

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ALASKA UNINSURED AND UNDERINSURED MOTORISTS COVERAGE

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Alaska, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below:

<p>Named Insured:</p> <p>Endorsement Effective Date:</p>

WARNING

WITH RESPECT TO THE COVERAGE PROVIDED BY THIS ENDORSEMENT:

IF THE SCHEDULE INDICATES THAT ITEM 2. "BODILY INJURY" UNINSURED AND UNDERINSURED MOTORISTS (UM/UIM) COVERAGE ONLY APPLIES, THE NAMED INSURED DOES NOT HAVE "PROPERTY DAMAGE" UM/UIM COVERAGE. DISREGARD ALL REFERENCES TO "PROPERTY DAMAGE" COVERAGE IN THIS ENDORSEMENT.

IF THE SCHEDULE INDICATES THAT ITEM 3. "PROPERTY DAMAGE" UNINSURED AND UNDERINSURED MOTORISTS (UM/UIM) COVERAGE ONLY APPLIES, THE NAMED INSURED DOES NOT HAVE "BODILY INJURY" UM/UIM COVERAGE. DISREGARD ALL REFERENCES TO "BODILY INJURY" COVERAGE IN THIS ENDORSEMENT.

SCHEDULE

1. "Bodily Injury" And "Property Damage":	\$ Or	Each "Accident"
2. "Bodily Injury" Only:	\$ Or	Each "Accident"
3. "Property Damage" Only:	\$	Each "Accident"
The endorsement provides "bodily injury" and "property damage" Uninsured And Underinsured Motorists Coverage unless an "X" is entered below.		
<input type="checkbox"/> If an "X" is entered in this box, this endorsement provides "bodily injury" Uninsured And Underinsured Motorists Coverage only. The Named Insured does not have "property damage" UM/UIM Coverage. Disregard all references to "property damage" coverage in this endorsement.		
<input type="checkbox"/> If an "X" is entered in this box, this endorsement provides "property damage" Uninsured And Underinsured Motorists Coverage only. The Named Insured does not have "bodily injury" UM/UIM Coverage. Disregard all references to "bodily injury" coverage in this endorsement.		
Attorney's Fees For A Judgment Of		Additional Premium
\$		\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle" because of:

a. "Bodily injury" sustained by an "insured" and caused by an "accident" if the Schedule or Declarations indicates that:

(1) Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or

(2) Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only.

b. "Property damage" caused by an "accident", if the Schedule or Declarations indicates that:

(1) Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage"; or

(2) Uninsured/Underinsured Motorists Coverage applies to "property damage" only.

The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle" or "underinsured motor vehicle".

2. With respect to damages resulting from an "accident" with an "underinsured motor vehicle", we will pay under the coverage selected under this endorsement only if **a.** or **b.** below applies:

a. The limit of any applicable liability bonds or policies has been exhausted by payment of judgments or settlements; or

b. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:

(1) Have been given prompt written notice of such tentative settlement; and

(2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" is binding on us unless we have:

a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and

b. Had a reasonable opportunity to protect our interests in the "suit".

4. In any "suit" we defend in Alaska, we will pay that portion of the attorney's fees that would have been taxed against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" as costs which do not exceed the amount allowed for a contested case in the schedule of attorney's fees contained in Alaska Rule of Civil Procedure 82 for a judgment equal to the applicable Limit of Liability.

However, if a premium and a judgment amount are shown in the Schedule or Declarations, we will pay, instead of the attorney's fees provided in the above paragraph, that portion of the attorney's fees that would have been taxed against the owner or operator of an "uninsured motor vehicle" or "underinsured motor vehicle" as costs which do not exceed the amount allowed for a contested case in Alaska Rule of Civil Procedure 82 for the judgment amount shown in the Schedule or Declarations.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":

a. The Named Insured and any "family members", including, but not limited to, while a pedestrian or bicyclist, when struck by an "uninsured motor vehicle" or "underinsured motor vehicle".

b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured". This provision only applies if "bodily injury" coverage is selected in the Schedule or Declarations.

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured". This provision only applies if "bodily injury" coverage is selected in the Schedule or Declarations.
- c. The Named Insured for "property damage" only. This provision only applies if "property damage" coverage is selected in the Schedule or Declarations.

C. Exclusions

This insurance does not apply to any of the following:

- 1. Any claim settled without our consent, if the settlement prejudices our right to recover payments. However, this exclusion does not apply to a settlement made with the insurer of an "underinsured motor vehicle" in accordance with the procedure described in Paragraph **A.2.b.**
- 2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation or similar occupational disability benefits law.
- 3. The direct or indirect benefit of any insurer of property.
- 4. Property contained in the covered "auto".
- 5. The first \$250 of the amount of "property damage" to a covered "auto" as the result of any one "accident".
- 6. "Bodily injury" sustained by any "insured" while "occupying" or struck by any vehicle owned by an individual Named Insured, or any "family member", that is not a covered "auto".
- 7. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- 8. "Property damage" for which the "insured" has been compensated by other property or physical damage insurance.
- 9. "Property damage" to an "auto" owned by the Named Insured, or any "family member", that is not a covered "auto".
- 10. Punitive or exemplary damages.
- 11. "Bodily injury" or "property damage" arising out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

- 1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" will be as follows:
 - a. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to both "bodily injury" and "property damage", the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "bodily injury" and "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.
 - b. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury" only, the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "bodily injury" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for "bodily injury"; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.
 - c. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "property damage" only, the Limit of Insurance will be the lesser of:
 - (1) The difference between the amount of an "insured's" damages for "property damage" and the amount paid to that "insured" for such damages, by or for a person who is or may be held legally liable for "property damage"; and
 - (2) The Limit Of Insurance for Uninsured And Underinsured Motorists Coverage shown in the Schedule.

2. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury", any amount payable for damages shall apply over and above any amounts paid to the "insured":
 - a. By or for a person who is or may be held legally liable, including all sums paid under this Coverage Form's Covered Autos Liability Coverage; or
 - b. Under any valid and collectible "bodily injury" or death liability insurance.
3. If the Schedule or Declarations indicates that Uninsured/Underinsured Motorists Coverage applies to "bodily injury", any amount payable for damages shall apply over and above any amounts paid or payable to the "insured" under any valid and collectible automobile medical payments insurance, workers' compensation or similar occupational disability benefits law.
4. Any amount paid under this insurance will reduce any amount an "insured" may be paid for the same damages under this Coverage Form's Covered Autos Liability Coverage.
5. We will not pay for a "loss" which is paid under Physical Damage Coverage.
6. In no event will an "insured" be entitled to receive duplicate payments for the same elements of "loss".

E. Changes In Conditions

The **Conditions** are changed for Uninsured And Underinsured Motorists Coverage as follows:

1. **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:
 - a. If there is other applicable uninsured and/or underinsured motorists coverage available under more than one provision of coverage when two or more vehicles are insured under this Coverage Form or Policy, the maximum recovery for damages may equal but not exceed the highest applicable limit for any one vehicle under the coverage provided by this Coverage Form or Policy. If there is other applicable uninsured and/or underinsured motorists coverage available to an "insured" under any other Coverage Form or policy issued to that "insured" or an individual Named Insured who is a resident of that "insured's" household by us, the maximum recovery for damages may equal but not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy.

- b. If there is other applicable uninsured motorists coverage and underinsured motorists coverage available under more than one Coverage Form or policy, then the following priorities of coverage apply:

First	A policy or coverage covering a motor vehicle "occupied" by the injured person or a policy or coverage covering a pedestrian as a Named Insured;
Second	A policy or coverage covering a motor vehicle "occupied" by the injured person as an "insured" other than as a Named Insured;
Third	A policy or coverage not covering a motor vehicle "occupied" by the injured person but covering the injured person as a Named Insured;
Fourth	A policy or coverage not covering a motor vehicle "occupied" by the injured person but covering the injured person as an "insured" other than as a Named Insured.

- c. We will pay only our share of the "loss". Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies applicable on the same level of priority.
2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
 - a. Promptly notify the police if a hit-and-run driver is involved; and
 - b. Promptly send us copies of the legal papers if a "suit" is brought.
 - c. A person seeking coverage from an "underinsured motor vehicle" must also promptly notify us in writing of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of the "underinsured motor vehicle".

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

We will be entitled to recovery only after the "insured" has been fully compensated for damages.

Our rights do not apply under this provision with respect to damages caused by an "accident" with an "underinsured motor vehicle" if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of the coverage provided by this endorsement; and
- b. We also have a right to recover the advance payment.

4. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. 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. All arbitration expenses and fees, not including counsel or adjuster fees, will be paid as determined by the arbitrators. Each party will pay the counsel fees and adjuster fees it incurs.

- b. Unless both parties agree otherwise, arbitration will take place in the jurisdiction in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

- 1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
- 2. "Occupying" means in, upon, getting in, on, out or off.
- 3. "Property damage" means injury to or destruction of a covered "auto". However, "property damage" does not include loss of use.
- 4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident"; or
 - b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
 - c. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered auto or a vehicle an "insured" is "occupying".

However, an "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency, except a governmental unit or agency that is or becomes insolvent; or
- c. Designed for use mainly off public roads while not on public roads.

5. "Underinsured motor vehicle" means a land motor vehicle or "trailer" licensed for highway use for which the sum of all liability bonds or policies that apply at the time of an "accident" is less than the amount the covered person is legally entitled to recover for "bodily injury" or "property damage" from the owner or operator of the underinsured motor vehicle.

However, an "underinsured motor vehicle" does not include any vehicle for which an insuring or bonding company denies coverage or is or becomes insolvent.