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Insurance Company

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

PORTLAND DIVISION

LEIF HANSEN, on behalf of himself and all  
others similarly situated.

Plaintiff,

v.

GOVERNMENT EMPLOYEES  
INSURANCE COMPANY, a Maryland  
corporation,

Defendant.

Civil Case No. 3:17-cv-1986-MO

**GOVERNMENT EMPLOYEES  
INSURANCE COMPANY'S MOTION TO  
DISMISS**

**[ORAL ARGUMENT REQUESTED]**

**Certification of Compliance with LR 7-1(a)(1)**

Counsel for Defendant Government Employees Insurance Company (“GEICO”) certifies that they conferred with Plaintiff’s counsel and Plaintiff opposes this Motion.

**Motion**

GEICO moves this Court for an order dismissing this case with prejudice under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6). The grounds for this Motion are set forth below. GEICO believes its personal jurisdiction argument from pages 3 to 7 of its contemporaneously filed Motion to Strike is best addressed by Rule 12(f) at this stage, but to avoid any waiver argument, GEICO moves to dismiss the claims of absent putative out-of-state class members and expressly incorporates its personal jurisdiction argument as a Rule 12(b)(2) motion here.

**Memorandum of Law**

To have standing in federal court, individually or on behalf of a class, a plaintiff must allege an actual, redressable, injury-in-fact. Plaintiff Leif Hansen (“Hansen”) only alleges that he may, potentially, have a redressable injury and he wants GEICO to pay to find out if it exists. With no redressable injury-in-fact, Hansen lacks Article III standing to sue GEICO. The Court should also dismiss Hansen’s breach of contract and breach of the implied covenant of good faith and fair dealing claims because he did not allege facts supporting elements of those claims.

Hansen alleges he made a claim under his GEICO-issued insurance policy (the “Policy”) for collision damage to his 2017 GMC Sierra 3500 pickup truck (the “Truck”). Compl. (Doc. 1) ¶ 11. Hansen asserts GEICO breached the Policy but does not allege GEICO refused to pay the costs to repair covered damage to the Truck caused by the collision, or that the amount GEICO paid (less the deductible) was insufficient to pay the costs to repair covered damage caused by the collision. Instead, he alleges GEICO did not pay for pre- and post-repair electronic scans of

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the Truck. *Id.* ¶¶ 20, 21. These scans would not repair covered damage to the Truck, but could, according to Hansen, potentially identify damage not already identified and repaired. *Id.* ¶ 13. Because no scan was performed, Hansen thinks it is possible some undetected, post-repair damage may, if the repair shop that performed the repair did not identify the damage during the repair process, exist after the repair. *Id.* ¶¶ 20, 21. Other than this *possibility*, Hansen does not allege any damage to his Truck caused by the collision exists that could not be repaired for the amount GEICO paid. *See generally id.*

Hansen's speculation about the *possibility* that some undetected damage *could* exist—and that an electronic scan *potentially may* identify it—is by definition hypothetical, not an actual, injury. This hypothetical injury does not satisfy Hansen's burden to allege a concrete, redressable injury-in-fact sufficient to establish Article III standing. Without standing, this Court lacks subject matter jurisdiction and the Complaint should be dismissed.

Even if Hansen had standing, the Complaint should be dismissed because he failed to state claims for breach of contract or bad faith. Without allegations that GEICO did not pay the cost to repair damage covered by the Policy, Hansen did not allege facts plausibly suggesting GEICO breached a term of the Policy or that a breach caused Hansen damage and his breach of contract claim fails. Further, Hansen did not allege GEICO frustrated any objectively reasonable expectation under the Policy either, and his bad faith claim fails.

**I. HANSEN'S ALLEGATIONS DO NOT CREATE STANDING TO SUE GEICO OR SUPPORT ELEMENTS OF HIS CLAIMS**

While GEICO disputes many of Hansen's allegations, it assumes they are true for

purposes of this Motion.<sup>1</sup> *Parks Sch. of Bus., Inc. v. Symington*, 51 F.3d 1480, 1484 (9th Cir. 1995). The Complaint alleges that Hansen is the “owner of a group of Portland-area auto repair shops.” Compl. ¶ 12. Hansen is also an insured on a GEICO insurance policy that provides coverage for collision losses to the Truck (*i.e.*, the Policy). *Id.* ¶ 9. According to the Complaint, the Policy’s collision coverage states that GEICO “will pay for a collision *loss* to the owned auto or non-owned car for the amount of each loss less the applicable deductible,” and it defines “loss” as “direct and accidental loss of or *damage to* . . . an insured auto, including its equipment.” *Id.* ¶ 10 (emphases added) (ellipses in the original).<sup>2</sup>

In November 2017, the Truck’s rear bumper was allegedly damaged in a collision. *Id.* ¶ 1. On November 4, Hansen reported a claim to GEICO and scheduled an appointment for a repair estimate. *Id.* During this appointment, Hansen requested “pre- and post-repair electronic scans to ensure that his vehicle was repaired safely and completely.” *Id.* ¶ 12. GEICO “refused to authorize the scans.” *Id.* ¶ 19. After repairs were completed to the Truck, Hansen “again requested electronic scans to ensure that the [Truck] had been safely and completely repaired.” *Id.* ¶ 20. GEICO has not paid for a scan and no scan has been performed. *Id.* ¶¶ 20-21. According to Hansen, because the scans were not performed, the Truck is “at risk for having undetected repairs and being unsafe to drive.” *Id.* ¶ 21.

Hansen does not allege that GEICO failed to pay for complete repairs (less the Policy’s deductible) or that any damage that could have been identified by a scan actually exists but was

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<sup>1</sup> GEICO particularly disputes Hansen’s characterization of how GEICO handles policyholder claims generally (*e.g.*, Compl. ¶¶ 19, 23, 25) or that it would purposely underpay claims, causing its policyholders to accept unsafe or incompletely repaired vehicles (*e.g.* Compl. ¶ 48).

<sup>2</sup> Exhibit 1 is a copy of the Policy. Because the Complaint refers to it (and quotes it incompletely and with an error), the Court may consider it without converting this Motion to a summary judgment motion. *Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir. 1994). The language quoted in the Complaint can be found at GEICO-HANSEN000010, 11.



not otherwise identified by the repair shop or GEICO. *See generally id.* Rather, he only alleges it is possible some unidentified, speculative, invisible damage could exist after the repair. *Id.* ¶ 21. Hansen—an experienced owner of multiple auto body shops with the equipment to perform the scans at likely no cost to him—does not allege his Truck needs any additional repair, of any kind. *See generally id.*

Hansen asserts individual and putative class claims for (1) breach of contract and (2) breach of the implied covenant of good faith and fair dealing (bad faith). *Id.* ¶¶ 36-49.<sup>3</sup>

## **II. HANSEN DOES NOT HAVE ARTICLE III STANDING BECAUSE HE DID NOT ALLEGE AN INJURY-IN-FACT REDRESSABLE BY THE COURT**

“To satisfy Article III’s case or controversy requirement, [a plaintiff] must establish standing to sue.” *Human Life of Washington Inc. v. Brumsickle*, 624 F.3d 990, 1000 (9th Cir. 2010). “The irreducible constitutional minimum of standing contains three elements: the plaintiff must demonstrate (1) an injury-in-fact, (2) causation, and (3) a likelihood that the injury will be redressed by a decision in the plaintiff’s favor.” *Id.* (quoting *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)) (internal quotation marks omitted). “Where, as here, a case is at the pleading stage, the plaintiff must ‘clearly allege facts demonstrating’ each element.” *Spokeo, Inc. v. Robins*, 136 S. Ct. 1540, 1547 (2016) (quoting *Warth v. Seldin*, 422 U.S. 490, 518 (1975)) (alterations incorporated).

Hansen’s allegation that some possible, hypothetical damage to the Truck caused by the collision may exist does not satisfy the injury-in-fact or redressability requirements. This “lack of Article III standing requires dismissal for lack of subject matter jurisdiction under Federal

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<sup>3</sup> This is not Hansen’s first lawsuit alleging GEICO should pay for electronic scans. The shops he owns, Leif’s Auto Collision Centers, LLC, filed suit alleging GEICO is part of a conspiracy to not provide scans in violation of the Sherman Antitrust Act. *See* Compl. ¶ 14, *Leif’s Auto Collision Ctrs., LLC v. Gov’t Empl. Ins. Co.*, No. 3:17-cv-1822 (D. Or. Nov. 14, 2017), Doc. 1. Page 5—GOVERNMENT EMPLOYEES INSURANCE COMPANY’S MOTION TO DISMISS

Rule of Civil Procedure 12(b)(1).” *Maya v. Centex Corp.*, 658 F.3d 1060, 1067 (9th Cir. 2011).

**A. The Complaint Does Not Allege An Injury-In-Fact That Is Concrete And Actual Or Imminent, As Opposed To Conjectural Or Hypothetical**

An injury-in-fact is “an invasion of a *legally protected interest* which is (a) *concrete* and particularized and (b) *actual or imminent, not conjectural or hypothetical*.” *Lujan*, 504 U.S. at 560 (internal citations and quotation marks omitted) (emphases added); *Spokeo*, 136 S. Ct. at 1547 (“We have made it clear time and time again that an injury in fact must be both concrete *and* particularized.”). Allegations of “possible future injury do not satisfy the requirements of Art. III.” *Whitmore v. Arkansas*, 495 U.S. 149, 158 (1990).

A ‘concrete’ injury must be ‘*de facto*’; that is, *it must actually exist*.” *Spokeo*, 136 S. Ct. at 1548 (emphasis added). It must be “‘*real, and not ‘abstract*.’” *Id.* (emphasis added). A wrongdoing “divorced from any concrete harm” is constitutionally inadequate. *Id.* at 1549. A plaintiff does not “automatically satisf[y] the injury-in-fact requirement whenever a statute grants a person a statutory right and purports to authorize that person to sue to vindicate that right.” *Id.* Instead, “the plaintiff must allege a statutory violation that caused him to suffer *some harm that ‘actually exist[s]’ in the world*.” *Robins v. Spokeo, Inc. (“Spokeo II”)*, 867 F.3d 1108, 1113 (9th Cir. 2017) (emphasis added) (on remand from *Spokeo*, 136 S. Ct. 1540 (2016)), *cert. denied*, No. 17-806, 2018 WL 491554 (U.S. Jan. 22, 2018).

*Spokeo*’s reasoning applies equally to common law wrongdoing, such as the contractual violation alleged here, as it does to statutory violations. *See, e.g.*, 136 S. Ct. at 1549 (libel); *Svenson v. Google Inc.*, No. 13-CV-04080-BLF, 2016 WL 8943301, at \*1, \*10, \*14-16 (N.D. Cal. Dec. 21, 2016) (plaintiff lacked standing to assert breach of a contractual privacy agreement where Google granted a third-party the ability to access personal information in violation of the

agreement (*i.e.*, it “*could have*” been shared), but the third party did not access the information so the plaintiff could not establish a concrete injury). Even where some conceptual legal right has been violated, “Article III requires such violation to have caused some real—as opposed to purely legal—harm to the plaintiff.” *Svenson*, 2016 WL 8943301, at \*1, \*10, \*14-16.

The Complaint does not allege a concrete injury-in-fact. Hansen, instead, alleges only the *possibility* that some undetected damage to the Truck caused by the collision exists and the *possibility* that a scan could reveal it. Compl. ¶¶ 20, 21. The “risk” of “undetected repairs,” alleged by Hansen, is hypothetical, not actual, damage, and not “a distinct and palpable injury” or a concrete harm “that actually exists in the world.” Compl. ¶ 21; *Gladstone Realtors v. Vill. of Bellwood*, 441 U.S. 91, 100 (1979); *Spokeo II*, 867 F.3d at 1113; *Spokeo*, 136 S. Ct. at 1548. Quite the opposite, it is a repair-shop-owner’s hypothesis about the possibility of unalleged, undetected harm (despite his shop having made the repairs), when he can determine whether damage actually exists. The absence of allegations of existing post-repair damage that could only have been discovered via scan is telling because it: (1) likely means no collision damage would have been identified that could not have otherwise been identified; and (2) shows the true purpose of this suit is not to get reimbursed from his insurance policy for the costs to repair the Truck, but rather, is to get a court order compelling GEICO to pay Hansen’s shops an automatic additional \$200 (the cost of the pre- and post-repair scans) for every GEICO insured or claimant who brings a vehicle to his shops for repairs, whether or not a scan is necessary to identify additional damage. The allegations that injury *might possibly* exist are exactly the “conjectural or hypothetical” allegations that fail to state an injury-in-fact. *See Lujan*, 504 U.S. at 560 (“conjectural or hypothetical” allegations are not a “concrete and particularized” injury-in-fact).

In *Spokeo*, the Supreme Court held that merely pleading a Fair Credit Reporting Act violation—with no resulting, real-world harm—does not allege a “concrete injury.” 136 S.Ct. at 1549. The Court recognized that some legal violations “result in no harm” and therefore no injury-in-fact. *Id.* at 1550. Hansen has only alleged a potential contractual violation—the purported failure to provide scans to detect collision damage that may or may not exist—but failed to connect the potential issue to an actual, real-world, concrete harm. He alleged only the abstract possibility of undetected damage. This does not amount to injury-in-fact, and, therefore, he lacks standing under *Spokeo* and the authorities it cites.

**B. The Complaint Does Not Allege An Injury That Could Be Redressed By A Favorable Decision**

Redressability requires it to be “likely, *rather than merely possible*, that a favorable decision by the court would redress the injury.” *Am. Fed’n of Gov’t Employees, Local 2119 v. Cohen*, 171 F.3d 460, 466 (7th Cir. 1999) (emphasis added). “Relief that does not remedy the injury suffered cannot bootstrap a plaintiff into federal court; that is the very essence of the redressability requirement.” *Steel Co. v. Citizens for a Better Env’t*, 523 U.S. 83, 107 (1998).

Here, it is, at most, “merely possible” that a favorable decision would remedy Hansen’s injury: hypothetical undetected damage remaining to the Truck after repairs are performed using the funds paid by GEICO and the deductible. A Court-ordered scan may identify no additional damage to the Truck caused by the collision and Hansen will remain in the same position he is in now—with a fully-repaired Truck and no damages. *Arakaki v. Lingle*, 477 F.3d 1048, 1064 (9th Cir.2007) (injury not redressable where it was uncertain that a court order terminating certain government funding would mean savings for plaintiffs or spending to benefit someone else). Hansen alleged no facts demonstrating additional damage *will be detected* or even that it is

“likely” such damage will be detected. Instead, he alleges that, without a scan, there is a possibility of “undetected repairs.” Compl. ¶ 21. Even if the Court ruled that GEICO must provide the scans, it is only “possible,” rather than “likely” that any injury to the Truck because of the collision will be found—let alone redressed. Without allegations demonstrating a favorable decision is “likely” to redress any injury, Hansen lacks of Article III standing.

**C. Without Article III Standing, Hansen Cannot Represent The Putative Class**

Because he lacks individual standing, Hansen cannot assert claims on behalf of a putative class either. *O’Shea v. Littleton*, 414 U.S. 488, 494 (1974) (“[I]f none of the named plaintiffs purporting to represent a class establishes the requisite of a case or controversy with the defendants, none may seek relief on behalf of himself or any other member of the class.”); *Pence v. Andrus*, 586 F.2d 733, 736–37 (9th Cir. 1978) (“[I]n class actions, the named representatives must allege and show that they personally have been injured, not that injury has been suffered by other, unidentified members of the class to which they belong and which they purport to represent.”) (internal citations and quotation marks omitted).

**III. THE COMPLAINT FAILS TO STATE A CLAIM**

Even if Hansen had standing, the Complaint fails to allege requisite elements of either cause of action. The breach of contract claim fails to allege GEICO breached a term of the contract or that any breach caused Hansen damage. The breach of the implied covenant of good faith and fair dealing claim fails because Hansen does not allege GEICO frustrated his objectively reasonable expectations under the Policy, the standard in Oregon.

**A. Hansen Had To Allege Plausible Facts Supporting The Elements Of His Claims**

A complaint must allege “enough facts to state a claim to relief that is plausible on its face.” *Clemens v. Daimler Chrysler Corp.*, 534 F.3d 1017, 1022 (9th Cir. 2008) (quoting *Bell*

*Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)); *Ashcroft v. Iqbal*, 556 U.S. 662, 678, (2009) (a “claim has facial plausibility when the plaintiff pleads factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged”). The factual allegations “must be enough to raise a right to relief above the speculative level . . . on the assumption that all the allegations in the complaint are true (even if doubtful in fact).” *Twombly*, 550 U.S. at 555. “A pleading that offers ‘labels and conclusions’ or ‘a formulaic recitation of the elements of a cause of action will not do.” *Iqbal*, 556 U.S. at 678. “Nor does a complaint suffice if it tenders ‘naked assertion[s]’ devoid of ‘further factual enhancements.’” *Id.* (quoting *Twombly*, 550 U.S. at 557, 127 S.Ct. at 1966).

**B. The Breach Of Contract Claim Fails Because Hansen Does Not Allege Breach Or Damage**

“To state a claim for breach of contract, plaintiff must allege the existence of a contract, ‘its *relevant terms*, plaintiff’s full performance and lack of breach and *defendant’s breach* resulting in *damage* to plaintiff.’” *Slover v. Oregon State Bd. of Clinical Soc. Workers*, 144 Or App 565, 570 (1996) (emphases added) (quoting *Fleming v. Kids & Kin Head Start*, 71 Or App 718, 721 (1985)). Hansen does not allege facts plausibly suggesting breach or damage.

***i. The Complaint Does Not Allege GEICO Breached Any Policy Term***

Hansen alleges the Policy requires GEICO to pay for loss to the Truck caused by a collision, less the deductible and defines “loss” as “direct and accidental . . . *damage to*” the vehicle, including its equipment. Compl. ¶ 10. Hansen does not allege the November 2017 collision caused any damage to the Truck for which GEICO refused to pay. Instead, he alleges GEICO did not pay for scans that may have potentially identified undetected, unalleged damage caused by the collision—damage that may not exist. Compl. ¶¶ 19-21.

Instead of alleging GEICO breached a term of the contract by failing to pay for direct and accidental damage to the Truck, Hansen alleges GEICO refused to pay to use his preferred tool to identify damage—*i.e.*, an electronic vehicle scan—just as a hypochondriac may prefer a CAT Scan to diagnose the cause of an earache when a physical exam of the ear with a speculum would do. *Id.* The Policy could have specified the tool that must be used to identify or complete repairs, but Hansen did not (and cannot) allege any “relevant terms” of the Policy that required GEICO to pay for his preferred tool. Since Hansen failed to allege that GEICO “breached” a “relevant term[,]” by refusing to pay for the scans, his breach of contract claim fails. *See Slover*, 144 Or App at 570 (Hansen had to allege a “breach” of the contract’s “relevant terms”).

***ii. The Complaint Does Not Allege Damage***

“Damage is an *essential element* of any breach of contract action.” *Moini v. Hewes*, 93 Or App 598, 602–03 (1988) (emphasis added). Damage here would be a “direct and accidental loss of or damage to” the Truck that GEICO (with the deductible) has not paid to repair. Compl. ¶ 10 (quoting the Policy). Hansen alleges no such thing. Rather, he complains GEICO declined to pay for electronic confirmation that no damage exists. Instead of damage under the Policy, Hansen, a body shop owner, is requesting GEICO pay to use his preferred tool to obtain electronic reassurance that no damage remains. This is not damage.

**C. The Breach Of The Implied Covenant Of Good Faith And Fair Dealing Claim Fails Because Hansen Does Not Allege His Reasonable Expectations Were Frustrated**

In Oregon, the duty of good faith and fair dealing implied in every contract is applied to effectuate the objectively reasonable contractual expectations of the contract. *Uptown Heights Associates Ltd. P’ship v. Seafirst Corp.*, 320 Or 638, 644-45 (1995) (quoting *Pacific First Bank*



*v. New Morgan Park Corp.*, 319 Or. 342 (1994) and *Tolbert v. First National Bank*, 312 Or. 485, 494 (1991)). The duty “cannot serve to contradict an express contractual term.” *Id.* at 645.

The Complaint asserts that by not compensating Hansen for pre- and post-repair scans, GEICO frustrated “the reasonable expectation, rooted in the plain language of the Policy, that GEICO will compensate [Hansen] in an amount sufficient to obtain complete and safe repairs.” Compl. ¶ 47. Hansen also conclusorily alleges that GEICO “caused policyholders to accept vehicles that are unsafely or incompletely repaired after collision.” *Id.* ¶ 48. Hansen does not, however, allege that *his* Truck was unsafely or incompletely repaired because GEICO did not pay for a scan. *Id.* ¶ 48. Even assuming Hansen stated an objectively reasonable expectation, without plausible facts suggesting the Truck could not be properly repaired with the amount GEICO paid (plus the deductible), Hansen’s reasonable expectations to be compensated sufficiently to obtain a complete and safe repair could not have been frustrated.<sup>4</sup>

#### IV. CONCLUSION

GEICO respectfully requests that the Court dismiss Hansen’s Complaint under Rule 12(b)(1) because he lacks standing, or that each claim be dismissed under Rule 12(b)(6) because Hansen failed to state his claims.

Respectfully submitted this 1st day of February, 2018.

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<sup>4</sup> GEICO would, of course, fulfill its contractual duty and pay for any direct and accidental loss or damage to the vehicle, subject to the terms, conditions, definitions, and limitations of the Policy. And if additional damage were presented by GEICO’s insured, and GEICO had an opportunity to inspect the damage and determine if it was caused by the collision, GEICO would consider the new information and make any payments required by the Policy. But Hansen did not identify Policy language that would require GEICO to pay for an insured’s preferred method to confirm that all damage has been repaired, nor is it reasonable to expect an insurer to do so without some facts indicating that additional damage exists.

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**GEICO CASUALTY COMPANY**  
P.O. Box 509090  
San Diego, CA 92150-9090

## Declarations Page

This is a description of your coverage.  
Please retain for your records.

**Policy Number:** [REDACTED]

**Coverage Period:**

05-17-17 through 11-17-17

Your coverage begins and ends at 12:01am local time at the address of the named insured.

Date Issued: October 23, 2017

CAROL M HANSEN AND LEIF C  
HANSEN

Endorsement Effective: 10-23-17

Email Address: [REDACTED]

**Named Insured**

Carol M Hansen  
Leif C Hansen

**Additional Drivers**

None

| <u>Vehicles</u>          | <u>VIN</u> | <u>Vehicle Location</u> | <u>Finance Company/<br/>Lienholder</u> |
|--------------------------|------------|-------------------------|--|
| 1 2009 Porsche Cayenne S | [REDACTED] | Portland OR 97224       |  |
| 2 2017 GMC Sierra        | [REDACTED] | Portland OR 97224       |  |

| <u>Coverages*</u>                    | <u>Limits and/or Deductibles</u> | <u>Vehicle 1</u> | <u>Vehicle 2</u> |
|--------------------------------------|----------------------------------|------------------|------------------|
| Bodily Injury Liability              |                                  |                  |                  |
| Each Person/Each Occurrence          | \$250,000/\$500,000              | \$95.04          | \$96.89          |
| Property Damage Liability            | \$100,000                        | \$80.12          | \$85.20          |
| Personal Injury Protection           | Non-Ded                          | \$15.67          | \$13.26          |
| Uninsured Motorists Bodily Injury    |                                  |                  |                  |
| Each Person/Each Occurrence          | \$250,000/\$500,000              | \$25.00          | \$20.29          |
| Comprehensive                        | \$500 Ded                        | \$20.86          | \$23.81          |
| Collision                            | \$500 Ded                        | \$55.51          | \$86.63          |
| Emergency Road Service               | Full                             | \$4.66           | \$1.54           |
| Rental Reimbursement                 | \$35 Per Day<br>\$1050 Max       | \$7.56           | \$7.56           |
| Mechanical Breakdown                 | \$250 Ded                        | -                | \$25.11          |
| <b>Six Month Premium Per Vehicle</b> |                                  | <b>\$304.42</b>  | <b>\$360.29</b>  |
| <b>Total Six Month Premium</b>       |                                  |                  | <b>\$664.71</b>  |

\*Coverage applies where a premium or \$0.00 is shown for a vehicle.

If you elect to pay your premium in installments, you may be subject to an additional fee for each installment. The fee amount will be shown on your billing statements and is subject to change.

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Continued on Back  
Policy Change Page 5 of 6

EXHIBIT 1  
PAGE 1 OF 30

GEICO-HANSEN000001

\*200101443942144936024003797\*

**Discounts**

|   |                 |
|---|-----------------|
| <b>The total value of your discounts is</b> | <b>\$410.24</b> |
| Restraint .....                             | \$10.55         |
| Seat Belt .....                             | \$1.30          |
| Anti-Theft .....                            | \$4.79          |
| Good Driver .....                           | \$190.20        |
| Persistency .....                           | \$44.15         |
| Anti-Lock Brake .....                       | \$7.48          |
| New Vehicle Discount .....                  | \$13.47         |
| Multi-Vehicle Discount .....                | \$138.30        |

**The following discounts have also been applied**

|                                |          |
|--------------------------------|----------|
| Driving Experience .....       | Included |
| Financial Responsibility ..... | Included |

**Contract Type:** A30OR**Contract Amendments:** ALL VEHICLES - A30OR A355 A54ED1 A54OR**Unit Endorsements:** A431 (VEH 1,2); CC115 (VEH 1,2); CC280L (VEH 2)The following forms for your policy are available to review online at [geico.com/express](http://geico.com/express):

| <b>Form Name</b>                    | <b>Form Number (Revision Date)</b> |
|-------------------------------------|------------------------------------|
| Rental Reimbursement Coverage       | A431 (05-11)                       |
| Emergency Road Service              | CC115 (04-08)                      |
| Multi-Risk Physical Damage Coverage | CC280L (02-96)                     |

You may view, save and print the forms listed above on our website. You will not receive a paper copy of the forms unless you request that we mail you a paper copy of any of the forms listed above at no cost by calling us at 1-800-841-3000.

**Important Policy Information**

- We welcome you to our GEICO family in the Auto Voluntary B10 rate program.
- A premium charge of \$31.74 is included in your total premium for the Upgraded Accident Forgiveness benefit.
- Your policy includes the Upgraded Accident Forgiveness benefit, which waives the surcharge associated with the first at-fault accident by any driver on your policy.
- Reminder - Physical damage coverage will not cover loss for custom options on an owned automobile, including equipment, furnishings or finishings including paint, if the existence of those options has not been previously reported to us. This reminder does NOT apply in VIRGINIA, however, in Virginia coverage is limited for custom furnishings or equipment on pick-up trucks and vans but you may purchase coverage for this equipment. Please call us at 1-800-841-3000 or visit us at [geico.com](http://geico.com) if you have any questions.
- Claims incurred while an insured vehicle is being used to carry passengers for hire may not be covered by this contract. Please review the contract for a full list of exclusions and contact us if you plan to use any of your insured vehicles for this purpose.
- A credit or discount has been applied to this policy: MULTI-VEHICLE DISCOUNT. A credit or discount has been applied to this policy: NEW VEHICLE DISCOUNT.
- As you have requested, we have included Multi-Risk Coverage on your 2017 GMC. There is a \$250 deductible for Mechanical Breakdown. The Comprehensive and Collision deductibles are listed on your Policy Declaration.
- The 2017 GMC has been added to your policy.

**GEICO**

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Washington, D. C. 20076-0001  
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**Oregon  
Family  
Automobile  
Insurance  
Policy**

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A-30OR (08-11)

EXHIBIT 1  
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GEICO-HANSEN000003



**POLICY INDEX**

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Whenever, "he," "his," "him," "himself" appears in this policy, you may read "she," "her," "hers," or "herself."

#### AGREEMENT

We, the Company named in the declarations attached to this policy, make this agreement with you, the policyholder. Payment of the first premium is a condition precedent to effective coverage under this insurance policy. Relying on the information you have furnished and the declarations attached to this policy, we will do the following:

#### SECTION I

##### Liability Coverages

##### Your Protection Against Claims From Others

##### Bodily Injury Liability

##### Property Damage Liability

#### DEFINITIONS

The words italicized in Section I of this policy are defined below.

1. **Auto business** means the business of selling, repairing, renting, leasing, brokering, servicing, storing, transporting or parking of autos.
2. **Bodily injury** means bodily injury to a person, including resulting sickness, disease or death.
3. **Farm auto** means a truck type vehicle with a gross vehicle weight of 15,000 pounds or less, not used for commercial purposes other than farming.
4. **Insured** means a person or organization described under PERSONS INSURED.
5. **Non-owned auto** means an automobile or **trailer** not owned by or furnished for the regular use of either **you** or a **relative**, other than a **temporary substitute auto**. An auto rented or leased for more than 30 days will be considered as furnished for regular use.
6. **Owned auto** means:
  - (a) a vehicle described in this policy for which a premium charge is shown for these coverages;
  - (b) a **trailer** owned by **you**;
  - (c) a **private passenger auto**, **farm auto** or **utility auto**, ownership of which **you** acquire during the policy period or for which **you** enter into a lease during the policy period for a term of six months or more, if
    - (i) it replaces an **owned auto** as defined in (a) above; or
    - (ii) we insure all **private passenger auto**, **farm auto** and **utility autos** owned or leased by **you** on the date of the acquisition, and **you** ask us to add it to the policy no more than 30 days later;
  - (d) a **temporary substitute auto**.
7. **Personal vehicle sharing program** means a legal entity qualified to do business in the state of Oregon engaged in the business of facilitating the sharing of private passenger motor vehicles for noncommercial use by individuals within the state of Oregon.
8. **Private passenger auto** means a four-wheel private passenger, station wagon or jeep-type auto.
9. **Relative** means a person related to **you** who resides in **your** household.
10. **Temporary substitute auto** means an automobile or **trailer**, not owned by **you**, temporarily used with the permission of the owner. This vehicle must be used as a substitute for the **owned auto** or **trailer** when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.
11. **Trailer** means a trailer designed to be towed by a **private passenger auto**, if not being used for business or commercial purposes with a vehicle other than a **private passenger auto**, **farm auto** or **utility auto**.
12. **Utility auto** means a vehicle, other than a **farm auto**, with a gross vehicle weight of 15,000 pounds or less of the pick-up body, van or panel truck type not used for commercial purposes.
13. **War** means armed conflict between nations, whether or not declared, civil war, insurrection, rebellion or revolution.
14. **You** and **your** means the named insured shown in the declarations or his or her spouse or registered domestic partner if a resident of the same household. As used throughout this Policy, 'spouse' includes a registered domestic partner.

#### LOSSES WE WILL PAY FOR YOU UNDER SECTION I

Under Section I, we will pay damages which an **insured** becomes legally obligated to pay because of:

1. **bodily injury**, sustained by a person, and;
2. damage to or destruction of property,

arising out of the ownership, maintenance or use of the **owned auto** or a **non-owned auto**. We will defend any suit for damages payable under the terms of this policy. We may investigate and settle any claim or suit.



**ADDITIONAL PAYMENTS WE WILL MAKE UNDER THE LIABILITY COVERAGES**

1. All investigative and legal costs incurred by us.
2. All court costs charged to an **insured** in a covered lawsuit.
3. Interest calculated on that part of a judgment that is within our limit of liability and accruing:
  - (a) Before the judgment, where owed by law, and until we pay, offer to pay, or deposit in court the amount due under this coverage;
  - (b) After the judgment, and until we pay, offer to pay, or deposit in court, the amount due under this coverage.
4. Premiums for appeal bonds in a suit we appeal, or premiums for bonds to release attachments; but the face amount of these bonds may not exceed the applicable limit of our liability.
5. Premiums for bail bonds paid by an **insured** due to traffic law violations arising out of the use of an **owned auto**, or **non-owned auto**, not to exceed \$250 per bail bond.  
We will upon request by an **insured**, provide reimbursement for the following items:
  - (a) Costs incurred by any **insured** for first aid to others at the time of an accident involving an **owned auto** or **non-owned auto**.
  - (b) Loss of earnings up to \$50 a day, but not other income, if we request an **insured** to attend hearings and trials.
  - (c) All reasonable costs incurred by an **insured** at our request.

**EXCLUSIONS****When Section I Does Not Apply**

Section I does not apply to any claim or suit for damage if one or more of the exclusions listed below applies:

1. Section I does not apply to any vehicle used to carry passengers or property for compensation or a fee, including but not limited to the delivery of food or any other products. However, a vehicle used in an ordinary car pool on a ride sharing or cost sharing basis is covered.
2. **Bodily injury** or property damage caused intentionally by or at the direction of an **insured** is not covered.
3. We do not cover **bodily injury** or property damage that is insured under a nuclear liability policy.
4. **Bodily injury** or property damage arising from the operation of farm machinery is not covered.
5. **Bodily injury** to an employee of an **insured** arising out of and in the course of employment by an **insured** is not covered.  
However, **bodily injury** of a domestic employee of the **insured** is covered unless benefits are payable or are required to be provided under a workers' compensation law.
6. We do not cover **bodily injury** to a fellow employee of an **insured** if the fellow employee's **bodily injury** arises from the use of an auto while in the course of employment and if workers' compensation or other similar coverage is available. We will defend **you** if suit is brought by a fellow employee against **you** alleging use, ownership or maintenance of an auto by **you**.
7. We do not cover an **owned auto** while used by a person (other than **you** or a **relative**) when he is employed or otherwise engaged in the **auto business**.
8. A **non-owned auto** while maintained or used by any person is not covered while such person is employed or otherwise engaged in (1) any **auto business** if the accident arises out of that business; (2) any other business or occupation of any **insured** if the accident arises out of that business or occupation, except a **private passenger auto** used by **you** or **your** chauffeur or domestic servant while engaged in such other business.
9. We do not cover damage to:
  - (a) property owned, operated, transported or used by an **insured**; or
  - (b) property rented to or in charge of an **insured** other than a residence or private garage.
10. We do not cover an auto acquired by **you** during the policy term, if **you** have purchased other liability insurance for it.
11. We do not cover:
  - (a) the United States of America or any of its agencies;
  - (b) any person, including **you**, if protection is afforded under the provisions of the Federal Tort Claims Act.
12. We do not cover **bodily injury** or property damage that results from the operation of a **non-owned auto** or **temporary substitute auto** that is designed for use principally off public roads that is not registered for use on public roads.
13. We do not cover punitive or exemplary damages awarded due to a loss where the **insured** was legally intoxicated or under the influence of illegal narcotics or narcotics used illegally by the **insured** at the time of loss.
14. Section I does not apply:
  - (a) To **bodily injury** or property damage caused by an auto driven in or preparing for any racing, speed or demolition contest or stunting activity of any nature, whether or not prearranged or organized.
  - (b) To the operation or use of a motor vehicle on a track designed primarily for racing or high speed driving. This does not apply if the vehicle is being used in connection with an activity other than racing, high speed driving or any competitive driving.

15. We do not cover any liability assumed under any contract or agreement.
16. Regardless of any other provision in this policy, there is no coverage for punitive or exemplary damages.
17. **Bodily injury** or property damage due to the discharge of a weapon or the throwing or ejecting of any projectile is not covered.
18. An order of restitution awarded in a criminal proceeding or equitable action is not covered.
19. There is no coverage under this Section for any person or organization while any motor vehicle is operated, maintained or used as part of personal vehicle sharing facilitated by a **personal vehicle sharing program**.

## PERSONS INSURED

### Who Is Covered

Section I applies to the following as **insureds** with regard to an **owned auto**:

1. **you** and **your relatives**;
2. any other person using the auto with **your** permission except those specifically excluded. The actual use must be within the scope of that permission;
3. any other person or organization for his or its liability because of acts or omissions of an **insured** under 1. or 2. above. Section I applies to the following with regard to a **non-owned auto**

Section I applies to the following with regard to a **non-owned auto**:

1. (a) **you**;
- (b) **your relatives** who are not specifically excluded, when using a **private passenger auto, farm auto or utility auto or trailer**.  
Such use must be with the permission, or reasonably believed to be with the permission, of the owner and within the scope of that permission;
2. a person or organization, not owning or hiring the auto, regarding his or its liability because of acts or omissions of an **insured** under 1. above.  
The limits of liability stated in the declarations are our maximum obligations regardless of the number of **insureds** involved in the occurrence.

## FINANCIAL RESPONSIBILITY LAWS

When this policy is certified as proof of financial responsibility for the future under the provisions of a motor vehicle financial responsibility law, this liability insurance will comply with the provisions of that law.

## OUT OF STATE INSURANCE

When the policy applies to the operation of a motor vehicle outside of **your** state, we agree to increase **your** coverages to the extent required of out-of-state motorists by local law. This additional coverage will be reduced to the extent that **you** are protected by another insurance policy. No person can be paid more than once for any item of loss.

## LIMITS OF LIABILITY

Regardless of the number of autos or **trailers** to which this policy applies:

1. The limit of bodily injury liability stated in the declarations as applicable to "each person" is the limit of our liability for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one person as the result of one occurrence.
2. The limit of such liability stated in the declarations as applicable to "each occurrence" is, subject to the above provision respecting each person, the total limit of our liability for all such damages, including damages for care and loss of services, because of **bodily injury** sustained by two or more persons as the result of any one occurrence.
3. The limit of property damage liability stated in the declarations as applicable to "each occurrence" is the total limit of our liability for all damages because of injury to or destruction of the property of one or more persons or organizations, including the loss of use of the property as the result of any one occurrence.

## OTHER INSURANCE

If the **insured** has other insurance against a loss covered by Section I of this policy, we will not owe more than our pro-rata share of the total coverage available.

Any insurance we provide for losses arising out of the ownership, maintenance or use of a vehicle **you** do not own shall be excess over other valid and collectible insurance. However, any insurance we provide shall be primary if the vehicle **you** do not own is a **temporary substitute auto** and is loaned, rented or donated to **you** by a person engaged in the business of selling, renting, leasing or repairing motor vehicles and the motor vehicle is provided in the course of that business, provided:



- (a) the person or organization providing the motor vehicle is not negligent in maintaining the motor vehicle or in providing the motor vehicle wherein injury, death or damage results from that negligence;
- (b) the motor vehicle is provided to **you** as a **temporary substitute auto** while the **owned auto** is being repaired or serviced; and
- (c) a written agreement exists between the provider of the motor vehicle and **you** specifically stating that the provider is not liable for any injury, death or damage arising from the use of the motor vehicle.

## CONDITIONS

The following conditions apply to Section I:

### 1. NOTICE

As soon as possible after an occurrence, written notice must be given us or our authorized agent stating:

- (a) the identity of the **insured**;
- (b) the time, place and details of the occurrence;
- (c) the names and addresses of the injured, and of any witnesses; and
- (d) the names of the owners and the description and location of any damaged property.

If a claim or suit is brought against an **insured**, he must promptly send us each demand, notice, summons or other process received.

### 2. TWO OR MORE AUTOS

If this policy covers two or more autos, the limit of coverage applies separately to each. An auto and an attached **trailer** are considered to be one auto.

### 3. ASSISTANCE AND COOPERATION OF THE **INSURED**

The **insured** will cooperate and assist us, if requested:

- (a) in the investigation of the occurrence;
- (b) in making settlements;
- (c) in the conduct of suits;
- (d) in enforcing any right of contribution or indemnity against any legally responsible person or organization because of **bodily injury** or property damage;
- (e) at trials and hearings;
- (f) in securing and giving evidence; and
- (g) by obtaining the attendance of witnesses.

Only at his own cost will the **insured** make a payment, assume any obligation or incur any cost other than for first aid to others.

### 4. ACTION AGAINST US

No suit will lie against us:

- (a) unless the **insured** has fully complied with all the policy's terms and conditions, and
- (b) until the amount of the **insured's** obligation to pay has been finally determined, either:
  - (i) by a final judgment against the **insured** after actual trial; or
  - (ii) by written agreement of the **insured**, the claimant and us.

A person or organization or the legal representative of either, who secures a judgment or written agreement, may then sue to recover up to the policy limits.

No person or organization, including the **insured**, has a right under this policy to make us a defendant in an action to determine the **insured's** liability.

Bankruptcy or insolvency of the **insured** or his estate will not relieve us of our obligations.

### 5. SUBROGATION

When payment is made under this policy, we will be subrogated to all the **insured's** rights of recovery against others. The **insured** will help us to enforce these rights. The **insured** will do nothing after loss to prejudice these rights.

This means we will have the right to sue for or otherwise recover the loss from anyone else who may be held responsible.

## SECTION II

### Auto Medical Payments

### Protection For You And Your Passengers For Medical Expenses

### DEFINITIONS

The definitions of terms shown under Section I apply to this Coverage. In addition, under this Coverage, **occupying** means in or upon or entering into or alighting from.

**PAYMENTS WE WILL MAKE**

Under this Coverage, we will pay all reasonable expenses actually incurred by an **insured** within one year from the date of accident for necessary medical, surgical, x-ray, dental services, prosthetic devices, ambulance, hospital, professional nursing and funeral services. The one year limit does not apply to funeral services.

This Coverage applies to:

1. **you** and each **relative** who sustains **bodily injury** caused by accident:
  - (a) while **occupying** the **owned auto**; or
  - (b) while **occupying** a **non-owned auto** if **you** or **your relative** reasonably believe **you** have the owner's permission to use the auto and the use is within the scope of that permission; or
  - (c) when struck as a pedestrian by an auto or **trailer**.
2. any other person who sustains **bodily injury** caused by accident while **occupying** the **owned auto** while being used by **you**, a resident of **your** household, or other persons with **your** permission.

**EXCLUSIONS****When Section II Does Not Apply**

1. There is no coverage for **bodily injury** sustained by any occupant of an **owned auto** used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products. However, a vehicle used in an ordinary car pool on a ride sharing or cost sharing basis is covered.
2. There is no coverage for an **insured** while **occupying** a vehicle located for use as a residence or premises.
3. **You** and **your relatives** are not covered for **bodily injury** sustained while **occupying** or when struck by:
  - (a) a farm-type tractor or other equipment designed for use principally off public roads, while not upon public roads; or
  - (b) a vehicle operated on rails or crawler-treads.
4. There is no coverage for persons employed in the **auto business**, if the accident arises out of that business and if benefits are required to be provided under a workers' compensation law.
5. There is no coverage for **bodily injury** sustained due to **war**.
6. The United States of America or any of its agencies are not covered as an **insured**, a third party beneficiary, or otherwise.
7. Section II does not apply:
  - (a) To **bodily injury** caused by an auto driven in or preparing for any racing, speed or demolition contest or stunting activity of any nature, whether or not prearranged or organized.
  - (b) To the operation or use of a motor vehicle on a track designed primarily for racing or high speed driving. This does not apply if the vehicle is being used in connection with an activity other than racing, high speed driving or any competitive driving.
8. There is no coverage under this Section for any person or organization while any motor vehicle is operated, maintained or used as part of personal vehicle sharing facilitated by a **personal vehicle sharing program**.

**LIMIT OF LIABILITY**

The limit of liability for medical payments stated in the declarations as applying to "each person" is the limit we will pay for all costs incurred by or on behalf of each person who sustains **bodily injury** in one accident. This applies regardless of the number of persons insured or the number of autos or **trailers** to which this policy applies.

**OTHER INSURANCE**

If the **insured** has other medical payments insurance against a loss covered by Section II of this policy, we will not owe more than our pro rata share of the total coverage available.

Any insurance we provide to a person who sustains **bodily injury** while **occupying** a vehicle **you** do not own shall be excess over any other valid and collectible insurance.

**CONDITIONS**

The following conditions apply to this Coverage:

**1. NOTICE**

As soon as possible after an accident, written notice must be given us or our authorized agent stating:

- (a) the identity of the **insured**;
- (b) the time, place and details of the accident; and
- (c) the names and addresses of the injured, and of any witnesses.



## 2. TWO OR MORE AUTOS

If this policy covers two or more autos, the limit of coverage applies separately to each. An auto and an attached **trailer** are considered to be one auto.

## 3. ACTION AGAINST US

Suit will not lie against us unless the **insured** has fully complied with all the policy terms.

## 4. MEDICAL REPORTS - PROOF AND PAYMENT OF CLAIMS

As soon as possible, the injured person or his representative will furnish us with written proof of claim, under oath if required. After each request from us, he will give us written authority to obtain medical reports and copies of records.

The injured person will submit to an examination by doctors chosen by us and at our expense as we may reasonably require.

We may pay either the injured person, the doctor or other persons or organizations rendering medical services. These payments are made without regard to fault or legal liability of the **insured**.

## 5. SUBROGATION

When payment is made under this policy, we will be subrogated to all the **insured's** rights of recovery against others. The **insured** will help us to enforce these rights. The **insured** will do nothing after loss to prejudice these rights.

This means we will have the right to sue for or otherwise recover the loss from anyone else who may be held responsible.

## SECTION III

### Physical Damage Coverages

#### Your Protection For Loss Or Damage To Your Car

#### DEFINITIONS

The definitions of the terms **auto business**, **farm auto**, **personal vehicle sharing program**, **private passenger auto**, **relative**, **temporary substitute auto**, **utility auto**, **you** and **war** under Section I apply to Section III also.

Under this Section, the following special definitions apply:

1. **Actual cash value** is the replacement cost of the auto or property less **depreciation** or **betterment**.
2. **Betterment** is improvement of the auto or property to a value greater than its pre-loss condition.
3. **Collision** means **loss** caused by upset of the covered auto or its collision with another object, including an attached vehicle.
4. **Custom parts or equipment** means paint, equipment, devices, accessories, enhancements, and changes, other than those which are original manufacturer installed, which:
  - (a) Are permanently installed or attached; or
  - (b) Alter the appearance or performance of a vehicle;
 this includes any electronic equipment, antennas, and other devices used exclusively to send or receive audio, visual, or data signals, or to play back recorded media, other than those which are original manufacturer installed, that are permanently installed in the **owned auto** or a newly acquired vehicle using bolts or brackets, including slide-out brackets.
5. **Depreciation** means a decrease or loss in value to the auto or property because of use, disuse, physical wear and tear, age, outdatedness or other causes.
6. **Diminished value** means the difference, if any, between the market value of the **owned auto** immediately preceding a **loss** and the market value of the **owned auto** after repair of physical damage resulting from that **loss**.
7. **Insured** means:
  - (a) regarding the **owned auto**:
    - (i) **you** and **your relatives**;
    - (ii) a person or organization which is not specifically excluded, maintaining, using or having custody of the auto with **your** permission, if his use is within the scope of that permission.
  - (b) regarding a **non-owned auto**; **you** and **your relatives** who are not specifically excluded, using the auto, if the actual operation or use is with the permission or reasonably believed to be with the permission of the owner and within the scope of that permission.
8. **Loss** means direct and accidental loss of or damage to:
  - (a) an insured auto, including its equipment; or
  - (b) other property insured under this section.

9. **Non-owned auto** means a **private passenger auto, farm auto, utility auto** or **trailer** not owned by or furnished for the regular use of either **you** or **your relatives**, except a **temporary substitute auto**. **You** or **your relative** must be using the auto or **trailer** within the scope of permission given by its owner. An auto rented or leased for more than 30 days will be considered as furnished for regular use.
10. **Owned auto** means:
- (a) any vehicle described in this policy for which a specific premium charge indicates there is coverage;
  - (b) a **private passenger auto, farm auto** or **utility auto** or a **trailer**, ownership of which is acquired by **you** during the policy period or for which **you** enter into a lease during the policy period for a term of six months or more; if
    - (i) it replaces an **owned auto** as described in (a) above, or
    - (ii) we insure all **private passenger, farm, utility autos** and **trailers** owned or leased by **you** on the date of such acquisition and **you** request us to add it to the policy within 30 days afterward;
  - (c) a **temporary substitute auto**.
11. **Trailer** means a trailer designed to be towed by a **private passenger auto** and not used as a home, residence, office, store, display or passenger trailer. **Trailer** does not mean a trailer with built-in sleeping facilities designed for recreational or camping use.

### LOSSES WE WILL PAY FOR YOU

#### Comprehensive (Excluding Collision)

1. We will pay for each **loss**, less the applicable deductible, caused other than by **collision**, to the **owned auto** or **non-owned auto**. This includes breakage of glass and **loss** caused by:
- (a) missiles;
  - (b) falling objects;
  - (c) fire;
  - (d) lightning;
  - (e) theft;
  - (f) larceny;
  - (g) explosion;
  - (h) earthquake
  - (i) colliding with a bird or animal;
  - (j) windstorm;
  - (k) hail;
  - (l) water;
  - (m) flood;
  - (n) malicious mischief;
  - (o) vandalism;
  - (p) riot; or
  - (q) civil commotion.

At the option of the **insured**, breakage of glass caused by **collision** may be paid under the Collision Coverage, if included in the policy.

2. We will pay, up to \$200 per occurrence, less any deductible shown in the declarations, for **loss** to personal effects due to:
- (a) fire;
  - (b) lightning;
  - (c) flood;
  - (d) theft of the entire automobile;
  - (e) falling objects;
  - (f) earthquake; or
  - (g) explosion.

The property must be owned by **you** or a **relative**, and must be in or upon an **owned auto**.

3. **Losses** arising out of a single occurrence shall be subject to no more than one deductible.

#### Collision

1. We will pay for **collision loss** to the **owned auto** or **non-owned auto** for the amount of each **loss** less the applicable deductible.
2. We will pay up to \$200 per occurrence, less the applicable deductible, for **loss** to personal effects due to a **collision**. The property must be owned by **you** or a **relative**, and must be in or upon an **owned auto**.
3. **Losses** arising out of a single occurrence shall be subject to no more than one deductible.

### ADDITIONAL PAYMENTS WE WILL MAKE UNDER THE PHYSICAL DAMAGE COVERAGES

1. We will reimburse the **insured** for transportation expenses incurred during the period beginning 48 hours after a theft of the entire auto covered by Comprehensive Coverage under this policy has been reported to us and the police. Reimbursement ends when the auto is returned to use or we pay for the **loss**. Reimbursement will not exceed \$25 per day nor \$750 per **loss**.
2. We will pay general average and salvage charges for which the **insured** becomes legally liable when the auto is being transported.

### EXCLUSIONS

#### When The Physical Damage Coverages Do Not Apply

1. An auto used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products is not covered. However, a vehicle used in an ordinary car pool on a ride sharing or cost sharing basis is covered.



2. **Loss** due to **war** is not covered.
3. We do not cover **loss** to a **non-owned auto** when used by the **insured** in the **auto business**.
4. There is no coverage for **loss** caused by and limited to wear and tear, freezing, mechanical or electrical breakdown or failure, unless that damage results from a covered theft.
5. Tires, when they alone are damaged by **collision**, are not covered.
6. **Loss** due to radioactivity is not covered.
7. **Loss** to any tape, wire, record disc or other medium for use with a device designed for the recording and/or reproduction of sound is not covered.
8. We do not cover **loss** to any radar or laser detector.
9. We do not cover **trailers** when used for business or commercial purposes with vehicles other than **private passenger auto, farm auto or utility autos**.
10. We do not cover **loss** to an **owned auto** or **non-owned auto** that results from destruction, impoundment, confiscation or seizure of a vehicle by governmental or civil authorities because **you**, a **relative**, or anyone else engaged in illegal activities.
11. We will not provide any compensation for **diminished value**.
12. Section III does not apply:
  - (a) To any **loss** caused by participation in or preparing for any racing, speed, or demolition contest or stunting activity of any nature, whether or not prearranged or organized.
  - (b) To any **loss** caused by the operation or use of a motor vehicle on a track designed primarily for racing or high speed driving. This does not apply if the vehicle is being used in connection with an activity other than racing, high speed driving or any competitive driving.
13. We do not cover **loss for custom parts or equipment**, in excess of \$1,000, unless the existence of those **custom parts or equipment** has been previously reported to us and an endorsement to the policy has been added.
14. There is no coverage for any liability assumed under any contract or agreement.
15. There is no coverage for **loss** or damage resulting from:
  - (a) The acquisition of a stolen vehicle;
  - (b) Any governmental, legal or other action to return a vehicle to its legal, equitable, or beneficial owner, or anyone claiming an ownership interest in the vehicle;
  - (c) Any confiscation, seizure or impoundment of a vehicle by governmental authorities; or
  - (d) The sale of an **owned auto**.
16. There is no coverage for the destruction, impoundment, confiscation or seizure of a vehicle by governmental or civil authorities due to its use by **you**, a **relative** or a permissive user of the vehicle in illegal activity.
17. There is no coverage under this Section for any person or organization while any motor vehicle is operated, maintained or used as part of personal vehicle sharing facilitated by a **personal vehicle sharing program**.

#### LIMIT OF LIABILITY

The limit of our liability for **loss**:

1. is the **actual cash value** of the property at the time of the **loss**;
2. will not exceed the prevailing competitive price to repair or replace the property at the time of **loss**, or any of its parts, including parts from non-original equipment manufacturers, with other of like kind and quality and will not include compensation for any diminution of value that is claimed to result from the **loss**. Although **you** have the right to choose any repair facility or location, the limit of liability for repair or replacement of such property is the prevailing competitive price which is the price we can secure from a competent and conveniently located repair facility. At **your** request, we will identify a repair facility that will perform the repairs or replacement at the prevailing competitive price;
3. to personal effects arising out of one occurrence is \$200;
4. to a **trailer** not owned by **you** is \$500;
5. for **custom parts or equipment** is limited to the **actual cash value** of the **custom parts or equipment**, not to exceed the **actual cash value** of the vehicle. However, the most we will pay for **loss to custom parts or equipment** is \$1,000, unless the existence of those **custom parts or equipment** has been previously reported to us and an endorsement to the policy has been added.

**Actual cash value** of property will be determined at the time of the **loss** and will include an adjustment for **depreciation/betterment** and for the physical condition of the property.

#### OTHER INSURANCE

If the **insured** has other insurance against a **loss** covered by Section III, we will not owe more than our pro-rata share of the total coverage available.

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



**CONDITIONS**

The following conditions apply only to the Physical Damage Coverages:

**1. NOTICE**

As soon as possible after a **loss**, written notice must be given us or our authorized agent stating:

- (a) the identity of the **insured**;
- (b) a description of the auto or **trailer**;
- (c) the time, place and details of the **loss**; and
- (d) the names and addresses of any witnesses.

In case of theft, the **insured** must promptly notify the police. In the case of theft of the entire auto, the **insured** must promptly notify the police that the vehicle was stolen. To be eligible as a covered **loss**, the police report must acknowledge and classify the report as theft of a motor vehicle. The **insured** must cooperate fully with the policy investigation, with the prosecution of any person(s) charged with theft and any civil suit brought by **us** against the person(s) responsible to recover for the **loss**.

**2. TWO OR MORE AUTOS**

If this policy covers two or more autos or **trailers**, the limit of coverage and any deductibles apply separately to each.

**3. ASSISTANCE AND COOPERATION OF THE INSURED**

The **insured** will cooperate and assist us, if requested:

- (a) in the investigation of the **loss**;
- (b) in making settlements;
- (c) in the conduct of suits;
- (d) in enforcing any right of subrogation against any legally responsible person or organization;
- (e) at trials and hearings;
- (f) in securing and giving evidence; and
- (g) by obtaining the attendance of witnesses.

**4. ACTION AGAINST US**

Suit will not lie against us unless the policy terms have been complied with and until 30 days after proof of loss is filed and the amount of **loss** is determined.

If we retain salvage, we have no duty to preserve or otherwise retain the salvage for any purpose, including as evidence for any civil or criminal proceeding. If **you** ask us immediately after a **loss** to preserve the salvage for inspection, we will do so for a period not to exceed 30 days. **You** may purchase the salvage from us if **you** wish.

**5. INSURED'S DUTIES IN EVENT OF LOSS**

In the event of **loss** the **insured** will:

- (a) Protect the auto, whether or not the **loss** is covered by this policy. Further **loss** due to the **insured's** failure to protect the auto will not be covered. Reasonable expenses incurred for this protection will be paid by us.
- (b) File with us, within 91 days after **loss**, his sworn proof of loss including all information we may reasonably require.
- (c) At our request, the **insured** will exhibit the damaged property.

**6. APPRAISAL**

If we and the **insured** do not agree on the amount of **loss** within 60 days after proof of loss is filed, either the **insured** or we may demand an appraisal, however, to be binding both the **insured** and we must mutually agree to the appraisal. In that event, we and the **insured** will each select a competent and disinterested appraiser. The appraisers will state separately the **actual cash value** and the amount of the **loss**. If they fail to agree, the appraisers will select a competent and disinterested umpire and they will submit the dispute to the umpire. An award in writing of any two will determine the amount of **loss**. We and the **insured** will each pay his chosen appraiser and will bear equally the other expenses of the appraisal and umpire.

We will not waive our rights by any of our acts relating to appraisal.

**7. PAYMENT OF LOSS**

We may at our option:

- (a) pay for the **loss**; or
- (b) repair or replace the damaged or stolen property.

At any time before the **loss** is paid or the property replaced, we may return any stolen property to **you** or to the address shown in the declarations at our expense with payment for covered damage. We may take all or part of the property at the agreed or appraised value, but there will be no abandonment to us. We may settle claims for **loss** either with the **insured** or the owner of the property.

8. NO BENEFIT TO BAILEE

This insurance does not apply directly or indirectly to the benefit of a carrier or other bailee for hire liable for the **loss** of the auto.

9. SUBROGATION

When payment is made under this policy, we will be subrogated to all the **insured's** rights of recovery against others. The **insured** will help us to enforce these rights. The **insured** will do nothing after **loss** to prejudice these rights.

This means we will have the right to sue for or otherwise recover the **loss** from anyone else who may be held responsible.

10. ASSIGNMENT

With respect to Section III, Physical Damage Coverages, an Assignment of interest under this policy will not bind us without our consent. Any nonconforming assignment shall be void and invalid. Moreover, the assignee of a nonconforming assignment shall acquire no rights under this contract and we shall not recognize any such assignment.

**SECTION IV**

**Uninsured Motorists Bodily Injury Coverage**

**Protection For You And Your Passengers For Injuries Caused By Uninsured And Hit-And-Run Motorists**

**DEFINITIONS**

The definitions of terms for Section I apply to Section IV, except for the following special definitions:

1. **Hit-and-run auto** is a motor vehicle causing **bodily injury** to an **insured** through physical contact with him or with an auto he is **occupying** at the time of the accident and whose operator or owner cannot be identified, provided the **insured** or someone on his behalf:

- (a) reports the accident within 72 hours to a police, peace or judicial officer or to the Commissioner of Motor Vehicles;
- (b) files with us within 30 days a statement setting forth the facts of the accident and claiming that he has a cause of action for damages against an unidentified person; and
- (c) makes available for inspection, at our request, the auto **occupied** by the **insured** at the time of the accident.

**Hit-and-run auto** also includes an auto which causes **bodily injury** to an **insured** arising out of an auto accident but without physical contact with the **insured** or the auto the **insured** is **occupying** at the time of the accident. For this provision to apply, the facts of the accident must be confirmed by legally adequate evidence other than the testimony of any person having a claim for the accident under this or any similar insurance.

2. **Insured** means:

- (a) the named insured shown in the declarations and his or her spouse if a resident of the same household;
- (b) **relatives** of (a) above if residents of his household;
- (c) any other person while **occupying an owned auto**;
- (d) any person who is entitled to recover damages because of **bodily injury** sustained by an **insured** under (a), (b), and (c) above.

If there is more than one **insured**, our limit of liability will not be increased.

3. **Insured auto** is an auto:

- (a) described in the declarations and covered by the bodily injury liability coverage of this policy;
- (b) temporarily substituted for an **insured auto** when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction; or
- (c) operated by **you** or **your** spouse if a resident of the same household.

But the term **insured auto** does not include:

- (i) an auto used to carry passengers or goods for hire, except in a car pool;
- (ii) an auto being used without the owner's permission or being used by a person who is specifically excluded under this policy; or
- (iii) under subparagraphs (b) and (c) above, an auto owned by or furnished for the regular use of an **insured**.

4. **Occupying, occupied, occupies** means in, upon, entering into or alighting from.

5. **State** includes the District of Columbia, the territories and possessions of the United States, and the Provinces of Canada.

6. **Uninsured auto** is a motor vehicle which has no bodily injury liability insurance policy applicable with liability limits complying with the financial responsibility law of the **state** in which the **insured auto** is principally garaged at the time of an accident. This term also includes an auto whose insurer is or becomes insolvent or denies coverage.

The term **uninsured auto** does not include:

- (a) an **insured auto**; unless the vehicle is a **stolen vehicle**;



- (b) an auto owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law; unless the recovery from the self-insurer is less than the uninsured motorist or underinsured motorist coverage of the **insured**;
  - (c) an auto owned by the United States of America, any other national government, a **state**, or a political sub-division of any such government or its agencies; unless the recovery from the governmental entity or its agency is less than the uninsured motorist or underinsured motorist coverage of the **insured**;
  - (d) a land motor vehicle or **trailer** operated on rails or crawler-treads or located for use as a residence or premises; or
  - (e) a farm-type tractor or equipment designed for use principally off public roads, except while used upon public roads.
7. **Stolen vehicle** means an insured vehicle that causes **bodily injury** to the **insured** arising out of a motor vehicle accident if:
- (a) The vehicle is operated without the consent of the **insured**;
  - (b) The operator of the vehicle does not have collectible motor vehicle **bodily injury** liability insurance;
  - (c) The **insured** or someone on behalf of the **insured** reported the accident within 72 hours to a police, peace or judicial officer or to the equivalent department in the **state** where the accident occurred; and
  - (d) The **insured** or someone on behalf of the **insured** cooperates with the appropriate law enforcement agency in the prosecution of the theft of the vehicle.

#### LOSSES WE PAY

Under the Uninsured Motorists Bodily Injury Coverage we will pay:

- a. Damages for **bodily injury** caused by accident which the **insured** is legally entitled to recover from the owner or operator of an **uninsured auto** or **hit-and-run auto** arising out of the ownership, maintenance or use of that auto;
- b. When **your** limits for Uninsured Motorists Bodily Injury Coverage are equal to the limits of liability of the person causing the accident, and the amount of **your** recovery is less than the limits of **your** Uninsured Motorists Bodily Injury Coverage.

The amount of the **insured's** recovery for these damages will be determined by agreement between the **insured** or his representative and us. The dispute may be arbitrated if an agreement cannot be reached.

#### EXCLUSIONS

##### When Section IV Does Not Apply

- 1. This Coverage does not apply to **bodily injury** to an **insured** if the **insured** or his legal representative has made a settlement or has been awarded a judgment of his claim without our prior written consent.
- 2. **Bodily injury** to an **insured** while **occupying** or through being struck by an **uninsured auto** owned by an **insured** or a **relative** is not covered.
- 3. The Uninsured Motorists Bodily Injury Coverage will not benefit any workers' compensation insurer, self insurer, or disability benefits insurer.
- 4. We do not cover the United States of America or any of its agencies as an **insured**, a third party beneficiary or otherwise.
- 5. We do not cover any person while **occupying** a vehicle described in the declarations on which Uninsured Motorists Bodily Injury Coverage is not carried.
- 6. Regardless of any other provision of this policy, there is no coverage for punitive or exemplary damages under the Uninsured Motorists Bodily Injury Coverage or Underinsured Motorists Coverage of this policy.
- 7. This coverage does not apply to any liability assumed under any contract or agreement.
- 8. Section IV does not apply:
  - (a) To damage caused by an **insured's** participation in or preparing for any racing, speed, or demolition contest or stunting activity of any nature, whether or not prearranged or organized.
  - (b) To damage caused by an **insured's** operation or use of a motor vehicle on a track designed primarily for racing or high speed driving. This does not apply if the vehicle is being used in connection with an activity other than racing, high speed driving or any competitive driving.
- 9. There is no coverage under this Section for any person or organization while any motor vehicle is operated, maintained or used as part of personal vehicle sharing facilitated by a **personal vehicle sharing program**.

#### LIMITS OF LIABILITY

Regardless of the number of autos or **trailers** to which this policy applies:

- 1. The limit of liability for Uninsured Motorists Bodily Injury Coverage stated in the declarations for "each person" is the limit of our liability for all damages, including those for care or loss of services, due to **bodily injury** sustained by one person as the result of one accident.
- 2. The limit of liability stated in the declarations as applicable to "each accident" is, subject to the above provision respecting each person, the total limit of our liability for all such damages, including damages for care and loss of services, because of **bodily injury** sustained by two or more persons as the result of one accident.

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3. When coverage is afforded to two or more autos, the limits of liability shall apply separately to each auto as stated in the declarations but shall not exceed the highest limit of liability applicable to one auto.

If separate policies with us are in effect for **you** or any person in **your** household, they may not be combined to increase the limit of our liability for a loss.

The amount payable under this Coverage will be reduced by all amounts:

- (a) paid by or for all persons or organizations liable for the injury;
- (b) paid or payable under any workers' compensation law, disability benefits law or any similar law;
- (c) paid or payable under the Bodily Injury Coverage or Medical Payments Coverage of this policy.

However, the amount payable under this coverage will not be reduced by amounts paid or payable under the Medical Payments Coverage of this policy unless **you** have employees who operate motor buses, motor trucks or taxicabs as defined by Oregon statute and those employees are covered by workers' compensation.

Payment by us of any personal injury protection benefits to or on behalf of an **insured** shall be applied in reduction of the amount of damages that **insured** is entitled to recover for the same accident under the uninsured or underinsured motorists coverage.

#### OTHER INSURANCE

When an **insured occupies** an auto not described in this policy, this insurance is excess over any other similar insurance available to the **insured** and the insurance which applies to the **occupied** auto is primary.

Except as provided above, if the **insured** has other similar insurance available to him and applicable to the accident, the damages will be deemed not to exceed the higher of the applicable limits of liability of this insurance and the other insurance. If the **insured** has other insurance against a loss covered by the Uninsured Motorist provisions of this policy, we will not be liable for more than our pro-rata share of the total coverage available.

#### ARBITRATION

If any person making claim hereunder and we do not agree that such person is legally entitled to recover damages from the owner or operator of an **uninsured auto** because of **bodily injury** to an **insured**, or to the amount of payment that may be owing under this Coverage, then, in the event the **insured** and we elect by mutual agreement at the time of the dispute to settle the matter by arbitration, the arbitration shall take place under the arbitration laws of the state of Oregon or, if the parties agree, according to any other procedure.

Any judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof provided, however, the costs to the **insured** of the arbitration proceeding shall not exceed \$100 and that all other costs of arbitration shall be borne by us, except attorney fees or expenses incurred in the production of evidence or witnesses or the making of transcripts of the arbitration proceedings.

Such person and we each agree to consider ourselves bound and to be bound by any award made by the arbitrator(s) pursuant to this Coverage in the event of such election. Binding arbitration will not be used to resolve disputes regarding policy interpretation, the existence of this Coverage in a particular policy, or the application of this Coverage to a particular claim or claimant.

We will be obligated to pay no more than the applicable policy limits for this Coverage regardless of whether an arbitration results in an award in excess of the applicable policy limits for this Coverage as defined in this policy.

At the election of the **insured**, such arbitration shall be held:

- (a) in the county and **state** of residence of the **insured**;
- (b) in the county and **state** where the **insured's** cause of action against the uninsured motorist arose; or
- (c) at any other place mutually agreed upon by the **insured** and us.

#### TRUST AGREEMENT

When we make a payment under this Coverage:

1. We will be entitled to repayment of that amount out of any settlement or judgment the **insured** recovers from any person or organization legally responsible for the **bodily injury**.
2. The **insured** will hold in trust for our benefit all rights of recovery which he may have against any person or organization responsible for these damages. He will do whatever is necessary to secure all rights of recovery and will do nothing after the loss to prejudice these rights.
3. At our written request, the **insured**, in his own name, will take, through a designated representative, appropriate actions necessary to recover payment for damages from the legally responsible person or organization. The **insured** will pay us out of the recovery for our expenses, costs and attorneys' fees.
4. The **insured** will execute and furnish us with any needed documents to secure his and our rights and obligations.

#### CONDITIONS

The following conditions apply only to the Uninsured Motorists Bodily Injury Coverage:

##### 1. NOTICE

As soon as possible after an accident, notice must be given us or our authorized agent stating:

- (a) the identity of the **insured**;
- (b) the time, place and details of the accident; and
- (c) the names and addresses of the injured, and of any witnesses.

If the **insured** or his legal representative files suit before we make a settlement under this Coverage, he must immediately provide us with a copy of the pleadings.

## 2. ASSISTANCE AND COOPERATION OF THE **INSURED**

After we receive notice of a claim, we may require the **insured** to take any action necessary to preserve his recovery rights against any allegedly legally responsible person or organization. We may require the **insured** to make that person or organization a defendant in any action against us.

## 3. ACTION AGAINST US

Suit will not lie against us unless the **insured** or his legal representative have fully complied with all the policy terms. Additionally, no cause of action shall lie against us unless within two years from the date of the accident:

- (a) agreement as to the amount due under the policy has been concluded;
- (b) **you** or we have formally instituted arbitration proceedings;
- (c) **you** have filed an action against us in a court of competent jurisdiction; or
- (d) suit for **bodily injury** has been filed against the uninsured motorist in a court of competent jurisdiction and, within two years from the date of settlement or final judgment against the uninsured motorist, **you** have formally instituted arbitration proceedings or filed an action against us in a court of competent jurisdiction.

## 4. PROOF OF CLAIM - MEDICAL REPORTS

As soon as possible, the **insured** or other person making claim must give us written proof of claim, under oath if required. This will include details of the nature and extent of injuries, treatment, and other facts which may affect the amount payable.

Proof of claim must be made on forms furnished by us unless we have not furnished these forms within 15 days after receiving notice of claim.

The injured person will submit to examination by doctors chosen by us, at our expense, as we may reasonably require. In the event of the **insured's** incapacity or death, his legal representative must, at our request, authorize us to obtain medical reports and copies of records.

## 5. PAYMENT OF LOSS

Any amount due is payable:

- (a) to the **insured** or his authorized representative;
- (b) if the **insured** is a minor, to his parent or guardian; or
- (c) if the **insured** is deceased, to his surviving spouse; otherwise
- (d) to a person authorized by law to receive the payment; or to a person legally entitled to recover payment for the damages.

We may, at our option, pay an amount due in accordance with (d) above.

## SECTION V

### General Conditions

These conditions apply to all Coverages in this policy.

#### 1. TERRITORY

This policy applies only to accidents, occurrences or losses during the policy period within the United States of America, its territories or possessions, or Canada or when the auto is being transported between ports thereof.

#### 2. PREMIUM

When **you** dispose of, acquire ownership of, or replace a **private passenger auto, farm auto or utility auto**, any necessary premium adjustment will be made as of the date of the change and in accordance with our manuals.

#### 3. CHANGES

The terms and provisions of this policy cannot be waived or changed, except by an endorsement issued to form a part of this policy.

We may revise this policy during its term to provide more coverage without an increase in premium. If we do so, **your** policy will automatically include the broader coverage when effective in **your** state.

The premium for each auto is based on the information we have in **your** file. **You** agree:

- (a) that we may adjust **your** policy premiums during the policy term if any of this information on which the premiums are based is incorrect, incomplete or changed.
- (b) that **you** will cooperate with us in determining if this information is correct and complete.
- (c) that **you** will notify us of any changes in this information.

Any calculation or recalculation of **your** premium or changes in **your** coverage will be based on the rules, rates and forms on file, if required, for our use in **your** state.



#### 4. ASSIGNMENT

**Your** rights and duties under this policy may not be assigned without our written consent.

If **you** die, this policy will cover **your** surviving spouse if covered under the policy prior to **your** death. Until the expiration of the policy term, we will also cover:

- (a) the executor or administrator of **your** estate, but only while operating an **owned auto** and while acting within the scope of his duties; and
- (b) any person having proper custody of and operating the **owned auto**, as an **insured**, until the appointment and qualification of the executor or administrator of **your** estate.

#### 5. POLICY PERIOD

Unless otherwise cancelled, this policy will expire as shown in the declarations. But, it may be continued by our offer to renew and **your** acceptance by payment of the required renewal premium prior to the expiration date. Each period will begin and expire at 12:01 A.M. local time at **your** address stated in the declarations.

#### 6. CANCELLATION BY THE **INSURED**

**You** may cancel this policy by providing notice to us stating when, after the notice, cancellation will be effective. If this policy is cancelled, **you** may be entitled to a premium refund. If **you** cancel, the return premium will be computed pro-rata.

#### 7. CANCELLATION BY US

We may cancel this policy by mailing to **you**, at the address shown in this policy, written notice stating when the cancellation will be effective.

We will mail this notice:

- (a) 10 days in advance if the proposed cancellation is for non-payment of premium or any of its installments when due;
- (b) 10 days in advance if the policy has been in effect less than 60 days and is not a renewal;
- (c) 30 days in advance in all other cases.

The mailing or delivery of the above notice will be sufficient proof of notice. The policy will cease to be in effect as of the date and hour stated in the notice.

If this policy is cancelled, **you** may be entitled to a premium refund. If **you** cancel, the return premium will be computed pro-rata. Payment or tender of unearned premium is not a condition of cancellation.

#### 8. CANCELLATION BY US IS LIMITED

After this policy has been in effect for 60 days or, if the policy is a renewal policy, effective immediately, we will not cancel except for any of the following reasons:

- (a) **You** do not pay the initial or any additional premiums for this policy or fail to pay any premium installment when due to us or our agent.
  - (b) There has been fraud or material misrepresentation affecting the policy or in the presentation of a claim thereunder, or violation of any of the terms or conditions of the policy.
  - (c) **Your** driver's license or that of any resident of **your** household, or that of any person who customarily operates an auto insured under this policy, has been under suspension or revocation during the policy period or the 180 days prior to the effective date of the current policy.
  - (d) The registration of the only auto listed on the policy was suspended during the policy period.
  - (e) **You** change **your** principal residence to a state where we do not issue new or renewal automobile policies.
- Our failure to cancel for any of the reasons listed above will not obligate us to renew the policy.

#### 9. RENEWAL

We will not refuse to renew this policy unless written notice of our refusal to renew is mailed to **you**, at the address shown in this policy, at least 30 days prior to the expiration date. The mailing or delivery of this notice by us will be sufficient proof of notice. This policy will expire without notice if any of the following conditions exist:

- (a) **You** do not pay any premium as we require to renew this policy.
- (b) **You** have informed us or our agent that **you** wish the policy to be cancelled or not renewed.
- (c) **You** do not accept our offer to renew or **you** refuse to provide us with renewal classification and rating information as we may require.

#### 10. OTHER INSURANCE

If other insurance is obtained on **your owned auto**, any similar insurance afforded under this policy for that auto will terminate on the effective date of the other insurance.

#### 11. DIVIDEND PROVISION

**You** are entitled to share in a distribution of the surplus of the Company as determined by its Board of Directors from time to time.

**12. DECLARATIONS**

By accepting this policy, **you** agree that:

- (a) the statements in **your** application and in the declarations are **your** agreements and representations;
  - (b) this policy is issued in reliance upon the truth of these representations; and
  - (c) this policy, along with the application and declaration sheet, embodies all agreements relating to this insurance.
- The terms of this policy cannot be changed orally.

**13. FRAUD AND MISREPRESENTATION**

Coverage is not provided to any person who knowingly conceals or misrepresents any material fact or circumstance relating to this insurance:

- (a) at the time of application; or
- (b) at any time during the policy period; or
- (c) in connection with the presentation or settlement of a claim.

**14. EXAMINATION UNDER OATH**

The **insured** or any other person seeking coverage under this policy must submit to examination under oath by any person named by us when and as often as we may require.

**15. DISPOSAL OF VEHICLE**

If **you** relinquish possession of a leased vehicle or if **you** sell or relinquish ownership of an **owned auto**, any coverage provided by this policy for that vehicle will terminate on the date and at the time **you** do so.

**16. TERMS OF POLICY CONFORMED TO STATUTES**

Any terms of this policy in conflict with the statutes of Oregon are amended to conform to those statutes.

**17. CHOICE OF LAW**

The policy and any amendment(s) and endorsement(s) are to be interpreted pursuant to the laws of the state of Oregon.

**SECTION VI - AMENDMENTS AND ENDORSEMENTS****1. SPECIAL ENDORSEMENT UNITED STATES GOVERNMENT EMPLOYEES****A.** Under the Property Damage coverage of Section I, we provide coverage to United States Government employees, civilian or military, using

- 1. Motor vehicles owned or leased by the United States Government or any of its agencies, or
- 2. Rented motor vehicles used for United States Government business, when such use is with the permission of the United States Government. Subject to the limits described in paragraph B, below, we will pay sums **you** are legally obligated to pay for damage to these vehicles.

**B.** The following limits apply to this Coverage:

- 1. A \$100 deductible applies to each occurrence.
- 2. For vehicles described in A.1. above, our liability shall not exceed the lesser of the following:
  - a. the **actual cash value** of the property at the time of the occurrence; or
  - b. the cost to repair or replace the property, or any of its parts with other of like kind and quality; or
  - c. two months basic pay of the **insured**; or
  - d. the limit of Property Damage liability coverage stated in the declarations.
- 3. For vehicles described in A.2. above, our liability shall not exceed the lesser of the following:
  - a. the **actual cash value** of the property at the time of the occurrence; or
  - b. the cost to repair or replace the property, or any of its parts with other of like kind and quality; or
  - c. the limit of Property Damage liability coverage stated in the declarations.

This insurance is excess over other valid and collectible insurance.



W.C.E. Robinson  
Secretary



O.M. Nicely  
President





## Automobile Policy Amendment Oregon Personal Injury Protection

Policy Number:

**Your** policy is amended to provide Personal Injury Protection subject to the terms of this amendment:

We, the Company named in the declarations attached to this policy, make this agreement with you, the policyholder. Payment of the first premium is a condition precedent to effective coverage under this insurance policy. Relying on the information you have furnished and the declarations attached to this policy, we will do the following:

We will pay Personal Injury Protection benefits for:

- (a) **Medical expenses**;
- (b) **Loss of income** for those **injured persons** usually engaged in an income-generating occupation;
- (c) **Loss of essential services** for those **injured persons** not usually engaged in an income-generating occupation;
- (d) **Child care expenses**; and
- (e) **Funeral expenses**

incurred for **bodily injury** to an **injured person** resulting from the use, occupancy, or maintenance of a **motor vehicle** as a **motor vehicle**.

### DEFINITIONS

The definitions of **bodily injury**, **personal vehicle sharing program**, **transportation network company** and **you** in **Section I** of the policy apply to this coverage. The following special definitions apply:

1. **Child care expenses** means child care expenses incurred if the **injured person** is a parent of a minor child and is required to be hospitalized for a minimum of 24 hours, with payments to begin after the initial 24 hours of hospitalization. Payments continue for as long as the person is unable to return to work if the person is engaged in an income-generating occupation or for as long as the person is unable to perform essential services that the person would have performed without income if the person is not usually engaged in an income-generating occupation, subject to the dollar limit.
2. **Funeral expenses** means all reasonable and necessary funeral expenses.
3. **Injured person** means:
  - (a) **You**, members of **your** family residing in the same household and children not related to **you** by blood, marriage, registered domestic partnership or adoption who are residing in **your** household, and being reared as **your** own, who sustains **bodily injury** from the use, occupancy or maintenance of any **motor vehicle**;
  - (b) A passenger, **occupying**, or a **pedestrian**, struck by the **insured auto**, from the use, occupancy or maintenance of the vehicle.
4. **Insured auto** means a **private passenger motor vehicle** owned by **you** and to which the **bodily injury** liability insurance of the policy applies and for which a specific premium is charged.
5. **Loss of essential services** means the expenses reasonably incurred by the **injured person** for essential services that were performed by a person who is not related to the **injured person** or residing in the **injured person's** household in lieu of the services the **injured person** would have performed without income during the period of the person's disability until the date the person is reasonably able to perform such essential services, if the **injured person** is not usually engaged in an income-generating occupation and if disability continues for at least 14 days.
6. **Loss of income** means 70% of the **loss of income** from work during the period of the **injured person's** disability until the date the person is able to return to the person's usual occupation, if the **injured person** is usually engaged in an income-generating occupation, and if disability continues for at least 14 days. As used in this definition "income" includes but is not limited to salary, wages, tips, commissions, professional fees and profits from an individually owned business or farm.
7. **Medical expenses** means all reasonable and necessary expenses incurred of medical, hospital, dental, surgical, ambulance and prosthetic services.
  - (a) Except as provided in (b) below, a provider shall charge a person who receives personal injury protection benefits or that person's insurer the lesser of:
    - (1) An amount that does not exceed the amount the provider charges the general public; or
    - (2) An amount that does not exceed the fee schedules for medical services published pursuant to ORS 656.248 for expenses of medical, hospital, dental, surgical, ambulance and prosthetic services.
  - (b) For expenses of hospital services that are subject to the adjusted cost-to-charge ratio specified for a hospital in the hospital fee schedule published pursuant to ORS 656.248, a provider of hospital services shall charge a person who receives personal injury protection benefits or that person's insurer the greater of:

- (1) The amount of the hospital charges multiplied by the adjusted cost-to-charge ratio specified for the hospital; or
  - (2) Ninety percent of the hospital charges.
8. **Motor vehicle** means a self-propelled land **motor vehicle** or trailer other than:
- (a) A farm type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads;
  - (b) A vehicle operated on rails or crawler treads; or
  - (c) A vehicle located for use as a residence or premises.
9. **Occupying** means in or upon, entering into or alighting from.
10. **Pedestrian** means a person while not **occupying** a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that it is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.
11. **Private passenger motor vehicle** means a four-wheel passenger or station wagon type **motor vehicle** not used as a public or livery conveyance and includes any other four-wheel **motor vehicle** of the utility, pickup body, sedan, delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled motor home or a farm truck.
12. **Ride-sharing** means the use of any vehicle by any person in connection with a **transportation network company** from the time a person logs on to or signs in to any computer or digital application or platform that connects or matches driver(s) with passenger(s) until the time a person logs out of or signs off of any such application or platform, including while en route to pick up passenger(s) and while transporting passenger(s).

#### EXCLUSIONS

This insurance does not apply:

- (a) To **bodily injury** sustained by any person who intentionally causes self-injury, or
- (b) Is participating in any prearranged or organized racing or speed contest or practice or preparation for any such contest;
- (c) To **loss of income** and **loss of essential services** for **bodily injury** sustained by any **pedestrian**, other than **you** or a member of **your** family residing in the same household, in an accident occurring outside the State of Oregon;
- (d) To a **motor vehicle**, including a motorcycle or moped, that is owned or furnished or available for regular use by **you** or members of **your** family residing in the same household, and that is not described in the policy;
- (e) To a motorcycle or moped not owned by **you** or members of **your** family residing in the same household, but this exclusion applies only when the injury or death results from that person's operating or riding upon the motorcycle or moped; and
- (f) To a **motor vehicle** that is not a **private passenger motor vehicle** when the injury or death results when **you** or members of **your** family residing in the same household are operating or **occupying** the **motor vehicle**.
- (g) To any **injured person** who willfully conceals or misrepresents any material fact in connection with a claim for personal injury protection benefits.
- (h) To **bodily injury** sustained by any occupant of a **motor vehicle**:
  - (1) used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products; or
  - (2) while being used for **ride-sharing**.

However, a vehicle used in an ordinary car pool is covered. This exclusion does not apply to **you** or a member of **your** family residing in the same household while a passenger and not operating the vehicle.

- (i) To any person or organization while any motor vehicle is operated, maintained or used as part of personal vehicle sharing facilitated by a **personal vehicle sharing program**.

#### POLICY PERIOD; TERRITORY

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

#### COVERAGE LIMITS

Regardless of the number of persons or organizations insured, policies or bonds applicable, claims made or **insured autos** to which this coverage applies, our limit of liability for benefits under this coverage as to **bodily injury** suffered by any one **injured person** in any one **motor vehicle** accident is:

- 1. \$15,000 maximum for **medical expenses** incurred within two years after the date of the person's injury, less any applicable deductible shown in the declarations.
- 2. \$3,000 per month maximum for **loss of income** expenses if the disability continues for at least 14 days for a maximum period of 52 weeks in the aggregate.



3. \$30 per day maximum for **loss of essential services** if disability continues for at least 14 days for a maximum period of 52 weeks in the aggregate.
4. \$25 per day beginning after the initial 24 hours of hospitalization not to exceed a maximum of \$750 for **child care expenses**.
5. \$5,000 maximum for all reasonable and necessary **funeral expenses** incurred within one year after the date of the person's injury.

Any amount payable under this coverage will be reduced or eliminated when the **injured person** is entitled to receive, under the laws of Oregon, any other state, or the United States, workers' compensation benefits or any other similar medical or disability benefits.

Any payments we make to **you** or a member of **your** family residing in the same household under this coverage shall reduce the amount of damages that the **injured person** may be entitled to recover from us under the Uninsured Motorists coverage or Underinsured Motorists coverage for the same accident but may not be applied in reduction of the Uninsured or Underinsured Motorist coverage policy limits.

## CONDITIONS

### 1. Notice

As soon as practicable after an accident, written notice must be given to us or our agent stating:

- (a) Time, place and details of the accident;
- (b) The names and addresses of the **injured persons**.

If an **injured person** or his legal representative files a suit against a third party to recover damages, he must provide us with a copy of the pleadings.

Any **injured person** who has received benefits and files a claim or legal action against a third party for damages shall provide us with notice of the claim or legal action by personal service or registered or certified mail.

### 2. Action Against Company

No action will lie against us unless there has been full compliance with all the terms of this coverage.

### 3. Medical Reports; Proof of Claim

As soon as practicable, the **injured person** or his representative shall file a written proof of claim with us, under oath if we require. The claim shall include details of the nature and extent of injury, treatment received and contemplated and any other information that may help us determine the amount payable. The **injured person** shall submit to examination at our expense, by doctors chosen by us, as we may reasonably require.

Upon our request, the **injured person** or if he is incapable, his legal representative, shall authorize us to obtain medical reports, copies of records and information respecting **loss of income**. As a condition for receiving **loss of income** expenses, we may ask the **injured person** to cooperate in furnishing us reasonable medical proof of his inability to work.

### 4. Subrogation

If we cannot seek reimbursement in accordance with the provisions of ORS 742.534 or ORS 742.536, we may seek reimbursement in accordance with the provisions of ORS 742.538. If we make a payment under this coverage, we have the right to sue or otherwise recover the loss from anyone else who may be held responsible. Any person to whom we make payment must help us enforce this right of recovery and do nothing after loss to prejudice this right.

### 5. Reimbursement and Trust Agreement

In accordance with the provisions of ORS 742.534, ORS 742.536 and ORS 742.538, if we make a payment under this coverage we will be entitled to recover the amount of our payment from the balance of proceeds available to the **injured person** to whom we made payment from:

- (a) Any applicable uninsured or underinsured motorist benefits;
- (b) Any liability insurance from other parties to the accident; and
- (c) Any other payments by or on behalf of the person whose fault caused the accident.

Our right to recovery applies only to the extent that the total amount of benefits paid from all sources, including payment under this coverage, exceed the economic damages sustained by the **injured person**. Our recovery will be reduced by our share of any expenses, costs and attorney fees incurred by the **injured person** in connection with recovery.

**6. Arbitration**

If any person making claim under this coverage and we do not agree as to the amount payable, the dispute shall be decided by arbitration if mutually agreed to at the time of the dispute. Each party will then select a competent and disinterested arbitrator. The two arbitrators will select a third arbitrator. If they are unable to do this within 30 days, the third arbitrator will be selected, upon written request of either party, by a judge of a court of record in the county where the arbitration is pending.

The arbitrators will then hear and determine the question(s) in dispute, and the written decision of any two arbitrators shall be binding on the **injured person** and us.

Each party will pay his or its chosen arbitrator and will bear equally the expenses of the third arbitrator and all other expenses of the arbitration. Your costs for the arbitration shall not exceed \$100.

Attorney's fees and fees for expert witnesses are to be paid by the party incurring them.

Unless both parties agree otherwise, the arbitration will be conducted in the county and state where the **injured person** lives. Arbitration will be conducted in accordance with the usual rules governing procedure and admission of evidence in courts of law.

**7. Other Insurance**

This insurance shall be excess for:

- (a) **Bodily injury** to any **pedestrian** other than **you** or a member of **your** family residing in the same household to the extent that amounts are paid or payable to or for that **pedestrian** under any collateral benefits to which the **injured person** is entitled, including but not limited to insurance, governmental benefits and gratuitous benefits;
- (b) **Bodily injury** to **you** or a member of **your** family residing in the same household, while **occupying a motor vehicle**, not insured under the policy.

**SECTION II**

Any Automobile Medical Payments insurance afforded under this policy shall be excess over any medical expense benefits paid or payable under this or any other **motor vehicle** insurance policy because of **bodily injury** to an **injured person**.

We affirm this amendment.



W. C. E. Robinson  
Secretary



William E. Roberts  
President





## Automobile Policy Amendment

Policy Number:

**Your** policy is amended as follows:

### SECTION V - GENERAL CONDITIONS

The condition for POLICY PERIOD is revised as follows:

Unless otherwise cancelled, this policy will expire as shown in the declarations. But, it may be continued by our offer to renew and **your** acceptance by payment of the required renewal premium prior to the expiration date. Each period will begin and expire as stated in the declarations.

We affirm this amendment.

A handwritten signature in black ink, appearing to read 'W. C. E. Robinson'.

W. C. E. Robinson  
Secretary

A handwritten signature in black ink, appearing to read 'William E. Roberts'.

William E. Roberts  
President

A54ED1 (03-14)

EXHIBIT 1  
PAGE 24 OF 30

GEICO-HANSEN000024



## Automobile Policy Amendment Oregon

Policy Number:

Your policy is amended as follows:

### SECTION I - LIABILITY COVERAGES

#### DEFINITIONS

The following definitions are added:

15. **Ride-sharing** means the use of any vehicle by any **insured** in connection with a **transportation network company** from the time an **insured** logs on to or signs in to any computer or digital application or platform that connects or matches driver(s) with passenger(s) until the time an **insured** logs out of or signs off of any such application or platform, including while en route to pick up passenger(s) and while transporting passenger(s).
16. **Transportation network company** means a company or organization facilitating and/or providing transportation services using a computer or digital application or platform to connect or match passengers with drivers for compensation or a fee.

#### EXCLUSIONS

Section I does not apply:

The following exclusion is revised:

1. Section I does not apply to any vehicle:
  - (a) used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products; or
  - (b) while being used for **ride-sharing**.

However, a vehicle used in an ordinary car pool is covered.

### SECTION III - PHYSICAL DAMAGE COVERAGES

#### DEFINITIONS

The definitions of **ride-sharing** and **transportation network company** under Section I apply to Section III also.

#### EXCLUSIONS

##### When The Physical Damage Coverages Do Not Apply

The following exclusion is revised:

1. An auto:
  - (a) used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products is not covered; or
  - (b) while being used for **ride-sharing** is not covered.

However, a vehicle used in an ordinary car pool is covered.

### SECTION IV - UNINSURED MOTORIST BODILY INJURY COVERAGE

#### LOSSES WE PAY

The items a. and b. are revised as follows:

Under the Uninsured Motorists Bodily Injury Coverage we will pay damages for **bodily injury** caused by accident which the **insured** is legally entitled to recover from the owner or operator of an **uninsured auto** or **hit-and-run auto** arising out of the ownership, maintenance or use of that auto up to the limits of the uninsured motorist coverage.

#### EXCLUSIONS

##### When Section IV Does Not Apply

The following exclusion is added:

12. This coverage does not apply to **bodily injury** for any person while any vehicle:
  - (a) is being used to carry persons or property for compensation or a fee, including but not limited to the delivery of food or any other products; or
  - (b) is being used for **ride-sharing**.

However, a vehicle used in an ordinary car pool is covered.

#### LIMITS OF LIABILITY

Item 3. is revised as follows:

Subsection (a) and (c) are removed.

**OTHER INSURANCE**

**OTHER INSURANCE** is revised as follows:

The first sentence of the second paragraph is removed.

The following section is added at the end of Section IV.

**UNDERINSURED MOTORIST BODILY INJURY COVERAGE**

- (a) The definition of **Uninsured auto** includes **Underinsured auto**.
- (b) **Underinsured auto** means a motor vehicle with respect to which the sum of the limits of liability under all bodily injury liability insurance policies applicable at the time of the accident is less than the sums that the **insured** is legally entitled to recover as damages for **bodily injury** that is caused by accident and that arises out of owning, maintaining or using of a motor vehicle.
- (c) We shall not be obligated to make any payment because of **bodily injury** to which this insurance applies and which arises out of the ownership, maintenance or use of an **underinsured auto** unless:
  - (i) the limits of liability under all bodily injury liability insurance policies applicable at the time of the accident have been exhausted by payment of judgments or settlements to the injured person or other injured persons;
  - (ii) the limits of liability under all bodily injury liability insurance policies applicable at the time of the accident have been offered in settlement, we have refused to consent to the settlement, and the **insured** has protected our right of subrogation against any person or organization who may be liable for the **insured's bodily injury**;
  - (iii) the **insured** gives us credit for the unrealized portion of the limits of liability under any bodily injury liability policies applicable at the time of the accident as if the full limits had been received if less than the limits have been offered in settlement and we have consented to the settlement; or
  - (iv) the **insured** gives us credit for the unrealized portion of the limits of liability under any bodily injury liability policies applicable at the time of the accident as if the full limits had been received if less than the limits have been offered in settlement and, if we have refused to consent to the settlement, the **insured** has protected our right of subrogation against any person or organization who may be liable for the **insured's bodily injury**.

When seeking consent to settle, the **insured** shall allow us a reasonable time in which to collect and evaluate information related to consent to the proposed offer of settlement. The **insured** shall provide promptly to us any information that we reasonably request that is within the custody and control of the **insured**. For the purposes of this section, a "reasonable time" is no more than 30 days from our receipt of a written request for consent, unless we and the **insured** agree otherwise.

We affirm this amendment.



W. C. E. Robinson  
Secretary



William E. Roberts  
President





## Automobile Policy Endorsement Rental Reimbursement Endorsement

Policy Number:

We agree with **you** that the policy is amended as follows:

### SECTION III - PHYSICAL DAMAGE COVERAGES

The following coverage is added:

#### Coverage-Rental Reimbursement

When there is a **loss** to an **owned auto** for which a specific premium charge indicates that rental reimbursement coverage is afforded:

We will reimburse the **insured** toward costs the **insured** incurs to rent an auto. Reimbursement will not exceed the limits described in the declarations and payment will be limited to a reasonable and necessary period of time required to repair or replace the **owned auto**. This coverage applies only if:

1. The **owned auto** is withdrawn from use for more than 24 consecutive hours, and
2. The **loss** to the **owned auto** is covered under comprehensive or collision coverage of this policy.

When there is a total theft of the entire auto, we will reimburse the **insured** toward costs the **insured** incurs to rent an auto, subject to the following limitations:

1. This coverage will reimburse the **insured** for reasonable rental expenses beginning 48 hours after a theft of the entire vehicle covered under the comprehensive coverage of this policy; and
2. This coverage may be used to reimburse reasonable rental expenses in excess of those provided by Section III of the policy if and to the extent the coverage limits under rental reimbursement exceed those provided in Section III of the policy. In that event, the amount payable under this endorsement is the amount by which this coverage exceeds those described in Section III of the policy; and
3. Subject to number 2 above, in no event shall the total amount payable under both this coverage and the supplemental coverage in Section III of the policy exceed the daily limit of coverage provided by this endorsement.

Reimbursement for rental charges shall end the earliest of when the **owned auto** has been:

1. Returned to **you**; or
2. Repaired; or
3. Replaced; or
4. Deemed a total loss by us:
  - (a) Seventy-two (72) hours after we pay the applicable limit of liability under Section III; or
  - (b) Seventy-two (72) hours after our initial settlement offer;
 whichever comes first.

However, when there is a total theft of an **owned auto**, reimbursement for rental charges shall end the earliest of:

1. The date the auto is returned to use if the vehicle is recovered before payment of the total theft claim to **you** or the owner of the vehicle; or if the vehicle is not recovered,
2. Seventy-two (72) hours after our initial settlement offer of the **actual cash value** of the **owned auto**.
3. Seventy-two (72) hours after the failure to provide either a proof of loss or recorded statement if requested by us.

No deductible applies to this coverage.

#### CONDITIONS

In the case of theft of the entire auto, the **insured** must promptly notify the police that the vehicle was stolen. To be eligible as a covered **loss**, the police report must acknowledge and classify the report as theft of a motor vehicle. The **insured** must cooperate fully: with the policy investigation, with the prosecution of any person(s) charged with theft and any civil suit brought by us against the person(s) responsible to recover for the **loss**.

The coverage provided by this endorsement is subject to all the provisions and conditions of SECTION III of the policy.

The COMPANY affirms this endorsement.

W. C. E. Robinson  
Secretary

O. M. Nicely  
President

A-431 (05-11)

EXHIBIT 1  
PAGE 27 OF 30

GEICO-HANSEN000027



## Automobile Policy Amendment Emergency Road Service Coverage

Policy Number:

**Your** policy provisions are amended as follows:

### SECTION III

#### PHYSICAL DAMAGE COVERAGES

##### Emergency Road Service

We will pay reasonable expenses an **insured** incurs for the **owned** or **non-owned auto**, for:

1. mechanical labor up to one hour at the place of breakdown;
2. lockout services up to \$100 per lockout if keys to the auto are lost, broken or accidentally locked in the auto;
3. if it will not run, towing to the **nearest** repair facility where the necessary repairs can be made;
4. towing it out if it is stuck on or immediately next to a public highway;
5. delivery of gas, oil, loaned battery, or change of tire. WE DO NOT PAY FOR THE COST OF THE GAS, OIL, LOANED BATTERY, OR TIRE(S).

#### OBTAINING SERVICE UNDER THIS AMENDMENT

**You** may secure service under this amendment in the following manner:

##### SIGN AND DRIVE

The first method, called sign and drive, features a toll-free number in which the **insured** calls a GEICO Emergency Road Service representative who will dispatch a service vendor. Upon verification of Emergency Road Service (ERS) coverage, reasonable and necessary charges for covered services provided will be automatically billed to the Company by the Service vendor. The **insured** need only sign a receipt at the time of service which authorizes the company to directly pay the service vendor. Any additional mileage, other fees not specifically addressed above, or lockout services in excess of \$100 will be at the **insured's** expense.

##### HIRED SERVICES

The second method occurs when the **insured** does not use the sign and drive feature described above and hires services without prior approval from the Emergency Road Service (ERS) Department. Upon verification of Emergency Road Service (ERS) coverage, for covered services provided, up to a limit of \$50 will apply. Lockout services are limited to \$100. Requests for reimbursement must be accompanied by an original itemized receipt and must be submitted within 60 days of service.

There will be a limit of one reimbursement per disablement.

We affirm this amendment.

W. C. E. Robinson  
Secretary

O. M. Nicely  
President

\*00001000001\*

CC-115 (04-08)

EXHIBIT 1  
PAGE 28 OF 30

GEICO-HANSEN000028



**GEICO Casualty**

Policy Number:

**Family Automobile Policy  
Amendment****Multi-Risk Physical Damage  
Coverage**We agree with **you** as follows:**SECTION III****PHYSICAL DAMAGE COVERAGES**

Section III is amended to provide Multi-Risk Physical Damage Coverages. This includes:

1. comprehensive;
2. collision; and
3. mechanical breakdown protection

This amendment is subject to all policy conditions and definitions except as specifically modified below.

The amount of applicable deductible shown in the policy declarations shall apply to each **loss** under the Multi-Risk Coverage. A \$50 deductible shall apply to glass breakage without any other damage to the auto unless **you** carry full Comprehensive coverage.

**Mechanical Breakdown**

We will pay for **loss** caused other than by **collision** or under the Comprehensive Coverage, due to the mechanical breakdown of the **owned auto**. **Losses** from mechanical breakdown shall not be accumulated to reach the deductible.

**Definitions**

For the purposes of this amendment, the following special definitions apply with respect to mechanical breakdown only:

3. "Loss" means all risk of physical damage to the **owned auto** or its equipment.
4. "Owned auto" means any vehicle described in this policy for which a specific premium charge indicates there is coverage. "Owned auto" does not mean:
  - a) a newly acquired vehicle; or
  - b) a replacement vehicle; or
  - c) a **temporary substitute auto**.

**Exclusions**

For the purposes of this amendment only, with respect to mechanical breakdown, exclusion 4 is deleted. The following exclusions are added:

12. Oxidation and rust damage are not covered.

13. Damage caused intentionally by **you** or any other person using an **owned auto** with your permission is not covered.
14. **Loss** due to misuse, alteration, or **lack of proper maintenance** is not covered. **Proper maintenance** is the recommended vehicle maintenance as outlined in the owner's manual provided by the manufacturer.
15. Tire wear or other tire damage is not covered.
16. Normal wear and tear is not covered.
17. Routine maintenance services and parts are not covered. This includes; but is not limited to:
  - a) engine tune up;
  - b) suspension alignment;
  - c) wheel balancing;
  - d) filters;
  - e) lubrication;
  - f) engine coolant;
  - g) fluids;
  - h) spark or glow plugs;
  - i) brake pads;
  - j) brake linings; and
  - k) brake shoes.
18. Any **loss** to the extent covered by warranty, recall or voluntary repair programs is not covered.
19. Any **loss** to a **temporary substitute auto** is not covered.
20. Any **loss** to a newly acquired or replacement auto is not covered.
21. Any pre-existing **loss** or damage to any insured auto is not covered.
22. Multi-Risk Coverage will either terminate when the Odometer reading exceeds 100,000 miles or when the age of the vehicle is 7 years old, whichever occurs earlier. The 7 year stipulation will only apply to vehicles that are 1996 model year and later.

**Other Insurance**

For the purposes of this amendment only, if **you** have other insurance against a **loss** covered by mechanical breakdown protection, this policy will apply as excess insurance over such other valid and collectible insurance.



Conditions

For the purposes of this amendment only, the following conditions are added with respect to mechanical breakdown coverage:

We affirm this amendment.

1. Notice

e) the location of the **owned auto**.

For this coverage to be applicable, repairs may not be undertaken prior to obtaining authorization from us.



W. C. E. Robinson  
Secretary

• GEICO Casualty Company •



O. M. Nicely  
President