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CANCELLED
DEC 17 2004

FILED
Clerk of the Superior Court
DEC 17 2004
By: _____ Deputy

1 LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
2 JOHN J. STOIA, JR. (141757)
LEONARD B. SIMON (58310)
3 TIMOTHY G. BLOOD (149343)
ALREEN HAEGGQUIST (221858)
4 401 B Street, Suite 1600
San Diego, CA 92101
5 Telephone: 619/231-1058
619/231-7423 (fax)

6 FREEDMAN, BOYD, DANIELS, HOLLANDER
7 & GOLDBERG P.A.
DAVID FREEDMAN
8 20 First Plaza, Suite 700
Albuquerque, NM 87102
9 Telephone: 505/842-9960
505/842-1925 (fax)

10 Attorneys for Plaintiff

11 [Additional counsel appear on signature page.]

12
13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 COUNTY OF SAN DIEGO

15 THOMAS E. TROYK, On Behalf of Himself)
16 and All Others Similarly Situated and the)
General Public,)

17 Plaintiff,

18 vs.

19 FARMERS GROUP INC. D/B/A FARMERS)
20 UNDERWRITERS ASSOCIATION,)
21 FARMERS INSURANCE EXCHANGE)
and DOES 1 through 50,)

22 Defendants.

Case No. GIC 836844

CLASS ACTION

FIRST AMENDED COMPLAINT FOR
DAMAGES AND EQUITABLE RELIEF

DEMAND FOR JURY TRIAL

DATE ACTION FILED: 10/06/04

1 Plaintiff Thomas E. Troyk, by his attorneys, brings this action on behalf of himself, all others
2 similarly situated and the general public against Farmers Group Inc. d/b/a Farmers Underwriters
3 Association, Farmers Insurance Exchange (collectively "Farmers") and DOES 1 through 50, inclusive.

4 NATURE OF THE ACTION

5 1. This action is brought on behalf of Farmers insurance policyholders who buy and pay for
6 their insurance on a monthly basis. In addition to the premium amount specified in the insurance
7 policy, Farmers improperly imposes a "service charge" to all of its policyholders who pay their
8 premiums monthly. This charge is prohibited by law.

9 2. Farmers' conduct violates Cal. Bus. & Prof. Code §17200 (the "UCL"), and constitutes a
10 breach of the insurance contracts at issue.

11 JURISDICTION AND VENUE

12 3. The Superior Court of the State of California has jurisdiction over this action pursuant to
13 Article VI, §10 of the California Constitution, because this case is not a cause given by statute to other
14 trial courts. Federal jurisdiction does not exist because each Class members' claim for relief will not
15 exceed the federal diversity jurisdictional threshold of \$75,000 and there is no diversity of citizenship.

16 4. This Court has personal jurisdiction over Farmers because Farmers is headquartered in
17 Los Angeles, California. Further, Farmers is a corporate citizen of, licensed to do business in, and
18 conducts a substantial amount of business in the State of California. During the relevant time period,
19 Farmers did sufficient business in, had sufficient contacts with, and intentionally availed itself of the
20 laws and markets of California through the promotion, sale, marketing, distribution and operation of its
21 products and services, as to render exercise of jurisdiction by California courts permissible.

22 5. Venue is proper in the Superior Court for the County of San Diego, State of California,
23 because plaintiff resides in this county and Farmers is currently doing and has done during the relevant
24 time period significant amounts of business in this County. In addition, many of the acts and practices
25 giving rise to plaintiff's claims occurred in this County.

26 PARTIES TO THE ACTION

27 6. Plaintiff Thomas E. Troyk is a Farmers policyholder residing in the County of San
28 Diego, State of California who paid premiums on his Farmers automobile insurance policy in monthly

1 payments, and as a result, incurred service charges during the Class period. Plaintiff has suffered an
2 injury in fact and has lost money as a result of the conduct alleged.

3 7. Defendant Farmers Insurance Exchange is a California incorporated insurance exchange
4 that issues automobile insurance policies in California. Farmers Insurance Exchange has organized a
5 number of wholly owned subsidiary companies to issue policies in various states. All policies issued
6 are fully reinsured with, or pooled into, Farmers Insurance Exchange. Farmers Insurance Exchange
7 consists of policyholders who, for their mutual protection, exchange insurance contracts through the
8 medium of an attorney-in-fact. Farmers Insurance Exchange provides claims adjusting and related
9 services to all Farmers Insurance Group-affiliated companies.

10 8. Defendant Farmers Group, Inc., d/b/a Farmers Underwriters Association, is a Nevada
11 corporation that is the attorney-in-fact for defendant Farmers Insurance Exchange. Farmers Group, Inc.
12 is empowered in each underwriter's agreement not only to exchange insurance contracts for the
13 subscribers, but also to select risks, prepare and mail policy forms and invoices and provide other policy
14 services, collect premiums, provide computer services, and perform other administrative and managerial
15 functions. In return for the management service it provides to Farmers Insurance Exchange as its
16 attorney-in-fact, Farmers Group, Inc. receives a percentage of premiums paid by the Farmers Insurance
17 Exchange's policyholders.

18 9. Farmers Insurance Exchange and two other affiliated reciprocals, together with Farmers
19 Group, Inc. and its subsidiaries, are referred to collectively by Farmers as the "Farmers Insurance Group
20 of Companies." In the policies Farmers provides to its policyholders, Farmers identifies itself as the
21 Farmers Insurance Group of Companies. Policyholders are also issued identification cards identifying
22 them as "a policyholder of a member of the Farmers Insurance Group of Companies." The Farmers
23 Insurance Group of Companies are all under the same general management, located in Los Angeles,
24 California.

25 10. Farmers is the second largest personal passenger automobile insurer in California.

26 11. Farmers utilizes a standardized adhesionary policy form for automobile insurance, which
27 it prepares and issues to its sales force.
28

12. The true names and capacities of the defendants named herein under C.C.P. §474 as Does 1 through 50 are presently unknown to plaintiff, who therefore sues them by such fictitious names. Plaintiff will amend this Complaint to allege the true names and capacities of these defendants when they have been determined. Each of the fictitiously named defendants is responsible in some manner for the conduct alleged herein. The Doe defendants are private individuals, associations, partnerships, corporations or institutes who participated in the wrongful conduct alleged herein in ways which are unknown to plaintiff at this time.

13. At all times mentioned in the causes of action alleged herein, each and every defendant was an agent and/or employee of each and every other defendant. In doing the things alleged in the causes of action stated herein, each and every defendant was acting within the course and scope of this agency or employment and was acting with the consent, permission and authorization of each of the remaining defendants. All actions of each defendant, as alleged in the causes of action stated herein, were ratified and approved by every other defendant or its officers or managing agents.

FACTS

14. Farmers offers its personal lines automobile insurance policyholders two options for the term of insurance coverage. Under the first option, Farmers offers insurance coverage for a term of six months. Under the second option, Farmers offers insurance coverage for a term of one month.

15. Regardless of whether the term of coverage is for one month or six months, the premium Farmers asserts it charges is the same for otherwise identical coverage and risk. That is, the premium Farmers states in its insurance policy is the same per month regardless of the length of the term.

16. In fact, regardless of whether an insured chooses a six month term or a one month term, Farmers uses the same policy and the same Declarations page, which lists the same premium amount for a six month period. If the insured desires a monthly term, Farmers adds an endorsement to the policy, which modifies the policy from six months to one month, for a premium that is one-sixth the premium for a six month term. The endorsement states that “[t]he policy period is amended to one Calendar month.” A copy of plaintiff’s term modification endorsement is attached as Exhibit A.

17. Although the Declarations page states the total amount of premium, Farmers nonetheless charges policyholders who purchase insurance by the month additional premium which it

1 euphemistically refers to as a "service charge." The service charge is not included anywhere in the
2 policy, but is nonetheless added in addition to the premium stated in the policy.

3 18. Plaintiff has purchased automobile insurance from Farmers. A copy of plaintiff's EZ-
4 Reader Car Policy is attached as Exhibit B. The Declarations page of the policy period beginning on
5 May 25, 2004 states that the premium for the policy for six months is \$345.40.

6 19. Plaintiff did not buy six months of insurance coverage. Instead, plaintiff bought
7 insurance for a one month term. Like all policyholders who purchase a Farmers policy in one month
8 terms, plaintiff's policy contains the endorsement which states that "[t]he policy period is amended to
9 one Calendar month."

10 20. Instead of charging plaintiff one-sixth of the six month premium quoted on the
11 Declarations page, Farmers improperly charged plaintiff an additional monthly premium of \$5.00.

12 21. Plaintiff's payments with respect to his Farmers' policy was paid to Prematic Service
13 Corporation, which is a corporate affiliate of Farmers. Prematic Service Corporation, in collecting
14 payments from Farmers' policyholders, acts as the agent of Farmers.

15 22. Pursuant to California law, including Cal. Ins. Code §381, and principles of contract law,
16 Farmers is not entitled to collect any premium which is not specified in the policy.

17 23. The "service charges" are premium. Because Farmers did not specify the "service
18 charge" in the policy it sold plaintiff and the policies sold to class members, Farmers is in breach of its
19 contracts.

20 24. By charging more than the total premium in the policy, Farmers has breached its contact
21 with plaintiff and the class.

22 CLASS ACTION ALLEGATIONS

23 25. Plaintiff seeks certification of all persons who, between October 6, 2000, and the date
24 notice of this class action is provided to class members, bought and paid for one or more insurance
25 policies issued by Farmers in California or Nevada on a monthly basis and incurred one or more
26 "service charges" or similar denominated charges in addition to the premium specified in the Farmers
27 insurance policy.

28 26. This action is properly brought as a class action for the following reasons:

1 (a) This class is so numerous and geographically dispersed that joinder of all class
2 members is impracticable. While plaintiff does not know the exact number and identity of all class
3 members, plaintiff believes that there are tens of thousands of class members and that their identities
4 can be ascertained from Farmers' books and records. Attempting to join each class member as co-
5 plaintiffs is impracticable.

6 (b) There are questions of law and fact common to the class which predominate over
7 any questions affecting only individual class members. These questions, which arise from common
8 policy language in Farmers' standard automobile insurance policies and from Farmers' common
9 practices and procedures, predominate over any questions affecting only individual class members.
10 Among these common questions of law and fact are:

11 (i) whether Farmers' practice of charging a "service charge" in addition to
12 the premium specified in the policy constitutes a breach of contract;

13 (ii) whether Farmers' practice of charging a "service charge" in addition to
14 the premium specified in the policy violates Cal. Bus. & Prof. Code §17200, *et seq.*;

15 (iii) whether plaintiff and Class members are entitled to damages or equitable
16 relief, and the proper measure of those damages or equitable relief; and

17 (iv) whether plaintiff and Class members are entitled to declaratory and
18 injunctive relief.

19 (c) The claims asserted by plaintiff are typical of the claims of Class members.

20 (d) Plaintiff will fairly and adequately protect the interests of the Class. The interests
21 of plaintiff are coincident with and not antagonistic to those of the Class. Furthermore, plaintiff is
22 represented by counsel experienced in prosecuting this type of litigation.

23 (e) This Class action is an appropriate method for the fair and efficient adjudication
24 of this controversy, because:

25 (i) Class members have no special interest in individually controlling the
26 prosecution of separate actions;

1 (ii) the damages sustained by individual Class members are extremely small,
2 compared to the expense and burden of individual litigation, making it economically infeasible for
3 Class members individually to redress the wrongs done to them;

4 (iii) this action will promote an orderly and expeditious administration and
5 adjudication of Class claims, promote economies of time, effort and resources and uniformity of
6 decisions will be insured;

7 (iv) without a class action, the Class members will continue to suffer injury
8 and Farmers' violations of law will proceed without remedy while Farmers continues to reap and retain
9 the substantial proceeds, in the millions of dollars, because of its wrongful conduct; and

10 (v) there will be no serious difficulties in the management of this lawsuit as a
11 class action.

12 27. Plaintiff seeks preliminary and permanent injunctive and equitable relief on behalf of the
13 entire Class, on grounds generally applicable to the entire Class, to enjoin and prevent Farmers from
14 engaging in the acts described. Plaintiff also seeks preliminary and permanent injunctive and equitable
15 relief on behalf of the entire Class, on grounds generally applicable to the entire Class, requiring
16 Farmers to provide full restitution to plaintiff, members of the Class and the general public.

17 28. Absent a class action, Farmers' violation of the law will continue and Farmers would
18 continue to reap and retain the substantial proceeds received as a result of its improper conduct.

19 **CALIFORNIA IS THE EPICENTER OF**
20 **FARMERS' ILLEGAL CONDUCT**

21 29. Farmers is organized and has its principal place of business in California. The conduct
22 and practices on which plaintiff's claims are based and the transactions underlying plaintiff's claims are
23 centered in California. Based on the following facts, among others, Farmers' practices directly and
24 indirectly affect the citizens of California and the State of California has the most significant
25 relationship to the conduct, claims and events at issue in this case:

26 (a) *Farmers maintains its principal place of business in California.* Farmers is
27 organized under California law and maintains and operates its home offices in Los Angeles, California.
28

1 Farmers' principal place of business is California and all of its top level management employees are
2 stationed at Farmers' home offices in California.

3 (b) *Farmers insures tens of thousands of California residents.* California residents
4 comprise a substantial portion of Farmers' automobile insurance business. In 2003, for example,
5 Farmers collected over \$1.0 billion in premiums from California residents, making Farmers the second
6 largest private passenger automobile liability insurer in California.

7 (c) *Farmers' improper practices are formulated and directed in California.*
8 Farmers' wrongful conduct in all of the practices employed to effectuate the conduct are formulated and
9 implemented by Farmers' management in California.

10 (d) *Farmers prepares all of its policy forms in California.* All insurance policies
11 and related documents issued by Farmers are drafted and prepared at Farmers' offices in California.

12 (e) *Farmers' wrongful conduct occurred in California.* All of the conduct alleged
13 above was perpetrated by Farmers in California. Farmers policy forms and marketing materials are
14 prepared by, approved and/or issued in California.

15 (f) *Farmers' other pervasive contacts with California.* Farmers' contacts with
16 California, by virtue of its home office operations and continuing presence in the state are pervasive.
17 Farmers regularly avails itself to the courts and other services provided by California.

18 FIRST CAUSE OF ACTION

19 Breach of Contract

20 30. Plaintiff repeats and realleges the allegations contained in the paragraphs above, as if
21 fully set forth herein.

22 31. Under each Class member's insurance policy, Class members were only required to pay
23 the amount of premium specified in each Class member's policy.

24 32. All conditions precedent to Farmers' liability under its standardized contract have been
25 performed by plaintiff and the Class, including the payment of all premiums necessary to obtain the
26 automobile insurance policy.

27 33. Farmers breached the terms of its standardized contract with plaintiff and the Class by
28 charging and collecting more premium than contractually permitted.

34. As a result of Farmers' breach of its contract, plaintiff and the Class have been damaged in an amount to be determined at trial.

SECOND CAUSE OF ACTION

Violation of California Business & Professions Code Section 17200, *et seq.*

35. Plaintiff repeats and realleges the allegations contained in the paragraphs above, as if fully set forth herein.

36. California Bus. & Prof. Code §17200 prohibits any “unlawful ... business act or practice.” Farmers has violated §17200’s prohibition against engaging in an unlawful act or practice by, *inter alia*, the following:

(a) systematically breaching its insurance contracts, as described herein; and

(b) violating the statutes and regulations prohibiting charging amounts in addition to the amount specified in the policy.

37. Plaintiff reserves the right to allege other violations of law which constitute other unlawful business acts or practices. Such conduct is ongoing and continues to this date.

38. California Bus. & Prof. Code §17200 also prohibits any “unfair ... business act or practice.” As detailed in the preceding paragraphs, Farmers engaged in a systematic scheme to breach contracts and violate laws and regulations governing the disclosure of the amount charged for insurance coverage and the policies advanced by those laws, thereby violating fundamental policies delineated in statutory provisions. As a result, Farmers engaged in unfair business practices prohibited by Cal. Bus. & Prof. Code §17200, *et seq.*

39. California Bus. & Prof. Code §17200 also prohibits any “fraudulent ... business act or practice.” As detailed in the preceding paragraphs, Farmers’ conduct was likely to deceive its insureds and the public by, *inter alia*, representing that its insureds had to pay a “service charge” in order to make payments in installments, when in fact they did not.

40. Pursuant to Cal. Bus. & Prof. Code §17203, plaintiff seeks an order requiring Farmers to immediately cease such acts of unlawful, unfair and fraudulent business practices and requiring Farmers to return the full amount of money improperly collected to all those who have paid them, plus interest and attorneys' fees.

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- A. awarding plaintiff and Class members damages;
- B. awarding plaintiff and Class members restitution;
- C. requiring that Farmers restore all monies acquired by means of any act or practice declared by this Court to be unlawful, unfair or fraudulent within the meaning of Cal. Bus. & Prof. Code §17203;
- D. requiring that Farmers stop imposing the subject charge on its insureds, which it is not permitted to charge;
- E. awarding pre-judgment and post-judgment interest;
- F. awarding attorneys' fees and costs; and
- G. providing such further relief as may be just and proper.

Plaintiff demands a trial by jury on all issues so triable.

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JOHN J. STOIA, JR.
LEONARD B. SIMON
TIMOTHY G. BLOOD
ALREEN HAEGGQUIST

401 B Street, Suite 1600
San Diego, CA 92101
Telephone: 619/231-1058
619/231-7423 (fax)

FREEDMAN, BOYD, DANIELS, HOLLANDER
& GOLDBERG P.A.
DAVID FREEDMAN
20 First Plaza, Suite 700
Albuquerque, NM 87102
Telephone: 505/842-9960
505/842-1925 (fax)

1
2 PEIFER, HANSON & MULLINS, P.A.
3 CHARLES R. PEIFER
4 ROBERT E. HANSON
5 P.O. Box 25245
6 20 First Plaza, Suite 725
7 Albuquerque, NM 87125-5245
8 Telephone: 505/247-4800
9 505/243-6458 (fax)

6 McCARY, WILSON & PRYOR
7 FLOYD D. WILSON
8 6707 Academy Road, N.E.
9 Albuquerque, NM 87109
10 Telephone: 505/857-0001
11 505/857-0008 (fax)

10 ALAN KONRAD
11 ATTORNEY AT LAW
12 1619 Arcadian Trail, N.W.
13 Albuquerque, NM 87107
14 Telephone: 505/345-0467

13 EAVES, BARDACKE & BAUGH,
14 KIERST & LARSON, P.A.
15 JOHN M. EAVES
16 6400 Uptown Blvd., N.E.
17 Suite 110-W, City Centre
18 Albuquerque, NM 87110
19 Telephone: 505/888-4300
20 505/883-4406 (fax)

17 Attorneys for Plaintiff

EXHIBIT A

MONTHLY PAYMENT AGREEMENT

E0022
1st Edition

In consideration of the premium deposit, we agree to the following:

- (1) The policy period is amended to one Calendar month. It will commence with the effective date shown in the Declarations.
- (2) The policy shall continue in force for successive monthly periods if the premium is paid when due. The premium is due no later than on the expiration date of the then current monthly period.
- (3) The monthly premium shall be subject to future adjustment. Such adjustment will apply the then current rate on the semi-annual or annual anniversary of the policy whichever is indicated in the Declarations as applicable.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

EXHIBIT B



FARMER

Non-Assessable

3RD EDITION

**YOUR EZ-READER CAR POLICY
CALIFORNIA**

Farmers Insurance Group of Companies
4680 Wilshire Boulevard, Los Angeles, California 90010

Dear Customer:

Thank you for giving us the opportunity to once again service your insurance needs. We are committed to providing you with the best customer service at the lowest possible cost.

The accompanying Declarations Page shows your current coverages resulting from the recent changes made to your policy. Please review your policy changes and file them in a safe place with your original policy documents.

If you have any questions regarding the changes made to your policy, or if you would like information about other coverages that we may be able to provide, feel free to contact me.

Again, thank you for choosing us for your insurance protection.

Sincerely,

MICHAEL A GUIFFRIDA

Your Farmers® Agent

(858) 673-8769

<http://www.farmersinsurance.com>

Coverage Designations

Coverages -- Indicated by "COV" or the limit of Company's liability against each coverage. "NC" or "NOT COV" means "NOT Covered" "MAX" means "Maximum Deductible."

Bodily injury	—	Bodily Injury Liability
P.D.	—	Property Damage Liability
U.M.	—	Benefits for Bodily Injury (including property damage coverage if policy issued in New Mexico) caused by Uninsured Motorists
Medical	—	Medical Expense Insurance, Family Medical Expense, and Guest Medical Expense - See Policy Provision. If policy contains the E-550 No-Fault Endorsement or No-Fault Coverage D, Auto Medical Expense Coverage does not apply.
No-Fault	—	See Endorsement E-550 (Illinois E-2250) or Coverage D if applicable.

Comprehensive	—	Comprehensive Car Damage
Collision	—	Collision - Upset
Non-auto	—	Comprehensive Personal Liability - Each occurrence. Medical Payments to Others - Each Person. Damage to Property of Others - See Policy for Limits per occurrence.

Coverage Shown By Premium

Towing	—	A premium amount shown reflects the charge for Towing & Road Service Coverage.
Other	—	A premium amount shown reflects the charge for one or more miscellaneous coverages added by endorsement to the policy.

If a refund is due under this policy and the insured cannot be located, we may deduct a handling charge. (Not applicable in Kansas)

Subject to the Loss Payable Provisions or any other loss payable endorsement attached to the policy, payment for loss thereunder is payable as interest may appear to the named insured and the Lienholder or Other Interest on the reverse side.

Loss payable provisions

(Applicable only if lienholder is named, and no other Automobile loss payable endorsement is attached to the policy)

It is agreed that any payment for loss or damage to the vehicle described in this policy shall be made on the following basis:

- (1) At our option, loss or damage shall be paid as interest may appear to the policyholder and the lienholder shown in the Declarations, or by repair of the damaged vehicle.
- (2) Any act or neglect of the policyholder or a person acting on his behalf shall not void the coverage afforded to the lienholder.
- (3) Change in title or ownership of the vehicle, or error in its description shall not void coverage afforded to the lienholder.

The policy does not cover conversion, embezzlement or secretion of the vehicle by the policyholder or anyone acting in his behalf while in possession under a contract with the lienholder.

A payment may be made to the lienholder which we would not have been obligated to make except for these terms. In such event, we are entitled to all the rights of the lienholder to the extent of such payment. The lienholder shall do whatever is necessary to secure such rights. No subrogation shall impair the right of the lienholder to recover the full amount of its claim.

We reserve the right to cancel this policy at any time as provided by its terms. In case of cancellation or lapse we will notify the lienholder at the address shown in the Declarations. We will give the lienholder advance notice of not less than 10 days from the effective date of such cancellation or lapse as respects his interest. Mailing notice to the loss payee is sufficient to effect cancellation.

The following applies as respects any loss adjusted with the mortgagee interest only:

- (1) Any deductible applicable to Comprehensive Coverage shall not exceed \$250.
- (2) Any deductible applicable to Collision Coverage shall not exceed \$250.

This Declarations page when signed by us, becomes part of the policy numbered on the reverse side. It supersedes and controls anything to the contrary. It is subject to all the other terms of the policy.



Index of Policy Provisions

Declarations

Your Personal Coverage Page is attached.

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RECIPROCAL PROVISIONS

SPECIAL PROVISIONS

ANY ADDITIONAL PROVISIONS AFFECTING YOUR POLICY ARE ATTACHED AS "ENDORSEMENTS."
This policy is a legal contract between you (the policyholder) and us (the Company).

IT CONTAINS CERTAIN EXCLUSIONS.
READ YOUR POLICY CAREFULLY.

**THIS PAGE LEFT
INTENTIONALLY BLANK.**

AGREEMENT

We agree with you, in return for your premium payment, to insure you subject to all the terms of this policy. We will insure you for the coverages and the limits of liability shown in the Declarations of this policy.

DEFINITIONS

Throughout this policy "you" and "your" mean the "named insured" shown in the Declarations and spouse if a resident of the same household. "We," "us" and "our" mean the Company named in the Declarations which provides this insurance. In addition, certain words appear in bold type. They are defined as follows:

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

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

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

Family member means a person related to you by blood, marriage or adoption who is a resident of your household.

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

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

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

State means the District of Columbia and any state, territory or possession of the United States, or any province of Canada.

Utility car means a land motor vehicle having at least four wheels actually licensed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type. This does not mean a vehicle used in any business or occupation other than farming or ranching. However, it does include a newly acquired or replacement vehicle of the same type if its usage is the same as the **utility car** described in the Declarations.

Utility trailer means a vehicle designed to be towed by a **private passenger car** and includes a farm wagon or farm implement while towed by a **private passenger car** or **utility car**. It does not include a trailer used as an office, store, display or passenger trailer.

Your insured car means:

1. The vehicle described in the Declarations of this policy or any **private passenger car** or **utility car** with which you replace it. You must advise us within 30 days of any change of **private passenger car** or **utility car**. If your policy term ends more than 30 days after the change, you can advise us anytime before the end of that term.
2. Any additional **private passenger car** or **utility car** of which you acquire ownership during the policy period. Provided that:
 - a. You notify us within 30 days of its acquisition, and
 - b. As of the date of acquisition, all **private passenger** and **utility cars** you own are insured with a member company of the Farmers Insurance Group of Companies.Ownership shall include the written leasing of a **private passenger** or **utility car** for a continuous period of at least six months.
3. Any **utility trailer**:
 - a. That you own, or
 - b. While attached to your insured car.
4. Any **private passenger car**, **utility car** or **utility trailer** not owned by you or a **family member** while being temporarily used as a substitute for any other vehicle described in this definition because of its withdrawal from normal use due to breakdown, repair, servicing, loss or destruction.

WHAT TO DO IN CASE OF ACCIDENT

Notice

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

Other Duties

A person claiming any coverage of this policy must also:

1. Cooperate with us and assist us in any matter concerning a claim or suit.
2. Send us promptly any legal papers received relating to any claim or suit.
3. Submit to physical examinations at our expense by doctors we select as often as we may reasonably require.
4. Authorize us to obtain medical and other records.
5. Provide any written proofs of loss we require.
6. Notify police within 24 hours and us within 30 days if a hit-and-run motorist is involved and an uninsured motorist claim is to be filed.
7. If claiming car damage coverage:
 - a. Take reasonable steps after loss to protect the vehicle and its equipment from further loss. We will pay reasonable expenses incurred in providing that protection.
 - b. Promptly report the theft of the vehicle to the police.
 - c. Allow us to inspect and appraise the damaged vehicle before its repair or disposal.
8. Submit to examination under oath upon our request.
9. If claiming Medical Expense Coverage, submit receipts or bills for these services no later than 60 days following treatment date.

PART I - LIABILITY

Coverage A - Bodily Injury

Coverage B - Property Damage

We will pay **damages** for which any **insured person** is legally liable because of **bodily injury** to any person and **property damage** arising out of the ownership, maintenance or use of a **private passenger car**, a **utility car**, or a **utility trailer**.

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

We will not defend any suit or make additional payments after we have paid the limit of liability for the coverage.

Additional Definitions Used In This Part Only

Insured person as used in this part means:

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

Insured person does not mean:

1. The United States of America or any of its agencies.
2. Any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
3. Any person who uses a vehicle without having sufficient reason to believe that the use is with the permission of the owner.

Your insured car as used in this part shall also include any other **private passenger car, utility car or utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured car** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**.

Supplementary Payments

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

1. All costs we incur in the settlement of any claim or defense of any suit.
2. Interest after entry of judgment on any amount that does not exceed our limit of liability.
3. a. Premiums on appeal bonds on any suit we defend.
b. Premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy.
c. Up to \$300 for the cost of bail bonds required because of **accident** or traffic law violation arising out of use of **your insured car**.

We are not obligated to apply for or furnish any of the above bonds.

4. Actual loss of wages or salary up to \$50 a day, but not other income, when we ask you to attend a trial or hearing.
5. Expenses you incur for immediate medical and surgical treatment for others necessary at the time of the **accident** resulting in **bodily injury** covered by this part.
6. Other reasonable expenses incurred at our request.

Exclusions

This coverage does not apply to:

1. **Bodily injury or property damage** arising out of the ownership, maintenance or use of a vehicle while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. **Bodily injury or property damage**;
 - a. Caused intentionally by or at the direction of an **insured person**, or
 - b. Resulting from any **occurrence** caused by an act of an **insured person** with intent to cause damage or injury of any nature.
3. **Bodily injury or property damage** with respect to which any person is an insured under nuclear energy insurance. This exclusion applies even if the limits of that insurance are exhausted.
4. **Bodily injury** to an employee of an **insured person** arising in the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' or workmen's compensation benefits are required.
5. **Bodily injury or property damage** for any person while employed or otherwise engaged in the business or occupation of transporting, selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways, including road testing or delivery.
This exclusion does not apply to the ownership, maintenance or use of **your insured car** by you, any **family member**, or any partner, agent, or employee of you or any **family member**. This exclusion also does not apply to any other person who does not have other insurance available to him with limits equal to at least those of the California Financial Responsibility Law. In such event, the insurance afforded that person will be limited to the requirements of the California Financial Responsibility Law.
6. **Bodily injury or property damage** arising out of the ownership, maintenance or use of any vehicle by any person employed or otherwise engaged in a business other than the business described in Exclusion 5.
This exclusion does not apply to the maintenance or use of a:
 - a. **Private passenger car**.
 - b. **Utility car** that you own, if rated as a **private passenger car**, or
 - c. **Utility trailer** used with a vehicle described in a. or b. above.

7. Damage to property owned or being transported by an **insured person**.
8. Damage to property rented to, or in the charge of, an **insured person** except a residence or private garage not owned by that person.
9. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any motorized vehicle with less than four wheels.
10. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle other than **your insured car**, which is owned by or furnished or available for regular use by you or a **family member**.
11.
 - a. Liability for **bodily injury** to an **insured person**.
 - b. Liability for **bodily injury** to an **insured person** whenever the compensation for **damages** is due directly or indirectly to an **insured person**.
12. Liability assumed under any contract or agreement except liability of others you assume in a written contract relating to the use of an auto you do not own.
13. Liability arising from the sponsoring or taking part in any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation, or in practice or preparation for any such contest.
14. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use by any person of a vehicle in which you have transferred full ownership interest but the transfer does not comply with the transfer of ownership provisions of the **state** motor vehicle law.
15. Punitive or exemplary **damages** or the cost of defense related to such **damages**.

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

1. The **bodily injury** liability limit for "each person" is the maximum for **bodily injury** sustained by one person in any **occurrence**. Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
If the financial responsibility law of the place of the **accident** treats the loss of consortium as a separate claim, financial responsibility limits will be furnished.
2. Subject to the **bodily injury** liability limit for "each person" the **bodily injury** liability limit for "each **occurrence**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any **occurrence**.
3. The **property damage** liability limit for "each **occurrence**" is the maximum for all **damages** to all property in any one **occurrence**.
4. We will pay no more than the maximum limits provided by this policy regardless of the number of vehicles insured, **insured persons**, claims, claimants, policies, or vehicles involved in the **occurrence**.

Out of State Coverage

An **insured person** may become subject to the financial responsibility law, compulsory insurance law or similar law of another **state** or in Canada. This can happen because of the ownership, maintenance or use of **your insured car** when you travel outside of California. We will interpret this policy to provide any broader coverage required by those laws, except to the extent that other liability insurance applies. No person may collect more than once for the same elements of loss.

Conformity with Financial Responsibility Laws

When we certify this policy as proof under any financial responsibility law, it will comply with the law to the extent of the coverage required by law.

Other Insurance

If there is other applicable Auto Liability Insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limits of liability bear to the total of all applicable limits.

We will provide insurance for an **insured person**, other than you or a **family member**, up to the limits of the Financial Responsibility Law only.

Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

PART II - UNINSURED MOTORIST

Coverage C - Uninsured Motorist Coverage (Including Underinsured Motorist Coverage)

We will pay all sums which an **insured person** or such other person as permitted under the law is legally entitled to recover as **damages** from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** actually sustained by the **insured person** including the wrongful death of an **insured person**. The **bodily injury** must be caused by **accident** and arise out of the ownership, maintenance or use of the **uninsured motor vehicle**.

Determination as to whether an **insured person** is legally entitled to recover **damages** or the amount of **damages** shall be made by agreement between the **insured person** and us. If no agreement is reached, the decision will be made by arbitration.

Additional Definitions Used In This Part Only

As used in this part:

1. **Insured person** means:

- a. You or a **family member**.
- b. Any other person while **occupying your insured car**.
- c. Any person for **damages** that person is entitled to recover because of **bodily injury** to you, a **family member**, or another occupant of **your insured car**.

But, no person shall be considered an **insured person** if the person uses a vehicle without having sufficient reason to believe that the use is with permission of the owner.

2. **Motor vehicle** means a land motor vehicle or a trailer but does not mean a vehicle:

- a. Operated on rails or crawler-treads.
- b. Which is a farm type tractor, or any equipment or vehicle, farm or otherwise, designed or modified for use primarily off public roads while not on public roads.
- c. Located for use as a residence or premises.

3. **Uninsured motor vehicle** means a **motor vehicle** which is:

- a. Not insured by a **bodily injury** liability bond or policy at the time of the **accident**.
- b. Insured by a **bodily injury** liability bond or policy at the time of the **accident** which provides coverage in amounts less than the limits of Uninsured Motorist Coverage shown in the Declarations.
- c. A hit-and-run vehicle whose operator or owner has not been identified and which strikes:
 - (1) You or any **family member**.
 - (2) A vehicle which you or a **family member** are **occupying**.
 - (3) **Your insured car**.

- d. Insured by a **bodily injury** liability bond or policy at the time of the **accident** but the company denies coverage or is or becomes insolvent.
4. **Uninsured motor vehicle**, however, does not mean a vehicle:
 - a. Owned by or furnished or available for the regular use of you or any **family member**.
 - b. Owned or operated by a self-insured as contemplated by any financial responsibility law, motor carrier law, or similar law.
 - c. Owned by a federal government unit or agency.
5. **Your insured car** shall also include any other **private passenger car**, **utility car**, or **utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured car** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**.

Exclusions

This Coverage shall not apply to the benefit of any insurer or self-insurer under any workers' or workmen's compensation law, or directly to the benefit of the United States, or any **state** or any political subdivision.

This coverage shall not apply to punitive or exemplary **damages** or the cost of defense related to such **damages**.

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

1. While **occupying** any vehicle owned by you or a **family member** for which insurance is not afforded under this policy or through being struck by that vehicle.
2. If that person or the legal representative of that person makes a settlement without our written consent.
3. While **occupying your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
4. If the injured person was **occupying** a vehicle you do not own which is insured for this coverage under another policy.

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

1. The limit for "each person" is the maximum for **bodily injury** sustained by any person in any one **occurrence**. Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
If the financial responsibility law of the place of the **accident** treats the loss of consortium as a separate claim, financial responsibility limits will be furnished.
2. Subject to the limit for "each person", the limit for "each **occurrence**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any one **occurrence**.
3. Subject to the law of the **state** of the **occurrence**, we will pay no more than these maximums regardless of the number of vehicles insured, **insured persons**, claims, claimants, policies, or vehicles involved in the **occurrence**.
4. The amount of Uninsured Motorist Coverage we will pay shall be reduced by the amount of any Workers' Compensation benefits payable or paid in the same **accident** to an **insured person**.

Other Insurance

1. We will pay under this coverage only after the limits of liability under any applicable **bodily injury** liability bonds or policies have been exhausted by payment of judgments or settlements.
2. The amount of Uninsured Motorist Coverage we will pay under Additional Definitions 3b shall be reduced by the amount of any other **bodily injury** coverage available to any party held to be liable for the **accident**.

3. Except as provided in the preceding paragraph, if any other collectible insurance applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limits of liability bear to the total of all applicable limits.
4. We will not provide insurance for a vehicle other than your **insured car**, unless the owner of that vehicle has no other insurance applicable to this part.
5. If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

Arbitration

If an **insured person** and we do not agree (1) that the person is legally entitled to recover **damages** from the owner or operator of an **uninsured motor vehicle**, or (2) as to the amount of payment under this part, either that person or we may demand that the issue be determined by arbitration.

In that event, an arbitrator will be selected by the **insured person** and us. If agreement on an arbitrator cannot be reached within (30) days, the judge of a court having jurisdiction will appoint the arbitrator. The expense of the arbitrator and all other expenses of arbitration will be shared equally. Attorney's fees and fees paid for the witnesses are not expenses of arbitration and will be paid by the party incurring them.

The arbitrator shall determine (1) the existence of the operator of an **uninsured motor vehicle**, (2) that the **insured person** is legally entitled to recover **damages** from the owner or operator of an **uninsured motor vehicle**, and (3) the amount of payment under this part as determined by this policy or any other applicable policy.

Arbitration will take place in the county where the **insured person** lives. Local court rules governing procedures and evidence will apply. The decision in writing of the arbitrator will be binding subject to the terms of this insurance.

Formal demand for arbitration shall be filed in a court of competent jurisdiction. The court shall be located in the county and **state** of residence of the party making the demand. Demand may also be made by sending a certified letter to the party against whom arbitration is sought, with a return receipt as evidence.

PART III - MEDICAL

Coverage E - Medical Expense Coverage

We will pay reasonable costs for necessary **medical services** furnished within two years from the date of the **accident** because of **bodily injury** sustained by an **insured person**.

Additional Definitions Used In This Part Only

As used in this part, "**insured person**" or "**insured persons**" means:

1. You or any **family member** while **occupying**, or through being struck by, a motor vehicle or trailer, designed for use on public roads.
2. Any other person while **occupying your insured car** while the car is being used by you, a **family member** or another person if that person has sufficient reason to believe that the use is with permission of the owner.

Medical services means necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services, and includes the cost of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses and hearing aids.

Medical services does not include the cost of any of the following:

1. Hot Tubs, spas, water beds.
2. Exercise equipment heating or vibrating devices.
3. Membership in health clubs.
4. Medical reports unless requested by us.

Exclusions

This coverage does not apply for **bodily injury** to any person:

1. Sustained while **occupying your insured car** when used to carry persons for a charge. This exclusion does not apply to shared-expense car pools.
2. Sustained while **occupying** any vehicle while located for use as a residence or premises.
3. Sustained while **occupying** a motorized vehicle with less than four wheels.
4. Sustained while **occupying** or, when struck by, any vehicle (other than **your insured car**) which is owned by or furnished or available for the regular use of you or any **family member**.
5. Sustained while **occupying** a vehicle other than the car described in the Declarations while the vehicle is being used in the business or occupation of an **insured person**.
6. Occurring during the course of employment if workers' or workmen's compensation benefits are required.
7. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of any of these.
8. During active participation in any organized or agreed-upon racing or speed contest or demonstration, or in practice or preparation for any such contest.
9. Where medical expenses are paid or payable by any governmental entity.

Limit of Liability

Regardless of the number of vehicles insured, **insured persons**, claims or policies, or vehicles involved in the **accident**, we will pay no more for medical expenses, including funeral expenses, than the limit of liability shown for this coverage in the Declarations for each person injured in any one **accident**. In no event shall the limit of liability for funeral expenses exceed \$2,000 each person.

Other Insurance

If there is other applicable automobile medical insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

Any insurance we provide to any **insured person** for a substitute or non-owned motor vehicle or trailer, shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

PART IV - DAMAGE TO YOUR CAR

Coverage F - Comprehensive

We will pay for **loss** to **your insured car** caused by any accidental means except **collision**, less any applicable deductibles. Any deductible amount will apply separately to each loss.

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

Coverage G - Collision

We will pay for **loss** to **your insured car** caused by **collision** less any applicable deductibles.

Any deductible shall apply separately to each loss.

Coverage H - Towing and Road Service

We will pay for reasonable and necessary towing and labor costs incurred because of disablement of **your insured car**. The labor must be performed at the place of disablement.

Additional Definitions Used In This Part Only

As used in this part:

1. **Collision** means collision of **your insured car** with another object or upset of **your insured car**.
2. **Loss** means direct and accidental loss of or damage to **your insured car**, including its equipment.
3. **Your insured car** shall also include any other **private passenger car, utility car, or utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured car** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**.

Supplementary Payments

1. If you have comprehensive coverage, we will pay for transportation expenses incurred by you because of the total theft of **your insured car**. We will pay up to \$15 per day, but no more than \$450 each loss. This coverage begins 48 hours after the theft has been reported to us and to the police and ends when the car is returned to use or when we offer settlement for the loss.
2. We will pay up to, but not more than, \$200 for loss of clothing or luggage in **your insured car** and belonging to you or a **family member** if the loss is caused by:
 - a. **Collision of your insured car** while covered by this policy.
 - b. Fire, lightning, flood, earthquake, explosion, falling aircraft, or theft of the entire insured car; and loss occurs to **your insured car** from the same cause while covered for comprehensive by this policy.

Exclusions

This coverage does not apply to loss:

1. To **your insured car** while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of any of these.
3. Caused by theft to equipment designed for the reproduction of sound, or any radio receiving or radio receiving and transmitting equipment. This applies to such equipment as a tape player, tape recorder, citizens band radio and two-way mobile radio, telephone, television or scanning monitor receiver. It also applies to any electronic device incorporating any of this equipment, as well as accessories and antennas.

This exclusion does not apply to that equipment which is permanently installed in the opening of the dash or console of **your insured car** normally used by the motor vehicle manufacturer for the installation of a radio or sound reproducing device.
4. Caused by theft to tapes, records, reels, cassettes, cartridges, carrying cases or other devices for use with equipment designed for the reproduction of sound.
5. To a camper body, canopy or **utility trailer** owned by you or a **family member** and not described in the Declarations. But, coverage does apply to a camper body, canopy or **utility trailer** ownership of which you acquire during the policy period if you ask us to insure it within 30 days after you acquire it.
6. To awnings, cabanas, or equipment designed to provide additional living facilities.
7. Due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. But coverage does apply if the loss results from burning of wiring. Also coverage does apply if the loss results from the total theft of **your insured car**.
8. To a vehicle not owned by you when used in auto business operations.
9. During any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation, or in practice or preparation for any such contest.
10. To a van, pickup, or panel truck due to increased cost of repair or replacement of the following furnishings or equipment:
 - a. Special carpeting, insulation, wall paneling, furniture or bars.
 - b. Facilities for cooking and sleeping including enclosures or bathroom facilities.

- c. Height-extending roofs.
- d. Murals, paintings or other decals or graphics.

11. To radar detectors.

Limits of Liability

Our limits of liability for loss shall not exceed:

1. The amount which it would cost to repair or replace damaged or stolen property with other of like kind and quality; or with new property less an adjustment for physical deterioration and/or depreciation.
2. \$500 for a utility trailer not owned by you, or a family member.

Payment of Loss

We will pay the loss in money or repair or replace damaged or stolen property. We may, at any time before the loss is paid or the property is replaced, return, at our expense, any stolen property either to you or to the address shown in the Declarations, with payment for the resulting damage. We may keep all or part of the property at the agreed or appraised value.

Appraisal

You or we may demand appraisal of the loss. Each will appoint and pay a competent and disinterested appraiser and will equally share other appraisal expenses. The appraisers, or a judge of a court having jurisdiction, will select an umpire to decide any differences. Each appraiser will state separately the actual cash value and the amount of loss. An award in writing by any two appraisers will determine the amount payable, which shall be binding subject to the terms of this insurance.

No Benefit to Bailee

This coverage shall not directly or indirectly benefit any carrier or other bailee for hire liable for loss to your insured car.

Other Insurance

If there is other applicable similar insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. This coverage does not apply to any substitute or non-owned car if there is similar coverage on it.

Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

PART V - CONDITIONS

1. Policy Period and Territory

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

This also applies to accidents, occurrences, and losses occurring in that part of Mexico (United Mexican States) lying not more than 75 miles from the boundary of the United States of America.

2. Changes

This policy with the Declarations includes all agreements between you and us relating to this insurance. No other change or waiver may be made in this policy except by endorsement, new Declarations or new policy issued by us.

The premium for each term of this policy is determined by information in our possession at the inception of that term. Any changes in this information which would affect the rating of your policy will allow us to make an additional charge or refund on a pro rata basis. If a premium adjustment is necessary we will make the adjustment as of the effective date of the change.

When we broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in your state. We may make other changes or replace this policy, to conform to coverage currently in use at the next policy period. The change or new policy will be delivered to you, or mailed to you at your mailing address shown in the Declarations at least 30 days before the effective date of the new policy period.

Policy terms which conflict with laws of California are hereby amended to conform to such laws.

3. Legal Action Against Us

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

4. Transfer Of Your Interest

Interest in this policy may not be assigned without our written consent. But, if the insured named in the Declarations, or the spouse of the insured resident in the same household dies, the policy will cover:

- a. The survivor
- b. The legal representative of the deceased person while acting within the scope of duties of a legal representative.
- c. Any person having proper custody of your insured car until a legal representative is appointed.

5. Our Right to Recover Payment

In the event of any payment under this policy, we are entitled to all the rights of recovery of the person to whom payment was made against another. That person must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights and do nothing after loss to prejudice our rights.

When a person has been paid **damages** by us under this policy and also recovers from another, the amount recovered from the other shall be held by that person in trust for us and reimbursed to us to the extent of our payment.

This condition does not apply if prohibited by state law.

6. Two or More Cars Insured

With respect to any **accident** or **occurrence** to which this and any other auto policy issued to you by any member company of the Farmers Insurance Group of Companies applies, the total limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

7. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any insured person.

8. Termination or Reduction of Coverage

a. Cancellation or reduction of coverage:

- (1) You may cancel this policy by advising us in writing when at a future date the cancellation is to be effective.
- (2) We may cancel, change the renewal date, or cancel or reduce all or any portion of any coverage by mailing notice to you at the address shown in the Declarations or by delivering the notice:
 - (a) Not less than 10 days prior to the effective date of such cancellation, reduction, or change of renewal date:

- (i) For nonpayment of premium, or
- (ii) If the policy has been in effect less than 60 days and is not a renewal.
- (b) Not less than 20 days prior to the effective date of cancellation for any other circumstances.

If we cancel or reduce all or any portion of any coverage, the notice we send you will describe that portion we are cancelling or reducing.

- (3) (a) Our right to cancel is limited if this policy has been in effect for 60 days or is a renewal and insures either of the following:
 - (i) a private passenger type auto, or a station wagon, that does not carry passengers for hire and is not rented to others.
 - (ii) any other four wheel motor vehicle with a load capacity of fifteen hundred pounds or less which is not used in your occupation, profession or business.
- (b) We can cancel in such case only if any of the following apply:
 - (i) you fail to pay the premium when due.
 - (ii) any person who regularly and frequently operates **your insured car** has had a driver's license suspended or revoked during the policy period.
- (c) (a) and (b) above do not limit our right to add a \$100 deductible under Coverage F at any time if we so desire.

b. Nonrenewal

We will mail to you at the address shown in the Declarations, or deliver to you, notice of nonrenewal not less than 20 days before the end of the policy period, if we decide not to renew or continue this policy.

c. Automatic Termination

This policy will automatically terminate at the end of the policy period if you or your representative do not accept our offer to renew it. Your failure to pay the required renewal premium as we require means that you have declined our offer.

If other insurance is obtained on **your insured car**, any similar insurance afforded under this policy for that car will cease on the effective date of the other insurance.

d. Other Provisions

- (1) If different requirements for cancellation and nonrenewal or termination of policies become applicable because of the laws of California, we will comply with those requirements.
- (2) Mailing of a notice shall be sufficient proof of notice. We may deliver a notice instead of mailing it.
- (3) The effective date and time stated on the notice for cancellation of the entire policy shall become the end of the policy period.
- (4) The effective date and time stated on the notice for reduction of coverage or cancellation of a portion of the coverage, shall be the effective date of the change. The notice shall be part of the policy. It is an endorsement.
- (5) Termination or change may result in a premium refund. If so, we will send it to you within thirty days, or we will pay ten (10) percent interest on the amount of the refund until we send it. Interest payments will be the only penalty against us. Our mailing or offering of a refund is not a condition of cancellation.

If you cancel, the refund will be computed in accordance with the customary short rate table and procedure.

If we cancel or reduce coverage, the refund will be computed on a pro rata basis.

9. No Duplication of Benefits

Any amount paid under Coverage E - Medical Expense Coverage, will be applied against any other coverage of this policy applicable to the loss so that there is no duplication of Coverage E benefits. In no event shall a coverage limit be reduced below any amount required by law.

RECIPROCAL PROVISIONS

(Applicable Only If This Policy Is Issued by Farmers Insurance Exchange)

This policy is made and accepted in consideration of your premium payment to us. It is also in consideration of the power of attorney you signed as part of your application and the information you gave to us on your application. Some of your statements actually become a part of the policy which we call "The Declarations".

When you signed the power of attorney authority on your application, you authorized the Farmers Underwriters Association to execute interinsurance policies between you and other subscribers.

Nothing in this policy is intended, or shall be construed, to create either:

- a. A partnership or mutual insurance association.
- b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be upon the Farmers Underwriters Association, Attorney-in-Fact.

Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, if we cancel or non-renew your policy during the initial six (6) months period, membership fees will be refunded to you in full.

We hold the Annual Meeting of the members of the Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March of each year at the hour of 2:00 p.m. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the annual meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreement.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium invoice. The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is non-assessable.

SPECIAL PROVISIONS

(Applicable Only If This Policy Is Issued by Mid-Century Insurance Company)

Policy fees which you pay are not part of the premium. They are fully earned when the policy is issued. They are not returnable. However, if we cancel or non-renew your policy during the initial six (6) months period, policy fees will be refunded to you in full.

This policy shall not be effective unless countersigned on the Declarations Page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below.

FARMERS INSURANCE EXCHANGE
by Farmers Underwriters Association,
Attorney-in-Fact
MID-CENTURY INSURANCE COMPANY

Dorcas E. Zell
Secretary

Paul M. Hepburn
Vice President

Explanation of Rating Plan

California law requires that we explain how **accidents** or convictions of a Vehicle Code violation involving the safe operation of a motor vehicle can affect your insurance premium.

The following is a brief description of our rating plan:

If your policy is issued by Farmers Insurance Exchange, Standard rates are charged for those insured with one chargeable **accident** within the experience period (three years preceding application date, or three years ending sixty days before renewal date) with a declining percentage charge in the second and third year. These rates are discounted for no **accidents** and surcharged for two or more **accidents**. No discounts or surcharges apply to traffic violations. Other factors such as territory, use, and mileage driven also affect your premium.

If your policy is issued by Mid-Century Insurance Company, Standard rates are surcharged according to a point schedule based upon chargeable **accidents** and violations occurring within the experience period (three years preceding application date, or three years ending sixty days before renewal date). Other factors such as territory, use, and mileage driven also affect your premium.

If you have any questions regarding your rating, please contact your Farmers Agent who will be pleased to answer them.

MEXICO COVERAGE - LIMITED

Read This Warning Carefully

Unless you have automobile insurance written by a Mexican insurance company, you may spend many hours or days in jail if you have an **accident** in Mexico. Insurance coverage should be secured from a company licensed under the laws of Mexico to write insurance in order to avoid complications and some other penalties possible under the laws of Mexico, including the possible impoundment of your automobile.

Dear Valued Customer:

If you have purchased Uninsured Motorist Coverage for your vehicle, the state of California has passed legislation that changes the California Insurance Code regarding Uninsured Motorist Coverage.

The CA014A 1st Edition endorsement changes uninsured motorist coverage to allow for payment of bodily injury claims an insured person receives when the insured's vehicle is operated by a person without the insured's consent in connection with criminal activity.

The attached Endorsement CA014A, 1st Edition, reflects this change in your Uninsured Motorist Coverage. Please read this endorsement and keep it as part of your EZ Reader Car Policy. If you have any questions concerning this change, please feel free to contact your agent.

**ENDORSEMENT AMENDING DEFINITION
OF UNINSURED MOTORIST COVERAGE - YOUR EZ READER CAR POLICY**

CA014A
CALIFORNIA
1st Edition

It is agreed that **Part II-Uninsured Motorist Coverage (Including UNDERinsured Motorist Coverage)** has been changed as follows:

Under **Additional Definitions Used in this Part Only**, part b. under "**Uninsured motor vehicle** does not mean a land motor vehicle that is:" has been changed. Part c., formerly included in part b. has been added and the section has been relettered. Part c. under "**UNDERinsured motor vehicle** does not mean a land motor vehicle that is:" has been changed. Part d., formerly included in part c. has been added and the section has been relettered. These changes are reflected in the following:

Additional Definitions Used in This Part Only

Uninsured motor vehicle does not mean a land motor vehicle that is:

- a. Insured under the liability coverage of this policy.
- b. Owned by you or any **family member** unless the vehicle is being operated, or caused to be operated by a person without the consent of the owner of such vehicle in connection with criminal activity that has been documented in a police report and that insured is not a party to the criminal activity.
- c. Furnished or available for regular use by you or any **family member**.
- d. Owned or operated by a person who is self-insured as allowed by any financial responsibility law, motor carrier law or similar law.
- e. Owned by a governmental unit or agency.

UNDERinsured motor vehicle does not mean a land motor vehicle that is:

- a. Insured under the liability coverage of this policy.
- b. Defined as an **uninsured motor vehicle** in this policy.
- c. Owned by you or any **family member** unless the vehicle is being operated, or caused to be operated by a person without the consent of the owner of such vehicle in connection with criminal activity that has been documented in a police report and that insured is not a party to the criminal activity.
- d. Furnished or available for regular use by you or any **family member**.
- e. Owned by a governmental unit or agency.
- f. Self-insured as allowed by any financial responsibility law, motor carrier law or similar law.

It is agreed that under **Exclusions**, an exception to exclusion 6. has been added:

Exclusions

- 6. We will not cover **bodily injury** to any person resulting from the ownership, maintenance or use of any vehicle owned by you or a **family member** that is not covered under this policy or through being struck by that vehicle.

However, this exclusion shall not apply to **bodily injury** sustained by an insured when struck by any **motor vehicle** or trailer owned by that insured, and being operated, or caused to be operated by a person without that insured's consent in connection with criminal activity that has been documented in a police report and that insured is not a party to the criminal activity.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Dear Valued Customer:

The endorsement below amends Part IV - Damage to Your Car, Limits of Liability section of your policy to clarify our long standing practice for adjusting claims. We pay the amount needed to replace or repair lost or damaged property with property of like kind and quality; or with new property less an adjustment for physical deterioration and/or depreciation. Property of like kind and quality includes parts made by the vehicle manufacturer and parts from other sources.

If you have any questions regarding this change or any other insurance concerns, please contact your Farmers® insurance agent.

ENDORSEMENT
AMENDING PART IV - DAMAGE TO YOUR CAR

E1027A
1st Edition

It is agreed that your policy is amended as follows:

Under Part IV - Damage to Your Car, Limits of Liability, item 1. (Item 2. in AZ, ID, IA, MI, MO, MT, OH, OK and WI) is deleted and replaced by the following:

1. The amount necessary to repair or replace the property or parts with other of like kind and quality; or with new property less an adjustment for physical deterioration and/or depreciation. Property of like kind and quality includes, but is not limited to, parts made for or by the vehicle manufacturer. It also includes parts from other sources such as rebuilt parts, quality recycled (used) parts and parts supplied by non-original equipment manufacturers.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

ENDORSEMENT AMENDING PART III - MEDICAL
Coverage E - Medical Expense Coverage
Your E-Z Reader Car Policy

E1140
1st Edition

It is agreed that your policy is amended as described below:

Part III - MEDICAL is deleted and replaced with the following:

PART III - MEDICAL

Coverage E - Medical Expense Coverage

We will pay reasonable expenses for necessary medical services furnished within two years from the date of the accident because of bodily injury sustained by an insured person.

Additional Definitions Used In This Part Only

As used in this part, insured person means:

1. You or any family member while occupying, or through being struck by, a motor vehicle or trailer, designed for use on public roads.
2. Any other person while occupying your insured car while the car is being used by you, a family member or another person if that person has sufficient reason to believe that the use is with permission of the owner.

Necessary Medical Services means medical services which are usual and customary for treatment of the injury, including the number or duration of treatments, in the county in which those services are provided.

Necessary Medical Services are limited to necessary medical, surgical, dental, x-ray, ambulance, hospital, professional nursing and funeral services, and include the cost of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses, and hearing aids. We will reimburse you for any necessary medical services already paid by you.

Necessary Medical Services do not include:

1. Treatment, services, products or procedures that are:
 - a. Experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 - b. Not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of bodily injury; or
2. The use of:
 - a. Thermography or other related procedures of a similar nature; or
 - b. Acupuncture or other related procedures of a similar nature.
3. Purchase, rental cost, or use of:
 - a. Hot tubs, spas, water beds,
 - b. Exercise equipment,
 - c. Heating or vibrating devices,
 - d. Furniture or equipment not primarily designed to serve a medical purpose,
 - e. Memberships in health clubs,
 - f. Medical reports unless requested by us.

Reasonable Expenses means expenses which are usual and customary for necessary medical services in the county in which those services are provided. We will reimburse you for any reasonable expenses already paid by you.

Exclusions

This coverage does not apply for bodily injury to any person:

1. Sustained while occupying your insured car when used to carry persons for a charge. This exclusion does not apply to shared-expense car pools.
2. Sustained while occupying any vehicle while located for use as a residence or premises.
3. Sustained while occupying a motorized vehicle other than a private passenger car or utility car.

(Continued Next Page)

4. Sustained while occupying or when struck by any vehicle (other than your insured car) which is owned by or furnished or available for the regular use of you or any family member.
5. Sustained while occupying a vehicle other than the car described in the Declarations while the vehicle is being used in the business or occupation of an insured person.
6. Due to heart attacks, strokes, and other medical conditions or illnesses not causally related to an accident.
7. Occurring during the course of employment if workers' compensation benefits are required.
8. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation, or radioactive contamination, or any consequence of any of these.
9. During active participation in any organized or agreed-upon racing or speed contest or demonstration, or in practice or preparation for any such contest.
10. Where medical expenses are paid or payable by any governmental entity.

Determination of Coverage

Determination of what are reasonable expenses and/or necessary medical services may be submitted to an independent medical consultant. Determination as to whether an insured person is legally entitled to recover, and in what amount shall be made by agreement between the insured person and us. If no agreement is reached, the decision will be made by arbitration.

Arbitration

If an insured person and we do not agree, (1) that the person is entitled to recover for medical services, (2) that the medical services are a result of a covered accident, or (3) as to the nature, frequency, or cost of the medical services, either that person or we may demand that the issue be determined by arbitration.

In that event, an arbitrator will be selected by the insured person and us. If agreement on an arbitrator cannot be reached within 30 days, the judge of a court having jurisdiction will appoint the arbitrator. The expense of the arbitrator and all other expenses of the arbitration will be shared equally. Attorney fees and fees paid for the witnesses are not expenses of arbitration and will be paid by the party incurring them.

The arbitrator shall determine (1) if the medical services are as a result of a covered accident, (2) if the medical services incurred are reasonable and necessary, and (3) the amount of any payment under this part as determined by this policy.

Arbitration will take place in the county where the insured person lives. Local court rules governing procedures and evidence will apply. The decision in writing of the arbitrator will be subject to the terms of this insurance.

Limit of Liability

Regardless of the number of vehicles insured, insured persons, claims or policies, or vehicles involved in the accident, we will pay no more for medical expenses, including funeral expenses, than the limit of liability shown for this coverage in the Declarations for each person injured in any one accident. In no event shall the limit of liability for funeral expenses exceed \$2,000 each person.

Other Insurance

If there is other applicable automobile medical insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

Any insurance we provide to any insured person for a substitute or non-owned motor vehicle or trailer, shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

Our Right to Recover Payment

When a person has been paid damages by us under this policy and also recovers from another, the amount recovered from the other will be held by that person in trust for us and reimbursed to us to the extent of our payment.

This condition does not apply if prohibited by state law.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

ENDORSEMENT AMENDING DEFINITION
OF INSURED PERSON UNDER PART I - LIABILITY **E1154** 2nd Edition

It is agreed that under Part I - Liability, items 2 and 3 under "Insured Person does not mean:" are amended to read as follows:

2. Any person, including but not limited to a family member, for bodily injury or property damage arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claim Act apply.
3. Any person, including but not limited to a family member, who uses a vehicle without having sufficient reason to believe that the use is with the permission of the owner.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

91-1174 2ND EDITION 9-95

E1174201

LOSS OF USE ENDORSEMENT

E1167
4th Edition

For an additional premium, we will pay your extra expense arising from any of the options you have purchased as described in the schedule below and designated in the Declarations. The chosen option applies when the **loss** exceeds the deductible amount applicable under PART IV of your E-Z Reader Car Policy.

OPTION SCHEDULE

COVERAGE DESIGNATION

COVERAGE DESCRIPTION

- K-1** We will pay you \$10 per day while **your insured car** is in the custody of a garage for repairs resulting from a **collision**. The maximum payable is \$100. If **your insured car** is a total **loss** (regardless of salvage value) we will pay you \$100.
- K-2** We will pay you \$15 per day while **your insured car** is in the custody of a garage for repairs resulting from a **Collision** or **Comprehensive loss**. The maximum payable is \$300. If **your insured car** is a total **loss** (regardless of salvage value) we will pay you \$300. This option does not cover total theft of **your insured car**.
- K-3** Car Return Expenses: If Coverage K-1, K-2 or K-4 **loss** occurs more than 50 miles from your residence, we will pay you for the reasonable and necessary extra expense for commercial transportation, gasoline, lodging and meals incurred to return **your insured car**, after it is repaired, to your residence or destination. The maximum payable for car return expenses is \$200.
- K-4** We will pay you \$25 per day while **your insured car** is in the custody of a garage for repairs resulting from a **Collision** or **Comprehensive loss**. If **your insured car** is a total **loss** (regardless of salvage value) we will pay you \$500.
- We will pay you an amount in excess of the amount paid per day under paragraph 1 of Supplementary Payments in Part IV of this policy, resulting from total theft of **your insured car**. The maximum we will pay for the combined total of paragraph 1 of Supplementary Payments and K4 is \$25 per day.
- The maximum payable under K-4 is \$500.
- K-5** We will pay you \$50 per day while **your insured car** is in the custody of a garage for repairs resulting from a **Collision** or **Comprehensive loss**. If **your insured car** is a total **loss** (regardless of salvage value) we will pay you \$1000.
- If **loss** occurs more than 50 miles from your residence we will also pay your car return expenses for the reasonable and necessary extra expense for commercial transportation, gasoline, lodging and meals incurred to return **your insured car**, after it is repaired, to your residence or destination. The maximum payable for car return expenses is \$500.
- We will pay you an amount in excess of the amount paid per day under paragraph 1 of Supplementary Payments in Part IV of this policy resulting from the total theft of **your insured car**. The maximum we will pay for the combined total of paragraph 1 of Supplementary Payments and K5 is \$50 per day.
- The maximum payable under K-5 is \$1,000.

The insurance afforded by this endorsement does not apply to any **collision** or **comprehensive loss** occurring before the effective date of this endorsement as shown in the Declarations.

This endorsement is also subject to the following provisions:

1. Coverage applies only to **your insured car** other than a **private passenger car, utility car, or utility trailer** not owned by you or a **family member** while being temporarily used as a substitute vehicle.
2. If you are paid under this endorsement, we shall have your rights to seek recovery. You shall do whatever is necessary to secure such rights. You shall do nothing to prejudice these rights.
3. The premium charged for this insurance is fully earned unless the entire policy is cancelled. (Not applicable in Michigan).

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

AMENDED BUSINESS USE EXCLUSION
(Your E-Z Reader Car Policy)

E1201
1st Edition

It is agreed that Exclusion 6. under PART I - LIABILITY is deleted and replaced with the following:

Bodily injury or property damage arising out of the ownership, maintenance or use of any vehicle by any person employed or otherwise engaged in a business other than the business described in Exclusion 5.

This exclusion does not apply to the maintenance or use of a:

- a. **Private passenger car.**
- b. **Utility car** that you own, if rated as a **private passenger car**, or
- c. **Utility trailer** used with a vehicle described in a. or b. above.

However, this exclusion does apply to any vehicle:

- 1. While used in any employment in an emergency occupation on a full-time, part-time, or volunteer basis. Such occupations include, but are not limited to, Fire Fighting, Ambulance, or Police activities. However, this exclusion does not apply to the vehicle described in the Declarations or any **private passenger car** or **utility car** with which you replace it.
- 2. Which is one of a fleet or pool of vehicles which are provided for the use of an **insured person** in the course of his or her employment, unless such vehicle is specifically listed in the Declarations.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

**ENDORSEMENT
AMENDING CUSTOMIZING EQUIPMENT EXCLUSION
YOUR E-Z READER CAR POLICY**

E1248
1st Edition

It is agreed that your policy is amended as follows:

Under PART IV - DAMAGE TO YOUR CAR, Exclusion number 10 is deleted and replaced with:

To a van, pick-up or panel truck due to increased cost of repair or replacement of the following furnishings or equipment

- a. Special carpeting, insulation, wall covering, furniture or bars.
- b. Dining, kitchen and sleeping facilities including enclosures or bathroom facilities.
- c. Height-extending roofs.
- d. Murals, special paint and/or methods of painting, decals or graphics.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

91-1248 1ST EDITION 9-90

E1248101

**SAFETY GLASS
DEDUCTIBLE BUYBACK - COVERAGE F**

E1401
1st Edition

For an additional premium, it is agreed that the deductible applying to Coverage F - Comprehensive is replaced by a \$100 deductible for a covered loss to safety glass.

Our limit of liability for loss is the amount necessary to repair or replace safety glass.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

91-1401 1ST EDITION 1-90

I-96

E1401101

**ENDORSEMENT ADDING PROPERTY DAMAGE TO
UNINSURED MOTORIST COVERAGE OR
WAIVING COLLISION DEDUCTIBLE**

E9007
CALIFORNIA
2nd Edition

For an additional premium we will provide one of the following options you have purchased as shown in the Declarations.

Option C-1 Under Part II - Uninsured Motorist

We will pay for property damage to your insured car which an insured person is legally entitled to recover from the owner or operator of an uninsured motor vehicle. The property damage must be caused by actual direct physical contact between your insured car and the uninsured motor vehicle.

Coverage applies only under the following conditions:

1. Your insured car not covered for collision; and
2. This policy includes Uninsured Motorist Coverage.

Limits of Liability

The limit per accident, occurrence or loss is \$3,500 or the actual cash value of your insured car, whichever is less.

Option C-2 Under Part IV - Damage To Your Car

Coverage G - Collision, the following is added:

No deductible shall apply if:

1. Your insured car is covered under this policy for collision, and
2. The property damage is caused by actual direct physical contact between your insured car and the uninsured motor vehicle, and
3. An insured person is legally entitled to recover from the owner or operator of an uninsured motor vehicle.

Definitions used in this Endorsement

"Property Damage" as used in this endorsement means injury to, or destruction of your insured car, but does not include loss of use or personal property contained in your insured car.

"Uninsured Motor Vehicle" means a land motor vehicle with respect to its ownership, maintenance or use that is:

- A. Not insured by property damage liability insurance or bond at the time of the accident, occurrence or loss, or
- B. Insured by property damage liability insurance or bond at the time of the accident, occurrence or loss, but coverage is refused or the insuring company becomes insolvent within one year.

Uninsured motor vehicle, however, does not mean a land motor vehicle that is:

- A. Insured under the liability coverage of this policy.
- B. Owned by, furnished or available for the regular use of you or any family member.
- C. Owned or operated by a person who is self-insured as allowed by any financial responsibility law, motor carrier law, or similar law.
- D. Owned by a governmental unit or agency.

A person claiming any coverage under this endorsement must identify the owner or operator of the uninsured motor vehicle or identify the uninsured motor vehicle by its license number. The accident, occurrence or loss, must be reported to us promptly.

The provisions that apply to Exclusions, Other Insurance and Conditions under Parts II and IV of the policy remain the same and apply to this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all terms of the policy.

**ENDORSEMENT AMENDING E-Z READER CAR POLICY
CALIFORNIA**

S9046
CALIFORNIA
1st Edition

Under Part V - Conditions, the following is added to Condition 8. Termination or Reduction of Cover

- a. (3) (b) (iii) discover fraud committed by you in pursuing a claim under this policy and we have not rescinded the policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

90-9046 1ST EDITION 7-88

S9046101

**EXPLANATION OF RATING PLAN - AMENDATORY ENDORSEMENT
YOUR E-Z READER CAR POLICY
YOUR E-Z READER MOTORCYCLE POLICY
YOUR MOTOR HOME PLUS POLICY**

9052
CALIFORNIA
3rd Edition

California law requires that we explain how accidents or convictions of a Vehicle Code violation involving the safe operation of a motor vehicle can affect your insurance premium.

Below is a description of our rating plan:

If your policy is issued by Farmers Insurance Exchange or Mid-Century Insurance Company, base rates are surcharged for those insureds with one or more principally at-fault accidents and/or motor vehicle convictions on a cumulative basis within the three-year experience period.

The experience period for new business policies is three years preceding application date.

Renewal policies are surcharged for the presence of motor vehicle convictions which have occurred in the past three years and for accidents which have occurred in the past three years ending 60 days before renewal date.

The accident and/or motor vehicle conviction surcharge shall be determined by the driver assigned to each motor vehicle whose Driver Safety Record develops the highest cumulative accident and conviction surcharge. Any accident or conviction counted against that driver's record will be counted against the vehicle he or she most frequently operates.

Other factors such as number of years of driving experience, number of miles driven annually, claims costs, and applicable discounts may also affect your premium.

If you have any questions regarding your rating, please contact your Farmers Agent who will be pleased to answer them.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

ENDORSEMENT AMENDING PREMIUM INCREASE,
CANCELLATION AND NON-RENEWAL
PROVISIONS - CALIFORNIA

§9054
CALIFORNIA
2nd Edition

Under Part V - CONDITIONS, Item 2. CHANGES and Item 8. TERMINATION OR REDUCTION OF COVERAGE are changed as follows:

1. The following paragraph is added to Item 2 CHANGES:

If we increase your premium the reasons shall include, if applicable, but not be limited to the following:

- (1) accident involvement by an insured person if and whether the insured person is at fault in the accident.
- (2) a change in, or addition of, an insured vehicle.
- (3) a change in, or addition of, an insured person under the policy.
- (4) a change in the location of garaging of an insured vehicle.
- (5) a change in the use of the insured vehicle.
- (6) convictions for violating any provision of the Vehicle Code or the Penal Code relating to the operation of a motor vehicle.
- (7) the payment made by us due to a claim filed by an insured person or a third party.

Some premium increases may result from reasons that are not specified that are both lawful and not unfairly discriminatory.

2. Item 8. TERMINATION OR REDUCTION OF COVERAGE is deleted and replaced with the following:

8. TERMINATION OR REDUCTION OF COVERAGE

a. Cancellation, non-renewal, or reduction of coverage.

- (1) You may cancel this policy by advising us in writing when at a future date the cancellation is to be effective.
- (2) We may cancel, change the renewal, or cancel or reduce all or any portion of any coverage by mailing notice to you at the address shown in the Declarations or by delivering the notice:
 - (a) Not less than 10 days prior to the effective date of such cancellation, reduction, or change of renewal date for nonpayment of premium.
 - (b) Not less than 20 days prior to the effective date of cancellation for any other circumstances.

If we cancel or reduce all or any portion of any coverage, the notice we send you will describe that portion we are cancelling or reducing.

- (3) We may non-renew by mailing notice to you at the address shown in the Declarations or by delivering the notice to you not less than 20 days before the end of the policy period.
- (4) Our right to cancel or non-renew is limited if this policy insures either of the following:
 - (a) a private passenger type auto, or a station wagon, that does not carry passengers for hire and is not rented to others.
 - (b) any other four-wheel motor vehicle with a load capacity of fifteen hundred pounds or less which is not used in your occupation, profession or business.

We can cancel or non-renew in such case only if any of the following apply:

- (a) you fail to pay the premium when due.
- (b) we discover fraud or misrepresentation which affects the policy or an insured person.
- (c) we discover a substantial increase in the hazard insured against.

b. Automatic Termination

This policy will automatically terminate at the end of the policy period if you or your representative do not accept our offer to renew it. Your failure to pay the required renewal premium as we require means that you have declined our offer. If other insurance is obtained on your insured vehicle, any similar insurance afforded under this policy for that vehicle will cease on the effective date of the other insurance.

c. Other Provisions

- (1) If different requirements for cancellation and non-renewal or termination of policies become applicable because of the laws of California, we will comply with those requirements.
- (2) Mailing of a notice shall be sufficient proof of notice. We may deliver a notice instead of mailing it.
- (3) The effective date and time stated on the notice of cancellation of the entire policy shall become the end of the policy period.
- (4) The effective date and time stated on the notice for reduction of coverage or cancellation of a portion of the coverage, shall be the effective date of the change. The notice shall be part of the policy. It is an endorsement.
- (5) Termination or change may result in a premium refund. If so, we will send it to you within twenty-five days, or we will pay ten (10) percent interest on the amount of the refund until we send it. Interest payments will be the only penalty against us. Our mailing or offering of a refund is not a condition of cancellation.

If you cancel, the refund will be computed in accordance with customary short rate table and procedure.

If we cancel or reduce coverage, the refund will be computed on a pro rata basis.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

PART I - LIABILITY - PERMISSIVE USER LIMITATIONS **9064**
(Your E-Z Reader Car, Your E-Z Reader Motorcycle and Your Motor Home Plus Policies) **CALIFORNIA**
2nd Edition

It is agreed that PART I - LIABILITY of Your E-Z Reader Car Policy, Your E-Z Reader Motorcycle Policy and Your Motor Home Plus Policy is amended as follows:

Under "Additional Definitions Used In This Part Only":

Item 1. under "Insured person as used in this part means:" is deleted and replaced with the following:

1. You or any family member or a listed driver.

Listed Driver is added as follows:

Listed Driver means a driver expressly rated on *this* policy to operate your insured car (motorcycle / motor home) and for whom a premium has been paid to operate your insured car (motorcycle / motor home).

In Your Motor Home Plus Policy, item 5. under PART I - LIABILITY - "Limits of Liability" is deleted.

In Your E-Z Reader Car Policy, the second paragraph under PART I - LIABILITY, "Other Insurance" is deleted.

To Your E-Z Reader Car Policy, Your E-Z Reader Motorcycle Policy and Your Motor Home Plus Policy, the following is added to the "Limits of Liability" and "Other Insurance" sections:

We will provide insurance for an insured person, other than you, a family member or a listed driver, but only up to the minimum required limits of your state's Financial Responsibility Law of \$15,000 per person and \$30,000 per occurrence for bodily injury, and \$5,000 for property damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

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Counsel for Defendants

Edward D. Chapin
Matthew G. Kleiner
Gordon & Rees LLP
101 West Broadway, Suite 1600
San Diego, CA 92121
619/696-6700
619/696-7124 (Fax)

Christopher R. Wagner
Gordon & Rees LLP
633 West Fifth Street, Suite 4900
Los Angeles, CA 90071
213/576-5000
213/680-4470 (Fax)

Counsel for Plaintiffs

Floyd D. Wilson
McCary, Wilson & Pryor
6707 Academy Road, N.E.
Albuquerque, NM 87109
505/857-0001
505/857-0008 (Fax)

John J. Stoia, Jr.
Leonard B. Simon
Timothy G. Blood
Alreen Haeggquist
Lerach Coughlin Stoia Geller
Rudman & Robbins LLP
401 B Street, Suite 1600
San Diego, CA 92101
619/231-1058
619/231-7423 (Fax)

Alan Konrad
Attorney At Law
1619 Arcadian Trail, N.W.
Albuquerque, NM 87107
505/345-0467

Charles R. Peifer
Robert E. Hanson
Peifer, Hanson & Mullins, P.A.
P.O. Box 25245
20 First Plaza, Suite 725
Albuquerque, NM 87125-5245
505/247-4800
505/243-6458 (Fax)

John M. Eaves
Eaves, Bardacke & Baugh,
Kierst & Larson, P.A.
6400 Uptown Blvd., N.E.
Suite 110-W, City Centre
Albuquerque, NM 87110
505/888-4300
505/883-4406 (Fax)

David Freedman
Freedman, Boyd, Daniels, Hollander
& Goldberg P.A.
20 First Plaza, Suite 700
Albuquerque, NM 87102
505/842-9960
505/842-1925 (Fax)