motor vehicle by the person identified as "EXCLUDED" then, notwithstanding any other provision of this policy or its Declarations or amended Declarations, no coverage of any kind under this policy is owing or payable by the Company to any person with respect to such accident and the Company is not obligated to defend any person in any legal action arising out of the accident.

21. Choice of Law. The laws of the State of Illinois govern the interpretation of this policy and the respective rights and the obligations of the parties hereto. Further, this policy does not comply with (a) any Financial Responsibility Law other than Illinois, or (b) any other state's statutory requirements for No-Fault Coverages.

22. Loss Payable Clause

Loss or damage shall be paid, subject to all the terms of this policy, as interest may appear, to the named insured, the Loss Payee shown on the Declarations Page of this policy, both jointly, or separately, at our discretion. The loss payee has no greater rights under this policy than the insured. Where coverage is denied to the insured, coverage is also denied to the loss payee.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of you or a family member, the Loss Payee or lien holder's interest will not be protected, except in the case where an innocent co-insured who did not cooperate in or contribute to the creation of the loss if the loss arose out of a pattern of criminal domestic violence and the perpetrator of the loss is criminally prosecuted for the act causing the loss.

However, we reserve the right to cancel or non-renew this policy as permitted by policy terms and the cancellation or non-renewal shall terminate this agreement as to the Loss Payee's interest.

When we pay the Loss Payee, we shall, to the extent of payment, be subrogated to the Loss Payee's rights of recovery. All other terms and conditions of this policy remain unchanged.

23. Automatic Termination If a person other than named

insured or a listed driver becomes the owner of an automobile described in this policy, coverage for that automobile will automatically terminate at the time possession is conveyed to the new owner.

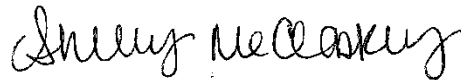
24. Forum & Choice of Law. In the event there is a dispute as to whether there is a valid policy in existence at the time of any loss, coverage under the policy, or whether the loss is excluded under the terms and conditions of the policy, such dispute shall only be filed in Illinois in either the Circuit Court of Cook County, Illinois, Chancery Division, for resolution, or any County within the State of Illinois where the insured(s) reside(s).

25. Reimbursement of Defense Costs. If the Company defends an insured or pay for an insured's defense but it is later determined by a court of competent jurisdiction that none of the claims, for which the Company provided a defense or defense costs, are covered under this insurance, the Company shall have the right to reimbursement for the defense costs the Company incurred. The right to reimbursement under this provision will only apply to the costs the Company has incurred after the Company notifies the insured in writing that there may not be coverage and that the Company is reserving its rights to terminate the defense or payment of defense costs and to seek reimbursement for defense costs.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless completed by the attachment hereto of the Declarations page and countersigned on the aforesaid Declarations page by a duly authorized representative of the Company.



President



Secretary

American Alliance Casualty Company Personal Auto Policy
Illinois Personal Auto Policy Form ILPOL 07/25

Complaint Department of American Alliance Casualty Company: PO Box 31670, Chicago, Illinois 60631 (877-228-3101 or 847-916-3200). You may file a consumer complaint online at the Illinois Department of Insurance's website or by mail. The Department maintains a Consumer Division in Chicago at 115 South LaSalle Street, 13th Floor, Chicago, Illinois 60603 and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.