

- A. **Automobile** means a motorized land vehicle which requires motor vehicle registration and/or operator licensing, including attached trailers, semi-trailers, self-propelled motor homes and motorcycles.
- B. **Basic Policy** or **Policies** means a policy or policies listed in the Declarations (including renewals, temporary replacements for non-owned **Automobiles**, or endorsements) which provides primary liability coverage.
- C. **Bodily Injury** means bodily harm, sickness or disease (including required care, loss of services, and death) to others.
- D. **Business** means a trade, occupation or profession, including farming and ranching.
- E. **Business Property** means property on which a **Business** is operated, or, property rented or held for rental to others, including farms and ranches, whether or not such property is occupied or in use.
- F. **Injury** means **Bodily Injury, Personal Injury** or **Property Damage**.
1. Libel, slander, or defamation of character;
2. False arrest, willful or false detention or imprisonment, or malicious prosecution;
3. Wrongful eviction, wrongful entry or invasion of privacy; or
4. Assault or battery, if committed to protect persons or property.
- I. **Property Damage** means direct physical damage to tangible property as well as loss of use of the property.
- J. **Recreational Vehicle** means a motorized land vehicle which does not require motor vehicle registration or operator licensing and which is not intended for use on public highways. **Recreational vehicle** includes, but is not limited to, snowmobiles, all-terrain vehicles, motorbikes, golf carts, and motorized farm, garden, ranch, and maintenance equipment.
- K. **Relative** means a person related to you by blood, marriage, or adoption who lives in your household

and anyone else in your or a **Relative's** care living in your household. A stepchild will be considered "living in your household" only if you or a **Relative** are the legal custodian of the stepchild.

L. **Self Insured Retention** means the amount shown in the Declarations that anyone covered by this policy must pay for **Injury** before we pay any amount under this policy. This amount applies if the **Basic Policies** do not provide coverage for the **Occurrence**, but coverage is afforded under this policy.

M. **Suit** means a civil proceeding alleging damages because of **Injury** to which this insurance applies.

N. **Watercraft** means a boat or craft which is designed for use on water.

## PART II - WHO IS COVERED - INSUREDS

A. For **Occurrences** other than those involving the use of **Automobiles, Recreational Vehicles** or **Watercraft**:

1. You and your **Relatives** are covered.
2. Any person or organization legally responsible for your or a **Relative's** animals is covered if:
  - a. their custody of such animals is with your or a **Relative's** consent; and
  - b. the custody is not in the course of any **Business** of such person or organization.
3. Any other person, in addition to those described above, who is covered as an insured for liability under your **Basic Policy** is covered for such **Occurrence**.

B. For **Occurrences** involving the use of **Automobiles, Recreational Vehicles** or **Watercraft**:

1. a. You are covered for any **Automobile, Recreational Vehicle** or **Watercraft** you own, borrow, rent, or use as a temporary substitute.
- b. Anyone else who uses an **Automobile, Recreational Vehicle** or **Watercraft** you own, borrow, rent, or use as a temporary substitute is covered if:
  - (1) they use it with your permission; and
  - (2) the use is for the purpose you intended.

2. a. Your **Relatives** are covered for any **Automobile, Recreational Vehicle** or **Watercraft** they own, rent, or use as a temporary substitute. Your **Relatives** are covered for any **Automobile, Recreational Vehicle** or **Watercraft** they borrow if:

- (1) they use it with the owner's permission; and
- (2) the use is for the purpose intended by the owner.

b. Anyone who uses an **Automobile, Recreational Vehicle** or **Watercraft** owned by a **Relative** is covered if:

- (1) they use it with the **Relative's** permission; and
- (2) the use is for the purpose intended by the **Relative**.

3. a. Any person or organization legally responsible for the use of an **Automobile, Recreational Vehicle** or **Watercraft** is covered if:

- (1) it is used by you or with your permission; and
- (2) the use is for the purpose intended by you.

b. The coverage extended by paragraph 3.a. shall not extend to:

- (1) the owner of a borrowed or rented **Automobile, Recreational Vehicle** or **Watercraft** or his agents or employees; nor,
- (2) organizations involved in the **Automobile, Recreational Vehicle** or **Watercraft** sales, service, garage or parking **Business**, nor their agents or employees.

## PART III - WHAT WE WILL DO

A. 1. We will pay an amount for which anyone covered by this policy becomes legally liable for **Injury** due to an **Occurrence** which takes place during the Policy Period and in the Policy Territory. This insurance applies:

a. As excess insurance over and above the greater of:

- (1) the Minimum Limit of Coverage as stated in the Declarations which is required to be provided by the **Basic Policies**; or
  - (2) the actual Limit of Coverage provided by the **Basic Policies** if such actual limit is greater than the Minimum Limit of Coverage as stated in the Declarations.
- b. If such **Injury** is not covered under the applicable **Basic Policies** and coverage is afforded under this policy, to the extent such amount exceeds the **Self Insured Retention** amount stated in the Declarations.
2. The most we will pay for **Injury** because of an **Occurrence** covered under this policy is stated as the each accident Limit of Coverage as shown in the Declarations. There is no limit to the number of **Occurrences** during the Policy Period for which a claim may be made. This insurance applies separately to each person covered by this policy, but this does not increase our Limit of Coverage per **Occurrence**.
- B. If you or any person are covered for **Injury** by this policy, but such **Injury** is not covered under the **Basic Policies** listed in the Declarations:
1. We will defend you or such person against legal actions or claims seeking payment from you or such person because of **Injury**. We will do this even if there are no grounds for the action or claim. We will pay the cost of this defense in addition to the Limit of Coverage.
  2. We will pay the premium for bonds to release attachments, premiums on appeal bonds and premiums for bail bonds, as well as all reasonable expenses (including loss of earnings up to \$250.00 per day) which are incurred at our request. We will pay these expenses in addition to the Limit of Coverage.
  3. Our duty to defend, and any obligation we have to pay other defense costs or expenses under this subsection B., ends when the amount we pay for any or all **Injury** equals our Limit of Coverage.
- C. 1. If any of the **Basic Policies** required to be carried are:
- a. not carried, we will pay only as though the **Basic Policies** had been carried; or
  - b. terminated, we will pay only as though the **Basic Policies** had never been terminated.
2. If the Limits of Coverage carried under the **Basic Policies** are:
- a. less than the minimum required limits listed in the Declarations, we will pay only as though **Basic Policies** had been carried with the Minimum Limit of Coverage required in the Declarations; or
  - b. reduced by the payment of losses under the **Basic Policies**, we will pay only as though the **Basic Policies** had not had such limits reduced by the payment of any losses under the **Basic Policies**.
3. If any of the **Basic Policies** required to be carried do not cover your **Relatives** as required by the provisions of the Declarations, we will pay for such Relatives only as though the required **Basic Policies** did cover your **Relatives** for at least the Minimum Limits of Coverage listed in the Declarations.
4. If any of the **Basic Policies** cover your **Relatives** in an amount less than the Minimum Limits of Coverage listed in the Declarations, we will pay for such **Relatives**, only as though the required **Basic Policies** covered them for at least the Minimum Limits of Coverage listed in the Declarations.
5. If any of the **Basic Policies** required to be carried do not cover insureds referenced in Part II, B.1.b. as required by the provisions of the Declarations, we will pay for such insureds only as though the required **Basic Policies** did cover such insureds for at least the Minimum Limits of Coverage listed in the Declarations.
6. If any of the **Basic Policies** cover insureds referenced in Part II, B.1.b. in an amount less than the Minimum Limits of Coverage listed in the Declarations, we will pay for such insureds, only as though the required **Basic Policies** covered them for at least the Minimum Limits of Coverage listed in the Declarations.
7. If any insurance company providing any **Basic Policies** becomes unable to pay because it is insolvent or will not pay because anyone failed to meet their contractual responsibilities, (other

than the notice conditions addressed in C.9. below), we will only pay, subject to this policy's Limits of Coverage, to the extent that the amount for **Injury** exceeds the **Basic Policies'** Minimum Limit of Coverage as listed in the Declarations.

8. In regard to C.1. through C.7. above, we will not be responsible, nor will we pay for, any defense, investigation, negotiation, legal fees, court costs, interest, or any similar fees or costs. We do, however, have the right to enter any such matter if we wish.
9. If the **Basic Policies** do not provide coverage due to failure to comply with notice conditions in those **Basic Policies**, this policy also will not provide coverage for that claim.

#### PART IV - WHAT IS NOT COVERED- EXCLUSIONS

This policy does not provide coverage for:

- A. **Injury** caused by, resulting from, arising out of or in anyway connected with (1) **Business** pursuits or **Business Property** unless covered under the **Basic Policies**, or (2) an insured's **Business** premises. This exclusion does not apply to you or a **Relative** for **Business** use of a private passenger **Automobile** owned by a natural person and not by a corporation, partnership or other business entity, as long as it is not used as a taxi or for hire. This exclusion also does not apply to **Injury** arising from activities occurring on a farm or ranch which are personal rather than **Business** in nature.
- B. **Injury** arising out of the rendering or failure to render a professional service of any nature.
- C. **Injury** arising out of the ownership, maintenance, operation, use, loading or unloading of any aircraft, by, on behalf of or at the direction of you, a **Relative** or any other person covered by this policy. An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used for or designed to carry people or cargo.
- D. Any obligation you or anyone else has to provide benefits to employees under a worker's compensation, occupational disease, unemployment compensation, disability benefits law, or any similar law.
- E. **Personal Injury** or **Bodily Injury** to a household employee, unless covered under a **Basic Policy** listed in the Declarations.

F. **Injury** arising from activities as an officer or member of the board of directors of any organization or corporation unless that organization or corporation is not formed for profit and the **Injury** is covered under a **Basic Policy** listed in the Declarations.

G. Any claim or **Suit** brought against any person covered by this policy by, or on behalf of, any other person covered by this policy or any person who lived in your household within the Policy Period. This exclusion does not apply to passengers, other than a named insured, a **Relative**, or any person who lives in your household.

H. **Bodily Injury** or **Property Damage** caused intentionally, unless caused in an effort to protect persons or property, regardless of whether or not such **Bodily Injury** or **Property Damage** was expected.

I. You or anyone else for any **Injury** involving nuclear energy or radiation if the loss is covered, or should have been covered, except for coverage limits exhaustion, by a nuclear energy liability policy.

J. No-fault, uninsured motorist, or underinsured motorist or any similar first party benefits to you or anyone else entitled to coverage under this policy, unless the policy is endorsed to provide such coverage. "No-fault" refers to benefits paid without regard to fault or legal liability. "Uninsured motorist" refers to benefits to which you are legally entitled from the owner or driver of an uninsured **Automobile**. "Underinsured motorist" refers to benefits to which you are legally entitled from the owner or driver of an **Automobile** for which liability insurance coverage at the time of loss provides limits of liability which are less than an amount as determined by the uninsured motorist law of your state.

K. **Injury** which arises, directly or indirectly, out of transmission of a communicable disease by you, a **Relative** or any other person covered by this policy.

L. **Property Damage** to:

1. property owned, rented or occupied by you or a **Relative**, or
2. property in the care, custody or control of you or a **Relative**.

M. **Injury** arising out of any physical or sexual abuse, licentious, immoral, or sexual behavior, or embarrassment, harassment or humiliation, all whether actual or threatened.

N. **Injury** arising out of or while you or any covered person is participating in an organized, unorganized or prearranged speed contest or race as an operator or occupant of an **Automobile, Recreational Vehicle, or Watercraft**. This exclusion does not apply to insured **Watercraft** operated by sail.

O. **Injury** caused directly or indirectly by war, including the following and any consequences of any of the following:

1. Undeclared war, civil war, insurrection, rebellion or revolution;
2. Warlike act by a military force or military personnel; or
3. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

P. **Injury** arising out of discrimination on the grounds of race, sex, color, national origin, age, creed or sexual preference, or allegation of any of these acts.

Q. **Injury** arising out of lead poisoning.

R. **Injury** arising out of the giving or serving of any alcoholic beverage unless also covered by valid and collectible insurance under the **Basic Policy** for the full Minimum Limit of Coverage shown for such **Basic Policy** in the Declarations.

S. **Injury** arising from the premises of rental properties owned by anyone covered by this policy unless also covered by valid and collectible insurance under a Homeowners, Comprehensive Personal Liability or Farmers Comprehensive Personal Liability Policy for the full Minimum Limit of Coverage shown for such **Basic Policy** in the Declarations.

T. **Injury** arising out of:

1. the entrustment by anyone covered by this policy to any person;
2. the negligent supervision by anyone covered by this policy of any person;
3. any liability statutorily imposed on anyone covered by this policy; or
4. any liability assumed through an unwritten or written agreement by anyone covered by this policy; with regard to the ownership, maintenance or use of any **Automobile, Watercraft** or

**Recreational Vehicle** unless also covered by valid and collectible insurance under the **Basic Policy** for the full Minimum Limit of Coverage shown in the Declarations.

U. **Injury** arising out of the ownership, maintenance, operation, boarding or debarking of any **Watercraft** which exceeds forty-five (45) feet in length and/or which maximum speed exceeds fifty (50) miles per hour. This exclusion does not apply to jet skis and waverunners.

V. Actual or alleged **Injury**, including death at any time resulting there from, arising directly or indirectly, in whole or part, from the actual, alleged or threatened exposure to, inhalation of, ingestion of, contact with, absorption, existence of or presence of any **Fungi**, or for the diminution in value, loss of market value, loss of use, removal or abatement of any **Fungi** alleged to be causative or potentially causative of **Bodily Injury, Property Damage, or Personal Injury.**"

**Fungi** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

W. You or anyone else for any **Injury** arising out of premises sold, abandoned or given away by any person covered by this policy, whether residential or commercial.

## PART V - YOUR RESPONSIBILITIES UNDER THIS POLICY

A. There are certain responsibilities which you must fulfill (in addition to paying the premium) as a condition for us to provide coverage.

In the event of an **Occurrence** which is likely to involve this policy, or if you or anyone else covered under the policy is sued in connection with an **Injury** which may be covered under this policy, you or they must do the following:

1. Notify us or our agent as soon as possible;
2. Provide us with any **Suit** papers and any other documents which will help us to defend you or them;
3. Assist us generally in the preparation of the defense. Such assistance may include any appeal of a judgment to a higher court, even if the companies who write the **Basic Policies** are not willing to participate with us.

B. Anyone covered by this policy must do all they can to protect any right they may have to recover from others. These rights will become ours up to the loss we have paid.

## PART VI - POLICY TERRITORY

Policy Territory means anywhere in the world, provided that if **Suit** on the merits is brought, it is brought in the United States of America (including its territories and possessions), Puerto Rico and Canada.

## PART VII - OTHER CONDITIONS

- A. *Assignment.* No one covered under this policy may assign or turn over any right or interest in regard to the policy without our written consent.
- B. *Legal Action Against Us.* No one can bring us into any legal action against you or anyone else covered by this policy. No legal action shall be brought against us unless you have complied with the policy provisions, nor until your obligation has been set by final judgment or agreement with us.
- C. *Our Right to Recover Payment.* If we make a payment under this policy, we are entitled to exercise your rights of recovery against any person liable for the loss. You must do nothing after loss to prejudice those rights.
- D. *Changes.* This policy may only be changed by written endorsement issued by us.
- E. *Conform to Law.* If this policy conflicts with state or local laws then it is changed to conform.
- F. *Liberalization Clause.* If we adopt any revision which would broaden coverage under this policy without additional premium within sixty (60) days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.
- G. *Bankruptcy and Death.* Bankruptcy, insolvency, or death of anyone covered under this policy will not affect this coverage. If anyone covered becomes bankrupt, insolvent, or dies, their legal representatives will be covered during this policy Period.
- H. *Other Insurance.* There may be other collectible insurance, in addition to the **Basic Policies**, covering a claim which is also covered by this policy. If this occurs, the other insurance will pay first and this policy will respond in excess of, and not contribute with, the other insurance.

## I. *Cancellation.*

- 1. You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date you wish it to be cancelled, enclosing therewith your copy of this policy. Your premium refund, if any, will be based on the short rate table.
  - 2. We may cancel by mailing to you, at the last mailing address known to us, written notice stating when cancellation will be effective. If we cancel due to your failure to discharge when due any of your obligations in connection with the payment of premium for this policy or any installment payment, whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit, written notice of cancellation must be mailed at least ten (10) days before the effective date of cancellation. However, if we cancel for any reason other than nonpayment of premium, written notice of cancellation must be mailed at least thirty (30) days before the effective date of cancellation. Your premium refund, if any, will be pro rata. Proof of mailing of notice as mentioned above shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.
- J. *Nonrenewal.* If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of nonrenewal not less than thirty (30) days before the end of the Policy Period as stated in the Declarations. Proof of mailing of notice mentioned above shall be sufficient proof of notice. Regardless, this policy will terminate at the end of the Policy Period as stated in the Declarations:
- 1. If you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy; or
  - 2. If you have notified us or our agent that you do not wish this policy to be renewed.
- K. *Concealment - Misrepresentation.* This insurance is void if you intentionally conceal or misrepresent any material fact or circumstance relating to this insurance at any time.

This policy is signed for us by our President and Secretary.

# Personal Umbrella Liability Policy

## STATE OF CALIFORNIA AMENDATORY ENDORSEMENT

In accordance with the laws and regulations of the state of California, the policy is amended, as of its effective date, as follows:

1) PART VII - OTHER CONDITIONS is amended by replacing I. *Cancellation*. as follows:

"I. *Cancellation*.

1. You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date you wish it to be cancelled, enclosing therewith your copy of this policy. Your premium refund, if any, will be based on the short rate table.
2. We may cancel this policy by letting you know in writing the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the **Declarations**. Proof of mailing will be sufficient proof of notice.
3. If this policy has been in effect for less than sixty (60) days and is not a renewal with us, we may cancel the coverage by mailing or delivering written notice of cancellation to you, at your mailing address shown in the **Declarations**, at least ten (10) days prior to the date cancellation takes effect.
4. If this policy has been in effect for sixty (60) days or more or is a renewal with us, we may cancel the policy by mailing or delivering written notice of cancellation to you at your mailing address shown in the **Declarations**, at least thirty (30) days prior to the effective date of cancellation, but only if cancellation is for one or more of the following reasons:
  - a. if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy;
  - b. discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
  - c. conviction of a crime having as one of its necessary elements an act increasing the hazard insured against.
5. If this policy is written for a period longer than one (1) year, we may cancel for any reason at anniversary by notifying you at least forty-five (45) days before the date cancellation takes effect.
6. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within twenty-five (25) days after the date cancellation takes effect. If, when you cancel this policy, the return premium is not refunded when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect. Your premium refund, if any, will be pro rata."

2) PART VII - OTHER CONDITIONS is amended by replacing J. *Nonrenewal* as follows:

"J. *Nonrenewal*.

1. If we elect not to renew this policy, we will mail or deliver to you, at your mailing address shown in the **Declarations**, written notice of nonrenewal at least forty-five (45) days before the end of the Policy Period as stated in the **Declarations**. Proof of mailing will be sufficient proof of notice.
2. If this policy is written for a period of less than one (1) year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.
3. This provision will not apply and this policy will terminate:
  - a. at the end of the Policy Period, if you have agreed to nonrenewal; or
  - b. on the effective date of any other insurance policy, if you have accepted the other policy and it was issued as a replacement for this insurance."

Attached to and forming part of the policy of the RLI Insurance Company.  
All other terms and conditions of the policy remain unchanged.