Uninsured Motorists Coverage – Arkansas

Part C – Uninsured Motorists Coverage is replaced by the following:

SCHEDULE

<table>
<thead>
<tr>
<th>Uninsured Motorists Coverage</th>
<th>Limit Of Liability</th>
<th>Premium</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Auto 1</td>
</tr>
<tr>
<td>Bodily Injury And Property Damage</td>
<td>each person</td>
<td>$</td>
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<td>each accident</td>
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<tr>
<td>Bodily Injury Only</td>
<td>each person</td>
<td>$</td>
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<tr>
<td></td>
<td>each accident</td>
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</table>

INSURING AGREEMENT

A. We will pay compensatory damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident if the Schedule or Declarations indicates that both bodily injury and property damage Uninsured Motorists Coverage applies.

The owner’s or operator’s liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

Any judgment for damages arising out of a suit brought without our written consent is not binding on us.

B. "Insured" as used in this endorsement means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in 1. or 2. above.

C. "Property damage" as used in this endorsement means injury to or destruction of "your covered auto" (including its loss of use).

D. "Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which no liability bond or policy applies at the time of the accident.

2. To which a liability bond or policy applies at the time of the accident. In this case its limit for liability must be less than the minimum limit for liability specified by the Arkansas Financial Responsibility Law.

3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits:
   a. You or any "family member";
   b. A vehicle which you or any "family member" are "occupying"; or
   c. "Your covered auto".

4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
   a. Denies coverage; or
   b. Is or becomes insolvent within one year of the date of the accident.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Owned by or furnished or available for the regular use of you or any "family member".
2. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
3. Owned by any governmental unit or agency.
4. Operated on rails or crawler treads.
5. Designated mainly for use off public roads while not on public roads.
6. While located for use as a residence or premises.
EXCLUSIONS

A. We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained:
   1. By an "insured" while "occupying", or when struck by, any motor vehicle owned by that "insured" which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
   2. By any "family member" while "occupying", or when struck by, any motor vehicle you own which is insured for this coverage on a primary basis under any other policy.

B. We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":
   1. If that "insured" or the legal representative settles the "bodily injury" or "property damage" claim and such settlement prejudices our right to recover payment.
   2. When "your covered auto" is being used as a public or livery conveyance. This Exclusion (B.2.) does not apply to a share-the-expense car pool.
   3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (B.3.) does not apply to a "family member" using "your covered auto" which is owned by you.
   4. For the first $200 of the amount of "property damage" to "your covered auto". This Exclusion (B.4.) does not apply if:
      a. We insure "your covered auto" for both collision and property damage Uninsured Motorists Coverage; and
      b. The operator of the "uninsured motor vehicle" is positively identified and is solely at fault.

C. This coverage shall not apply directly or indirectly to benefit:
   1. Any insurer or self-insurer under any of the following or similar law:
      a. Workers' compensation law; or
      b. Disability benefits law.
   2. Any insurer of property.

D. No payment will be made for loss paid or payable to the "insured" under Part D of the policy.

E. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages which are imposed to:
   1. Punish a wrongdoer; and
   2. Deter others from similar conduct.

LIMIT OF LIABILITY

A. The limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of bodily injury liability shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident. The limit of Property Damage Liability, if shown in the Schedule or in the Declarations for each accident for Uninsured Motorists Coverage, is our maximum limit of liability for all "property damage" resulting from any one accident. This is the most we will pay regardless of the number of:
   1. "Insureds";
   2. Claims made;
   3. Vehicles or premiums shown in the Schedule or in the Declarations; or
   4. Vehicles involved in the accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
   1. Part A or Part B of this policy; or
   2. Any Underinsured Motorists Coverage provided by this policy.

C. We will not make duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

D. We will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any of the following or similar law:
   1. Workers' compensation law; or
   2. Disability benefits law.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided by this endorsement:

1. Any recovery for damages under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.
2. Any insurance we provide with respect to a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any collectible insurance providing such coverage on a primary basis.

However, we will provide primary insurance for a vehicle you do not own if:

a. A duly licensed automobile dealer provides a vehicle to you or a "family member":
   (1) For use as a temporary substitute while "your covered auto" is out of normal use because of its breakdown, repair or servicing; or
   (2) To demonstrate the vehicle; or

b. The vehicle is rented or leased by you or a "family member" from a rental company for a period not more than 90 days.

3. If the coverage under this policy is provided:
   a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.

   b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

A. If we and the "insured" do not agree:
   1. Whether that "insured" is legally entitled to recover damages; or
   2. As to the amount of damages which are recoverable by that "insured";

from the owner or operator of an "uninsured motor vehicle", then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

Arbitration will take place only if both we and the "insured" agree, voluntarily, to have the matter arbitrated. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Any decision of the arbitrators will not be binding on either party.

C. Each party will:
   1. Pay the expenses it incurs; and
   2. Bear the expenses of the third arbitrator equally.

D. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to procedure and evidence will apply.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.