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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Jocelyn Newman, Circuit Court Judge

Appellate Case No. 2024-000069
Case No. 2020-CP-0701692

First Acceptance Insurance Company, Inc, Respondent,

v.

Tamasha Floyd, Appellant.

RECORD ON APPEAL

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INDEX

Order of December 7, 2023	3
Form 4 Order, September 11, 2023	22
Summons and Complaint, August 25, 2020.....	25
Exhibit A to Summons and Complaint, August 25, 2020.....	35
Exhibit B to Summons and Complaint, August 25, 2020.....	77
Answer filed by Tamasha Floyd, September 8, 2020	79
Answer filed by Harry Brown, Sr., September 23, 2020	84
Answer filed by Elsa Velasquez Ferro, October 28, 2020.....	89
Underlying Summons and Complaint, May 14, 2020 in Civil Action Number 2020-CP-07-01075	91
Transcript of Bench Trial	98
Opening Statements	116
Testimony	126
Examination of Mr. Joe Schlehta	
Direct Examination by Mr. Sawyer.....	126
Cross Examination by Mrs. Bright Matthews.....	151
Cross Examination by Mr. Smith	165
Redirect Examination by Mr. Sawyer	165
Motion for Directed Verdict (Defendant/Appellant).....	168
Motion for Directed Verdict (Plaintiff/Respondent).....	191
Plaintiff's (Respondent's) Exhibits	201

1.	Application for Policy.....	201
2.	Driver's License of Carlos Morazan	215
3.	Renewal Declaration Page.....	216
Notice of Appeal		257

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF BEAUFORT

CIVIL ACTION NO: 2020-CP-07-01692

FIRST ACCEPTANCE INSURANCE
COMPANY, INC.,

Plaintiff,

v.

TAMASHA FLOYD, INDIVIDUALLY AND
AS GUARDIAN AD LITEM OF JAYVON G,
A MINOR UNDER THE AGE OF
EIGHTEEN (18) YEARS OF AGE; HARRY
C. BROWN AS SPECIAL
ADMINISTRATOR OF KEVIN M; ELSA
VELASQUEZ FERRO; GERALD
WASHINGTON; AND VINCENT
WILLIAMS,

Defendant.

ORDER

This matter came before the Court by way of a bench trial on September 5, 2023. Wesley B. Sawyer appeared for Plaintiff First Acceptance Insurance Company, Inc. ("First Acceptance"), Margie Bright Matthews appeared for Elsa Velasquez Ferro, and J. Andrew Smith appeared for Tamasha Floyd, Individually and as Guardian ad Litem of Jayvon G.¹ The matter was originally listed on the jury trial roster, but counsel consented to proceed non-jury. Harry Brown as Special Administrator of Kevin M.² did not appear.

¹ At the time of the filing of the Complaint, Jayvon was a minor. He has since reached the age of majority.

² Kevin was under the age of eighteen at the time of his death.

SUMMARY

This declaratory judgment action involves an automobile liability policy issued by First Acceptance to Carlos Morazan. On September 25, 2018, Kevin M. drove a vehicle listed on the First Acceptance policy and owned by Elsa Ferro with Jayvon G. and others as passengers. Kevin lost control of the vehicle, causing a single vehicle accident that resulted in Kevin's death and injuries to Jayvon. As discussed in greater detail below, the First Acceptance policy included a named driver exclusion listing Kevin as an excluded driver. By this action, First Acceptance seeks a declaration that the named driver exclusion applies and that First Acceptance does not owe any duty to defend, indemnity, or otherwise pay for claims arising out of the accident. For the reasons set forth below, the Court agrees and finds that First Acceptance's requested relief is appropriate.

STIPULATIONS OF THE PARTIES

The parties stipulated on the record that the Named Driver Exclusion endorsement form used by First Acceptance was approved by the director of the Department of Insurance or his designee, as required by South Carolina Code § 38-77-340.

The parties also stipulated that Kevin was fourteen years old when Carlos Morazan applied for the First Acceptance policy. Kevin was seventeen years old on the date of the accident.

REQUESTS FOR ADMISSION

First Acceptance moved to publish Requests for Admissions served on Elsa Ferro on the basis that no responses were provided within thirty days of service and the requests are deemed admitted. The Court heard argument on the motion and granted the motion.

First Acceptance served Interrogatories, Requests for Production, and Requests for Admission on November 11, 2020. Although counsel for Ferro argued she did not receive the requests and that she denied the substance of the requests in her Answer to the Complaint, the

Court received certificates of service showing Requests for Admission were served on each of the three defendants. Moreover, the fact that the substance of a Request for Admission is denied in an answer to a complaint does not vitiate the impact of a failure to respond to the Request for Admission. *See Scott v. Greenville Housing Authority*, 353 S.C. 639, 646, 579 S.E.2d 151, 154-55 (Ct. App. 2003) (“In reviewing the tenets of Rule 36(a), our courts have repeatedly found that failure to respond to requests for admissions deems matters contained therein admitted for trial, regardless of whether the admission concerns a matter responded to in a party’s pleadings”). Thus, Ferro admitted the following:³

1. The accuracy of the subject insurance policy;
2. The named driver exclusion was electronically signed by Carlos Morazan on February 26, 2016;
3. Between the date of signing the Named Driver Exclusion and the time of the September 25, 2018 single car collision, Carlos Morazan never notified First Acceptance in writing of a desire to remove the Named Driver Exclusion from the policy;
4. Kevin was operating the 2004 Ford listed on the policy at the time of the September 25, 2018 single car collision; and
5. The Named Driver Exclusion form was approved by the director of the South Carolina Department of Insurance or his designee.

EVIDENCE PRESENTED AT TRIAL

First acceptance published the Requests for Admission, the parties’ stipulations, and the admission in Floyd’s Answer that Kevin was driving at the time of the accident. In addition, First Acceptance called Joe Schlehta as its only witness. First Acceptance submitted the following exhibits, which were admitted without objection:

³ The granting of First Acceptance’s Motion as to the Requests for Admission has very little practical impact because First Acceptance presented evidence at trial on items 1, 2, and 3; the parties stipulated to item 5; and no parties presented any evidence that anyone other than Kevin was driving (item 4). Therefore, the Court would reach the same findings of fact and conclusions of law with or without these admissions.

1. A true and accurate copy of the February 26, 2016 insurance application for Policy Number 28 CSSC000095310 executed by Carlos Morazan, along with the DocuSign Certificate of Completion;
2. A true and accurate copy of Policy Number 28 CSSC000095310 as it was in effect on the date of the accident;
3. A true and accurate copy of Carlos Morazan's license.

FINDINGS OF FACT

The Court makes the following findings of fact based on the above-referenced stipulations of the parties, the exhibits submitted, and the testimony of Joe Schlechta.

1. First Acceptance issued Policy Number 28 CSSC000095310 to Carlos Morazan with initial effective dates of February 26, 2016 to August 26, 2016 (hereinafter, the "Policy").
2. Carlos Morazan applied for the policy in person at a First Acceptance agency located in Beaufort, South Carolina.
3. Joe Schlechta is currently a training supervisor at First Acceptance, and he was a district manager on February 26, 2016 when Carlos Morazan applied for the Policy.
4. Mr. Schlechta's district included the Beaufort agency, and Mr. Schlechta had personal knowledge of the layout of the Beaufort agency and of the agency's policies and procedures. He also helped train the agents involved in this specific insurance transaction.
5. In 2012, First Acceptance adopted a company-wide policy of utilizing electronic signatures for insurance policy applications.
6. In 2016, each agency would include one or more desks with a computer. Each monitor sat on a swivel, much like a lazy Susan. In the Beaufort store, the computer would have two mice, one facing the agent and another facing the customer.

7. When a customer would come into the agency, the agent would speak with the customer and gather information about the customer's vehicles, household, etc. Relying on the information provided by the customer, the agent would prepare a quote for coverage.

8. If the customer agreed with the quoted price, then the agent and the customer would begin the application process. The agent would take information provided by the customer and input that information into the computer system.

9. Once the information is complete, a DocuSign envelope with the full insurance application and accompanying documents is emailed. When the customer is remote, the DocuSign envelope is emailed to the customer. When the customer is in person – as was the case here – the DocuSign envelope is emailed to the agent.

10. In this case, the DocuSign envelope was emailed to Richel Smith – an agent at the Beaufort agency – to her First Acceptance email address.

11. Richel Smith would open the DocuSign Envelope and then turn the monitor around to face Carlos Morazan. Using the customer's computer mouse, Carlos Morazan was prompted to select a font for his electronic signature and then prompted by DocuSign through each and every signature line in the application.

12. During the process, Carlos Morazan could scroll up and down. If at any point in the process Carlos Morazan saw any errors in the application, he could notify the agent to have the issues corrected.

13. Carlos Morazan electronically signed each required signature by clicking the mouse at each appropriate signature space.

14. Once Carlos Morazan completed the signature process, DocuSign sent the envelope to Richel Smith's email address for her to apply her countersignature. Richel Smith's signature

stated, “I certify that all information contained herein is correct to the best of my knowledge, that this form was complete and then signed by the applicant in my presence, that completed copy has been given to the applicant, and that I have retained a duplicate signed copy.”

15. In addition to Richel Smtih’s signature confirming that Carlos Morazan signed the application in her presence, First Acceptance obtained a copy of Carlos Morazan’s license, confirming that he was the person who was signing the application.

16. When all signatures have been properly obtained, DocuSign creates a Certificate of Completion. The Certificate of Completion is only created if the signature process is properly completed.

17. The application submitted as an exhibit at trial includes the DocuSign Certificate of Completion, confirming that all signatures were completed. The DocuSign Envelope also contains a unique Envelope ID, which is stamped at the top of each page that made up part of the DocuSign Envelope, i.e. the application.

18. The first page of the application signed by Carlos Morazan identified three individuals under “Driver Information,” including Carlos Morazan, Kevin,⁴ and Joseline Velasquez.

19. The “Driver Information” listed Kevin’s “Driver’s License” status as “Excluded.”

20. At all points throughout the application, Kevin’s day and month of birth are correct, but the year of birth is incorrect.

21. All information in the application comes from the applicant.

⁴ The application listed Kevin’s full name.

22. First Acceptance did not have access to a database in 2016 that would have revealed Kevin as a member of Carlos Morazan's household. Therefore, the only source of information about Kevin would have been Carlos Morazan.

23. The application includes a section titled: "UNDERWRITING QUESTIONS-MUST BE COMPLETED." This section includes the question: "Have all members of household 14 years and older been disclosed on this application? If no, please explain." Carlos Morazan responded "Yes."

24. The application also includes a section titled: "APPLICANT'S STATEMENT-READ BEFORE SIGNING." As part of this section, Carlos Morazan stated, "I also certify that all persons age 14 or over who live with me have been reported to the Company."

25. The DocuSign Envelope also included the initial declarations page for Policy CSSC000095310. The declarations page listed "Endorsements made part of this policy at time of issue," which included "NAMED DRIVER EXCLUSION" form number SCC-102.

26. As part of the DocuSign Envelope, Carlos Morazan signed a Named Driver Exclusion form identified by Form Number SCC-307 ed. May 2010.

27. Form SCC-307 ed. May 2010 was approved by the Director of the Department of Insurance or his designee.

28. The Named Driver Exclusion form stated, in part:

In consideration of the premium charged, I, the named insured on my insurance policy, hereby authorize the person(s) listed below to be excluded from my insurance policy. This means that the Company shall not be liable for damages, losses or claims arising out of the operation or use of the automobile described in the policy or any other automobile to which the terms of the policy are extended, whether or not such operation or use was with the express or implied permission of its owner, while said automobile is being driven or operated by the following named person(s). This exclusion includes any claim for damages made against you, a family member

or any other person or organization that is vicariously liable for an accident or loss arising out of the operation of your covered auto or non-owned auto by the excluded driver.

29. The Named Driver Exclusion form identified Kevin as the excluded driver. As with the other portions of the application, the Named Driver Exclusion form lists the correct day and month of Kevin's birth, but the incorrect year. The Named Driver Exclusion describes Kevin as an "Employee."

30. The Kevin listed on the Named Driver Exclusion form is Carlos Morazan's son, who was driving the subject vehicle at the time of the accident.⁵

31. Even if Carlos Morazan had provided the correct year of birth for Kevin, the Policy would have included the Named Driver Exclusion.

32. In the Named Driver Exclusion form, there is an "X" place beside the statement: "An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded."

33. The Named Driver Exclusion form also includes the following declaration: "I further declare that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or (2) an appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded."

34. Carlos Morazan electronically signed the Named Driver Exclusion on February 26, 2016, as part of the DocuSign Envelope.

35. The declarations page in effect on the date of the accident listed a 2004 Ford Expedition with VIN ending in 9832. The declarations page listed Kevin as one of the individuals

⁵ No party presented evidence that Carlos Morazan knew any other Kevin with the same last name or the same day and month of birth.

under “Driver Information” and listed his status as “Excluded.” The declarations page also identified Form SCC-102 NAMED DRIVER EXCLUSION as being one of the endorsements making up the policy. The declarations page does not show any comprehensive or collision coverage in effect for the 2004 Ford.

36. Pursuant to the terms of the Policy, the insurance “contract includes the **Declarations Page**, Endorsements, the **Application**, the Personal Auto Policy, and all attachments.” Thus, the Named Driver Exclusion form signed as part of the insurance application was part of the subject insurance contract.

37. The Policy also states: “This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the **application** for this insurance.”

38. Form SCC-102 NAMED DRIVER EXCLUSION ENDORSEMENT provides:

Notwithstanding any other provision of the agreement and in consideration of the premium charged for this policy, it is agreed that no coverage is afforded for any claim or **loss** arising from an **accident** when the **insured auto**, or any other **auto** to which the terms of this policy apply is being driven, operated, or under the control of, either with or without the express or implied permission of the **named insured** or **owner**, by those persons specifically listed by **you** on **your** application or as named by **you** on a subsequent policy endorsement as an excluded driver. This includes any claim for damages made against **you**, a **relative**, or any other person or organization that is vicariously liable for an **accident** arising out of the operation of a motorized vehicle by the excluded driver.

This endorsement applies to any continuation, renewal, replacement, or reinstatement of this policy unless changed by **you** in writing.

No Uninsured Motorist Coverage or Underinsured Motorist Coverage will be provided under this policy to anyone while the **insured auto** or any other **auto** to which the terms of this policy are extended is being driven or operated by the excluded driver(s).

All other terms and provisions of this policy remain unchanged.

39. Between the date of the application and the date of the accident, Carlos Morazan did not contact First Acceptance in writing to request that the Named Driver Exclusion be removed from the Policy.

40. On September 25, 2018, Kevin drove the 2004 Ford Expedition with Jayvon as a front seat passenger when a single vehicle accident occurred.

41. As a result, Tamasha Floyd, individually and as guardian ad litem for Jayvon, filed suit against Harry Brown as the Special Administrator for the Estate of Kevin and against Elsa Ferro. Floyd did not file suit against Carlos Morazan.

CONCLUSIONS OF LAW

There was no dispute at trial that the Policy as written excludes coverage for any claims arising out of Kevin's operation of any vehicle. Rather, the parties disputed whether this exclusion is enforceable under South Carolina law. For the reasons set forth below, the Court finds the exclusion is enforceable and that it applies under the facts of this case.

In general, South Carolina law requires that every policy of automobile insurance define "insured" to include:

the named insured and, while resident of the same household, the spouse of any named insured and relatives of either . . . and any other person who uses with the consent, expressed or implied, of the named insured the motor vehicle to which the policy applies and a guest in the motor vehicle to which the policy applies . . .

S.C. Code § 38-77-30(7). Thus, any resident relative of a household, regardless of age or license status, qualifies as a statutory insured.

Recognizing the difficulties that the broad statutory definition of insured can create for persons seeking affordable insurance, the General Assembly chose to codify the insurance company's and the insured's rights to agree to exclude a named individual. S.C. Code § 38-77-

340. The named driver statute protects the parties' freedom of contract rights to choose to exclude coverage when certain persons operate a vehicle. The statute provides:

Notwithstanding the definition of "insured" in Section 38-77-30, the insurer and any named insured must, by the terms of a written amendatory endorsement, the form of which has been approved by the director or his designee, agree that coverage under such a policy of liability insurance shall not apply while the motor vehicle is being operated by a natural person designated by name. The agreement, when signed by the named insured, is binding upon every insured to whom the policy applies and any substitution or renewal of it. However, no natural person may be excluded unless the named insured declares in the agreement that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles or (2) an appropriate policy of liability insurance or other security as may be authorized by law has been properly executed in the name of the person to be excluded.

S.C. Code § 38-77-340.

South Carolina's appellate courts have repeatedly held that the statutory named driver exclusion applies to all coverage under an automobile insurance policy, including minimum limits liability and uninsured motorist coverage and optional underinsured coverage. *See Lincoln General Ins. Co. v. Progressive Northern Ins. Co.*, 406 S.C. 534, 753 S.E.2d 437 (Ct. App. 2013) ("The MVFRA does not permit recovery of minimum limits liability coverage on a motor vehicle liability policy when a person named in a policy provision pursuant to section 38-77-140 is operating the motor vehicle and the requirements of the statute are satisfied because the policy 'shall not apply' under those circumstances."); *Nationwide Ins. Co. v. Knight*, 433 S.C. 371, 380-81, 858 S.E.2d 633, 637-38 (2021) (holding named driver exclusion valid and that claimant could not recover UIM); *United Services Auto. Ass'n v. Pickens*, 434 S.C. 60, 62, 862 S.E.2d 442, 443 (2021) ("This case requires us to determine whether Section 38-77-340 of the South Carolina Code permits a named driver exclusion that precludes uninsured motorist (UM) coverage to a passenger injured in an accident involving an unknown driver. We hold that it does"). Thus, so long as the

statutory requirements are satisfied, the exclusion is enforceable as to all coverage under the Policy.

I. First Acceptance has met its burden of proving that each element of § 38-77-340 has been satisfied.

As Judge Quattlebaum has observed, “the relevant language of section 38-77-340 is clear and unambiguous.” *Thao v. Nationwide Affinity Ins. Co. of Am.*, 2018 WL 2971784, *3 (D.S.C. June 13, 2018). The requirements set forth in the statute are straightforward. The exclusion applies so long as:

- (a) the form is approved by the director of the Department of Insurance or his designee;
- (b) the form names a “natural person” person designated by name;
- (c) the form is signed by the named insured;
- (d) the insured has not had the exclusion removed from the policy; and
- (e) “the named insured declares in the agreement that (1) the driver’s license of the excluded person has been turned in to the Department of Motor Vehicles or (2) an appropriate policy of liability insurance or other security as may be authorized by law has been properly executed in the name of the person to be excluded.”

S.C. Code § 38-77-340.

A. The Named Driver Exclusion Form was approved by the Department of Insurance.

As noted above, the parties stipulated to this fact on the record. Therefore, the first element of the statute is satisfied.

B. The Named Driver Exclusion Form names Kevin, a “natural person.”

The Named Driver Exclusion form names Kevin as the excluded driver. Black’s Law Dictionary defines a “natural person” as simply “a human being.” PERSON, Black’s Law Dictionary (11th ed. 2019). It is undisputed that Kevin was a human being. Therefore, this element is satisfied.

C. The Named Driver Exclusion Form was signed by Carlos Morazan.

This element is a factual matter. Joe Schlehta testified regarding the process for securing signatures via DocuSign. He testified that First Acceptance had a separate computer mouse for the customer to use to apply his or her signatures to the application and that the computer monitors sat on swivels so they could be turned to face the customer for signatures. He further testified that DocuSign walked the applicant from signature to signature, that the applicant could select his or her specific font to apply to the signatures. Also, DocuSign does not create a Certificate of Completion unless all signatures are obtained. Furthermore, the Court received into evidence the Certificate of Completion. The Court also received into evidence First Acceptance's copy of Carlos Morazan's license, confirming that he was in fact the person who went into the agency to apply for coverage.

The application admitted into evidence without objection was also countersigned by the agent. The countersignature confirmed that Carlos Morazan signed the application in her presence.

The Defendants did not present any evidence to contradict either the exhibits or Mr. Schlehta's testimony. Therefore, the Court finds that Carlos Morazan signed the Named Driver Exclusion form.⁶

D. First Acceptance never received a request to remove the Named Driver Exclusion.

Again, this element is a factual matter. Joe Schlehta testified that he reviewed First Acceptance's records, and First Acceptance did not have any record of receiving a written request to remove the Named Driver Exclusion. First Acceptance also submitted a copy of the insurance policy that was in place on the date of loss. The declarations page lists Kevin as an excluded driver

⁶ As noted above, this fact was admitted via Ferro's failure to respond to Requests for Admission. However, First Acceptance proved by a preponderance of the evidence via Joe Schlehta's testimony and its exhibits that Carlos Morazan did in fact sign the application.

and listed the excluded driver form as one of the Policy's forms. Defendants did not present any evidence to contradict these facts. Therefore, the Court finds that Carlos Morazan never requested to remove the Named Driver Exclusion.

E. Carlos Morazan declared in the Named Driver Exclusion that Kevin had other insurance.

Once again, this is a factual matter. The statute requires that the named insured "declare" in the Named Driver Exclusion endorsement that either the excluded driver has turned in his license to the Department of Motor Vehicles or has other applicable insurance. The Named Driver Exclusion endorsement signed by Carlos Morazan includes an "X" beside the statement: "An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded." This plainly satisfies the statutory requirement. Moreover, further down on the Named Driver Exclusion endorsement, it states: "I declare that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or (2) an appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded." This language mirrors the statutory language in § 38-77-340.

Therefore, each and every element of § 38-77-340 is satisfied.

II. The legal arguments of Defendants are unavailing.

Defendants primarily argue that an insurer and a named insured cannot agree to exclude a person who is fourteen years old because he cannot obtain insurance and he cannot have turned a license in to the Department of Motor Vehicles. At trial, counsel for defendants argued that the statute does not contemplate excluding a person who cannot legally drive. However, the Court is compelled to apply the plain language of the statute.

As an initial matter, the argument that the statute does not contemplate excluding a person who cannot legally drive fails because one of the options for the named driver exclusion is for the named insured to declare that the excluded driver has turned in his or her license to the DMV. If a person has no license, they cannot drive. Thus, this argument does not comport with the language of the statute.

Alternatively, defendants argue that a fourteen-year-old cannot obtain insurance.⁷ However, defendants' argument ignores South Carolina's insurance statutes. As discussed above, South Carolina's insurance statutes define "insured" to include the named insured, a resident spouse, and resident relatives of either. S.C. Code § 38-77-30(7). Thus, any automobile insurance policy issued to a household resident relative of Kevin would include him as a statutory insured, regardless of Kevin's age, whether he had a license, or whether he had permission to operate the vehicle. It is completely plausible – and routine – that another household member would have a separate policy insuring Kevin.⁸

More importantly, it is not this Court's role to evaluate public policy. *See Knight*, 433 S.C. at 376, 858 S.E.2d at 635 ("To be clear, however, this Court has no authority to invalidate an automobile insurance policy provision simply because we believe it is inconsistent with our own notion of 'public policy'"). Rather, "[w]hen an insured challenges a policy provision on the ground the provision violates public policy, the Court's authority is limited to determining whether the policy provision violates a statute." *Id.* The named driver exclusion statute merely requires that the

⁷ As an initial matter, defendants did not present any testimony to that effect. They did not present an expert in the insurance industry or anyone else to testify whether such coverage is commercially available.

⁸ This statutory definition of insured is the reason that the named driver exclusion statute begins with the statement, "Notwithstanding the definition of 'insured' in Section 38-77-30 . . ." S.C. Code § 38-77-340.

named insured “declare” that the excluded driver has other insurance or has turned in his license. The Named Driver Exclusion form plainly includes that declaration here.

Courts interpreting § 38-77-340 have repeatedly held that the insurer is not required to confirm the veracity of the named insured’s declaration. In *Thao*, the named insured’s wife caused an accident while taking her driver’s examination. When he took out the policy, the named insured chose to exclude his wife and stated in the exclusion that his wife had turned her license in to the DMV. 2018 WL 2971784, *1. After the accident, the named insured and his wife argued that the agent knew that the wife had never had a license and, therefore, could never have turned her license in to the DMV. *Id.* at *3.

Judge Quattlebaum began his analysis with the rule that “it is axiomatic that statutory interpretation begins (and often ends) with the text of the statute in question.” *Id.* (quoting *Smith v. Tiffany*, 419 S.C. 548, 799 S.E.2d 479, 483 (2017)). “The text of a statute as drafted by the legislature is considered the best evidence of the legislative intent or will.” *Transportation Ins. Co. v. S.C. Second Injury Fund*, 389 S.C. 422, 699 S.E.2d 687, 690 (2010) (citation omitted). Finding the language of § 38-77-340 clear and unambiguous, Judge Quattlebaum held that “the named driver exclusion is enforceable so long as the named insured makes the declaration.” *Thao*, 2018 WL 2971784, *3. The truth or accuracy of the insured’s declaration is not relevant under a plain application of the statute.

This Court agrees that the language of the statute is clear and unambiguous. By its plain terms, the statute only requires that the named insured make the appropriate declaration. In this case, the Named Driver Exclusion includes the appropriate declaration. This alone is sufficient to end the Court’s analysis.

When the statutory language is clear, the Court need not resort to reviewing the statutory history. However, in this case, the statutory history confirms the Court's conclusions. In 2005, the General Assembly amended the named driver exclusion statute to the version that applies today. That amendment included two changes that are significant in this present case. First, prior to 2005, the statute required the agent (not the insured) to contact the state highway department and obtain an affidavit confirming that either the excluded person's license had been turned in or the excluded person had other insurance. Second, the prior version of the statute did not have the declaration requirement. Thus, under the pre-2005 version of the statute, the enforceability of the named driver exclusion depended on whether in fact the excluded person had a license and did not have other insurance.

The 2005 amendment shifted the burden to the named insured. Instead of requiring as a factual matter that the excluded driver have other insurance or turned in his license, the 2005 amendment simply required that the named insured "declare" this fact. Second, the 2005 amendment removed the agent's obligation to approach the highway department to confirm whether the excluded driver had actually turned in his license or obtained other insurance. In other words, the General Assembly "determined that enforceability of the exclusion was based on the content of the declaration rather than the truth of the content of the declaration." *Thao*, 2018 WL 2971784, *4. *See also United Fin. Cas. Co. v. Bostic*, 782 F. Supp. 2d 179 (D.S.C. 2011) (holding insurer did not have an obligation to confirm named insured's statement that excluded driver had other insurance).

As stated above, the language of the statute is clear and unambiguous. The Court finds that each element of § 38-77-340 has been satisfied and that the Named Driver Exclusion is valid and enforceable. Moreover, if the statute were in any way unclear, the legislative history makes plain

that the statute is satisfied so long as the named insured makes the required declaration in the Named Driver Exclusion endorsement – which he did here. Therefore, the Court finds that the exclusion applies according to its plain terms.

WHEREFORE, it is ORDERED, ADJUDGED, and DECREED that:

- 1) The First Acceptance Policy named Kevin as an excluded driver;
- 2) The Named Driver Exclusion endorsement satisfied every requirement of South Carolina Code § 38-77-340;
- 3) Pursuant to the terms of the Named Driver Exclusion endorsement and South Carolina Code § 38-77-340, coverage “shall not apply” while any vehicle was operated by Kevin;
- 4) At the time of the September 25, 2018 accident, Kevin was driving the vehicle;
- 5) The First Acceptance Policy provides no coverage for any claims arising out of the September 25, 2018 accident, and First Acceptance has no duty to defend, indemnify, or make any payments whatsoever for any claims arising out of the above-referenced accident.

IT IS SO ORDERED.



Beaufort Common Pleas

Case Caption: First Acceptance Insurance Company Inc VS Tamasha F Floyd,
Individually And As Gal For Jayvon G., A Minor , defendant, et al
Case Number: 2020CP0701692
Type: Order/Other

So Ordered

Jocelyn Newman

FORM 4

STATE OF SOUTH CAROLINA
COUNTY OF Beaufort
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE

CASE NO. 2020CP0701692

First Acceptance Insurance Company Inc
PLAINTIFF(S)

Tamasha F Floyd, Individually And As Gal For Jayvon G., A Minor et al
DEFENDANT(S)

DISPOSITION TYPE (CHECK ONE)

- ☐ **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.
- ☒ **DECISION BY THE COURT.** This action came to trial or hearing before the court. The issues have been tried or heard and a decision rendered.
- ☐ **ACTION DISMISSED** (*CHECK REASON*): ☐ Rule 12(b), SCRPC; ☐ Rule 41(a), SCRPC (Vol. Nonsuit); ☐ Rule 43(k), SCRPC (Settled);
☐ Other
- ☐ **ACTION STRICKEN** (*CHECK REASON*): ☐ Rule 40(j), SCRPC; ☐ Bankruptcy;
☐ Binding arbitration, subject to right to restore to confirm, vacate or modify arbitration award;
☐ Other
- ☐ **STAYED DUE TO BANKRUPTCY**
- ☐ **DISPOSITION OF APPEAL TO THE CIRCUIT COURT** (*CHECK APPLICABLE BOX*):
☐ Affirmed; ☐ Reversed; ☐ Remanded;
☐ Other

NOTE: ATTORNEYS ARE RESPONSIBLE FOR NOTIFYING LOWER COURT, TRIBUNAL, OR ADMINISTRATIVE AGENCY OF THE CIRCUIT COURT RULING IN THIS APPEAL.

IT IS ORDERED AND ADJUDGED: ☐ See attached order (formal order to follow) ☒ Statement of Judgment by the Court:

On September 5, 2023, this case was tried before the Court without a jury as agreed by the parties. Court finds in favor of Plaintiff. Plaintiff's counsel shall prepare proposed Order for the Court pursuant to Rule 52, SCRPC.

ORDER INFORMATION

This order ☒ ends ☐ does not end the case.

☐ See Page 2 for additional information.

For Clerk of Court Office Use Only

This judgment was electronically entered by the Clerk of Court as reflected on the Electronic Time Stamp, and a copy mailed first class to any party not proceeding in the Electronic Filing System on 09/06/2023 .

NAMES OF TRADITIONAL FILERS SERVED BY MAIL

Court Reporter:

E-Filing Note: The date of Entry of Judgment is the same date as reflected on the Electronic File Stamp and the clerk's entering of the date of judgment above is not required in those counties. The clerk will mail a copy of the judgment to parties who are not E-Filers or who are appearing pro se. See Rule 77(d), SCRCP.



Beaufort Common Pleas

Case Caption: First Acceptance Insurance Company Inc VS Tamasha F Floyd,
Individually And As Gal For Jayvon G., A Minor , defendant, et al
Case Number: 2020CP0701692
Type: Order/Electronic Form 4

So Ordered

Jocelyn Newman

STATE OF SOUTH CAROLINA

IN THE COURT OF COMMON PLEAS

COUNTY OF BEAUFORT

CIVIL ACTION NO:

**FIRST ACCEPTANCE INSURANCE
COMPANY, INC.,**

Plaintiff,

SUMMONS

vs.

**TAMASHA FLOYD, INDIVIDUALLY
AND AS GUARDIAN AD LITEM OF
JAYVON G, A MINOR UNDER THE AGE
OF EIGHTEEN (18) YEARS OF AGE;
HARRY BROWN AS SPECIAL
ADMINISTRATOR OF THE ESTATE OF
KEVIN M.; ELSA VALASQUEZ FERRO;
GERALD WASHINGTON; AND
VINCENT WILLIAMS,**

Defendant.

TO: THE DEFENDANTS ABOVE-NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is hereby served upon you, and to serve a copy of your Answer to the said Complaint upon the subscribers at 4406-B Forest Drive, Post Office Box 6648, Columbia, South Carolina 29260 within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, Plaintiff(s) will apply to the Court for the relief demanded in the Complaint and judgment by default will be rendered against you for the relief demanded in the Complaint.

This the 25th day of August, 2020, in Columbia, South Carolina.

MURPHY & GRANTLAND, P.A.

s/ Wesley B. Sawyer

Wesley B. Sawyer, Esquire

(Bar No.: 100229)
Murphy & Grantland, P.A.
P.O. Box 6648
Columbia, South Carolina 29260
(803) 782-4100
Wsawyer@murphygrantland.com
Attorneys for First Acceptance Insurance
Company, Inc.

Columbia, South Carolina
August 25, 2020

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

IN THE COURT OF COMMON PLEAS
CIVIL ACTION NO.

**FIRST ACCEPTANCE INSURANCE
COMPANY, INC.,**

Plaintiff,

vs.

**TAMASHA FLOYD, INDIVIDUALLY
AND AS GUARDIAN AD LITEM OF
JAYVON G, A MINOR UNDER THE AGE
OF EIGHTEEN (18) YEARS OF AGE;
HARRY BROWN AS SPECIAL
ADMINISTRATOR OF THE ESTATE OF
KEVIN M.; ELSA VALASQUEZ FERRO;
GERALD WASHINGTON; AND
VINCENT WILLIAMS**

Defendant.

DECLARATORY JUDGMENT COMPLAINT

Plaintiff, First Acceptance Insurance Company, Inc. (hereinafter "First Acceptance"), by and through its undersigned counsel, seeks declaratory relief to determine the rights of the parties and alleges and shows as follows.

JURISDICTION AND VENUE

1. First Acceptance is a corporation organized and existing under the laws of the State of Texas with its principal place of business in Tennessee. First Acceptance is authorized to transact business and write insurance policies in the State of South Carolina.

2. Upon information, Defendant Tamasha Floyd is a citizen and resident of the State of South Carolina, County of Beaufort.

3. Upon information and belief, Tamasha Floyd is the guardian *at litem* of Defendant Jayvon G., a minor under the age of eighteen (18).

4. Upon information and belief, Defendant Jayvon G. is also a citizen and resident of the State of South Carolina, County of Beaufort.

5. Upon information and belief, Harry Brown has been appointed by the South Carolina Court of Common Pleas, County of Beaufort, as the special administrator for the Estate of Kevin M., who was a minor under the age of eighteen (18) at the time of his death.

6. Upon information and belief, Kevin M. was a citizen and resident of the State of South Carolina, County of Beaufort at the time of his death.

7. Upon information and belief, Defendant Elsa Valasquez Ferro is a citizen and resident of the State of South Carolina, County of Beaufort.

8. Upon information and belief, Defendant Gerald Washington is a citizen and resident of the State of South Carolina, County of Beaufort.

9. Upon information and belief, Defendant Vincent Williams is a citizen and resident of the State of South Carolina, County of Beaufort.

10. This action is brought under the provisions of the Uniform Declaratory Judgment Act, S.C. Code § 15-53-10, et seq. and Rule 57 of the South Carolina Rules of Civil Procedure; there is a real and justiciable controversy between the parties, and by these proceedings Plaintiff asks this court to inquire into and declare the rights and obligations of the parties arising out of the facts set forth below.

11. Venue is proper in this Court because one or more defendants resides in this County.

THE POLICY

12. First Acceptance issued a policy of automobile insurance to Carlos Morazan, policy number 28 CSSC 000095310, with effective dates of August 26, 2018 to February 26, 2019 (hereinafter, "Policy"). A true and accurate copy of the Policy is attached hereto as Exhibit A.

13. The Policy listed two vehicles, including a 2004 Ford Expedition identified by VIN 1FMEU15W64LB19832 with bodily injury liability and uninsured motorist limits of \$25,000 per person and \$50,000 per accident and property damage liability and uninsured motorist limits of \$25,000 per accident.

14. The Policy declarations describe Kevin M.'s driver status as "Excluded."

15. When Carlos Morazan applied for the Policy, he electronically signed Form SCC-307, titled "NAMED DRIVER EXCLUSION." A true and accurate copy of the Named Driver Exclusion form signed by Carlos Morazan is attached as Exhibit B.

16. The Named Driver Exclusion stated, in part:

In consideration of the premium charged, I, the named insured on my insurance policy, hereby authorize the person(s) listed below to be excluded from my insurance policy. This means that the Company shall not be liable for damages, losses or claims arising out of the operation or use of the automobile described in the policy or any other automobile to which the terms of the policy are extended, whether or not such operation or use was with the express or implied permission of its owner, while said automobile is being driven or operated by the following named person(s). This exclusion includes any claim for damages made against you, a family member or any other person or organization that is vicariously liable for an accident or loss arising out of the operation of your covered auto or non-owned auto by the excluded driver(s).

17. The Named Driver Exclusion identified Kevin M. as the person to be excluded.

18. In the Named Driver Exclusion, Carlos Morazan declared "An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded."

19. In the Named Driver Exclusion, Carlos Morazan declared, "I understand that this agreement will be binding and will apply to and remain in effect for this policy term and all future renewals, reinstatements, replacement policies, or any changes in my policy unless I notify First

Acceptance Insurance Company, Inc. in writing to amend the policy. The provisions of this endorsement supersede and excludes from the policy any contrary provision(s).”

20. Between the date of signing the Named Driver Exclusion and the time of the below-described automobile collision, Carlos Morazan never notified First Acceptance in writing of a desire to remove the Named Driver Exclusion from the Policy.

21. The Policy includes Form SCC-102 Named Driver Exclusion, which provides in part:

Notwithstanding any other provision of the agreement and in consideration of the premium charged for this policy, it is agreed that no coverage is afforded for any claim or **loss** arising from an **accident** when the **insured auto**, or any other **auto** to which the terms of this policy apply is being driven, operated, or under the control of, either with or without the express or implied permission of the **named insured** or **owner**, by those persons specifically listed by **you** on **your** application or as named by **you** on a subsequent policy endorsement as an excluded driver. This includes any claim for damages made against **you**, a **relative**, or any other person or organization that is vicariously liable for an **accident** arising out of the operation of a motorized vehicle by the excluded driver.

This endorsement applies to any continuation, renewal, replacement, or reinstatement of this policy unless changed by **you** in writing.

No Uninsured Motorist Coverage or Underinsured Motorist Coverage will be provided under this policy to anyone while the **insured auto** or any other **auto** to which the terms of this policy are extended is being driven or operated by the excluded driver(s).

All other terms and provisions of this policy remain unchanged.

22. Part A: Liability Coverage of the Policy includes the following exclusion:

PART A: LIABILITY COVERAGE

* * *

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS COVERAGE PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part A, including **our** duty to defend, does not apply to:

* * *

27. **Bodily injury** or **property damage** resulting from the use of the **insured auto** by a person or persons specifically excluded by endorsement.

* * *

23. Part C: Uninsured/Underinsured Motorist Coverage of the Policy includes the following exclusion:

**PART C: UNINSURED/UNDERINSURED MOTORIST
COVERAGE**

* * *

However, **Uninsured motor vehicle** does not include any vehicle or equipment:

1. which qualifies as an **insured auto** under this policy.

* * *

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part C is not provided for **property damage** or **bodily injury** sustained by any person:

* * *

10. Resulting from the use of the **insured auto** by a person or persons specifically excluded by endorsement.

* * *

THE UNDERLYING COLLISION

24. First Acceptance repeats and realleges the allegations above as if set forth verbatim below.

25. On May 14, 2020, Defendant Floyd filed a Summons and Complaint in the South Carolina Court of Common Pleas, Beaufort County, captioned: **Tamasha Floyd, Individually and as Next Friend and Guardian ad Litem of Jayvon G, a minor under the age of sixteen (16) years**

vs. Harry C. Brown, as Special Administrator of Kevin M, and Elsa Yoseli Valasquez Ferro,
Civil Action No. 2020-CP-07-01075 (hereinafter “Underlying Complaint”).

26. The Underlying Complaint alleges that on September 25, 2018, Kevin M. was operating the 2004 Ford listed on the Policy with Jayvon G. as a passenger when Kevin M. lost control of the vehicle, causing a single car collision that resulted in injury to Jayvon G.

27. The Underlying Complaint alleges Defendant Ferro authorized Kevin M. to operate the vehicle, which Defendant Ferro denies.

28. At the time of the single car collision, Defendants Gerald Washington and Vincent Williams were passengers in the 2004 Ford.

29. Upon information and belief, Defendants Washington, Williams, and Floyd have or will make claims against Kevin M. and/or Defendant Ferro for injuries allegedly resulting from the single car collision.

30. Upon information and belief, Defendant Ferro has tendered the Underlying Complaint to First Acceptance to provide a defense, and First Acceptance is currently defending under a reservation of rights.

31. At the time of the single car collision, Kevin M. was operating the 2004 Ford.

FOR A FIRST DECLARATION

32. First Acceptance repeats and realleges the paragraphs above as if set forth verbatim below.

33. Carlos Morazan, the named insured on the Policy, executed the Named Driver Exclusion.

34. The Named Driver Exclusion was approved by the director of the South Carolina Department of Insurance or his designee.

35. In the Named Driver Exclusion, Carlos Morazan designated Kevin M. by name as the natural person to be executed.

36. In the Named Driver Exclusion, Carlos Morazan declared that “An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded.”

37. At the time of the above-referenced single car collision, Kevin M. was an excluded driver under the Policy.

38. At the time of the above-referenced single-car collision, Kevin M. was operating the 2004 Ford.

39. Therefore, First Acceptance is entitled to a declaration that coverage under the Policy issued by First Acceptance was not in effect at the time of the single car collision, and First Acceptance has no duty to defend, indemnify, or make any payments whatsoever for any claims arising out of the above-referenced single car collision.

WHEREFORE, First Acceptance prays that the Court inquire into these matters and declare that the Policy provides no coverage for any claims arising out of the above-referenced single car collision and that First Acceptance has no duty to defend, indemnify, or make any payments whatsoever for any claims arising out of the above-referenced single car collision, together with such other and further relief as the Court may deem proper.

MURPHY & GRANTLAND, P.A.

s/Wesley B. Sawyer

Wesley B. Sawyer, Esquire (S.C. Bar. # 100229)
4406-B Forest Drive
Post Office Box 6648
Columbia, South Carolina 29260
(803) 782-4100
(803) 782-4140 (facsimile)

Email: wsawyer@murphygrantland.com
***Attorneys for Plaintiff First Acceptance Insurance
Company, Inc.***

Columbia, South Carolina
August 25, 2020

EXHIBIT A



PO Box 23410
Nashville, TN 37202

FIRST ACCEPTANCE INS. CO, INC.

DECLARATION PAGE

Policy No: 28 CSSC000095310 Account No: 004924710
Amended Effective: August 26, 2018 Time: Per Application
Policy Period: From August 26, 2018 Time: Per Application To: February 26, 2019
Customer Service: 1-800-321-0899
Se Habla Español: 1-888-922-7767

008395_C_010350000005115_8239

Agent:



CARLOS MORAZAN
1602 CHARLESTON DR
BEAUFORT SC 29906-9710

ADRIENNE FERGUSON
608 N HWY 52 STE D
MONCKS CORNER SC 29461
D0E0C-90583-21701-180C8-S0S3C-20909



VEHICLE INFORMATION						
Unit	Description	Vehicle Identification Number (VIN)	Symbol	Class	Points	Deductible Comp/Collision
1	2006 DODGE	1D7HA18N56J158168	01	FM36	00	
4	2004 FORD EXPED	1FMEU15W64LB19832	38	MM37	00	

LIENHOLDER INFORMATION		
If we issue payment to the insured for comprehensive or collision insurance, we pay the insured and the following lienholder/additional interest.		
Unit	Interest Name	Interest Address

COVERAGES AND PREMIUMS BY VEHICLE								
*If purchased, the comprehensive/collision deductible selected for each vehicle is listed in the "Vehicle Information" section.								
Coverage	Limits of Liability	Deductible*	Veh 1 Prem	Veh 2 Prem	Veh 3 Prem	Veh 4 Prem	Veh 5 Prem	Veh 6 Prem
Bodily Injury	25,000 per person 50,000 per accident		207	206				
Property Damage	25,000 per accident		128	130				
Uninsured Motorist PD	25,000 per accident	200 deductible	25	23				
Unin. Motorist BI - S	25,000 per person Stacked 50,000 per accident		50.00	38.00				
Uninsured Motorist Fee			1	1				
Total Premium for VEH			411.00	398.00				

(*BACK*)

ELECTRONICALLY FILED - 2020 Aug 25 11:35 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0701692

DRIVER INFORMATION							
Driver #	Name	Date of Birth	Gender	M/S	DL State	DL Status	Driver Status
1	CARLOS MORAZAN	05/02/1974	M	M	SC		Active
2	KEVIN MORAZAN	09/06/1993	M	M	SC		Excluded
3	JOSELINE VELASQUEZ	09/12/1982	F	M	IT		Active
4	JORGE MORAZAN	12/09/1981	M	M	SC		Active

PREMIUM SUMMARY

TOTAL PREMIUM: [\$809.00] OTHER FEE: [\$.00]
 POLICY FEE: [\$.00] TOTAL CHARGES: [\$809.00]

*A FEE OF [\$10.00] IS CHARGED FOR EACH INSTALLMENT

ENDORSEMENT CHANGES	
Endorsement Changes	Effective Date

ENDORSEMENTS MADE PART OF THIS POLICY AT THE TIME OF ISSUE

SCC-100 PERSONAL AUTO POLICY SCC-100 PERSONAL AUTO POLICY SCC-102 NAMED DRIVER EXCLUSION
 SCC-102 NAMED DRIVER EXCLUSION

Note: if you fail to receive any of the above policy forms or endorsements or for additional copies,
 please contact: Acceptance Auto Insurance, P.O Box 150769, Nashville, TN 37215



FIRST ACCEPTANCE INSURANCE COMPANY, INC.
SOUTH CAROLINA PERSONAL AUTO POLICY

IMPORTANT

Please read your South Carolina Personal Auto Policy carefully as it contains language which may restrict or exclude coverage.

WARNING

South Carolina Law provides that any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

Material misrepresentations may prevent recovery of benefits under this policy. Misrepresentations could include failure to disclose on the application operators of any vehicle, or accurate driving records of the drivers.

3813 Green Hills Village Drive
Nashville, TN 37215

In the event of an accident please call Claims: 1-800-779-2103
PLEASE REPORT ALL ACCIDENTS IMMEDIATELY REGARDLESS OF FAULT
All other inquiries call Customer Service: 1-800-321-0899

**YOUR PERSONAL AUTO POLICY
QUICK REFERENCE**

	Beginning on Page
Agreement	1
Definitions	1
Duties	4
Your Duties In Case Of An Accident Or Loss	
Additional Duties For Part C – Uninsured/Underinsured Motorist Coverage	
Additional Duties For Part D – Damage To The Insured Auto	
PART A Liability Coverage	6
Insuring Agreement	
Definitions – (Part A Only)	
Supplementary Payments	
Exclusions	
Limit Of Liability	
Out Of State Coverage	
Conformity With State Financial Responsibility Laws	
Other Insurance	
PART B Medical Payments Coverage	11
Insuring Agreement	
Definitions – (Part B Only)	
Exclusions	
Limit of Liability	
Other Insurance	
PART C Uninsured and Underinsured Motorist Coverage	14
Insuring Agreement	
Definitions – (Part C Only)	
Exclusions	
Limit Of Liability	
Proof Of Claim	
Other Insurance	
PART D Coverage For Damage To Your Vehicle	19
Insuring Agreement	
Definitions – (Part D Only)	
Towing And Storage Charges	
Transportation Expenses	
Exclusions	
Limit Of Liability	
Proof Of Loss	
Payment Of Loss	
No Benefit to Bailee	
Other Insurance	
Appraisal	

**YOUR PERSONAL AUTO POLICY
QUICK REFERENCE (continued)**

Beginning on Page

PART E General Policy Provisions

25

Bankruptcy
Joint And Individual Interests
Changes
Legal Action Against Us
Our Right To Recover
Policy Period And Territory
Termination, Cancellation, Insufficient Funds, Nonrenewal, Other Termination Provisions
Transfer Of Your Interest In This Policy
Limitations On Agent Authority
Misrepresentation And Fraud
Two Or More Autos Insured
Conformity To State Statutes
Company Signature

ENDORSEMENT FORMS SECTION

30

Loss Payable Clause
Named Driver Exclusion
Additional Insured – Lessor
Named Non-Owner Coverage
Custom and Special Equipment Coverage
Towing And Labor Costs Coverage
Rental Reimbursement Coverage

IMPORTANT NOTICE

IN ADDITION TO THE INSURANCE COVERAGE REQUIRED BY LAW TO PROTECT YOU AGAINST A LOSS CAUSED BY AN UNINSURED MOTORIST, IF YOU HAVE PURCHASED LIABILITY INSURANCE COVERAGE THAT IS HIGHER THAN THAT REQUIRED BY LAW TO PROTECT YOU AGAINST LIABILITY ARISING OUT OF THE OWNERSHIP, MAINTENANCE, OR USE OF THE MOTOR VEHICLES COVERED BY THIS POLICY, AND YOU HAVE NOT ALREADY PURCHASED UNINSURED MOTORIST INSURANCE COVERAGE EQUAL TO YOUR LIABILITY INSURANCE COVERAGE:

- (1) YOUR UNINSURED AND UNDERINSURED MOTORIST INSURANCE COVERAGE HAS INCREASED TO THE LIMITS OF YOUR LIABILITY COVERAGE AND THIS INCREASE WILL COST YOU AN EXTRA PREMIUM CHARGE; AND**
- (2) YOUR TOTAL PREMIUM CHARGE FOR YOUR MOTOR VEHICLE INSURANCE COVERAGE WILL INCREASE IF YOU DO NOT NOTIFY YOUR AGENT OR INSURER OF YOUR DESIRE TO REDUCE COVERAGE WITHIN TWENTY DAYS OF THE MAILING OF THE POLICY OR THE PREMIUM NOTICE, AS THE CASE MAY BE;**
- (3) IF THIS IS A NEW POLICY AND YOU HAVE ALREADY SIGNED A WRITTEN REJECTION OF SUCH HIGHER LIMITS IN CONNECTION WITH IT, PARAGRAPHS (1) AND (2) OF THIS NOTICE DO NOT APPLY.”**

PERSONAL AUTOMOBILE POLICY

AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the **application** for this insurance. The terms of this policy impose obligations on all persons defined as an **insured**. The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as **you**, shall be binding upon all other persons.

This contract includes the **Declarations Page**, Endorsements, the **Application**, the Personal Auto Policy, and all attachments. In return for premium payment and subject to all the terms of this policy, **we** agree with **you** as follows:

DEFINITIONS USED THROUGHOUT THIS POLICY

Unless defined differently elsewhere in this policy, the words and phrases listed below have the following meanings throughout the policy and will appear in bold print:

1. **Accident** or **accidental** means a sudden, unexpected, and unintended event causing **bodily injury** or **property damage**, arising out of the operation, ownership, maintenance, or use of an **auto**. All **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **accident**.
2. **Actual cash value** means market value at the time of the **loss** based upon **vehicle** mileage, age, condition, original optional equipment, and comparable **vehicles** available for sale within a reasonable geographic radius as documented in an electronic database of publications and dealerships, less **depreciation** and/or **betterment**.
3. **Additional auto** means an **auto** that **you** become the **owner** of and acquire while the policy is in force that is in addition to all **autos** currently listed on the **Declarations Page**, as long as **we** insure all other **autos owned** by **you**.
 - a. **Additional auto** does not include any **auto** that **you** acquire, purchase or lease with anyone other than a **resident** or **relative**. Coverage does not apply to an additional **auto** registered to a corporation or other business entity.
 - b. The **auto** must be an acceptable risk to **us** under **our** underwriting guidelines to qualify as an **additional auto**.
4. **Application** means the form entitled First Acceptance Insurance Company Automobile Application that contains statements, coverage options, and agreements that form a part of this policy.
5. **Auto** or **automobile** means: a motor vehicle having four load-bearing wheels and which is of a kind required to be registered under the laws of this state relating to motor vehicles designed primarily for operation upon the public streets, roads and highways and driven by power other than muscular power. **Auto** includes a pick up, van or sport utility vehicle with a gross vehicle weight of less than ten-thousand (10,000) pounds exclusive of load that is not used in business. **Auto** does not include motorcycles, midget cars, golf carts, tractors, farm machinery, any vehicle operating on crawlers or treads, or any vehicle used as a residence or premises.
6. **Auto business** means the **business** of selling, leasing, repairing, servicing, delivering, testing, road testing, towing, storing, or parking of **vehicles** or **trailers**.

7. **Betterment** means making an item better or adding value.
8. **Bodily injury** means bodily harm, sickness or disease, including death that results therefrom. **Bodily injury** does not include harm, sickness, disease or death arising out of a medically defined communicable disease contracted by any person or the exposure of such a disease by any person to any other person.
9. **Business** means trade, profession, occupation, course of employment, job, or commercial use of any kind, but does not include the use of the **insured auto** to carry tools and supplies between home and a job site.
10. **Declarations Page** means the document **you** receive from **us** listing the types of coverages **you** have selected, the limit for each coverage, the cost for each coverage, deductibles, the specified **autos** covered by this policy, the types of coverages for each such **auto**, the drivers on the policy, and other information applicable to this policy.
11. **Deductible** is that sum which you have elected that is shown on the **Declarations Page** or stated in the policy that will be deducted from the **loss** payment.
12. **Depreciation** means decline of value due to wear and tear or obsolescence.
13. **Diminution in value** means the actual or perceived reduction, if any, in the fair market value of tangible property by reason of the fact that it has been damaged and repaired.
14. **Insured auto** means:
 - a. any **auto** described on the **Declarations Page**.
 - b. any **trailer you own** while it is attached to the **insured auto**. For coverage to be provided under Part D- Coverage for Damage to the Insured Auto of this policy, the **trailer** must be listed on the **Declarations Page** and a premium must be paid.
 - c. a **replacement auto**. For a **replacement auto** to be considered an **insured auto**, **you** must notify **us** within 7 days of the date **you** become the **owner** or take physical possession of the **replacement auto**, whichever comes first. The **replacement auto** will have the same coverage **we** now provide for the **auto** being replaced except for Part D- Coverage for Damage to the Insured Auto. We will only provide Part D coverage effective after **you**:
 - i. ask **us** to do so; and
 - ii. give **us** the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.
 - iii. To qualify as a **replacement auto** under this policy, the **auto** must qualify as an acceptable risk to **us** under **our** underwriting guidelines.
 - d. an **additional auto**. For an **additional auto** to be considered an **insured auto**, **you** must notify **us** within 7 days of the date **you** become the **owner** or take physical possession of the **additional auto**, whichever comes first. The **additional auto** will have the broadest coverage **we** now provide on **your** policy, except for Part D- Coverage for Damage to the Insured Auto. We will only provide Part D coverage effective after **you**:
 - i. ask **us** to do so; and
 - ii. give **us** the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.
 - iii. To qualify as an **additional auto** under this policy, the **auto** must be an acceptable risk to **us** under **our** underwriting guidelines.

- e. a **temporary substitute auto**. A **temporary substitute auto** is provided the same coverage as the **auto** which it temporarily replaces. Temporary is defined as less than 30 days.

An **insured auto** is not an **auto you own** that you rent or lease to others.

15. **Loss** means sudden, direct, and accidental destruction or damage. **Loss** does not include **diminution in value**.
16. **Named insured** means the person(s) who signed the policy application and is identified on the **Declarations Page** by name as the policyholder.
17. **Non-owned auto** means any **auto**, including a **rental vehicle**, that is used by **you** within the scope of the express permission of the **owner** and not **owned** by, furnished to, or available for the regular use of **you**, a **relative**, or a **resident**.
18. **Occupy** or **Occupying** means in, upon, getting into, out of, on or off.
19. **Own, Owned or Owner** means the person:
 - a. holds legal title to the **vehicle**;
 - b. has legal possession of the **vehicle** that is subject to a written security agreement with an
 - i. original term of six (6) months or more; or
 - ii. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous period of six (6) months or more
20. **Premium payment** means the actual receipt of cash funds by **us** regardless of the form of payment.
21. **Property damage** means physical injury to or destruction of tangible property, including loss of use of that property
22. **Racing** means participating in, preparation for, or any use of a **vehicle** or **trailer** in any competition, race, speed, demolition, stunt, demonstration, off-road driving, driver training, high performance driving, driver competition, or timed contest or activity, whether professionally organized or not.
23. **Regular operator** is any person not listed on the **Declarations Page** who operates the **insured auto** on 7 or more occasions during the 90 calendar days preceding either your application for this insurance policy or any accident or loss for which coverage is sought under this policy.
24. **Regular use or frequent use** means operation or use of an **auto** by any person on 7 or more occasions during the 90 calendar days preceding either **your** application for this insurance policy or any accident or **loss** for which coverage is sought under this policy.
25. **Relative** means any person related to **you** by blood, marriage, or adoption, including a ward or foster child, who lives with **you** in **your** place of domicile or permanent residence whether or not temporarily living elsewhere. **Relative** includes a minor under **your** guardianship who lives in **your** place of domicile or permanent residence. **Relative** does not include any person over the age of 14 who resides at **your** place of domicile or permanent residence but who is not listed on the application or endorsed on the policy prior to a **loss** or **accident**.
26. **Rental vehicle** means an **auto you** rent or hire for a term of 30 days or less. An **auto you** rent or hire for more than 30 days is an **auto** furnished or available for **your** regular use. **Rental vehicles** may be rented or hired only from an entity licensed to conduct such business under applicable state law.
27. **Replacement auto** means an **auto** that **you** become the **owner** of and acquire while the policy is in force that takes the place of an **auto** described on the **Declarations Page** because of:
 - a. termination of **your** ownership interest in an **auto** described on the **Declarations Page**.

- b. mechanical breakdown, theft, deterioration, or total loss of an **auto** described on the **Declarations Page**, rendering it permanently inoperable.

Replacement auto does not include any **auto** that **you** acquire, purchase or lease with anyone other than a **resident** or **relative**. Coverage does not apply to a **replacement auto** registered to a corporation or other business entity.

The **auto** must qualify as an acceptable risk to **us** under **our** underwriting guidelines to qualify as a **replacement auto**.

- 28. **Resident** means a person living in **your** household other than **you** or a **relative**, and any other person who regularly receives their mail at **your** household address or Post Office Box. **Resident** does not include any person over the age of 14 who resides at **your** place of domicile or permanent residence but who is not listed on the application or endorsed on the policy prior to a **loss** or **accident**.
- 29. **Temporary substitute auto** means any **auto** operated by **you** or any **relative** or **resident**, which is not furnished or available for regular use by **you**, a **relative** or a **resident** and is used on a temporary basis as a substitute for an **auto** listed on the **Declarations Page**, which is out of normal use because of its:
 - a. breakdown.
 - b. repair.
 - c. servicing.
 - d. **loss**.
 - e. destruction.
 - f. manufacturer's defects.
 - g. latent defects.
- 30. **Trailer** means a non-powered vehicle with no independent means of locomotion, including a farm wagon or farm implement, designed to be pulled by a:
 - a. private passenger **auto** or station wagon; or
 - b. pickup truck or private passenger van.
- 31. **Vehicle** means a surface transportation device used for conveying goods, passengers, or equipment.
- 32. **We**, **us**, and **our** mean the company shown on the **Declarations Page**.
- 33. **You** and **your** means the **named insured** shown on the **Declarations Page** and includes **your** spouse, if living in the same place of domicile or permanent residence as **you**, and disclosed on the application or endorsed to the policy prior to a **loss**. Spouse means a lawfully wedded partner and includes persons joined in a civil union as recognized by the state of South Carolina.

DUTIES

FAILURE TO COMPLY WITH ANY OF THESE DUTIES MAY RESULT IN DENIAL OF COVERAGE OR RELIEVE **US** OF ALL DUTIES TO INVESTIGATE, SETTLE, DEFEND, PAY ANY JUDGMENT OR OTHERWISE HONOR ANY CLAIMS MADE BY OR AGAINST ANY **INSURED**. **OUR** RIGHTS WILL BE DEEMED TO HAVE BEEN PREJUDICED IF **YOU** OR ANY **INSURED** UNDER THIS POLICY FAIL TO COMPLY WITH ANY OF THESE DUTIES AND IT ADVERSELY AFFECTS **OUR** INVESTIGATION OF THE CLAIM INCLUDING OUR ABILITY TO DETERMINE COVERAGE, LIABILITY OR DAMAGES.

YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS

In the event of an **accident** or **loss**, **you** or any person claiming coverage under this policy must:

- 1. notify **us** immediately of how, when and where the **accident** or **loss** happened in writing, or by email at newclaims@acceptanceinsurance.com, or by calling **us** at 1-800-779-2103 and giving us

a recorded statement about the accident and the use of the vehicle. Notice should include, at a minimum, the names and addresses of any persons involved in the **accident** or **loss**, any witnesses and the identity of any law enforcement agency involved in the investigation of the **accident** or **loss**. Failure to give notice as required may jeopardize **your** coverage under this policy.

2. cooperate with **us** in any matter concerning a claim or suit.
3. submit to physical examination at **our** expense, by doctors **we** select, as often as **we** may require.
4. authorize **us** to obtain medical and other records.
5. provide any written proof of loss under oath that **we** may require.
6. not admit fault, assume any obligation, nor agree to incur any expense in connection with any claim or **accident** without **our** consent.
7. attend hearings, depositions, and trials as often as **we** or a court may require.
8. immediately send **us** any legal papers received regarding any claim or suit.
9. allow **us** to take signed and/or recorded statements when and as often as **we** may require.
10. authorize **us** to access, inspect, and extract data from **your** vehicle event data recorder (EDR) when we require.
11. submit to examinations under oath (EUO) and sign copies of the transcript as often as **we** may require.

We may examine **you** or any person claiming coverage under oath, while not in the presence of any person, other than **your** attorney, about any matter relating to this insurance or the claim, including an insured's books, and records, and/or other documents. **You** or any person claiming coverage under this policy must prepare and sign any documents or paperwork prepared or submitted by **us**. The EUO may be conducted by a representative of **our** choice.

12. Full compliance with all terms of this policy is a condition precedent to any coverage available from this policy. **We** may not be sued unless there is full compliance with all terms of this policy.

ADDITIONAL DUTIES FOR PART C- UNINSURED/UNDERINSURED MOTORISTS COVERAGE

In addition to the duties stated in the Your Duties In Case Of Accident Or Loss section above, a person seeking coverage under Part C— Uninsured/Underinsured Motorist Coverage under this policy must also:

1. File a report of the **accident** with the appropriate law enforcement agency within twenty-four (24) hours or as soon thereafter as practicable following the **accident**; and
2. If a hit and run or unknown driver is involved, make a written report of the accident to **us** within thirty (30) days of the **accident**.
3. Send **us** copies of any legal papers.
4. Give **us** full details regarding the facts of loss and all injuries sustained and treatment received by **you** or any person claiming coverage under this policy.
5. Take reasonable steps after **loss** to protect the **insured auto** and its equipment from further **loss** if you purchased **uninsured motorist** property damage coverage.
6. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

ADDITIONAL DUTIES FOR PART D- DAMAGE TO THE INSURED AUTO

In addition to the duties stated in the Your Duties In Case Of Accident Or Loss section above, a person seeking coverage under Part D- Coverage for Damage to the Insured Auto must also:

1. File a report with the appropriate law enforcement agency within 24 hours after discovery of the **loss** if the **insured auto** or any of its equipment is stolen or vandalized or a hit-and-run driver is involved.
2. Report the accident to **us** as soon as possible.
3. Take reasonable steps after a **loss** to protect the **insured auto** and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing this protection. **We** will not be responsible for any **loss** or portion of any **loss** which is caused by **your** delay in protecting the **insured auto**.
4. Allow **us** to inspect and appraise the damaged property before its repair or disposal.

We will pay only for damages which **we** are able to inspect prior to repairs being commenced, unless emergency repairs are necessary to minimize further damages and/or expenses.

In the event that emergency repairs are necessary, **we** require photographs of the damaged area(s) along with a complete itemized estimate of repair and payment receipt.

PART A: LIABILITY COVERAGE**INSURING AGREEMENT**

In consideration of the premium paid for this coverage, **we** will pay damages up to the policy limits stated on the **Declarations Page**, for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an **auto accident**. Damages include prejudgment interest awarded against the **insured** subject to **our** limit of liability for this coverage. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when the limit of liability has been exhausted by the payment of a judgment or settlement. **We** have no duty to defend any suit, settle any claim or pay any judgment for **bodily injury** or **property damage** not covered under this policy.

DEFINITIONS— (Part A Only)

Insured as used in this Part means:

1. **You** or any **resident** or **relative** for the ownership, maintenance or use of the **insured auto**.
2. **You** while operating any **non-owned auto** with the express or implied permission of the **owner** and within the scope of that permission.
3. Any other person while driving the **insured auto** with **your** express permission provided that the **vehicle** must be used within the scope of **your** permission.

Insured does not mean any person without a valid driver's license or holding only a learner's permit operating or driving an **insured auto** unless that person is listed on the application or added to the policy prior to the **accident**. **Insured** does not mean any driver who is not listed on the policy who also resides in the same household as **you** or who is a **regular operator** of any vehicle insured under this policy and is involved in an **accident** which occurs while the **auto** is being driven, operated, manipulated, maintained, serviced or used in any other manner by that person, regardless of whether or not the **named insured** is **occupying** the vehicle at the time the said driver is using it in any manner, whatsoever. These limitations shall only apply to coverage in excess of what is required by the South Carolina Motor Vehicle Financial Responsibility Act.

SUPPLEMENTARY PAYMENTS

In addition to **our** limit of liability, **we** will pay on behalf of an **insured**:

1. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal. **We** will not pay the premium for attachment bonds that exceed **our** limit of liability. **We** have no duty to apply for or furnish these bonds.
2. For damages covered under this policy, interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
3. Other reasonable expenses incurred at **our** request.
4. Reasonable loss of wages, up to fifty dollars (\$50) per day, but not other income, because of attendance at hearings, proceedings, or trials at **our** request.

To receive a supplementary payment under this section, **you** must submit a claim and provide proof of entitlement.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part A, including **our** duty to defend, does not apply to:

1. **Bodily Injury** or **Property Damage** due to or resulting from intentional acts, or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct, including but not limited to being under the influence of or being mentally incapacitated by any drug, medication, alcohol or other substance;
 - b. **you** or any **insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **bodily injury** or **property damage**;
 - c. such **bodily injury** or **property damage** is of a different kind or greater degree than intended or reasonably expected by the **insured**; or
 - d. such **property damage** or **bodily injury** is sustained by a different person than intended or reasonably expected by the **insured**.
2. **Property damage** to **property owned** by or in the care or custody or control of any **insured**.
3. **Property damage** to property any **insured** rents, uses or has charge of or responsibility for. This exclusion **does** not apply to a rented residence or a rented private garage.
4. **Bodily injury** to an employee or fellow employee of any **insured** person arising out of employment or during the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless Workers' Compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
5. **Bodily injury** or **property damage** arising out of the ownership, maintenance, or use of any **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. using any vehicle to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network company, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.
6. Any person while employed or otherwise engaged in an **auto business**. However, this exclusion does not apply to claims against **you** when the **bodily injury** or **property damage** arises out of **auto business** operations conducted by someone other than **you**, a **relative** or **resident**.
7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusions 5 and 6. If a **business** use surcharge is noted on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance or use of that **auto** by:
 - a. **you**; or
 - b. any **relative**.

8. Any person using **the insured auto** without or beyond the scope of **your** express or implied permission.
9. **Bodily injury or property damage** for which that person:
 - a. is an **insured** under a nuclear energy liability policy; or
 - b. would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
 - c. For the purpose of this exclusion a nuclear energy liability policy means a policy issued by any of the following or their successors:
 - i. Nuclear Energy Liability Insurance Association;
 - ii. American Nuclear Insurers;
 - iii. Mutual Atomic Energy Liability Underwriters; or
 - iv. Nuclear Insurance Association of Canada.
10. **Bodily injury or property damage** arising out of the ownership, maintenance, or use of:
 - a. a motorcycle or any other motorized **vehicle** that does not meet the definition of an **auto**.
 - b. an all-terrain **vehicle** regardless of its number of wheels.
 - c. any **vehicle** not required to be licensed for use on public roads.
 - d. any **vehicle** weighing in excess of ten thousand (10,000) pounds, exclusive of load.
11. **Bodily injury or property damage** arising out of any person's liability for the **ownership**, maintenance, repair or operation of **the insured auto** when it:
 - a. is being rented or leased to others; or
 - b. has been sold to another; or
 - c. is under a conditional sales agreement by **you** to another.
12. **Bodily injury or property damage** arising out of the operation of farm or ranch machinery.
13. **Bodily injury or property damage** arising out of the **ownership**, maintenance or use of an **auto** in a racing event
14. **Bodily injury or property damage** arising out of any liability assumed by an **insured** under any contract or agreement, whether written or verbal.
15. **Bodily injury or property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
16. **Bodily injury or property damage** arising out of the **ownership**, maintenance, repair or use of an **auto** while it is being used as a residence or premises.
17. **Bodily injury** arising out of or resulting from the discharge or use of any firearm or weapon.
18. **Bodily injury to you**, a **relative** or a **resident** arising out of the ownership, maintenance or use of the **insured auto**.
19. **Bodily injury or property damage** to any person while occupying any **auto**:
 - a. being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. used or operated in an attempt to flee a law enforcement agent

This exclusion applies regardless of whether any person is actually convicted of a crime.
20. **Bodily injury or property damage** arising out of the loading or unloading of any **auto**.
21. **Bodily injury or property damage** arising out of the **ownership**, maintenance or use of the **insured auto** when it is driven, operated or used with **your** permission by an individual not listed on the policy who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit.

This exclusion shall only apply to coverage amounts in excess of those amounts required under South Carolina's Motor Vehicle Financial Responsibility Act.
23. **Bodily injury or property damage** caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction or radioactive contamination, or any consequence of any of these.
24. **Bodily injury or property damage** to the **owner** of any **auto** while that person is a passenger in the **owned auto** and driven by an **insured**.

25. The payment of civil fines, administrative fees, attorney fees, and any other charges levied or claimed by a municipality or other division of government with respect to **property damage** or **bodily injury**.
 26. The payment of charges or assessments made by a municipal, state or federal emergency services provider for or in any way arising out of a motor vehicle collision response or accident clean up.
 27. **Bodily injury** or **property damage** resulting from the use of the **insured auto** by a person or persons specifically excluded by endorsement.
 28. **Bodily injury** or **property damage** resulting from the use of an **auto** for snow removal.
 29. **Bodily injury** or **property damage** incurred while the **auto** is used for towing a **trailer** designed to be towed by something other than an **auto**.
 30. **Bodily injury** or **property damage** resulting from the radioactive, toxic, explosive or other hazardous properties or source of, nuclear or by product material, each as defined in the Atomic Energy Act of 1954, as amended.
 31. **Bodily injury** or **property damage** arising out of actual, alleged or threatened discharge, dispersal, release, or escape of any **pollutant** unless such discharge, dispersal, release, or escape is sudden and accidental and arises directly from collision or upset of the **insured auto**.
 32. **Bodily injury** occurring during the course of employment if benefits are payable under a workers' compensation law or similar law.
- B. **We** do not provide Liability Coverage for the **ownership**, maintenance, repair or use of:
1. Any **auto**, other than the **insured auto**, which is:
 - a. **owned** by **you**; or
 - b. furnished or available for **your regular use**.
 2. Any **auto**, other than the **insured auto**, which is:
 - a. **owned** by any **relative** or **resident**; or
 - b. furnished or available for the regular use of any **relative** or **resident**.
 3. Any motorized vehicle having fewer than four wheels.

LIMIT OF LIABILITY

The limit of liability shown on the **Declarations Page** for each person for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury**, sustained by any one person in any one **auto accident**. This includes all derivative claims arising out of said **bodily injury** which includes, but is not limited to, emotional injury or mental anguish of others resulting from the **bodily injury** to another, damages for care, loss of service or death, loss of consortium, loss of society or companionship, estate claims, and wrongful death.

Subject to this limit for each person, the limit of liability shown on the **Declarations Page** for each **accident** for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **auto accident**.

The limit of liability shown on the **Declarations Page** for each **accident** for **property damage** liability coverage is **our** maximum limit of liability for all damage to all property resulting from any one **auto accident**. This is the most **we** will pay under **Bodily Injury** Liability Coverage or **Property Damage** Liability Coverage, whichever is applicable, as a result of any one **auto accident** regardless of the number of:

1. **insureds**;
2. claims made;
3. **autos** or premiums shown on the **Declarations Page**;
4. **autos** involved in the **auto accident**;
5. premiums paid; or
6. lawsuits brought.

Regardless of the Limits of Liability shown on the **Declarations Page**, the limit of liability applicable to the operation of the **insured auto** by any person not listed by name on the policy shall not exceed the greater

of the minimum financial responsibility limits required by the South Carolina Financial Responsibility Act, or the minimum financial responsibility limits applicable to the operation of that **insured auto** in the state or province in which the **auto accident** occurred.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under PART B – MEDICAL PAYMENTS COVERAGE and PART C – UNINSURED/UNDERINSURED MOTORIST COVERAGE of this policy or any applicable no-fault or personal injury protection coverage.

No one will be entitled to receive duplicate payments for the same elements of damage.

OUT OF STATE COVERAGE

If an **auto accident** to which this policy applies occurs in any state or province other than South Carolina, we will interpret **your** policy for that **auto accident** as follows:

1. This policy is not intended as proof under any state financial responsibility laws, other than South Carolina.
2. If a state or province requires a non-resident to maintain minimum limits of liability for **bodily injury** or **property damage** higher than the limits shown in the **Declarations Page** or it is required by law that this policy conform to those higher limits, then **your** policy will provide the higher specified limits of liability for **bodily injury** and **property damage** or the limits stated in the **Declarations page**, whichever is greater.
3. This policy does not provide coverage for any mandatory no-fault law or other similar law of any other state.
4. All terms, conditions, exclusions, notification changes, rejections, and endorsements in this policy shall apply as written. This policy shall be interpreted under South Carolina law. **Our** application of the terms and conditions of this contract shall be in accordance with South Carolina law.

NOTICE: You must notify us if you move to another state or province. If you relocate or the **insured auto** is principally garaged outside of South Carolina more than 30 days in the preceding three hundred and sixty-five (365) days prior to the **accident**, then the coverage under this policy shall not be modified in any way.

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

When we certify this policy as proof of financial responsibility pursuant to South Carolina law, it will comply with that law to the extent of the coverage and limit of liability required by that law. If we make a payment due to an **accident** occurring in South Carolina that we would not be required to make except for the fact that this policy is certified as proof of financial responsibility, you agree to reimburse us for any such payment.

This policy is not intended as proof under any state financial responsibility law, other than in South Carolina. The terms, conditions, and exclusions as written will apply in any other state where the **loss** or **accident** may occur. We will not provide coverage under any no-fault law or other similar law of any other state.

OTHER INSURANCE

If there is other applicable liability insurance or bond, we will pay only our share of the **loss**. Our share is the proportion that our limit bears to the total of all applicable limits.

Coverage for **bodily injury** and **property damage** arising from the maintenance, repair or use of an **additional auto** or a **replacement auto**, does not apply where there is other valid and collectible insurance.

If an **insured** is using a **non-owned auto**, this liability insurance will be excess over any other insurance or self insurance regardless of any provisions of any other policy available to the user. However, if the insurance on the **non-owned auto** has limits equal to or greater than the applicable minimum financial responsibility law, there is no excess liability insurance available under this policy.

We have no duty to defend the lessor or **owner** of a **non-owned auto** under this Part.

PART B: MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the limit of Liability shown on the **Declarations Page**, if **you** pay a premium for Medical Payments Coverage, **we** will reimburse for any reasonable **medical expenses** that have been paid for necessary medical and funeral services because of **bodily injury**:

1. caused by an **auto accident**; and
2. sustained by an **insured**.

We will reimburse only those **medical expenses** incurred within one (1) year from the date of the **accident**. Coverage under this Part shall not apply if the **accident** or its resulting damages were either intended by the **insured**, or could have reasonably been expected from the viewpoint of the **insured**.

DEFINITIONS—(Part B Only)

Insured as used in this Part means:

1. **you** while **occupying** any **auto**, other than an **auto owned** by **you** which is not the **insured auto**;
2. a **relative** while **occupying** the **insured auto**;
3. any person other than **you**, or any **relative**, or **resident** while **occupying** the **insured auto** as a guest passenger or while operating or using the **insured auto** within the scope of **your** express or implied permission.

Insured does not mean a driver that is not listed on this policy, who resides in the same household as the **named insured**, or who is a **regular operator** of any **vehicle** insured under this policy, and is involved in an **accident** which occurs while the automobile is being driven, operated, manipulated, maintained, repaired, serviced or used in any other manner by this person. This limitation shall apply whether or not the **named insured** is **occupying** the **vehicle** at the time the unlisted driver is using it in any manner whatsoever.

Medical Expenses means usual and customary charges incurred for reasonable and necessary services rendered to or on behalf of an **insured** for medical, surgical, x-ray, or dental services when performed by a licensed medical professional, pharmaceuticals, prosthetic devices, eye glasses, necessary ambulance, hospital and professional nursing services when prescribed by a license medical professional, and funeral services. **Medical Expenses** do not include expenses:

- B. For treatment, services, products or procedures that are:
 1. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 2. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of **bodily injury**; or
- C. Incurred for:
 1. the use of thermography or other related procedures of similar nature; or
 2. the use of acupuncture or other related procedures of a similar nature; or
 3. the purchase or rental of equipment not primarily designed to serve a medical purpose;

EXCLUSIONS

We do not provide Medical Payments Coverage for any person for **bodily injury**:

1. Arising out of the ownership, maintenance, repair or use of a **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.

- b. operating any **vehicle** displaying advertising.
- c. operating any **vehicle** containing permanently installed mechanical equipment.
- d. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

- 2. Sustained while **occupying** the **insured auto** while it is located for use as a residence or premises.
- 3. Occurring during the course of employment if Workers' Compensation benefits are required or available for the **bodily injury**.
- 4. Sustained while **occupying** or when struck by any **auto** other than the **insured auto** which is:
 - a. **owned** by **you**; or
 - b. furnished or available for **your** regular use.
- 5. Sustained while **occupying** or when struck by any **auto** other than the **insured auto** which is:
 - a. **owned** by any **relative** or **resident**; or
 - b. furnished or available for the regular use of any **relative** or **resident**.
- 6. Sustained while **occupying** any **auto** being used without or beyond the scope of the **owner's** express or implied permission.
- 7. Resulting from the maintenance, repair or use of any **auto** while that person is engaged in any **auto business**.
- 8. Resulting from the maintenance or use of any **auto** while that person is employed or otherwise engaged in any **business**. If a **business** use surcharge is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to:
 - a. **you**; or
 - b. any **relative**.
- 9. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution;
 - f. radioactive contamination;
 - g. Nuclear reaction or radiation whether controlled or uncontrolled or however caused.
- 10. Sustained while **occupying**:
 - a. a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
 - b. an all-terrain vehicle regardless of the number of wheels it has; or
 - c. any self-propelled vehicle not licensed for use on public roads; or
 - d. any vehicle weighing in excess of ten thousand (10,000) pounds, exclusive of load.
- 11. Sustained while **you** are or any **relative** or **resident** is **occupying** the **insured auto** while it is:
 - a. Being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. Used or operated in an attempt to flee a law enforcement agent
This exclusion applies regardless of whether any person is actually convicted of a crime.
- 12. Resulting while the **insured auto** is being used, operated or driven, by an individual not listed on the policy who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license or learner's permit; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit.
- 13. Resulting from **ownership**, maintenance or use of an **auto** in a **racing** event
- 14. For whom the United States Government or any of its military services are required to provide similar services and/or benefits.

15. Sustained while the **insured auto** is being operated by a person or persons specifically excluded by endorsement.
16. Arising from or resulting from the discharge or use of any firearm or weapon.
17. Sustained while the **insured auto** is rented to others.
18. Sustained by any person that causes or contributes to an **accident** while operating an **auto** when that person is driving under the influence (DUI) of alcohol, medication or drugs or while driving while intoxicated (DWI).
19. Sustained by any person that causes or contributes to an **auto accident** while engaged in reading, talking, typing, texting or other similar use of any electronic device, including but not limited to a phone, smart phone, computer, or tablet.
20. Sustained by **you**, a **resident** or a **relative** or any **regular or frequent operator** of the **insured auto**, if that person is not disclosed on the application or added to the policy prior to the **accident**.
21. To the extent that any medical expense is paid or payable to or on behalf of the **insured** under the provisions of any:
 - a. other automobile or premises insurance affording benefits for medical expenses.
 - b. individual, blanket, group accident, disability, or hospitalization insurance.
 - c. medical or surgical reimbursement plan.
 - d. workers' compensation or disability benefits law or any similar law
22. Caused by dumping discharge or escape of any irritants, **pollutants** or contaminants other than the fluids necessary for the operation of **the insured auto**.
23. Caused by explosives, other than the fluids necessary for the operation of **the insured auto**.
24. Due to or resulting from intentional acts by or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**.

LIMIT OF LIABILITY

- A. The limit of liability shown on the **Declarations Page** for this coverage is **our** maximum limit of liability for each person injured in any one **accident** regardless of the number of:
 1. claims made;
 2. **autos** or premium shown on the **Declarations Page**;
 3. **autos** involved in the **auto accident**;
 4. **insureds**;
 5. lawsuits brought; or
 6. premiums paid.
- B. If two or more policies issued by us to **you** or any **relative** provide Medical Payments Coverage and apply to these same bodily injuries, the total limits of liability under such policies shall not exceed that of the policy with the highest limit of liability.
- C. An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

OTHER INSURANCE

If there is other applicable **auto** medical payments insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any auto medical payments insurance **we** provide for a loss involving an **auto** **you** do not **own** shall be excess over any other applicable auto medical payments insurance.

PART C: UNINSURED/UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT

Uninsured Motorist Coverage

Subject to the Limits of Liability, if **you** pay a premium for Uninsured Motorist Coverage, **we** will pay for damages which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by an **insured** or due to **property damage**:

1. caused by an **accident**; and
2. arising out of the **ownership**, maintenance, or use of an **uninsured motor vehicle**.

Underinsured Motorist Coverage

Subject to the Limits of Liability, if **you** pay a premium for Underinsured Motorist Coverage, **we** will pay damages which an **insured** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle** because of **bodily injury** or **property damage** sustained by an **insured**:

1. caused by an **accident**; and
2. arising out of the **ownership**, maintenance, or use of an **underinsured motor vehicle**.

We will pay under this Part C only after the limits of liability under any and all applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

Any judgment for damages arising out of a lawsuit is not binding on **us** unless **we** have

1. received reasonable notice of filing of the suit resulting in the judgment; and
2. had a reasonable opportunity to protect **our** interest in the suit.

DEFINITIONS— (Part C Only)

Insured as used in this Part means:

1. **you** or a **relative**.
2. any other person while using the **insured auto** with **your** express or implied permission.
3. any personal representative for damages that person is legally entitled to recover because of **bodily injury** to which this coverage applies sustained by a person listed in 1. or 2. above.

However, no person shall qualify as an **insured** if the person operating the **insured auto** does not have **your** express or implied permission or is a **resident** not disclosed on the **application** or added prior to the **accident**.

Uninsured motor vehicle means a **vehicle** for which:

1. A **bodily injury** and **property damage** liability bond, cash deposit, security, or policy in at least the amounts of coverage required by South Carolina law does not apply at the time of the **accident**.
2. The operator or **owner** is unknown and cannot be identified, and such operator or **owner** causes an **accident** resulting in **bodily injury** to an **insured** or **property damage**. There is no right of action or recovery under the uninsured motorist provision, unless:
 - a. the **insured** or someone on his or her behalf reports the **accident** to some appropriate police or civil authority within a reasonable time, under all the circumstances, after the **accident**; and
 - b. the **insured** provides a report setting forth the facts of the **accident** to **us** within 30 days of the **accident**, and makes the **auto** available to **us** for inspection; and
 - c. the injury or damage was caused by physical contact with the unknown vehicle, or the **accident** must have been witnessed by someone other than the **owner** or operator of the **insured auto** to provide competent, independent, corroborative evidence; provided, however, the witness must sign an affidavit attesting to the truth of the facts of the **accident** contained in the affidavit to prove that the **bodily injury** or **property damage** was proximately caused by the negligence or intentional actions of the unidentified operator of the **vehicle**. The testimony of the **owner** or operator of the **insured auto** shall not constitute independent corroborative evidence; and

- d. the **insured** was not negligent in failing to determine the identity of the other vehicle and the driver of the other vehicle at the time of the **accident**.
- 3. A **bodily injury** and **property damage** liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
 - a. legally denies coverage.
 - b. is or becomes insolvent.
 - c. is in delinquency proceedings, suspension, or receivership.
 - d. is financially unable to fully satisfy a judgment rendered in favor of an **insured**.

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

- 1. which qualifies as the **insured auto** under this policy.
- 2. **owned** by or furnished or available for the regular use of **you** or a **resident** or a **relative**.
- 3. **owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent, or fails to qualify as a self-insurer under South Carolina law.
- 4. **owned** by any governmental unit or agency, except when:
 - a. operated by a person without proper authorization.
 - b. a cause of action against that governmental unit or agency arising out of an **accident** is barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law.
- 5. operated on rails or crawler treads.
- 6. which is designed mainly for use off public roads while not on public roads.
- 7. while located for use as a residence or premises.
- 8. which is not required to be registered as a **vehicle**.
- 9. which is an **underinsured motor vehicle**.

Underinsured Motor Vehicle means a **vehicle** as to which a **bodily injury** liability insurance or bond applies at the time of the **accident** with limits of liability that equal or exceed the minimum amount required by the South Carolina Motor Vehicle Financial Responsibility Law, but the applicable limits of liability for **bodily injury** are less than the amount of the damages sustained in the **accident** which the **insured** is entitled to recover.

However, **underinsured motor vehicle** does not include any vehicle or equipment:

- 1. which qualifies as the **insured auto** under this policy.
- 2. **owned** by or furnished or available for the regular use of **you** or a **resident** or a **relative**.
- 3. **owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent, or fails to qualify as a self-insurer under South Carolina law.
- 4. **owned** by any governmental unit or agency, except when:
 - a. operated by a person without proper authorization.
 - b. a cause of action against that governmental unit or agency arising out of an **accident** is barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law.
- 5. operated on rails or crawler treads.
- 6. which is designed mainly for use off public roads while not on public roads.
- 7. while located for use as a residence or premises.
- 8. which is not required to be registered as a **vehicle**.

9. which is an **uninsured motor vehicle**.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part C is not provided for **property damage** or **bodily injury** sustained by any person:

1. 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.
2. Arising out of the ownership, maintenance, repair or use of a **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

3. When the **insured auto** is rented or leased to another; this does not apply if **you** or any **relative** lends the **insured auto** to another for reimbursement of operating expenses only.
4. While using or **occupying** the **insured auto** without the express or implied permission of **you** or any **relative**. This exclusion does not apply to **you** or any **relative** while using the **insured auto**.
5. While using a **non-owned auto** without the express or implied permission of the **owner**.
6. For the amount of the deductible for **uninsured motorist property damage** shown on the **Declarations Page** for **property damage** to the property of each **insured** as the result of any one **auto accident**.
7. While **occupying** or when struck by any vehicle **owned** by **you**, any **relative**, or any **resident**, if uninsured motorist coverage or underinsured motorist coverage has not been purchased for that vehicle. This includes a **trailer** of any type used with that **auto**.
8. If the property is contained in or struck by an **auto** (other than the **insured auto**) **owned** by or furnished for the regular use of **you** or any **relative** or **resident**. This includes a **trailer** of any type used with that **auto**.
9. For **bodily injury** or **property damage** to any person while **occupying** any **auto**:
 - a. Being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. Used or operated in an attempt to flee a law enforcement agent.
10. Resulting from use of the **insured auto** by a person or persons specifically excluded by endorsement.
11. Due to or resulting from intentional acts, or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct, including but not limited to being under the influence of or being mentally incapacitated by any drug, medication, alcohol or other substance;
 - b. **you** or any **insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **bodily injury** or **property damage**;
 - c. such **bodily injury** or **property damage** is of a different kind or greater degree than intended or reasonably expected by the **insured**, or such **property damage** or **bodily injury** is sustained by a different person than intended or reasonably expected by the **insured**.
12. Who does not report the **accident** to the police within twenty-four (24) hours of the **accident**, or as soon as possible thereafter, and make a written report to **us** within thirty (30) days, if a hit and run vehicle or unknown driver is involved.
13. For **bodily injury** or **property damage** resulting from the **ownership**, maintenance, or use of

- a. Any vehicle with more or less than four (4) wheels;
 - b. Any vehicle designed mainly for use off public roads, except in a medical emergency;
 - c. Any vehicle, other than **the insured auto**, which is **owned** by **you** or available for **your** regular use;
 - d. Any vehicle, other than **the insured auto**, which is **owned** by a **relative** or a **resident** or regularly used by a **relative**, **resident**, or members of their immediate families.
- 14. While **the insured auto** is used in, or in preparation for, any **racing** event.
 - 15. Arising from or caused by the use of firearms or any other weaponry.
 - 16. Sustained from any other source other than an **accident**.
- B. 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.

If a court with proper jurisdiction determines any exclusion is invalid or unenforceable because it does not satisfy the minimum requirements of the South Carolina Motor Vehicle Financial Responsibility Act, such exclusion shall apply only to that portion of the damages that is in excess of the minimum limits of liability required by that law.

LIMIT OF LIABILITY

The limit of **bodily injury** liability shown on the **Declarations Page** for each person for Uninsured and Underinsured Motorist Coverage is **our** maximum limit of liability for all damages arising from **bodily injury**, including, but not limited to, death sustained by any one person in any one **accident**, loss of consortium, loss of services, loss of society, or loss of companionship.

Subject to this limit for each person, the limit of **bodily injury** liability shown on the **Declarations Page** for each **accident** for Uninsured and Underinsured Motorist coverage is **our** maximum limit of liability for all damages for **bodily injury**, including claims as noted above, resulting from any one **accident**.

The limit of **property damage** liability shown on the **Declarations Page** for each **accident** for Uninsured and Underinsured Motorist Coverage is **our** maximum limit of liability for all damages to all property resulting from any one **accident**. **Our** limit of liability under this Part C for **property damage** to the **insured auto** arising out of one **accident** will be the lesser of:

- 1. the **actual cash value** of the **insured auto** at the time of the **accident**, reduced by the applicable **deductible** shown on the **Declarations Page**, and reduced by its salvage value if **you** or the **owner** retain the salvage.
- 2. the amount necessary to repair the **insured auto** to its pre-loss condition using parts produced by or for the vehicle's manufacturer or parts from other sources, including, but not limited to, **aftermarket parts**, reduced by the applicable **deductible** shown on the **Declarations Page**.
- 3. any limit of liability shown on the **Declarations Page** for **property damage** under this Part C.

Payments for **property damage** under this Part C are subject to the following provisions:

- 1. Any amount payable under this Part C for **property damage** shall be subject to the **deductible** shown on the **Declarations Page**;
- 2. No more than one **deductible** shall be applied to any one **accident**.
- 3. An adjustment for **depreciation** or physical condition, which may also be referred to as **betterment**, wear and tear, or prior damage, will be made in determining the limit of liability at the time of the **accident**; and
- 4. In determining the amount, **we** will pay to repair damaged property to its pre-loss condition, the repair or replacement parts and equipment may be new, reconditioned, remanufactured, or used, including, but not limited to original manufacturer parts or equipment and non-original manufacturer parts or equipment.

This is the most **we** will pay for **bodily injury** and **property damage** regardless of the number of:

1. **insureds** or claimants.
2. claims made.
3. **autos** or premiums shown on the **Declarations Page**.
4. **vehicles** involved in the **accident**.
5. lawsuits brought.
6. premiums paid.
7. policies or bonds applicable.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

When **you** sustain damages covered under this Part C while **occupying** the **insured auto**, or an **auto owned** by **you** or a **relative**, the most that may be recovered as benefits under each applicable uninsured or underinsured motorist coverage is the limit of liability applicable to that **insured auto**. When **you** are **occupying** a **vehicle** other than the **insured auto** or an **auto owned** by **you** or a **relative** and sustain **bodily injury** covered under this Part C, **our** coverage shall be excess to the coverage applicable to the **vehicle** that **you** are **occupying**, and **our** total limit of liability under this policy shall not exceed **our** limit of liability for one vehicle. Coverage for more than one vehicle under this policy may not be stacked or combined together for **bodily injury** sustained by **you** while **occupying** a **vehicle** other than the **insured auto** or an **auto owned** by **you** or a **relative**. When **you** are not **occupying** a **vehicle** and sustain **bodily injury** caused by the **owner** or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, **our** limit of liability shall not exceed the limit of liability shown on the **Declarations Page** for any one covered vehicle.

No payment will be made for **loss** paid or payable to the **insured** under Part D of this policy or any policy of property insurance. However, for any payment made for **property damage** under Part C, the **deductible** shall be the lower of the **deductible** allowed under Part C or the **deductible** shown on the **Declarations Page** for the applicable coverage under Part D.

We will not make a duplicate payment under this coverage for any element of **loss** or injury for which payment has been made by or on behalf of persons or organizations who may be legally responsible. Any amounts otherwise payable for damages under this part shall be reduced by all sums:

1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons who or organizations which may legally be responsible. This includes all sums paid under Part A or Part D of this policy.
2. Paid or payable for medical payments coverage under Part B of this policy when the **insured** receives compensation for the **bodily injury**.

We will not pay for any element of **loss** or injury if a person is entitled to receive payment for the same element of **loss** or injury under any of the following or similar laws:

1. Workers' Compensation law.
2. Disability benefits law.
3. Personal Injury Protection or no-fault coverage.

PROOF OF CLAIM

An **insured** making a claim under this coverage must give **us** full details of their injuries and treatment.

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorist coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable coverage

limits. However, any insurance **we** provide shall be excess over any other collectible insurance, except for **bodily injury to you** or a **relative** when **occupying the insured auto**. **We** will not pay for any damages which would duplicate any payment made for damages under other insurance, except as required under the South Carolina Motor Vehicle Financial Responsibility Act and then only for damages within the minimum limits of coverage required by the Act.

PART D: COVERAGE FOR DAMAGE TO YOUR VEHICLE

INSURING AGREEMENT

Subject to the Limits of Liability, if **you** pay a premium for Comprehensive and/or Collision Coverages, **we** will pay for direct and accidental **loss** to the **insured auto** including its equipment attached thereto, less any applicable deductible shown on the **Declarations Page**.

We will pay for **loss to the insured auto** caused by:

1. **Collision** only if the **Declarations Page** indicates that **Collision** Coverage is provided for that **auto**.
2. **Other than Collision (Comprehensive)** only if the **Declarations Page** indicates that **Other Than Collision (Comprehensive)** Coverage is provided for that **auto**.

Our payment will be reduced by any deductible shown on the **Declarations Page**.

The **insured auto** must be used or operated by or in the care or custody of an **authorized driver** at the time of the **loss**, except in the event of theft or larceny.

DEFINITIONS -- (Part D Only)

Authorized driver means:

1. **You**;
2. any other person listed on the policy application or added by endorsement during the policy term prior to the **loss**; or
3. any other person who has **your** express permission to use the **insured auto** and who:
 - a. holds a valid driver's license at the time of loss; and
 - b. is not a **regular operator** of the **insured auto**.

Authorized driver does not mean any person with a learner's permit operating an **insured auto** unless that person is listed on the policy.

Authorized driver does not mean a person who is not listed on this policy, who resides in the same household as the **named insured**, or who is a **regular operator** of any **vehicle** insured under this policy, and is involved in an **accident** which occurs while the **vehicle** is being driven, operated, manipulated, maintained, serviced, or used in any other manner by this person.

Collision means the upset of the **insured auto** or its impact with another vehicle or object.

Loss caused by the following is considered **Other than Collision (Comprehensive)**:

1. missiles or falling objects;
2. fire;
3. theft or larceny;
4. explosion or earthquake;
5. windstorm;
6. hail, water or flood;
7. malicious mischief or vandalism;
8. riot or civil commotion;
9. contact with bird or animal; or
10. breakage of glass, except as a result of **collision**.

Insured auto as used in this part means:

- a. any **auto** or **trailer** described on the **Declarations Page**.

b. a **replacement auto** or an **additional auto**.

We will only provide Part D coverage for a **replacement auto** or an **additional auto** effective after you:

- i. ask **us** to do so; and
- ii. give **us** the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.

To qualify as a **replacement auto** or an **additional auto** under this policy, the **auto** must be an acceptable risk to **us** under **our** underwriting guidelines.

Custom and Special Equipment means equipment, devices, accessories, changes and enhancements, other than those installed by the original manufacturer, which are permanently installed or attached and alter the appearance or performance of an **auto**. This includes, but is not limited to, such items as body or suspension alterations; custom or special wheels or tires; side exhausts; roll bars; light bars; spoilers; ground effects; bed liners; utility boxes; custom windows; custom painting; murals; decals or graphics; and any electronic equipment, antennas and other devices used exclusively to send or receive audio, visual or data signals, or play back recorded media, which are permanently installed in the **insured auto** using bolts, brackets or slide-out brackets.

TOWING AND STORAGE CHARGES

In addition, after an **auto accident** for which this coverage is provided, **we** will pay reasonable towing and storage charges **you** or any **relative** is legally responsible for in transporting and storing the **insured auto** up to a maximum of two hundred dollars (\$200). This coverage applies only if the **Declarations Page** indicates that **Collision** or **Other than Collision (Comprehensive)** is provided for that **auto**.

TRANSPORTATION EXPENSES

In addition, **we** will pay without application of a deductible, up to fifteen dollars (\$15) per day, to a maximum of four hundred and fifty dollars (\$450) for transportation expenses incurred from a commercially licensed rental agency by **you** in the event of the total theft of the **insured auto**. This applies only if the **Declarations Page** indicates that **Other than Collision (Comprehensive)** is provided for the **insured auto**. **We** will pay only transportation expenses incurred during the period:

1. beginning forty-eight (48) hours after the theft; and
2. ending when the **insured auto** is returned to use or **we** offer to pay for its **loss**, which ever occurs first.

EXCLUSIONS

We will not pay for:

1. Any **loss** or damage arising from an **accident** which occurs while the **auto** is being driven, operated, manipulated, maintained, serviced, or used in any other manner by someone other than an **authorized driver**. This exclusion shall apply whether or not the **named insured** is **occupying** the vehicle at the time said driver is using it in any manner whatsoever.
2. **Loss** arising out of the ownership, maintenance, or use of a **vehicle** in the course of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. carrying persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

3. Damage due and confined to:
 - a. wear and tear;

- b. freezing;
- c. mechanical or electrical breakdown or failure;
- d. road damage to tires;
- e. manufacturer's defects; or
- f. latent defects.

This exclusion does not apply if the damage results from the total theft of **the insured auto**.

4. **Loss** due to or as a consequence of:
 - a. radioactive contamination;
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution; or
 - f. discharge of any nuclear weapon (even if accidental).
5. **Loss** to **vehicle** equipment or accessories including but **not** limited to:
 - a. insulation, furniture or bars.
 - b. facilities for cooking or refrigeration and sleeping.
 - c. body or suspension alterations or any equipment not installed by the original manufacturer which mechanically or structurally changes the **insured auto** and results in an increase in performance or change in appearance.
 - d. awnings, cabanas, or equipment designed to provide additional living facilities.
 - e. tapes, compact discs, records, cassettes, or similar recording or recorded media used with sound equipment, including any cases or other containers used in storing or carrying such items.
 - f. sound receiving or transmitting equipment designed for use as citizen band radios, 2-way mobile radios, televisions, VCRs, telephones not originally installed by the original make and model **vehicle** manufacturer or dealer, home high fidelity equipment, scanning monitor receivers, radar or laser detectors, or any other detection equipment for speed-measuring devices, or any accessories or antennas to any of these types of equipment.
 - g. bed liners and fifth wheel conversions.
 - h. side exhausts, headers, tachometers, and pressure and temperature gauges.
 - i. winches, **trailer** hitches, roll bars, utility boxes, tool boxes and light bars.
 - j. **auto** covers or front-end covers or protectors.
 - k. pickup shell, box covers, camper body, height extending roofs, toppers or ladders.
 - l. any modified suspension equipment, modified engines, modified carburetors systems, or modified equipment, including but not limited to custom wheels or tires.
 - m. paint, murals, decals or graphics, custom windows, paintings, special carpeting or furnishings, sunroofs, moon roofs, t-bar roofs or height extending roofs, bubble domes or similar windows.
 - n. any electronic equipment, antennas, and other devices used exclusively or primarily to send or receive audio, visual, or data signals, or to play back recorded media, if such equipment or device is not permanently installed in the dash or console opening of the **insured auto** by the **auto** manufacturer or dealer and specified as original equipment by the **vehicle** manufacturer.

This exclusion does not apply to subparagraphs g-n if **you** have elected **Custom and Special Equipment** Coverage for the item(s) and it is listed on the **Declarations Page** and **you** have paid premium for same.

6. **Loss** to the **insured auto** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities. This exclusion does not apply to the interests of Loss Payees in the **insured auto**.
7. **Loss** to the **insured auto** while employed or otherwise engaged in any **auto business**.
8. **Loss** to the **insured auto** while maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusion 7. If a **business** use surcharge is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance or use of the **auto** by:
 - a. **you**; or

- b. any **relative**.
- 9. **Loss to the insured auto** while any **authorized driver**:
 - a. is using **the insured auto** in any unlawful activity (other than a traffic violation); or
 - b. using or operating **the insured auto** to flee any law enforcement agent.
- 10. **Loss to the insured auto** which occurs due to use of any **insured auto** in any **racing** event.
- 11. **Loss to the insured auto** while it is:
 - a. being rented or leased to another; or
 - b. sold to another; or
 - c. under any conditional sales agreement by **you** to another.
- 12. **Loss** due to theft, conversion, secretion or fraudulent disposal of covered property by **you** or any **relative**.
- 13. **Loss** due to and resulting from intentional acts, or reasonably expected to result from the intentional or felonious omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct;
 - b. **you or any insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **property damage**;
 - c. such **property damage** is of a different kind or degree than intended or reasonably expected; or
 - d. such **property damage** is sustained by a different person than intended or reasonably expected.
- 14. **Loss** arising out of the operation or use of the **insured auto** by any individual who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit, unless listed on the policy prior to the **loss**;
 - f. is operating the **auto** outside of the privileges authorized by a valid driver's license
- 15. **Loss** arising out of or due to the use of the **insured auto** for the commercial transport of toxic or flammable liquids and/or chemicals.
- 16. **Loss to the insured auto** that results, in whole or in part, from a person operating the **auto** when that person is driving under the influence (DUI) of alcohol or drugs or while driving while intoxicated (DWI).
- 17. **Loss to the insured auto** that results, in whole or in part, from a person operating the **auto** when that person is engaged in reading, talking, typing, texting or other similar use of any electronic device, including but not limited to a phone, smart phone, computer, or tablet.
- 18. **Loss** due to a single **vehicle accident** when a police report has not been made within 24 hours or as soon as practicable following the **accident**.
- 19. **Loss** to any **non-owned auto**, including a **rental vehicle**.
- 20. **Loss** to property the **insured** rents or has charge of, including loss of its use.
- 21. **Diminution in value** to the **insured auto** due to a covered **loss**.
- 22. **Loss** resulting from the ownership, maintenance or use of the **insured auto** by any person who is a **regular operator** of the **insured auto**, but is not listed on the policy prior to the **loss**.
- 23. **Loss** due to theft if:
 - a. there is no evidence that forcible entry was required to operate or move the **auto**; or
 - b. the key or keys to the **auto** were left in or on the **auto**; or
 - c. there is no evidence that the ignition wiring was altered or the ignition cylinder was forced to allow the operation of the **auto** without keys.
- 24. **Loss to the insured auto** or its equipment resulting from recreational, off road use when the vehicle is not specifically designed and recommended by the original manufacturer for such use.
- 25. **Loss** to wearing apparel, tools or personal effects.
- 26. **Loss to the insured auto** resulting from its use by a person or persons specifically excluded by endorsement.

LIMIT OF LIABILITY

- A. Our limit of liability for **loss** to the **insured auto** will be the lesser of the:
1. **actual cash value**;
 2. 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 less deduction for any applicable **depreciation**; or
 3. stated amount shown on the **Declarations Page**, if applicable.
- B. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total **loss**. If a repair or replacement results in better than like kind or quality, **we** will not pay for the amount of the **betterment**.
- C. 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.
- D. Further, if there is a stated amount **you** declared on the **application** or endorsement for a specific **auto** listed and shown on the **Declarations Page**, that stated amount will be the total Limit of Liability applicable for **loss** to that **auto**, including its **Custom and Special Equipment**.
- E. Unless **you** pay a premium for and the endorsement for **Custom and Special Equipment** is shown on the **Declarations Page**, the maximum payment for all electronic equipment designed for the reproduction of sound will be the lesser of:
1. the **actual cash value**, reduced by the applicable deductible and its salvage value, if **you** or the **owner** retains the salvage;
 2. the amount necessary to repair or replace the part with parts of like kind and quality, reduced by the applicable deductible; or
 4. five hundred (\$500) dollars.
- F. If the **loss** is to a **trailer** shown on the **Declarations Page** we will pay up to the limit stated on the **Declarations Page**. For all other **trailers**, the most **we** will pay for **loss** is \$500.
- G. Our liability for the cost of repairing the **insured auto** and its equipment is limited to the amount necessary to perform physical repairs to the stolen or damaged property. Part D of **your** policy – **Coverage for Damage to Your Auto** – does not cover, and **we** will not pay for, **diminution in value**.
- H. **We** will not pay for any **depreciation** to the **insured auto** resulting from a **loss** sustained under Part D of this policy.
- I. In the repair of the **insured auto** under the physical damage coverage provisions of this policy, **we** may specify the use of **automobile** parts not made by the original manufacturer. These parts are required to be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace.
- J. Our payment for **loss** will be reduced by any applicable deductible shown on the **Declarations Page** for **Collision** and/or **Other than Collision (Comprehensive)** and/or **Custom and Special Equipment Coverage**, if selected.
- K. No one will be entitled to receive duplicate payment for the same elements of damage. If **loss** to the **insured auto** is also payable under the liability coverage or another policy issued by **us**, **we** will pay for such damage or **loss** only once, either under this policy or under the liability of the other policy.
- L. No deductible will apply to a **Other than Collision (Comprehensive) loss** to automobile safety glass. A **vehicle** damaged in a collision where more than the safety glass is damaged may have the full collision deductible applied.

PROOF OF LOSS

When **we** request it, **you** must file a written proof of **loss** within sixty (60) days from the date of **our** request or there will be no coverage for the **loss** claimed under PART D.

PAYMENT OF LOSS

We may pay for the **loss** in money or repair or replace the damaged or stolen property. **We** may, at **our** expense, return any stolen property to:

1. **you**; or
2. the address shown on the **Declarations Page** of this policy.

If **we** return stolen property, **we** will pay for any direct physical damage to **the insured auto** or its equipment resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value. **You** do not have the right to abandon salvage to **us**.

We may wait up to 30 days from the date the theft is reported in writing to the police and to **us** to either issue payment or replace the property.

NO BENEFIT TO BAILEE

The insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER INSURANCE

If other insurance also covers the **loss**, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. However, any insurance **we** provide for an **auto you** do not own shall be excess over any other insurance.

APPRAISAL

If **you** and **we** do not agree on the amount of **loss**, either may demand an appraisal of the **loss**. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the **actual cash value** and the amount of **loss**. If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will:

1. pay its chosen appraiser; and
2. bear the expenses of the appraisal and umpire equally.

We do not waive any of **our** rights under this policy by agreeing to an appraisal.

PART E: GENERAL POLICY PROVISIONS

By acceptance of this policy, **you** affirm and agree that:

1. This policy is issued in reliance upon **your** statements made in the **application**;
2. **Your** statements made in the **application** are true and complete;
3. **Your** statements made in the **application** are incorporated into and form a part of this policy;
4. **Your** statements as reflected in the **Declarations page** and all endorsements are incorporated into and form a part of this policy;
5. The insurance **application**, **Declarations page** and all endorsements are incorporated into and form a part of this policy;
6. Any material misrepresentation on **your** part may render this policy null and void from inception;
7. This policy embodies all agreement existing between **you** and **us**; and
8. **You** have the affirmative obligation to report all accidents regardless of fault and to promptly advise us of any change in circumstances or in the information **you** supplied to us on **your** application.

BANKRUPTCY

Bankruptcy or insolvency of the **insured** shall not relieve **us** of any obligations under this policy.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one **named insured** on this policy, any **named insured** may cancel or change this policy. The action of one **named insured** shall be binding on all persons provided coverage under this

policy.

CHANGES

The premium charged is based on information **we** have received from **you** or other sources. **You** agree:

1. That if any of this information material to the development of the policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period
2. To cooperate with **us** in determining if this information is correct and complete, and to advise **us** of any changes during the policy period within seven (7) days of the change.
3. That any return premium will be calculated on the basis of the correct premium, if this policy is cancelled.
4. Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change.

Premium adjustments may be made as a result of a change in:

1. The type or number of **autos** insured by the policy, including changes in use;
2. Drivers;
3. Coverages or coverage limits;
4. Rating territory; or
5. Eligibility for discounts or surcharges or other premium credits or debits.

This policy contains all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

LEGAL ACTION AGAINST US

No legal action may be brought against **us** until:

1. there has been full compliance with all the terms and conditions of this policy.
2. 30 days after the required written notice of **loss** and reasonable proof of claim has been filed with **us**.
3. **we** agree in writing that the **insured** has an obligation to pay or the amount of that obligation has been finally determined by judgment after trial.

No person or organization has any right under this policy to bring legal action against **us** or to make **us** a party to any legal proceeding to determine the liability of the **insured**.

We have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RIGHT TO RECOVER

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall:
 1. do whatever is necessary to enable **us** to exercise **our** rights; and
 2. do nothing after the **loss** to prejudice them; and
 3. deliver to **us** any legal papers relating to that recovery.
- B. If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 1. hold in trust for **us** the proceeds of the recovery; and
 2. reimburse **us** to the extent of **our** payment, including expenses, costs and attorney fees incurred in connection with this recovery.

POLICY PERIOD AND TERRITORY

This policy applies only to covered **losses** resulting from **auto accidents** or damage to the **insured auto** which occur:

1. during the policy period as shown on the **Declarations Page**; and
2. within the policy territory.

The policy territory is:

1. the United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

TERMINATION, CANCELLATION, INSUFFICIENT FUNDS, NONRENEWAL, AUTOMATIC TERMINATION, OTHER TERMINATION PROVISIONS

Cancellation

This policy may be canceled during the policy period as follows:

1. The **named insured** shown on the **Declarations Page** may cancel by giving **us** advance written notice of the date cancellation is to take effect.
2. **We** may cancel this policy by mailing notice to the **named insured** shown on the **Declarations Page** to the last known address:
 - a. at least 15 days prior if cancellation is for non-payment of premium;
 - b. at least 15 days prior if cancellation is for a reason other than non-payment of premium and is mailed during the first 90 days the policy is in effect;
 - c. at least 15 days in all other cases.
3. **We** may cancel this policy only for one or more of the following reasons within the first sixty (60) days of the initial policy period:
 - a. a premium payment by check, draft, or remittance is not honored upon presentment; or
 - b. **you** produce satisfactory proof that **you** have sold or otherwise disposed of **your covered auto**, or surrendered its tags and registration; or
 - c. **you** produce satisfactory proof that **you** have secured another policy that satisfies the financial responsibility laws of the State of South Carolina; or
 - d. **you** do not pay the required premium for this policy when due, however the policy will not be cancelled before the 31st day.
4. After the policy has been in effect for 90 days, **we** will cancel only for reasons permissible under the applicable South Carolina insurance statutes including, but not limited to:
 - a. nonpayment of premium.
 - b. suspension or revocation of **your** driver's license or that of any driver who lives with **you** or any driver who customarily uses the **insured auto**.
 - c. any other reason permitted by law.

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

If this policy is canceled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. The premium refund, if any, will be computed on a pro rata basis. However, making or offering to make the refund is not a condition of cancellation.

The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

If **we** cancel or non-renew the policy, **we** will give the same notice of cancellation or nonrenewal to any loss payee stated in the policy as **we** give to **you**.

Nonrenewal

If we decide not to renew or continue the policy, we will mail notice to you at the address shown on the Declarations Page at least 15 days before the end of the policy period.

Dishonored / Insufficient Checks or Credit Cards. We provide coverage for each policy term only on condition that the initial **premium payment** and any subsequent installment **premium payments** for that policy term are paid. **You** have not paid the initial **premium payment** or any installment **premium**

payment if **you** provide **us** a check, a credit card, or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn.

If **you** have not paid the initial **premium payment** because **you** give **us** a check, a credit card, or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn, this policy shall be void from the inception of the policy term and no coverage will exist.

If **you** receive a notice from **us**, referencing either a regular installment **premium payment** or a renewal **premium payment**, and informing **you** that **your premium payment** to **us** was returned unpaid for insufficient funds or any other reason, **you** must provide a replacement payment to **us** by means of either a cashier's check or money order. If the replacement payment is timely made prior to the cancellation or expiration of **your** policy, then **your** policy will remain active and in force.

If **we** receive a **premium payment** or a replacement **premium payment** after **your** policy has cancelled or expired, **your** policy may be reinstated, at **our** discretion, with a gap in coverage. Any **accidents** or **losses** occurring between the date of cancellation or lapse for non-payment of premium and the date of any reinstatement of this policy will not be covered.

Failure to Renew. If **we** offer to renew or continue the policy and **you** or **your** representative do not make payment by the end of the current policy period, then the policy will automatically terminate at the end of the current policy period. **Your** failure to pay the required renewal or continuation premium by the due date means that **you** have not accepted **our** offer.

Other Termination Provisions.

1. If the law in effect at the time this policy is issued, renewed or continued;
 - a. requires a longer notice period;
 - b. requires a special form or procedure for giving notice; or
 - c. modifies any of the stated termination reasons; **we** will comply with those requirements.
2. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
3. If this policy is cancelled, the premium refund, if any, will be computed according to **our** manuals. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. **Your** rights and duties under this policy may not be assigned without **our** written consent. However, upon the death of the **named insured** shown on the **Declarations Page**, coverage will be provided until the end of the policy period for:
 1. The surviving spouse, if a **resident** in the same household at the time of death.
 2. The legal representative of the deceased person while acting within the scope of duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use **the insured auto**.
- B. Coverage will only be provided until the end of the policy period or cancellation, whichever is less.

LIMITATIONS ON AGENT AUTHORITY

The authorized agent who obtained this policy for **you** has limited authority to act in transacting business with **you** on this policy. Any statement or assurance made by the authorized agent to **you** concerning **your** policy is governed by **our** guidelines and rules, as well as applicable laws and regulations and will not be binding upon **us**.

The authorized agent who obtained this policy for **you** does not possess any apparent, implied, or actual authority to act on **our** behalf after the expiration, cancellation, or nonrenewal of **your** policy with **us**. Any representations made by the authorized agent after a notice of termination has been initiated, by either **you** or **us**, will apply only if **we** provided prior written approval.

MISREPRESENTATION AND FRAUD*Fraud or Misrepresentation in the Application or Notification of Change*

The statements made by **you** in the application are deemed to be representations. If any representation contained in the application is false, misleading, or materially affects the acceptance or rating of the risk by **us**, this policy will be void from its inception.

If any representation contained in any notification of change is false, misleading, or materially affects the acceptance or rating of the risk by **us**, this policy will be terminated from the effective date of the change.

This provision shall apply to statements or representations that contain fraudulent, false, misleading or deceptive statements, direct misrepresentations, and omissions or concealments of fact. **We** may void this policy or deny coverage even after the occurrence of an **accident** or **loss**. This means that **we** will not be liable for any claims or damages that would otherwise have been covered in the absence of the fraud or misrepresentation. No coverage will be afforded to any **relative** or **resident** in **your** household unless named in the application for coverage and/or listed on the **Declarations Page** or added by endorsement.

Fraud or Misrepresentation in the Presentation of a Claim

The statements made by **you** or any other person seeking coverage under this policy are deemed to be representations. In connection with any **accident** or **loss**, **we** do not provide coverage for anyone who has engaged in fraudulent conduct or made statements or representations that contain fraudulent, false, misleading or deceptive statements, direct misrepresentations, or omissions or concealments of fact. This means that **we** will not be liable for any claims or damages that would otherwise have been covered in the absence of the fraud or misrepresentation.

If **we** are not permitted by law to retroactively void this policy, **you** agree that **we** have the right to reduce any amounts otherwise owed to **you** under any coverage(s) provided by this policy, except for the coverages provided in Part A, by the amount of any additional premium which would have been charged to **you** had there been no fraud and/or misrepresentation. With respect to the coverages provided under Part A of this policy **you** agree to make any additional **premium payment** which would have been charged to **you** had there been no fraud and/or misrepresentation. **You** agree that any payments made by **us** as the result of **your** fraud and/or misrepresentation may be recovered by **us** from **you**, or from any payments due or made to **you** under any coverage(s) provided by this policy.

TWO OR MORE AUTOS INSURED

With respect to any **accident** to which this and any other **auto** policy issued to **you** by **us** applies, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

CONFORMITY TO STATE STATUTES

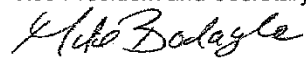
The terms of this policy that conflict with the statutes of South Carolina are amended to conform to such statutes. Any dispute as to the coverages provided or the provisions of this policy shall be governed by the law of the State of South Carolina.

COMPANY SIGNATURE

This policy is signed on behalf of First Acceptance Insurance Company, Inc., and is countersigned on the **Declarations Page**, if necessary, by **our** authorized representative.

First Acceptance Insurance Company, Inc.
3813 Green Hills Village Drive
Nashville, Tennessee 37215
Claims Phone#: 1-800-779-2103
Customer Service Phone #: 1-800-321-0899

Vice President and Secretary,

A handwritten signature in black ink, appearing to read "Mike Bodayle", written over a horizontal line.

Mike Bodayle

**YOUR PERSONAL AUTO POLICY QUICK REFERENCE
ENDORSEMENT FORMS SECTION**

SC – 101	Loss Payable Clause	30
SC – 102	Named Driver Exclusion	31
SC - 103	Additional Insured – Lessor	31
SC - 104	Named Non-Owner Coverage	32
SC - 105	Custom and Special Equipment Coverage	33
SC – 109T	Towing and Labor Costs Coverage	34
SC – 109R	Rental Reimbursement Coverage	34

The following endorsements form a part of your policy only if the form number corresponding to the specific endorsement is printed on the Declarations Page and premium has been paid. If a form number does not appear on the Declarations Page of the attached policy, then the endorsement below is not applicable to your policy.

**FORM SC-101
LOSS PAYABLE CLAUSE**

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
FORMS SECTION ON THE DECLARATIONS PAGE**

Loss or damage shall be paid, subject to all the terms of this policy, as interest may appear, to the **named insured**, the Loss Payee shown on the **Declarations Page** of this policy, both jointly, or separately, at **our** discretion. However, if the **insured auto** is not a total loss, **we** may make payment jointly to **you** and the facility or shop where your **insured auto** is repaired.

The loss payee has no greater rights under this policy than the **insured**. Where coverage is denied to the **insured**, coverage is also denied to the loss payee.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **relative**, the Loss Payee or lien holder's interest will not be protected.

We reserve the right to cancel or non-renew this policy as permitted by policy terms and the cancellation or non-renewal shall terminate this agreement as to the Loss Payee's interest. **We** will give written notice of cancellation or non-renewal to the Loss Payee shown on the **Declarations Page**. Proof of mailing shall be sufficient proof of notice.

When **we** pay the Loss Payee, **we** shall, to the extent of payment, be subrogated to the Loss Payee's rights of recovery.

SC-101 01.17

FORM SC-102
NAMED DRIVER EXCLUSION ENDORSEMENT

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
 FORMS SECTION ON THE DECLARATIONS PAGE**

Notwithstanding any other provision of the agreement and in consideration of the premium charged for this policy, it is agreed that no coverage is afforded for any claim or **loss** arising from an **accident** when the **insured auto**, or any other **auto** to which the terms of this policy apply is being driven, operated, or under the control of, either with or without the express or implied permission of the **named insured** or **owner**, by those persons specifically listed by **you** on **your** application or as named by **you** on a subsequent policy endorsement as an excluded driver. This includes any claim for damages made against **you**, a **relative**, or any other person or organization that is vicariously liable for an **accident** arising out of the operation of a motorized vehicle by the excluded driver.

This endorsement applies to any continuation, renewal, replacement, or reinstatement of this policy unless changed by **you** in writing.

No Uninsured Motorist Coverage or Underinsured Motorist Coverage will be provided under this policy to anyone while the **insured auto** or any other **auto** to which the terms of this policy are extended is being driven or operated by the excluded driver(s).

All other terms and provisions of this policy remain unchanged.

SC-102 01.17

FORM SC-103
ADDITIONAL INSURED – LESSOR

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
 FORMS SECTION ON THE DECLARATIONS PAGE**

All provisions and exclusions that apply to this policy shall also apply to this endorsement except as changed by this endorsement.

26

Insuring Agreement

Any coverage afforded under Part A or Part D of this policy for **the insured auto** shall also apply to the lessor named on the **Declarations Page** of this policy as an additional **insured**.

This **insured** is subject to the following additional provisions:

1. **We** will pay damages for which the lessor becomes legally responsible only if said damages arise out of acts or omissions of:
 - a. **you** or any **relative**, or
 - b. any other person using, maintaining or operating **the insured auto** with the **named insured's** permission and within the scope of such except the lessor or any employee or agent of the lessor using **the insured auto**.
2. If **we** cancel or non-renew this policy, notice provided under this policy will also be mailed to the lessor. Proof of mailing shall be sufficient proof of notice.
3. The lessor is not responsible for payment of premiums.
4. The designation of the lessor as an additional **insured** shall not operate to increase **our** limits of liability under this policy.

SC-103 01.17

FORM SC-104
NAMED NON-OWNER COVERAGE

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
 FORMS SECTION ON THE DECLARATIONS PAGE**

It is agreed that such insurance as is afforded by this policy for Part A- Liability Coverage, Part B- Medical Payments Coverage, or Part C- Uninsured Motorist Coverage applies subject to the following provisions:

Under all DEFINITIONS sections of the policy, the definition of **you** and **your** are deleted and replaced as follows: **you** and **your** means the person named on the **Declarations Page** only, specifically excluding the spouse of that individual.

Under DEFINITIONS section of the policy the definition of **insured auto** is deleted and no coverage is provided with respect to a covered vehicle under this policy.

This coverage applies when **you** are personally in control as the driver of an **auto**, with the permission of that person having the right to grant such permission.

Coverage does not apply to:

1. any **losses** resulting from the operation or use of a **vehicle** by any person other than **you**. Any provisions in the policy that give such coverage are eliminated.
25. **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any **vehicle** in the course and scope of any **business** including, but not limited to:
 - e. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - f. operating any **vehicle** displaying advertising.
 - g. operating any **vehicle** containing permanently installed mechanical equipment.
 - h. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.
2. **bodily injury** or **property damage** arising out of **auto business** operations, including the selling, repairing, servicing, storing or parking of cars.
3. **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any **vehicle owned**, in full or in part, or registered in the name of **you**, a **resident**, or **relative**.
4. **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any **vehicle** furnished or available for the **regular or frequent use** of **you**, a **resident** or a **relative**.

Any insurance afforded by this policy is excess over any other collectible **auto** liability insurance or self insurance.

If you purchase, lease, acquire, or register an **auto** in **your** name, **you** must notify **us** within 7 days of the date **you** become the **owner** or take physical possession of the **auto**, whichever comes first.

SC 104 01.17

FORM SC-105
CUSTOM AND SPECIAL EQUIPMENT COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only on those insured vehicles for which **Collision** and **Other Than Collision (Comprehensive)** coverage is noted on the **Declarations Page** and only on additional custom and special equipment permanently installed in the **insured auto** which is specifically listed on the **application**.

All provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

The provisions and exclusions that apply to **Part D - Coverage for Damage to Your Auto** - also apply to this endorsement except as changed by this endorsement.

A. The **Insuring Agreement** in **Part D** of this policy is replaced by the following:

INSURING AGREEMENT

Subject to the Limits of Liability and the terms herein, if **you** pay a premium for **Comprehensive** and/or **Collision** Coverages, **we** will pay for direct and accidental **loss** to the **insured auto** for that coverage purchased, including its original factory-installed equipment attached thereto, less any applicable deductible shown on the **Declarations Page**.

We will pay for **loss** to **insured auto** caused by:

1. **Collision** only if the **Declarations Page** indicates that **Collision** Coverage is provided for that **auto**.
2. **Other than Collision (Comprehensive)** only if the **Declarations Page** indicates that **Other than Collision (Comprehensive)** Coverage is provided for that **auto**.

Our payment will be reduced by any applicable deductible shown on the **Declarations Page**.

In addition, **we** will pay for direct and accidental **loss** to additional **custom and special equipment** permanently installed in the **insured auto** which is specifically listed on the **application** and shown on the **Declarations Page**, and for which a specific premium is noted and paid. The maximum payment for **loss** to specific **Custom and Special Equipment** shown on the **Declarations Page** will be the lesser of:

1. the stated value listed on the **Declarations Page**, reduced by the applicable deductible, and reduced by its salvage value if **you** retain the salvage;
2. the **actual cash value**, reduced by the applicable deductible, and reduced by its salvage value if **you** retain the salvage;
3. the amount necessary to repair or replace the part with parts of like kind and quality, reduced by the applicable deductible per occurrence.

Coverage for **Custom and Special Equipment** shall not cause **our** limit of liability for **loss** to an **auto** under this **Part D** to be increased to an amount in excess of:

1. The **actual cash value** of the vehicle, including its **Custom and Special Equipment**; or
2. Any applicable limits of liability or stated amount vehicle coverage elected by **you**.

Our payment under the **Custom and Special Equipment** Coverage Endorsement will be reduced by a \$50 deductible.

B. **Part D – Coverage for Damage to Your Auto – Exclusions.**

The exclusions that apply to **Part D - Coverage for Damage to Your Auto** - also apply to this endorsement except as changed as follows:

1. Exclusion 5. shall not apply to any additional equipment permanently installed in the **insured auto** which is listed on the **application** and for which a specific premium is noted and paid.

SC 105 01.17

FORM SC-109T
TOWING AND LABOR COSTS COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only when noted on the **Declarations Page** of this policy. All the provisions of this policy including all amendments thereto apply to the coverage provided by this endorsement.

Insuring Agreement

If **you** pay a premium for towing and labor costs coverage, **we** will pay up to the amount shown on the **Declarations Page** for towing and labor costs incurred each time the **insured auto** is disabled, other than disablement due to a **loss** under **Collision** and **Other than Collision (Comprehensive)** coverage, provided that:

1. the labor must be performed at the place of disablement; and
2. the disablement does not occur at **your** residence.
3. **you** provide **us** with proof in the form of verifiable receipts of the towing and labor charges incurred.

SC 109T 01.17

FORM SC-109R
RENTAL REIMBURSEMENT COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only when noted on the **Declarations Page** of this policy. All the provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

We will reimburse **you** or, at **our** option, pay directly on **your** behalf, without application of a deductible, up to the daily limit and aggregate amount shown on the **Declarations Page** for Rental Reimbursement Coverage for rental expenses incurred by **you** when **you** rent an **auto** from a commercially licensed rental agency approved by **us**. Daily rental expenses shall not include cost of any insurance related to the rental of the **auto**, cost of refueling the rental auto, or mileage fees.

This endorsement applies only if:

1. the **insured auto** is withdrawn from use for more than twenty-four (24) hours; and
2. the **loss** is caused by an **auto accident**.

Our payment will be limited to the lesser of that period of time:

1. reasonably required to repair or replace **your auto**, or
2. forty-eight (48) hours of rental coverage extended after an offer has been made if the **insured auto** has been deemed a total **loss**, or
3. when **we** pay for the **loss**, or
4. thirty (30) days.

This coverage provided by this endorsement cannot be combined or stacked with the transportation

SC 100 01.17

34

expenses benefit provided under the TRANSPORTATION EXPENSES section of PART D – COVERAGE FOR DAMAGE TO YOUR AUTO of this policy.

SC 109R 01.17

SC 100 01.17

35

EXHIBIT B

Date: 02/26/16

Policy No: CSSC 600095510

NAMED DRIVER EXCLUSION

In consideration of the premium charged, I, the named insured on my insurance policy, hereby authorize the person(s) listed below to be excluded from my insurance policy. This means that the Company shall not be liable for damages, losses or claims arising out of the operation or use of the automobile described in the policy or any other automobile to which the terms of the policy are extended, whether or not such operation or use was with the express or implied permission of its owner, while said automobile is being driven or operated by the following named person(s). This exclusion includes any claim for damages made against you, a family member or any other person or organization that is vicariously liable for an accident or loss arising out of the operation of your covered auto or non-owned auto by the excluded driver(s).

Named Excluded Driver(s)

Excluded Driver	DOB	Relationship
KEVIN MORAZAN	9/06/1993	EMPLOYEE

☐ The driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or

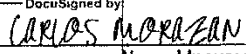
☒ An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded.

In all other respects, this policy remains unchanged.

I understand that this agreement will be binding and will apply to and remain in effect for this policy term and all future renewals, reinstatements, replacement policies, or any changes in my policy unless I notify First Acceptance Insurance Company, Inc. in writing to amend the policy. The provisions of this endorsement supersede and exclude from the policy any contrary provision(s).

I further declare that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or (2) an appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded.

The undersigned, being the named insured in this policy, hereby requests, consents and agrees to the exclusion set forth as witness his/her signature signifying his/her agreement.

DocuSigned by

 DD4FBF1E7C144F6
 Named Insured Signature

d1 / 2/26/2016
 Date

This endorsement is attached to and forms a part of the policy issued by First Acceptance Insurance Company, Inc.

SCC-307 ed. May 2010

ELECTRONICALLY FILED - 2020 Aug 25 11:35 AM - BEAUFORT - COMMON PLEAS - CASE#2020CP0701692

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL CASE NO.: 2020-CP-07-01692
	)	
FIRST ACCEPTANCE INSURANCE	)	
COMPANY, INC.,	)	
	)	
PLAINTIFF,	)	
	)	
vs.	)	ANSWER
	)	
TAMASHA FLOYD, INDIVIDUALLY	)	
AND AS GUARDIAN AD LITEM OF	)	
JAYVON G., A MINOR UNDER THE	)	
AGE OF EIGHTEEN (18) YEARS OF	)	
AGE; HARRY BROWN AS SPECIAL	)	
ADMINISTRATOR OF THE ESTATE	)	
OF KEVIN M., ELSA VALASQUEZ	)	
FERRO; GERALD WASHINGTON;	)	
AND VINCENT WILLIAMS,	)	
	)	
DEFENDANTS.	)	
	)	

COMES NOW, the Defendants, Tamasha Floyd, individuals and as Guardian ad litem of Jayvon G., a minor under the age of eighteen (18) years of age; (herein referred to as Defendants) by and through their attorney, and answers the following:

FOR A FIRST DEFENSE

General Answer

1. Each and every allegation in Plaintiff's Complaint not hereinafter specifically addressed, admitted, or clarified is denied.

FOR A SECOND DEFENSE

Specific Denial

2. Defendants incorporate and reallege each and every defense alleged in the above paragraphs of this Answer as if repeated verbatim herein.
3. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 1 and therefore the allegation is denied.
4. Defendants admit the allegations contained in Paragraph 2.

5. Defendants admit the allegations contained in Paragraph 3.
6. Defendants admit the allegations contained in Paragraph 4.
7. Defendants admit the allegation contained in Paragraph 5 that Harry Brown was appointed special administrator for the Estate of Kevin M., who was a minor under the age of eighteen (18) at the time of his death but denies that the appointment was made by South Carolina Court of Common Pleas, County of Beaufort.
8. Defendants admit the allegations contained in Paragraph 6.
9. Defendants admit the allegations contained in Paragraph 7.
10. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 8 and therefore the allegation is denied.
11. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 9 and therefore the allegation is denied.
12. Defendants admit the allegations contained in Paragraph 10.
13. Defendants admit the allegations contained in Paragraph 11.
14. Defendants admit the allegations contained in Paragraph 12.
15. Defendants admit the allegations contained in Paragraph 13.
16. Defendants admit the allegations contained in Paragraph 14.
17. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 15 and therefore the allegation is denied.
18. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 16 and therefore the allegation is denied.
19. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 17 and therefore the allegation is denied.

20. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 18 and therefore the allegation is denied.
21. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 19 and therefore the allegation is denied.
22. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 20 and therefore the allegation is denied.
23. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 21 and therefore the allegation is denied.
24. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 22 and therefore the allegation is denied.
25. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 23 and therefore the allegation is denied.
26. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 24 and therefore the allegation is denied.
27. Defendants admit the allegations contained in paragraph 25.
28. Defendants admit the allegations contained in paragraph 26.
29. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 27 and therefore the allegation is denied.
30. Defendants admit the allegations contained in paragraph 28.
31. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 29 and therefore the allegation is denied.
32. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 30 and therefore the allegation is denied.

33. Defendants admit the allegations contained in paragraph 31.
34. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 32 and therefore the allegation is denied.
35. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 33 and therefore the allegation is denied.
36. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 34 and therefore the allegation is denied.
37. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 35 and therefore the allegation is denied.
38. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 36 and therefore the allegation is denied.
39. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 37 and therefore the allegation is denied.
40. Defendants admit the allegations contained in Paragraph 38.
41. Defendants are without sufficient information or belief as to the allegation contained in Paragraph 39 and therefore the allegation is denied.

**FOR A THIRD DEFENSE
(Failure to State a Cause of Action)**

42. Defendants incorporate and re-allege every defense and allegation contained in the above paragraphs of this Answer as if repeated verbatim herein.
43. Defendants assert that Plaintiff's Complaint fails to state facts sufficient to constitute a cause of action against them and; therefore, the Complaint should be dismissed pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure.

**FOR A FORTH DEFENSE
(Statute of Limitation)**

44. Defendants incorporate and re-allege every defense and allegation contained in the above paragraphs of this Answer as if repeated verbatim herein.

45. Defendants assert that any recovery by Plaintiff is barred by the Statute of Limitation.

WHEREFORE, Defendants request that this Court declare that the Policy provided coverage for all claims arising out of the single car collision and that First Acceptance has a duty to defend, indemnify and make all payments arising from the accident;

- A. Judgment be entered for Defendants;
- B. for reasonable attorney's fees as well as cost of this action; and
- C. such other and further relief as the Court may deem just and proper.

THE LAW OFFICE OF CLIFFORD BUSH, III

s/Clifford Bush, III
Clifford Bush, III, Esquire
South Carolina Bar# 17026
28 Old Jericho Road
Beaufort, South Carolina 29906
(843) 379-9500(w)
(843) 379-9550(f)
cbush@lawofficeofcbushiii.com
ATTORNEY FOR DEFENDANTS

Beaufort, South Carolina

September 8, 2020

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL CASE NO.: 2020-CP-07-01692
	)	
FIRST ACCEPTANCE INSURANCE	)	
COMPANY, INC.,	)	
	)	
PLAINTIFF,	)	
	)	
vs.	)	ANSWER
	)	
TAMASHA FLOYD, INDIVIDUALLY	)	
AND AS GUARDIAN AD LITEM OF	)	
JAYVON G., A MINOR UNDER THE	)	
AGE OF EIGHTEEN (18) YEARS OF	)	
AGE; HARRY BROWN AS SPECIAL	)	
ADMINISTRATOR OF THE ESTATE	)	
OF KEVIN M., ELSA VALASQUEZ	)	
FERRO; GERALD WASHINGTON;	)	
AND VINCENT WILLIAMS,	)	
	)	
DEFENDANT.	)	
	)	

COMES NOW, the Defendant, Harry Brown, Sr. as special administrator of the Estate of Kevin M; (herein referred to as Defendant) by and through his attorney, and answers the following:

FOR A FIRST DEFENSE

General Answer

1. Each and every allegation in Plaintiff's Declaratory Judgment not hereinafter specifically addressed, admitted, or clarified is denied.

FOR A SECOND DEFENSE

Specific Denial

2. Defendant incorporate and reallege each and every defense alleged in the above paragraphs of this Answer as if repeated verbatim herein.
3. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 1 and therefore the allegation is denied.
4. Defendant admit the allegations contained in Paragraph 2.

5. Defendant admit the allegations contained in Paragraph 3.
6. Defendant admit the allegations contained in Paragraph 4.
7. Defendant admit the allegation contained in Paragraph 5 that Harry Brown was appointed special administrator for the Estate of Kevin M., who was a minor under the age of eighteen (18) at the time of his death but denies that the appointment was made by South Carolina Court of Common Pleas, County of Beaufort.
8. Defendant admit the allegations contained in Paragraph 6.
9. Defendant admit the allegations contained in Paragraph 7.
10. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 8 and therefore the allegation is denied.
11. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 9 and therefore the allegation is denied.
12. Defendant admit the allegations contained in Paragraph 10.
13. Defendant admit the allegations contained in Paragraph 11.
14. Defendant admit the allegations contained in Paragraph 12.
15. Defendant admit the allegations contained in Paragraph 13.
16. Defendant admit the allegations contained in Paragraph 14.
17. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 15 and therefore the allegation is denied.
18. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 16 and therefore the allegation is denied.
19. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 17 and therefore the allegation is denied.

20. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 18 and therefore the allegation is denied.
21. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 19 and therefore the allegation is denied.
22. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 20 and therefore the allegation is denied.
23. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 21 and therefore the allegation is denied.
24. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 22 and therefore the allegation is denied.
25. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 23 and therefore the allegation is denied.
26. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 24 and therefore the allegation is denied.
27. Defendant admit the allegations contained in paragraph 25.
28. Defendant admit the allegations contained in paragraph 26.
29. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 27 and therefore the allegation is denied.
30. Defendant admit the allegations contained in paragraph 28.
31. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 29 and therefore the allegation is denied.
32. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 30 and therefore the allegation is denied.

33. Defendant admit the allegations contained in paragraph 31.
34. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 32 and therefore the allegation is denied.
35. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 33 and therefore the allegation is denied.
36. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 34 and therefore the allegation is denied.
37. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 35 and therefore the allegation is denied.
38. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 36 and therefore the allegation is denied.
39. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 37 and therefore the allegation is denied.
40. Defendant admit the allegations contained in Paragraph 38.
41. Defendant are without sufficient information or belief as to the allegation contained in Paragraph 39 and therefore the allegation is denied.

**FOR A THIRD DEFENSE
(Failure to State a Cause of Action)**

42. Defendant incorporate and re-allege every defense and allegation contained in the above paragraphs of this Answer as if repeated verbatim herein.
43. Defendant assert that Plaintiff's Complaint fails to state facts sufficient to constitute a cause of action against them and; therefore, the Complaint should be dismissed pursuant to Rule 12(b)(6) of the South Carolina Rules of Civil Procedure.

**FOR A FORTH DEFENSE
(Statute of Limitation)**

44. Defendant incorporate and re-allege every defense and allegation contained in the above paragraphs of this Answer as if repeated verbatim herein.

45. Defendant assert that any recovery by Plaintiff is barred by the Statute of Limitation.

WHEREFORE, Defendant request that this Court declare that the Policy provided coverage for all claims arising out of the single car collision and that First Acceptance has a duty to defend, indemnify and make all payments arising from the accident;

- A. Judgment be entered for Defendant;
- B. for reasonable attorney's fees as well as cost of this action; and
- C. such other and further relief as the Court may deem just and proper.

/s/ Harry C. Brown, Sr.
Harry C. Brown, Sr. Esquire Bar # 13500
Post Office Box 824
Ridgeland, South Carolina 29936
Telephone: (843) 726-7920
Facsimile: (843) 726-7923
Email: harrycbrownsrc@embarqmail.com

Ridgeland, South Carolina

September 22, 2020

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUTY OF BEAUFORT	)	CIVIL ACTION NO: 2020CP0701692
	)	
First Acceptance Insurance	)	
Company, Inc.,	)	
Plaintiff,	)	
	)	
vs.	)	
	)	ANSWER TO COMPLAINT
Tamasha Floyd, Individually and as	)	
Guardian Ad Litem of Jayvon G., a	)	
Minor under the age of Eighteen (18)	)	
Years of age; Harry Brown as Special	)	
Administrator or the Estate of Kevin	)	
M.; Elsa Valasquez Ferro; Gerald	)	
Washington; and Vincent Williams	)	
Defendants.	)	
	)	

Defendant Elsa Valasquez Ferro, by and through her attorney of Bright Matthews Law Firm, LLC, answers the Complaint and respectfully assert the following:

1. Defendant Elsa Valasquez Ferro (hereinafter Defendant Ferro) admits, upon information and belief, the allegations contained in Paragraph 1 of the Complaint.
2. Defendant Ferro admits the allegations of Paragraph 2 upon information and belief.
3. Defendant Ferro admits the allegations in Paragraph 3 upon information and belief.
4. Defendant Ferro admits the allegations in Paragraph 4 upon information and belief.

5. Defendant Ferro admits the allegations in Paragraph 5 upon information and belief.
6. Defendant Ferro admits the allegations in Paragraph 6 of the Complaint.
7. Defendant Ferro admits the allegations in Paragraph 7 of the Complaint.
8. Defendant Ferro admits the allegations of Paragraph 8 upon information and belief.
9. Defendant Ferro admits the allegations of Paragraph 9 upon information and belief.
10. Defendant Ferro denies the allegations of Paragraph 10 and would require strict proof thereof.
11. Defendant Ferro admits the allegations of Paragraph 11 of the Complaint.
12. Defendant Ferro denies all the allegations in Paragraphs 12 through 39 of the Complaint.

WHEREFORE, by this Answer the Defendant Ferro prays that the Complaint be dismissed, with prejudice, and the Plaintiff recover nothing from Defendant Ferro.

October 15, 2020.

/s/ Margie Bright Matthews
Margie Bright Matthews
Bright Matthews Law Firm, LLC
Post Office Box 499
205 East Washington Street
Walterboro, South Carolina 29488
(843) 549-6028 Office
(843) 549-6107 Fax

ATTORNEY FOR DEFENDANT
FERRO

THE STATE OF SOUTH CAROLINA	)	THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CASE NO.: 2020-CP-07-
TAMASHA FLOYD , Individually and as	)	
Next Friend and Guardian ad Litem	)	
of JAYVON G , a minor under the age of	)	
sixteen (16) years,	)	
PLAINTIFFS,	)	
vs.	)	SUMMONS
	)	
HARRY C. BROWN as Special	)	
Administrator of KEVIN M and ELSA	)	
YOSELI VELASQUEZ FERRO,	)	
	)	
DEFENDANTS.	)	
_____	)	
TO THE DEFENDANT ABOVE NAMED:		

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your Answer to said Complaint on the Plaintiffs' attorney, Clifford Bush, III, Esquire, at 28 Old Jericho Road, Beaufort, South Carolina, 29906, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in said Complaint.

THE LAW OFFICE OF CLIFFORD BUSH, III

s/Clifford Bush, III
Clifford Bush, III, Esquire
South Carolina Bar No. 17026
28 Old Jericho Road
Beaufort, South Carolina 29906
P:(843) 379-9500
F:(843) 379-9550
ATTORNEY FOR PLAINTIFFS

Beaufort, South Carolina
May 14, 2020

THE STATE OF SOUTH CAROLINA	)	THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CASE NO.: 2020-CP-07-
	)	
TAMASHA FLOYD , Individually and as	)	
Next Friend and Guardian ad Litem	)	
of JAYVON G , a minor under the age of	)	
sixteen (16) years,	)	
PLAINTIFFS,	)	
vs.	)	COMPLAINT
	)	
HARRY C. BROWN as Special	)	
Administrator of KEVIN M and ELSA	)	
YOSELI VELASQUEZ FERRO,	)	
	)	
DEFENDANTS.	)	
_____	)	

NOW COMES Plaintiffs, above-named, complaining of acts and/or omissions of the Defendants, above-named, and does allege and show unto this Honorable Court as follows:

1. That the parties hereto, the subject matter hereof, and all matters and things hereinafter alleged are within the jurisdiction of this Honorable Court.
2. Plaintiff, Tamasha Floyd, (hereinafter Plaintiff) is and was at all times material to this Complaint, a resident of, 1742 Jasper Stone Circle in Beaufort, South Carolina 29906.
3. Plaintiff, Jayvon G, (hereinafter Plaintiff) is and was at all times material to this Complaint, a resident of, 1742 Jasper Stone Circle in Beaufort, South Carolina 29906.
4. Defendant, upon information and belief, Kevin M, (hereafter "Defendant"), is and was at all times material to this Complaint, a resident of 1602 Charleston Drive, Beaufort, South Carolina 29906.
5. Defendant, upon information and belief, Elsa Yoseli Velasquez Ferro, (hereafter

“Defendant”), is and was at all times material to this Complaint, a resident of 1602 Charleston Drive, Beaufort, South Carolina 29906.

6. The automobile accident, which is the subject of this lawsuit, occurred on September 25, 2018 at or around 5:21 P.M., on Bruce K. Smalls Drive in the County of Beaufort, State of South Carolina.

7. Plaintiff, Jayvon G, a passenger in a vehicle driven by Defendant, Kevin M. Defendant, Kevin M was driving a 2004 Ford Expedition bearing license plate number 5712LU, at the time of the above-mentioned motor vehicle accident.

8. Upon information and belief, Defendant, Elsa Yoseli Velasquez Ferro was the owner of the 2004 Ford Expedition bearing license plate number 5712LU, at the time of the above-mentioned motor vehicle accident. That Defendant, Elsa Yoseli Velasquez Ferro authorized Defendant, Kevin M to drive the motor vehicle.

FOR A FIRST CAUSE OF ACTION
(Negligence)

9. Plaintiff hereby incorporates by reference paragraphs 1 through 8 of this Complaint as if fully set forth herein.

10. On September 25, 2018, Plaintiff, Jayvon G, was a passenger in a vehicle driven by Defendant, Kevin M traveling north bound on Bruce K Smalls Drive, which is a public highway in the County of Beaufort, State of South Carolina.

11. On September 25, 2018, at or about 5:21 P.M., Defendant, Kevin M, was driving and operating his vehicle in a manner that exceeded the authorized speed limit and ran off the road. The vehicle then struck a mailbox before overturning.

12. Defendant failed to maintain the proper speed which resulted in his automobile overturning with great violence and inflicting serious injuries on the Plaintiff.

13. At such time and place as above mentioned, Defendant, heedlessly and with reckless disregard of the Plaintiff's rights, operated and managed his automobile in a manner that he did not observe or attempt to observe where he was driving the automobile and failed to properly maintain proper speed, knowing that such failure might or could result in danger, damage, and injury to him and the Plaintiff.

14. The collision and Plaintiffs' injuries were the direct and proximate result of Defendant's actions. It was the duty of the Defendant to so operate the motor vehicle as not to carelessly or negligently cause injury or damage to others lawfully using the highways and or public roads. Defendant was, individually, jointly, and in combination of, at the time and place above mentioned, negligent, grossly negligent, wanton, willful, and careless in one or more of the following particulars:

- a Defendant failed to maintain the proper speed while using the highways and public/private roads;
- b Defendant failed to travel at the authorized speed limit;
- c Defendant failed to keep his vehicle under proper control at all times;
- d Defendant failed to maintain a reasonable and safe traveling distance between his vehicle and the side of the road;
- e In failing to take reasonable and proper precautions to avoid colliding Defendant's vehicle when the exercise of ordinary care by Defendant would have avoided the collision;
- f In disregarding the flow of traffic; and
- g In failing to use the degree of care and caution that a reasonable and prudent person would have used under the circumstances then and there prevailing, all of which was the direct and proximate cause of the damages and injuries suffered by the Plaintiff herein, said acts being in violation of the statutory and common laws of the State of South Carolina.

15. As a direct and proximate result of each of the careless and negligent acts committed by Defendant, the motor vehicle that he was operating collided into a mailbox then overturned. As a direct and proximate result of such acts, Plaintiff was thrown against different parts of the motor vehicle, thus sustaining serious injuries.

16. As a direct and proximate result of the accident, Plaintiff was seriously injured, both internally and externally, from the aforesaid collision, all of which has and will in the future cause Plaintiff to undergo much physical pain and suffering, have and will in the future cause Plaintiffs to spend large amounts of money for medical treatment and services, have and will in the future cause Plaintiffs to suffer trauma, anxiety, annoyance, whole body impairment, inconvenience, and travel - all to Plaintiffs' general damage and detriment.

17. As a direct and proximate result of the accident, Plaintiffs suffered severe physical injuries, past and future pain and suffering, loss of enjoyment of life, as well as medical expenses.

FOR A SECOND CAUSE OF ACTION
(Negligence Entrustment)

18. Plaintiff hereby incorporates by reference paragraphs 1 through 17 of this Complaint as if fully set forth herein.

19. Defendant, Kevin M, was at the time of the accident, driving a vehicle identified as a 2004 Ford Expedition owned by Defendant Elsa Yoseli Velasquez Ferro, with the permission of Defendant, Elsa Yoseli Velasquez Ferro.

20. At the time of the incident underlying this complaint, Defendant, Kevin M was an incompetent and reckless driver, in that he was travelling in excess of the posted speed limit when he ran off the road then attempted to overcorrect which caused the vehicle to overturn.

21. Defendant, Elsa Yoseli Velasquez Ferro, acted negligently in entrusting her vehicle to Defendant, Kevin M in that he was incompetent as well as inexperienced in driving; therefore, traveling too fast and causing the vehicle to overturn.

22. As a direct and proximate result of Defendant, Elsa Yoseli Velasquez Ferro's negligently entrusting the motor vehicle to Defendant, Kevin M, Plaintiffs suffered severe physical injuries, past and future pain and suffering, loss of enjoyment of life, as well as medical expenses.

23. At all time of the collision, Defendant Elsa Yoseli Velasquez Ferro's entrusted the motor vehicle to Defendant, Kevin M, knowing that he did not possess a valid South Carolina Driver's license. Thus, negligently entrusting the vehicle to an unlicensed driver.

24. As a direct and proximate result of Defendant, Elsa Yoseli Velasquez Ferro's negligence entrusting the motor vehicle to unlicensed driver, Plaintiffs suffered severe physical injuries, past and future pain and suffering, loss of enjoyment of life, as well as medical expenses.

WHEREFORE, Plaintiffs pray for judgment against the Defendants in the following:

1. Damages for past, present and future medical expenses;
2. Damages for pain and suffering in an amount to be determined by the court;
3. Compensatory and punitive damages;
4. Awarding costs, expenses, reasonable attorney's fees, interest, and disbursement of this action; and
5. Awarding such other and further relief as this Court may deem just and proper.

THE LAW OFFICE OF CLIFFORD BUSH, III

s/Clifford Bush, III

**Clifford Bush, III, Esquire
South Carolina Bar No. 17026
28 Old Jericho Road
Beaufort, South Carolina 29906
P:(843) 379-9500
F:(843) 379-9550
ATTORNEY FOR PLAINTIFFS**

Beaufort, South Carolina

May 14, 2020

1 STATE OF SOUTH CAROLINA
2 IN THE COURT OF COMMON PLEAS
3 COUNTY OF BEAUFORT

4 First Acceptance Insurance Company,
5 Plaintiff,

6 vs. Transcript of Record
7 2020-CP-07-01692

8 Tamasha Floyd, et al.,
9 Defendant.

10 September 5, 2023
11 Beaufort, South Carolina

12 B E F O R E:

13 The HONORABLE JOCELYN NEWMAN
14

15 A P P E A R A N C E S:

16 Wesley B. Sawyer, Representing the plaintiff

17 Margie Bright Matthews, Representing the Carlos
18 Morazan and Elsa Velasquez Morazan

19 J. Andrew Smith, Representing Tamasha Floyd and Jayvon
20 Garrett

21
22
23 SHARON G. HARDOON, CSR
24 Official Circuit Court Reporter, III
25

1 THE BAILIFF: All rise. The Honorable
2 Jocelyn Newman presiding.

3 THE COURT: Good morning.

4 MR. SAWYER: Morning.

5 THE COURT: Al right. First Acceptance
6 Insurance Company vs. Tamasha Floyd.

7 MR. SAWYER: Good morning, Your Honor.
8 Wesley Sawyer from Murphy Grantland for First
9 Acceptance. Your Honor, we'd like to have a short
10 conference in chambers, but I believe it's
11 possible we can proceed with this one on a bench
12 trial, which may simplify things significantly for
13 you.

14 MS. BRIGHT MATHEWS: That is correct,
15 Your Honor.

16 THE COURT: Good morning. I prefer to
17 have conferences in chambers, but we can talk
18 about it.

19 MR. SAWYER: Sure.

20 THE COURT: I mean, it's a short roster,
21 so, I mean, let's just talk about it.

22 MR. SAWYER: That's fine. Your Honor,
23 this case is about an excluded driver provision in
24 an insurance policy. The question is the
25 application and enforcibility of the excluded

1 driver provision. I believe that there may be a
2 dispute as to whether the application was signed
3 and small disputes but no major ones. I think the
4 primary issue before Your Honor is most likely
5 going to be a legal argument.

6 Nobody has asked for a jury trial. It's
7 not in anyone's pleadings. I believe we're okay
8 with proceeding before Your Honor.

9 We do have a couple small motions, but
10 nothing big to get into. If we had a jury, of
11 course, we would have a few more motions, but we
12 can avoid all that.

13 THE COURT: Okay. Yes.

14 MS. BRIGHT MATHEWS: Essentially, the
15 recitation is correct with the exception of, not the
16 signature, but they're claiming that there's an
17 exclusion that came, and we believe that it came about
18 after a death in the case. The exclusion relates to a
19 14-year-old child in the home.

20 And so there was a question that we
21 wanted to take up in chambers regarding whether or
22 not we wanted to stipulate to certain facts or
23 what the Court would prefer, and scheduling. I'm
24 scheduled for a felony DUI trial next week that's
25 pretty big, and so I wanted to see what we could

1 do regarding getting this non-jury matter
2 scheduled.

3 THE COURT: Are we in agreement that it's
4 non-jury? You-all are --

5 MS. BRIGHT MATHEWS: Yes, we are in
6 agreement on that.

7 MR. SAWYER: Your Honor, my witness is
8 here. We are ready to go and proceed.

9 THE COURT: So you-all would be the first
10 thing I'd be doing.

11 MR. SAWYER: If Your Honor pleases,
12 yes.

13 MS. BRIGHT MATHEWS: And my clients are
14 here, also.

15 THE COURT: Fabulous. Then, yeah, I'll
16 start that this morning.

17 MR. SAWYER: That's great, Your Honor.

18 (Off the record; Other matters heard.)

19 THE BAILIFF: All rise. This court is back
20 in session.

21 THE COURT: So this is 2020-CP-07-01692,
22 *First Acceptance vs. Tamasha Floyd*. This was on
23 the jury trial roster, but Mr. Sawyer and Ms.
24 Bright Matthews have agreed this is a non-jury
25 matter, correct?

1 MR. SAWYER: We also have Andrew Smith,
2 Your Honor.

3 THE COURT: Yes, I'm sorry.

4 MR. SMITH: Your Honor, I represent
5 Tamasha Floyd and Jayvon Garrett, her minor child
6 at the time of the accident.

7 MR. SAWYER: And, Your Honor, yes, we
8 agree.

9 MS. BRIGHT MATTHEWS: And, just for the
10 record, I represent Carlos Morazan and Elsa --
11 it's on the form as Elsa Valasquez Morazan, I
12 represent them.

13 MR. SAWYER: That's right. Your Honor,
14 Mr. Morazan is not a party to the action. Miss
15 Elsa is a party. In addition to Mr. Smith's
16 clients. Also, another party is Harry Brown, who
17 is a special administrator for the estate of
18 Kevin Morazan. Mr. Brown is not here. My
19 understanding is, he's not likely to be here.
20 He's not shown up for anything in the case. I'm
21 not -- I don't think there's any surprise that
22 he's not here, Your Honor.

23 THE COURT: Okay.

24 MS. BRIGHT MATTHEWS: Your Honor, sorry
25 about just standing up. One of our concerns is

1 that the car -- this is a DJ action that was
2 brought, and they never -- and the contract for
3 insurance was taken out by Carlos Morazan and they
4 filed this action only against the owner of the
5 vehicle, which is an interesting twist to things.
6 But we're willing to proceed given that fact.

7 MR. SAWYER: Your Honor, I can explain
8 that very simply. This is a declaratory judgment
9 action about a named-driver exclusion endorsement
10 in the policy that named Kevin Morazan.

11 The DJ action was brought when a lawsuit
12 was brought against the estate of Kevin Morazan
13 and against Miss Velasquez. Mr. Morazan was not
14 named in that lawsuit; therefore, he didn't need
15 to be a party to the declaratory judgment action
16 because no suit has been brought against him.
17 And, at this point, the statute of limitations for
18 a 2018 accident has long since past, so he doesn't
19 need to be a party of an action on this issue.

20 There are no counter-claims in the action
21 or anything of that nature. Just straight up DJ,
22 Your Honor.

23 THE COURT: Okay. Before I lose my train
24 of thought, Mr. Smith, you agree that this matter
25 can be heard non-jury?

1 MR. SMITH: Yes, Your Honor.

2 THE COURT: Mr. Sawyer?

3 MR. SAWYER: Yes, Your Honor.

4 THE COURT: You're still standing,
5 Mr. Smith.

6 MR. SMITH: I was standing. I'll have a
7 seat.

8 THE COURT: That's fine. I thought you
9 were trying to get my attention.

10 MR. SMITH: Just out of respect to the
11 Court.

12 THE COURT: Well, Mr. Morazan is not a
13 party, but we have counsel for other parties here.
14 Is everybody ready to proceed with the trial?

15 MR. SAWYER: We are, Your Honor.

16 MS. BRIGHT MATTHEWS: Yes, we are.

17 MR. SAWYER: We are. We have two
18 stipulations for the record. I do have one motion
19 to put up before the Court before we can proceed.

20 THE COURT: Yes, sir.

21 MR. SAWYER: I'll proceed with the
22 stipulations first, Your Honor. One of the
23 stipulations under the named-driver exclusion
24 statute, the excluded driver form has to be
25 approved by the department of insurance, the

1 director or his designee. The parties have
2 stipulated that the form at issue in this case,
3 just the form itself in terms of a blank form, was
4 approved by the department for use of the First
5 Acceptance Insurance Company prior to the date of
6 the application in February of 2016.

7 THE COURT: Is that correct?

8 MR. SMITH: Yes, Your Honor.

9 MS. BRIGHT MATTHEWS: Yes, Your Honor.

10 MR. SAWYER: Secondly, Your Honor, we
11 stipulated that the date of birth of Kevin
12 Morazan -- Drew, you have that down in front of
13 you, right?

14 MS. BRIGHT MATTHEWS: Yes. Your Honor,
15 the date of birth of Kevin Morazan was September
16 6th of 2001.

17 THE COURT: Okay.

18 MR. SAWYER: And, Your Honor, the only
19 motion I have before you is just to deem requests
20 to admit admitted because we didn't get a response
21 to request to admit, which, I believe, narrows
22 some issues in the case.

23 If I may approach, Your Honor, I'll give
24 you a copy of what was served.

25 THE COURT: Yes, sir.

1 MR. SAWYER: Your Honor, we served
2 requests to admit on Elsa's -- on Elsa Velasquez.
3 They were served by mail November 11, 2020. The
4 certificate of service is the second page is what
5 I've handed you, Your Honor. And the second
6 attachment to that certificate of service is
7 requests for -- sorry, maybe the third -- requests
8 for admissions.

9 We did not receive any written response
10 to the request for admissions within 30 days or
11 any point after that time. And, again, these are
12 from 2020. And, Judge, we would move to deem
13 these requests admitted as to Miss Velasquez. I'm
14 happy to walk through them, Your Honor.

15 THE COURT: Let me hear from Miss Bright
16 Matthews on that issue.

17 MS. BRIGHT MATTHEWS: Your Honor, I've
18 seen what Mr. Sawyer -- I almost forget his
19 name -- Mr. Sawyer has presented before the Court.
20 I looked this up in my file, and what I found,
21 Your Honor, was requests for admissions that were
22 sent to Clifford Bush with me being copied. I
23 answered the complaint in paragraph number 10,
24 which goes specifically to the question he asked
25 and the request for admissions and I denied it in

1 my answer in the complaint.

2 If you'll give me just a minute. I
3 wasn't sure what he was going to present to the
4 Court, but I found the request -- the request for
5 admissions that he presented to Mr. Bush earlier
6 when he inquired about it. If you'll give me just
7 a second.

8 THE COURT: Of course.

9 MR. SMITH: Your Honor, may I approach?

10 THE COURT: Yes, sir.

11 MS. BRIGHT MATTHEWS: Your Honor,
12 Mr. Smith is nice enough -- I'm sorry.

13 MR. SMITH: Let me show it to opposing
14 counsel. I apologize.

15 MR. SAWYER: Thank you.

16 MS. BRIGHT MATTHEWS: Your Honor, when
17 Mr. Sawyer approached me about the request for
18 admissions, I started looking because I know I
19 have a policy in my office on how we handle our
20 case. When they come in, they go through two
21 different checks and it gets put in the system
22 within 30 days because I know from years of
23 practice that's deemed admitted. All I saw in my
24 file was that -- where I was copied on the RAs
25 that were sent that he's presented to the Court.

1 I did not -- he could have sent them. I'm not
2 saying he didn't, but it's the same -- the
3 prejudicial effect to my client is very imminent.
4 But then when I looked at the answer to the
5 complaint, my answer to the complaint denies what
6 he's asking in the RAs, which is that Kevin M., my
7 client's son, was the driver, and it denies that
8 he's excluded.

9 THE COURT: Yes, sir.

10 MR. SAWYER: Your Honor, we sent three
11 sets of request to admit; one to Mr. Bush, one to
12 Mr. Brown, and one to Margie's office. In fact,
13 the request to admit as to Margie was different
14 from the request to admit that was sent to
15 Mr. Bush, because Mr. Bush's client admitted that
16 Kevin was driving at the time of the accident. In
17 the answer, Margie did not. And, therefore, we
18 included that as one of the requests for
19 admission.

20 Your Honor, the argument that the answer
21 addressed that, that is not an argument the Court
22 of Appeals allows to avoid the effect of a failure
23 to respond to a request to admit. That's *Scott*
24 *vs. Greenville Housing Authority*. It's 579 S.E.2d
25 151. It's a Court of Appeals decision from 2003

1 and that was a specific issue the Court of Appeals
2 dealt with.

3 The trial judge in that case found that
4 because the request to admit that were not
5 responded to didn't -- issues that were denied in
6 the answer, that it was appropriate to allow
7 withdrawal of those admissions. The Court of
8 Appeals reversed the trial court on that, said
9 that that's not a basis to allow withdrawal of
10 admissions for failure to respond to request to
11 admit. And, in this case, that was a failure to
12 respond, and expressed admission. And the Court
13 found that it was an abuse of discretion also to
14 allow withdrawal of the admissions in that case as
15 well, especially at the eve of trial.

16 So there's a case directly on point. We
17 provided the Court with the certificate of service
18 and letter providing those discovery requests that
19 were sent in 2020. We sent them separately to
20 each party with different requests even in this
21 one, and, of course, those are significant, Your
22 Honor.

23 MS. BRIGHT MATTHEWS: And, Your Honor,
24 once again Carlos Morazan, who was the
25 policyholder in this contract is who I represent,

1 as well as his wife, and he was not made a party
2 to it. He's the one who -- they're saying sign
3 the exclusion -- signed this contract allowing the
4 exclusion, yet he's not noticed.

5 When I received copies of documents in
6 this file -- and I want to back up a little bit.
7 And an attorney from -- Aiken Bridges -- I
8 cannot -- they were involved in this case
9 initially before the declaratory judgment was
10 filed, and so there was a lot of mail going back
11 and forth regarding discovery and responses from
12 several people.

13 But as to the issue that we're here for,
14 and in response to what he's provided, it had
15 to -- there is no way that -- there's a way that
16 he could have sent me the discovery, but I would
17 be surprised if I did not respond to an RA,
18 especially given the fact that it had to have been
19 a clerical error especially given the fact that I
20 answered the summons and complaint denying the
21 exact same thing.

22 THE COURT: Right.

23 Mr. Sawyer, did you get responses to the
24 other discovery requests?

25 MR. SAWYER: I did not get any discovery

1 responses from Margie. And, in all candor to the
2 Court, in past cases, typically, unless I file a
3 motion to compel, I don't.

4 I did get responses from Mr. Bush, and
5 they admitted some and denied some in their
6 responses to request to admit within 30 days.

7 MS. BRIGHT MATTHEWS: There, again,
8 Your Honor, because Aiken Bridges was representing
9 Elsa at the time.

10 MR. SAWYER: Aiken Bridges is the
11 defendant counsel in the underlying tort case,
12 Your Honor. That's their role.

13 MS. BRIGHT MATTHEWS: And they also filed
14 an answer.

15 THE COURT: They filed an answer in this
16 case?

17 MS. BRIGHT MATTHEWS: In the tort case.

18 THE COURT: In the tort case.

19 MS. BRIGHT MATTHEWS: And let me --

20 THE COURT: Did you receive, Miss Bright
21 Matthews, the interrogatories or request for
22 production?

23 MS. BRIGHT MATTHEWS: Your Honor, that's
24 what I was looking for. What I saw was copies of
25 what was sent to Clifford Bush. And there was

1 never a mention to compel filed against me in
2 reference to this. We've had depositions. We
3 even mediated this case.

4 MR. SAWYER: Your Honor --

5 MS. BRIGHT MATTHEWS: And I don't mind
6 looking through the file again, but when he
7 brought that up earlier to get a stipulation from
8 me, I told him I couldn't because of my response
9 to my discovery. And then I thought I had it. I
10 was, like, oh, got you. He sent it to Clifford
11 Bush and not to me, and now he's showing me that.

12 And when would that have --

13 THE COURT: I mean, it's the same date
14 that discovery requests went to Mr. Bush.

15 MS. BRIGHT MATTHEWS: Yes, I see. And
16 the one to Mr. Bush has me copied.

17 I mean, I can't say that it hasn't happened,
18 but it could have. I have no idea, but my answer is
19 still my answer. I'm not sure that it's really that
20 relevant one way or the other, given the contract of
21 insurance.

22 MR. SAWYER: Now, Judge, to be quite
23 honest, I don't think that any of these points are
24 really of significant dispute. The goal here was
25 to do exactly what a request for admissions is

1 supposed to do, which is to narrow the issues for
2 trial and avoid excessive discovery. And because
3 of these, we didn't need to determine or go and
4 establish actually that Kevin was the driver of
5 the car at the time.

6 Again, Mr. Bush's client, who was the
7 passenger in the car, admitted in their answer
8 that Kevin was the driver at the time of the
9 incident. The other admissions are that the
10 policy that was attached is an accurate copy of
11 the policy. Again, I will be surprised if we have
12 a legitimate dispute on that.

13 The second one is that the named-driver
14 exclusion that was attached was electronically
15 signed by Carlos Morazan on February 26, 2016.

16 The third one is that, between the date
17 of signing and the date of the accident, there was
18 no request to remove the named-driver exclusion.

19 The fourth one is to admit that Kevin was
20 driving.

21 And the fifth one we've now stipulated,
22 which is admit that the named-driver exclusion
23 form was approved by the Department of South
24 Carolina -- by the director of the Department of
25 South Carolina or his designee.

1 THE COURT: Right. So it's really number
2 4 that's the issue.

3 So do you deny ever having received them,
4 Miss Bright Matthews?

5 MS. BRIGHT MATTHEWS: I only -- let me
6 back up. I don't deny that they were sent to
7 Clifford Bush and I received a copy of them that
8 way. But it was my understanding when I looked at
9 it that -- the same thing was sent to
10 Clifford Bush and I was a copied person and it
11 wasn't directed at me. What he's showing me today
12 is sent via U.S. mail November the 11th of 2020
13 that was sent to me. I don't have it as part of
14 what was presented to me. And I looked through
15 that just a minute ago, so it could have come into
16 my office. I don't know. But it's not here with
17 me now. And I didn't think it was a major issue,
18 unfortunately. I'm sorry.

19 MR. SAWYER: Your Honor, I think one
20 thing that also helps is the underlying complaint
21 alleges that Kevin was the driver. If Kevin
22 wasn't the driver in the underlying complaint,
23 there would be no claim against him anyhow or
24 against Miss Velasquez.

25 So, really, it's one of those facts that,

1 if he's not the driver, then we don't have
2 anything to fight over here because there's no
3 claim --

4 THE COURT: That's correct.

5 MR. SAWYER: -- and the underlying suit
6 would have to be dismissed and we'd all be done.
7 But as a practical matter --

8 MS. BRIGHT MATTHEWS: That's what I was
9 trying to explain. It doesn't matter one way or
10 the other.

11 THE COURT: Right.

12 MS. BRIGHT MATTHEWS: None of us were
13 there, unfortunately.

14 MR. SAWYER: Except Mr. Bush's client.

15 MS. BRIGHT MATTHEWS: Right.

16 THE COURT: Right.

17 MS. BRIGHT MATTHEWS: I think this only
18 came up when Mr. Sawyer came to me and ask that I
19 stipulate and I told him I couldn't. And I said,
20 *This is how I answered it in my complaint.* And he
21 said, *Yeah, but request for admissions were filed*
22 *and served on you.*

23 THE COURT: Okay.

24 MS. BRIGHT MATTHEWS: It's just me being
25 Margie, Your Honor.

1 MR. SAWYER: And, Your Honor, I do have a
2 copy of what was mailed to Mr. Brown to his
3 direction with the certificate of service to make
4 the record complaint, but I don't know you really
5 need it for the record since we're not dealing
6 with him right now.

7 THE COURT: Right. I'm going to grant
8 plaintiff's motion to deem each of these admitted.
9 Yeah, I think that's what's most appropriate in
10 this case.

11 MR. SAWYER: Thank you, Your Honor.

12 THE COURT: Okay.

13 MR. SAWYER: Your Honor, would you like
14 for me to forecast the evidence very briefly
15 before we call our first witness?

16 THE COURT: Sure.

17 MR. SAWYER: Thank you, Your Honor. May
18 it please the Court? Again, I represent First
19 Acceptance Insurance Company. We're here on a
20 dispute over the application of a named-driver
21 exclusion endorsement.

22 First Acceptance issues a policy of
23 insurance to Carlos Morazan on February 26, 2016.
24 The application identified Carlos, his wife, and
25 his son Kevin. What the evidence is going to show

1 is that the date and month of birth for Kevin and
2 for Carlos, and his wife was correct, but the year
3 of birth was incorrect for both of them. But that
4 was what was on the application.

5 The application was submitted
6 electronically but it was done in person at the
7 agency at First Acceptance. This application was
8 in 2016. And in 2012 First Acceptance adopted a
9 corporate-wide approach to insurance transactions
10 in the agency where they use a system called
11 DocuSign, which I'm sure Your Honor has heard of
12 DocuSign plenty of times. And by 2016, that would
13 be the process.

14 So the way it works is, the applicant
15 steps into the office. They describe what they're
16 looking for. They communicate with the agent.
17 They answer questions. Ultimately, the agent will
18 provide information based upon what the applicants
19 provided to him. A price will be quoted. If the
20 applicant decides they want to purchase insurance,
21 then they go through the purchase process.

22 At that point, the application is created
23 electronically and then DocuSign sends a DocuSign
24 envelope for that document to be signed. And at
25 the agencies, they have monitors sitting on lazy

1 Susans, which is not a phrase I heard in a long
2 time. So what happens is, when they open the
3 application for the signature process, they turn
4 that lazy Susan around so the monitor faces the
5 applicant, and they got a separate mouse across
6 the desk for the applicant. And they get to pick
7 their own font. And they go through each and
8 every signature on the application. One by one
9 DocuSign will take them through it.

10 MS. BRIGHT MATTHEWS: Your Honor, I'm
11 sorry. I have to object because he's testifying.
12 All of this that he has presented -- that he's
13 presenting now was not a part of any depositions.
14 If he -- is this an opening statement?

15 THE COURT: I think it is.

16 MR. SMITH: Yes, it is.

17 MS. BRIGHT MATTHEWS: And if he could
18 just stick to those -- instead of testifying for
19 First Acceptance on what their office looks like,
20 it would be great if he would testify to what's in
21 the documents and what's at issue here.

22 MR. SAWYER: Your Honor, it's opening
23 statement. I'm just presenting the facts.

24 THE COURT: I decide all the facts.
25 There is not a jury involved.

1 MS. BRIGHT MATTHEWS: Right.

2 THE COURT: But I nevertheless appreciate
3 an overview of what he intends to prove.

4 Overrule your objection that it's
5 evidence. It's just giving me a road map as to
6 plaintiff's contention. We'll get to evidence
7 later.

8 MR. SAWYER: Certainly, Your Honor, that
9 would be the expectation. It's merely a forecast.

10 So the DocuSign guides them through.
11 They can scroll through each of the pages on the
12 application. They click to make their signature
13 in each signature spot. And once that's
14 completed, they've signed all the spots, DocuSign
15 will send that package back off the agent.
16 They'll counter-sign it, and then that DocuSign
17 will create what's called a certificate of
18 completion showing that the process was completed
19 properly, and that's what we'll submit to Your
20 Honor in this case for the application.

21 The application where it names Kevin
22 Morazan on the first page of the application, it
23 describes him as excluded, and the application
24 also includes a named-driver-exclusion form. That
25 named-driver-exclusion form names Kevin Morazan

1 with the incorrect date of birth, but the correct
2 day and month. It describes him as an employee.
3 And, Your Honor, I don't think we're going to
4 contend that he was an employee of Carlos Morazan.
5 It has a box checked stated that Kevin had other
6 applicable insurance and it's electronically
7 signed on the bottom as part of the overall
8 DocuSign envelope from DocuSign. So it would have
9 been signed when all of the other parts of the
10 application were signed.

11 That application also includes the
12 initial declarations page for the policy, and that
13 initial declarations page states at the bottom the
14 endorsements that were included and states that
15 there's a named-driver-excluded endorsement. So
16 that was what was issued in 2016.

17 The policies renewed year over year. And
18 in 2018 that version of the policy is in effect
19 when this accident happens on September 25, 2018.
20 Kevin takes his mother's keys. Has three friends
21 in the car. They go for a ride. Kevin loses
22 control of the vehicle and a single car accident
23 occurs.

24 As a result, Mr. Bush's client, Jayvon --
25 who is now an adult so I think we can say Jayvon

1 Garrett, but at the time was a minor -- filed suit
2 against Elsa Velasquez, Carlos's wife, and against
3 the estate of Kevin Morazan. When that happened,
4 this lawsuit was brought. This declaratory
5 judgment action was brought to seek a declaration
6 on the enforcement of the named-driver-exclusion.

7 THE COURT: All right.

8 MR. SAWYER: Thank you, Your Honor.

9 THE COURT: All right. Yes, sir.

10 MR. SMITH: Good afternoon, Your Honor.
11 I didn't introduce myself to you. I'm Drew Smith.
12 I just started working with attorney Clifford Bush
13 at the law office of Clifford Bush about a year
14 ago. Cliff and I were good friends from way back
15 in the Reserves, and it's just been a blessing and
16 honor to work with Cliff over this past year.

17 This is one of the cases I took from
18 Cliff, and he and I are working the underlying
19 motor-vehicle-accident case for the family of
20 Tamasha Floyd and Jayvon Garrett. It's a very,
21 very tragic case, Your Honor. Sadly, Kevin passed
22 away in the accident and Jayvon was badly injured.
23 What we are seeking here is a finding from the
24 Court that this named-driver exclusion is
25 completely inapplicable. The reason, Your Honor,

1 when they signed it, Kevin was 14. There's two
2 provisions under the statutory law of
3 South Carolina with regard to a named-driver
4 exclusion.

5 The two provisions and the statute, Your
6 Honor, is Section 38 --

7 MR. SAWYER: Your Honor, I do object to
8 legal argument in openings, but I'll be ready to
9 address those at your convenience, Your Honor, now
10 or later.

11 MR. SMITH: I am not making the legal
12 argument. I'm talking about how the facts apply
13 to this case.

14 THE COURT: Your objection is
15 overruled.

16 MR. SAWYER: Thank you.

17 MR. SMITH: So the statutory code is
18 38-77-340, and the standard -- the two things that
19 you need for a named-driver exclusion to be
20 applicable are, Number 1, the driver turns in his
21 license. A 14-year-old doesn't have a license.
22 This is simple.

23 Number 2, that there is an appropriate
24 policy of insurance covering him. My son is 14, I
25 ain't paying for a policy of insurance for a 14

1 year old that's not supposed to drive. Okay?

2 This is a simple case.

3 In our opinion, this is truly not a good
4 faith basis for denial. We plan on pursuing that
5 at a later date.

6 This \$25,000 of coverage, Your Honor, the
7 injuries here are horrific. This case here -- and
8 I won't go into the legal argument, but the facts
9 are important. It's *USAA vs. Pickens*,
10 434 S.C. 60. They talk about why a named-driver
11 exclusion is there. It's there in order to lower
12 premiums when a bad driver would otherwise be
13 included within the policy. A 14 year old is not
14 allowed to drive in our state. It's an invalid
15 exclusion, and we plan on producing evidence to
16 the same.

17 Thank you, Your Honor.

18 THE COURT: Yes, ma'am.

19 MS. BRIGHT MATTHEWS: I'm going to try to
20 make this real quick here, Your Honor. I think
21 you have the gist of what's happened here.

22 In 2016, my client Carlos Morazan who
23 speaks English but prefers to handle business
24 matters in Spanish. He speaks a little bit. He
25 was born and raised in Honduras. Came to America.

1 He and his wife bought this vehicle. The vehicle
2 was bought in his wife's name, and that's why
3 she's here.

4 Carlos went in 2016, February 26, 2016,
5 and took out this policy at the old Kmart building
6 where they were selling -- near -- the insurance
7 company was near the old Kmart building. It was
8 an in-office thing. He just bought the car, so he
9 went and checked on the insurance, went home.
10 They asked him in the deposition -- he didn't take
11 any paperwork home. They didn't give him anything
12 in Spanish. There wasn't an offer for anything in
13 Spanish. So he conducted the business there.

14 He will testify, Your Honor, that they
15 never asked him anything about his sons or
16 anybody, other than his wife that was in the
17 house. He will also testify, like he did in the
18 deposition, that he had a daughter that was born
19 in 1998.

20 For some reason, Your Honor, you will see
21 as a part of the exhibits that it wasn't until
22 after this wreck that he was sent and we were sent
23 a named-driver exclusion for Kevin Morazan. Well,
24 in 2016, Kevin was only 14. He wouldn't have --
25 and then has checked on there and they blocked it

1 out that his relationship is Kevin M., born in
2 1993, when Kevin was born in 2001, and they have
3 him as an employee as a named-driver exclusion.

4 The other confusing part of this is, what
5 they kept harping on throughout, it says, "An
6 appropriate policy of liability insurance or other
7 security as may be authorized by law has been
8 properly executed." That's the statute and that's
9 why we gave you the statute and the named person
10 that is to be excluded.

11 So, First Acceptance entered this
12 contract of insurance with Carlos Morazan. The
13 unfortunate thing is what happens in life. The
14 testimony will reveal that Carlos was working, as
15 he always done. He's a contractor. His wife was
16 home. The daughter wasn't feeling -- the younger
17 daughter wasn't feeling well. She went in the
18 room, took a nap. Her son usually comes home and
19 then he goes back to football practice. Stays at
20 school and goes back. This time, apparently, he
21 came home. He went and got her keys out of her
22 purse and got with his friends from the football
23 team and had a wreck down the road from their
24 house.

25 Young Kevin was thrown out of the car and

1 killed instantly. The other young man, as I
2 understand it, sustained serious injuries that are
3 life-long. It wasn't until after this that Carlos
4 Morazan found out that for some reason they had
5 his son listed as an excluded driver.

6 So, 25, 50, we're here. This happened in
7 2018 still dealing with situation over 25, 50 in
8 coverage.

9 He's made a demand. The stipulations
10 that we've agreed to, we agreed to those because
11 the issue is, how is First Acceptance going to now
12 rectify this contract that they excluded somebody
13 that does not exist. Any confusion in a contract
14 goes to the company, not to the contractee, Carlos
15 Morazan.

16 And I still submit, Your Honor, as we
17 will throughout this, that they have not served --
18 in all of their documents they keep saying Carlos
19 Morazan is the insured, yet they did not sue him.
20 He's not a party.

21 Thank you.

22 THE COURT: Okay. Call your first
23 witness.

24 MR. SAWYER: Thank you, Your Honor. May
25 it please the Court? I call Joe Schlehta First

1 Acceptance as our first witness.

2 THE COURT: Raise your right hand. Do
3 you solemnly swear or affirm to truthfully answer
4 all questions asked of you by this court so help
5 you God?

6 THE WITNESS: Yes.

7 MR. SAWYER: Spell your last name.

8 THE WITNESS: S-c-h-l-e-c-h-t-a.

9 THE COURT: Once you get settled you can
10 adjust that microphone. Just speak clearly into
11 it, okay?

12 THE WITNESS: Okay.

13 THE COURT: Your witness.

14 WHEREUPON:

15 JOE SCHLECHTA,
16 after having been sworn to tell the truth, testified
17 as follows:

18 DIRECT EXAMINATION

19 BY MR. SAWYER:

20 Q Joe, you gave your full name to the court
21 reporter; is that correct?

22 A What I go by?

23 Q Sure.

24 A Yes.

25 Q Can I call you Joe today?

1 A Please.

2 Q Joe, where are you from?

3 A Charleston.

4 Q All right. And how long have you been in
5 Charleston?

6 A Fifty-nine years.

7 Q Okay. And who do you currently work for?

8 A First Acceptance Insurance.

9 Q How long have you worked work for First
10 Acceptance?

11 A Seventeen years.

12 Q And what is your current role with them?

13 A I am in charge of our training program.

14 Q And when you say your training program, is that
15 the training program for agents?

16 A That is correct.

17 Q Okay. What does that job entail?

18 A Taking newly licensed agents, or already
19 licensed agents and teaching them how to write
20 policies, use the systems that we use here at
21 First Acceptance.

22 Q And how long have you been the head of training
23 for First Acceptance?

24 A I have been part of that department since
25 2018, and I was asked to leave it in March of this

1 year.

2 Q And prior to that, what was your role with First
3 Acceptance?

4 A I was a district manager. I had about 14
5 stores from Columbia to the coast and a couple in
6 Georgia.

7 Q And did that include the store where the policy
8 that we're here for today was issued?

9 A It did.

10 Q And where was that store located, do you
11 remember?

12 A Beaufort.

13 Q Beaufort.

14 And in that role as district manager, what
15 was your role in terms of supervision for that store?

16 A To make sure that all policies are adhered
17 to, that state laws are followed, and that our
18 customers are taken care.

19 Q And are you familiar with the policies and
20 procedures and the physical layout of that store?

21 A Yes.

22 Q Okay. Well, tell me, if a person wanted to buy
23 insurance and walked in for an in-person at that
24 location, how would that process have taken place?

25 A When?

1 Q Let's qualify that, in 2016.

2 A 2016?

3 Q Yes, sir.

4 A All right. Well, we would invite them to sit
5 at our desk. We start asking them some
6 preliminary questions to see if they even, you
7 know, qualify. At that point, we would get more
8 specific; who are the drivers, vehicles,
9 coverages, so on and so forth. What we would do
10 is take that information and put together the best
11 policy that we could for them. If they agreed,
12 then we would go ahead to the application process,
13 which is where the DocuSign process comes in.

14 Q Okay. And have you reviewed First Acceptance's
15 records in this case?

16 A I have.

17 Q All right. And, specifically, the records
18 relating to the issuance of this policy?

19 A Yes.

20 Q All right. And, in that process, did you locate a
21 copy of the application for this policy?

22 A Yes.

23 Q Okay. I'm going to hand you a document.

24 Joe, have you had a chance to review the
25 document I've handed you?

1 A Yes.

2 Q What is that document?

3 A This is the policy for Carlos Morazan.

4 Q And is this an accurate copy of the policy as it
5 was in First Acceptance's records?

6 A Yes.

7 Q And was it located where it would expect to be
8 found in First Acceptance's records?

9 A Yes.

10 MR. SAWYER: Your Honor, I move for
11 admission of the application for the policy as
12 Plaintiff's Exhibit 1.

13 THE COURT: Any objection?

14 MS. BRIGHT MATTHEWS: Not from the
15 defendant.

16 MR. SMITH: None from Tamasha Floyd, Your
17 Honor.

18 THE COURT: Plaintiff's 1 is admitted
19 without objection.

20 (PLF. EXH. 1, Application for Policy,
21 was marked and entered into evidence.)

22 MR. SAWYER: And, Your Honor, as a matter
23 of housekeeping, this is unredacted. Because
24 we're dealing with dates, we figured it would be
25 easier to leave it unredacted for now. And then

1 at the close of trial, if we need to for the
2 Court's record, we can redact anything at that
3 time, the dates of birth. Is that acceptable?

4 THE COURT: Yes, sir.

5 MR. SAWYER: Great.

6 BY MR. SAWYER:

7 Q All right. Joe, let me hand you back Exhibit 1.
8 Let's go through this application. So, first of all,
9 who's the named insured applicant for this
10 application?

11 A Carlos Morazan.

12 Q Okay. And what vehicles are listed on the
13 policy?

14 A 2006 Dodge Ram, 2005 Chevy Trail Blazer.

15 Q And what's the date for this policy application?

16 A The inception date is 2/26/2016.

17 Q Okay. And who is listed under driver
18 information?

19 A We got Carlos, Kevin, and Joceline Velasquez.
20 We show a car loan. Joceline as active drivers,
21 Kevin as an excluded driver.

22 Q All right. And then if we were to keep going
23 through this onto the second page, there is a section
24 there that says, "Underwriting questions must be
25 completed." Do you see that?

1 A I do.

2 Q Can you read number 3 for me?

3 A Number 3: "Have all members of the household
4 14 years or older been disclosed on this
5 application? If no, please explain."

6 Q And what's the response to that application?

7 A That, yes, all have been disclosed.

8 Q Okay. And was it a practice at First Acceptance
9 in 2016 to ask about all household members 14 years or
10 older?

11 A Yes.

12 Q And, by the way, these applications, were these a
13 mandatory part of obtaining insurance coverage in
14 2016?

15 A Yes.

16 Q Okay. Would First Acceptance, in 2016, have
17 issued an insurance policy without a signed insurance
18 application?

19 A No.

20 Q If we keep going through, I'm actually going to
21 skip over the named-driver exclusion and go to the
22 applicant's statement, "Read before signing." Are you
23 with me?

24 A Yes, sir. Got it.

25 Q Okay. Will you read the first sentence of the

1 third paragraph under "Applicant's statement" for
2 me?

3 A "I also certify that all persons age 14 or
4 older who live with me have been reported to the
5 company."

6 Q So is this another spot where, under the
7 application, they are verifying that the applicant has
8 provided the names of persons 14 or older who live in
9 the household?

10 A Correct.

11 Q Okay, Let's go back one page. This document is
12 labeled "Named Driver Exclusion," do you see that?

13 A I do.

14 Q Okay. I will not make you read it out loud. The
15 judge will be happy to read it.

16 A Thank you.

17 Q But I will ask you, who's named under excluded
18 driver?

19 A Kevin Morazan.

20 Q Okay. And then we have date of birth of September
21 6th of 1993?

22 A Yes.

23 Q And relationship was employee?

24 A Yes.

25 Q Where does that information come from in the

1 application?

2 A That is what we are told by the applicant.

3 Q Okay. At this time period, the record here, the
4 stipulation is that Kevin was actually 14. So his
5 date of birth was 2001, not 1993. In 2016, would
6 First Acceptance have had access to a data base that
7 would have disclosed the existence of Kevin Morazan if
8 it was not disclosed by the applicant?

9 A No. In fact, that came from the applicant.
10 That's the only way we would know about it.

11 Q All right. And that date, by the way, if we look
12 at the first page of the application, is it the same
13 date that's on the first page of the application for
14 the date of birth?

15 A It is.

16 Q And under the named-driver exclusion, there's an X
17 mark. Can you read the line beside the X mark?

18 A "An appropriate policy of liability insurance
19 for another" -- sorry. I don't have my glasses.
20 "Or other security may be authorized by law has
21 been properly executed in the name of the person
22 to be excluded."

23 Q All right. And if we look further down, I will
24 ask you -- I'm going to read it and you tell me if
25 that's what it says. We'll keep it easier there.

1 A Okay.

2 Q Just above the bold line, it says the "under
3 assigned," that paragraph above that. "I further
4 declare that, one, the driver's license of the
5 excluded person has been turned in to the department
6 of motor vehicles, or an appropriate policy of
7 liability insurance or other security as may be
8 authorized by law has been properly executed in the
9 name of the person to be excluded." Is that what it
10 says?

11 A Yes.

12 Q And is this signed?

13 A Yes.

14 Q Who is it signed by?

15 A Carlos Morazan.

16 Q Okay. So on this named-driver exclusion, Carlos
17 Morazan, has declared that an appropriate policy of
18 liability insurance has been obtained for Kevin
19 Morazan?

20 A Yes.

21 Q An then if we go past the page on the applicant's
22 statement, what is that next page in the
23 application?

24 A This is a declarations page.

25 Q Okay. Is this the initial policy declarations?

1 A 2/26/16, yes.

2 Q Okay. And if we look at that, who is the name
3 insured?

4 A Carlos Morazan.

5 Q And does it described the two cars we talked about
6 earlier?

7 A Dodge Ram, Chevy Trail Blazer, yes.

8 Q And then at the bottom it has endorsements made
9 part of this policy at the time of issue, and is
10 named-driver exclusion one of those endorsements?

11 A It is.

12 Q Now, we talked a little bit about DocuSign. Is
13 there a little line in the top there that says
14 DocuSign envelope ID?

15 A Yes.

16 Q Okay. And is that on each of these pages?

17 A Yes, sir.

18 Q Tell me about DocuSign. What is that?

19 A DocuSign is an electronic signature platform
20 that we adopted in December of 2012. It's a
21 well-known program. Good results from it. That's
22 why we chose it. And we switched to it to make
23 paperwork easier and more accessible.

24 Q And how does this DocuSign document get created?
25 What's the process for signing something via

1 DocuSign?

2 A So what happens is, when a client is ready to
3 do an application, we hit a little button that
4 says, "Yes, we want to make a policy." It will
5 ask, "Is the client in your office or this being
6 done via email?" In this case, it was in the
7 office. So what happens is, the application is
8 sent via email to the agent. The agent then opens
9 it up and -- I love the term lazy Susan, but,
10 yeah, we ordered these circular devices for every
11 store in the company.

12 And what happens is, they will turn the
13 computer screen to the client so they can see what
14 they're signing. We ask if there are any questions.
15 And then where the client is supposed to sign, there
16 is a little arrow. They click on that. And what
17 DocuSign does, it will automatically move them to the
18 next place that requires their attention, to the next
19 signature spot whether it be signatures or initials.
20 And then, at the end of it, they will click "finish"
21 and that will send the application to the agent for
22 counter signatures.

23 It's got a little fail safe. If not
24 everything is filled out, it won't let you
25 proceed.

1 Q And if everything is filled out and the process is
2 complete does DocuSign create a document to show
3 that?

4 A Yeah. It's called a Certificate of
5 Completion. And what that does is, that verifies
6 that the document has been completed, all
7 signatures are there, and it's sent to the agent
8 for a counter signature.

9 Q And as we look at these signatures, the font
10 that's used for the signature, how is that font put on
11 there?

12 A Well, what happens is, when you go to click
13 on the first arrow, it will give you an option.
14 It will show one font. It will ask, "Is this
15 okay?" If it's not, there's a little drop-down
16 box and you can pick from about 8 or 10 different
17 ones.

18 Q So the applicant actually gets to pick their
19 font?

20 A Correct.

21 Q And does the applicant -- in the First Acceptance
22 agency, is there a separate mouse for them to use?

23 A Yes.

24 Q Okay. And you mentioned the circular thing, so
25 let's just be clear. That circular thing is a

1 spinning circle that the monitor is sitting on top
2 of?

3 A Correct.

4 Q And does that allow them to turn the monitor
5 around to face the applicant?

6 A Face the insured, yes.

7 Q Okay. Well, let's look at the Certificate of
8 Completion that's part of Exhibit 1. Is this what you
9 were talking about a moment ago?

10 A Yes.

11 Q And for the in-person signor events, we have
12 security level?

13 A Security level, in person.

14 Q And does that mean that this signature was done in
15 front of the agent?

16 A Yes.

17 Q And who was the agent in this case?

18 A Rochelle Smith.

19 Q Does she still work with First Acceptance?

20 A She does not.

21 Q Okay.

22 All right. And is
23 rsmith@acceptanceinsurance.com, is that her email
24 address?

25 A Yes, it was.

1 Q Okay. Does this Certificate of Completion get
2 created if the entire signature process is not
3 completed?

4 A No.

5 Q And during the process of going through, what
6 happens if the insured finds something that incorrect
7 in the application?

8 A Well, at that point, they'll notify us and
9 we'll address it. If we need to correct things,
10 then we'll start over and make it right.

11 Q And would -- I think I may have asked this, and I
12 apologize if I already did. In 2016, was it possible
13 to get an insurance policy without a signed
14 application?

15 A No.

16 Q And, in 2016, would applications have been done
17 via DocuSign?

18 A Yes.

19 Q And that would be both at the Beaufort office or
20 any office, correct?

21 A Any one in the United States.

22 Q Okay. Are there any other steps taken to confirm
23 the identity of the person applying for coverage?

24 A Yeah. We, generally, request a copy of the
25 driver's license of the named insured. And I

1 notice that Mr. Morazan's driver's license was
2 attached as part of the application, as part of
3 our records.

4 Q And I'm going to hand you a document. Have you
5 had a chance to look at that document?

6 A Yes.

7 Q And is that -- what is that document?

8 A That is Mr. Morazan's driver's license.

9 Q And whose copy of his license is that?

10 A This is part of the policy record.

11 Q Were these in First Acceptance's records?

12 A Yes.

13 Q Okay. And what's the date of expiration of that
14 license?

15 A It's a little fuzzy. I can see the year.
16 It's 2016.

17 Q Okay.

18 A It expires on his birthday 2016.

19 Q Okay.

20 MR. SAWYER: I move to mark that as
21 Exhibit 2.

22 THE COURT: Any objection?

23 MR. SMITH: No, objection.

24 MS. BRIGHT MATTHEWS: None.

25 THE COURT: Plaintiff 2 is admitted

1 without objection.

2 (PLF. EXH. 2, Driver's License; Morazan, was
3 marked and entered into evidence.)

4 BY MR. SAWYER:

5 Q All right. And, Joe, that copy of the license,
6 would that have been obtained at the same time as the
7 insurance application?

8 A Yes.

9 Q Okay. Is that consistent with the date of
10 expiration on the license itself?

11 A Yes.

12 Q And, as we look at the DocuSign, the DocuSign is
13 marked as having been signed by Mr. Morazan on
14 February 26th of 2016; is that correct?

15 A Yes.

16 Q And then the agent would countersign it at some
17 point later?

18 A Yes.

19 Q Joe, have you reviewed First Acceptance's records
20 to look at a copy of the insurance policy that was in
21 effect in September of 2018 at the time of this
22 lawsuit?

23 A Yes.

24 Q I'm going to hand you a document and ask you to
25 take a look at it. So what is that document?

1 A This is a renewal declaration page. This is
2 for the policy term August 26, 2018 to February
3 26, 2019.

4 Q And in addition to the declaration page, does it
5 also have the main policy form?

6 A It does.

7 Q Okay. And is this a true and accurate copy as it
8 was in First Acceptance's records?

9 A Yes.

10 MR. SAWYER: Your Honor, I move to admit
11 this as Plaintiff's Exhibit 3.

12 MS. BRIGHT MATTHEWS: No objection.

13 MR. SMITH: No objection, Your Honor.

14 THE COURT: Plaintiff's 3 is admitted
15 without objection.

16 (PLF. EXH. 3, Renewal Declaration; 8/26/18
17 to 2/26/19, was marked and entered into evidence.)
18 BY MR. SAWYER:

19 Q Joe, let's walk through a few items in particular
20 on this. On the first page that you noted is the
21 renewal declaration, who is the named insured?

22 A Carlos Morazan.

23 Q And what was the policy period?

24 A This was from August 26, 2018, to February
25 26, 2019.

1 Q And what vehicles were on the policy at that
2 time?

3 A 2006 Dodge, 2004 Ford Expedition.

4 Q And if we look under coverages and premiums by
5 vehicle, was there comp or collision on either of
6 those vehicles?

7 A No.

8 Q Okay.

9 A Liability and uninsured, \$1,000.

10 Q If we look at driver information on the second
11 page of Exhibit 3, who are the drivers listed at that
12 time?

13 A Carlos Morazan, Kevin Morazan, Joceline
14 Velasquez, Jorge Morazan. I am showing Kevin as
15 being excluded. The other drivers as being
16 active.

17 Q And if we look at endorsements made part of this
18 policy at the time of issue, is there, say,
19 named-driver exclusion marked there as well?

20 A There is.

21 Q Okay. When a policy is renewed, are copies of the
22 declarations sent to the insured?

23 A Every time.

24 Q And when the policy is first applied for, is a
25 copy of the application provided to each insured?

1 A Yes.

2 Q And is a copy of that intimal declarations page
3 handed to the insured?

4 A Yes.

5 Q And those documents that we looked at, did they
6 all disclose at that Kevin Morazan was an excluded
7 driver?

8 A They do.

9 Q Okay. Have you reviewed First Acceptance's
10 records to see if there was ever a request to remove
11 the named-driver exclusion?

12 A I have.

13 Q And what was your conclusion from that review?

14 A There was no such request.

15 Q Okay. In 2016, would First Acceptance have
16 accepted an application with what's called a wet
17 signature or a pen to paper signature?

18 A The only way we would was if DocuSign was
19 offline, and apparently it wasn't because he
20 signed it via DocuSign.

21 Q Okay. And, in fact, had that happened, would you
22 have a copy of the wet-signature email to the First
23 Acceptance?

24 A Yes.

25 Q And have you reviewed to see if there are any

1 wet-signature applications in connection with this
2 policy?

3 A There is not.

4 Q Okay. But you have reviewed for it?

5 A (Witness nods head up and down.)

6 Q Is that a yes?

7 A Yes. I'm sorry.

8 Q That's okay. I just want to be accurate on the
9 record.

10 MR. SAWYER: One moment, Your Honor.

11 THE COURT: Yes, sir.

12 BY MR. SAWYER:

13 Q Joe, does First Acceptance rely upon the accuracy
14 of applications when issuing policies?

15 A The accuracy of the information we were given
16 from the -- yeah.

17 THE COURT: Off the record.

18 (Off the record.)

19 BY MR. SAWYER:

20 Q Joe, if you will, turn to be page 1 of the policy
21 form of Exhibit 3.

22 MS. BRIGHT MATTHEWS: I'm sorry. What
23 did you say?

24 MR. SAWYER: Page 1 of the policy form of
25 Exhibit 3.

1 MS. BRIGHT MATTHEWS: Thank you.

2 THE WITNESS: Right after definitions,
3 got it.

4 BY MR. SAWYER:

5 Q And it has 1 at the bottom?

6 A It does.

7 Q And under agreement at the very beginning of the
8 policy, what does it state?

9 A Under agreement: "This policy and renewed in
10 reliance upon the truth and accuracy of the
11 representations made in the applications for this
12 insurance."

13 Q Thank you.

14 And if we read the second paragraph there,
15 what does it say?

16 A "This contract includes the declaration page,
17 endorsements, the application, the personal auto
18 policy, and all attachments."

19 Q All right. So as part of the policy, the
20 application is considered part of the insurance
21 contract along with the declarations page,
22 endorsements, and the policy form?

23 A Yes.

24 Q Okay. What happens if an applicant comes in and
25 speaks -- and does not speak English?

1 MS. BRIGHT MATTHEWS: Objection. I'm
2 trying to find a basis. He hasn't laid the
3 foundation or -- in 2016?

4 MR. SAWYER: I'm fine to qualify it in
5 2016, Your Honor.

6 BY MR. SAWYER:

7 Q Joe, in 2016, what would happen if an applicant
8 came into the office who was Spanish speaking?

9 A If they requested any help, if they said they
10 weren't sure, they didn't understand, generally in
11 South Carolina we'll have two, three, four, five
12 agents that are bilingual, and we would reach out
13 to one of those. If, by chance, all of them are
14 off or busy, we have a special line at our
15 customer service center that is for Spanish
16 speaking clients. We would call that. The
17 customer service rep would help them, walk through
18 the policy, explain the coverages, each step.
19 Each step of the way.

20 Q If we would look at the application that we marked
21 as Exhibit 1 and go to that first declarations page
22 that was part of the application --

23 A Got it.

24 Q -- and there's a customer service number. And
25 what's underneath the customer service?

1 A That is our Spanish-speaking line.

2 Q And it says, "Se habla español."

3 A It does.

4 Q So even in the application, there's a number in
5 the application that provides a Spanish-speaking
6 telephone line?

7 A Yes.

8 Q That's a 2016 declarations page, correct?

9 A Yes.

10 Q Whose decision is it to purchase the policy?

11 A The named insured.

12 Q And whose decision is it as to whether or not,
13 ultimately, to exclude a driver?

14 A The named insured.

15 Q Okay. Had -- well, how about this: If an
16 applicant discloses an unlicensed 14-year-old in 2016
17 on the application as a resident relative, what takes
18 place?

19 A We would exclude them.

20 Q Okay. And, if not excluded, what's the
21 alternative?

22 A Include them.

23 Q Okay. Or purchase a policy elsewhere as well. Is
24 that a third option?

25 A Not with us.

1 Q Elsewhere?

2 A Yes.

3 Q Okay, fair enough.

4 So had the fact been disclosed in the
5 application that Kevin was 14 at the time of the
6 accident, or his date of birth was 2001, would the
7 policy -- would First Acceptance have still expected
8 a named-driver exclusion?

9 A Yes.

10 Q Thank you, Joe. Those are my questions.

11 CROSS-EXAMINATION

12 BY MS. BRIGHT MATTHEWS:

13 Q I'm not going to try to say your last name, sir.

14 A There was a way to the slaughter it. I've
15 heard it.

16 Q If I'm correct, you were working as a manager --
17 district manager back in 2016 when this policy was
18 written, right?

19 A I was.

20 Q And did you bring with you today documents on when
21 this Beaufort small store opened?

22 A No.

23 Q Did you research the records regarding the opening
24 of First Acceptance just coming to Beaufort in 2016?

25 A No, it had been there a while.

1 Q Would you be surprised if my client said it hadn't
2 been there that long? And it's not here anymore, is
3 it?

4 A No. It was closed in 2017.

5 Q Why?

6 A You would have to ask the powers that be at
7 Acceptance.

8 Q Well, it seems that you were the district manager.
9 I'm sure there would be -- you would have been able to
10 tell us all about how First Acceptance works here in
11 Beaufort. Why was that location closed?

12 A I believe it had to do with not being
13 profitable.

14 Q Okay. So, it wasn't -- and that's usually how
15 business works. You close what's not making money,
16 and open it and keep it going if it's making money.
17 So you don't know how long this agency was in place at
18 the Kmart shopping center?

19 A Specifically, no.

20 Q Okay. Did you bring the actual file that -- the
21 agent would have been Kelly Williams.

22 A Correct.

23 Q On the Exhibit 1 it says that the agent
24 information is Kelly Williams. Is she still with
25 First Acceptance?

1 A No.

2 Q And did you try to, in your capacity -- since
3 you're here testifying for First Acceptance, did you
4 reach out to Kelly Williams through any means?

5 A With respect to this?

6 Q Yes, in reference to this policy.

7 A No.

8 Q Did you make any attempts to reach out to this
9 Rochelle, I think, Smith?

10 A Rochelle Smith. No, I didn't.

11 Q And I noticed you talked about a portion of this
12 first policy. On the first policy it's the
13 application. The second portion that you refer to
14 under Exhibit 1, and it goes back -- it looks like
15 it's the declarations page?

16 A Well, Exhibit 1 is the application, as well
17 as the dec page.

18 Q That's my point. Now, let's go to the dec page.

19 A Okay.

20 Q Am I correct in understanding, just a normal
21 course of business and me purchasing insurance, that
22 first you apply, then your information is ran, and
23 after they've looked at your driver record, and after
24 they look at what the highway department has, it is at
25 that point in time that it's determined what your

1 premium is going to be or whether or not you are
2 insurable, that is when the agent uses the information
3 to determine what is going to be placed in the dec
4 page, isn't that right?

5 A That determines the rate.

6 Q Yeah. In other words, Mr. Morazan had nothing to
7 do with the declarations page other than -- that's
8 issued by First Acceptance after they review his
9 application?

10 A The information on the dec page came from
11 Mr. Morazan.

12 Q No. I'm not trying to trick you.

13 Is this generated by Mr. Morazan, because I
14 don't see his signature on your dec page.

15 A No. That is an overview of the coverages he
16 selected.

17 Q You just answered my question the way I wanted you
18 to in a different way.

19 In other words, you utilize the information
20 from the application, and then First Acceptance sends
21 him, or prints out, and provide to him in whatever
22 means this declaration of what his coverage is going
23 to be.

24 A Yes.

25 Q And this is for his records?

1 A Correct.

2 Q I find it very interesting in Exhibit Number 1
3 that under the agent information and in the
4 application, there's no reference to "Se habla
5 español." Just go through that portion and stop
6 before you get to the declarations. Do you see
7 anything on that?

8 A I do not.

9 Q But, yet, the declarations page then says, "Se
10 habla español," and gives a number. Was there
11 anything in that local store that had the printed
12 information in his file regarding all that was
13 discussed with him in español?

14 A No.

15 Q Okay. Did you operate in any professional
16 capacity to train Kelly Williams for Rochelle Smith?

17 A Yes.

18 Q And that was after 2018?

19 A No. 2018 the store was closed. They were no
20 longer employed with the company.

21 Q Okay. But you said you didn't start training --
22 you were the training program, whatever, coordinator
23 as of 2018. But before that, you were the district
24 manager.

25 A Right.

1 Q So this policy was entered into in 2016. Is it
2 fair to say you were not a training manager at that
3 point in time?

4 A One of the obligations and responsibilities
5 of a district manager is to train their agents.

6 Q Did you remember training Kelly Williams or
7 Rochelle Smith?

8 A I remembered helping train both of them. I
9 hired both of them.

10 Q Who was the training program coordinator at that
11 time?

12 A A gentleman named Bruce Handley.

13 Q Where is he?

14 A He lives in Toledo, Ohio. He's based out of
15 our corporate office in Nashville.

16 Q Why did Rochelle Smith leave the company?

17 A We closed the store.

18 Q Okay.

19 MR. SAWYER: Object to the form, Your
20 Honor. I don't know if there's any relevance on
21 that.

22 THE COURT: It's overruled.

23 BY MS. BRIGHT MATTHEWS:

24 Q Why did Kelly Williams leave the company?

25 MR. SAWYER: Same objection, Your Honor.

1 THE COURT: Overruled.

2 THE WITNESS: Same answer. We closed the
3 store.

4 BY MS. BRIGHT MATTHEWS:

5 Q Do you have any information to provide to the
6 Court today on whether or not there have ever been any
7 infractions by Kelly Williams or Rochelle Smith
8 regarding the manner in which they conducted
9 application review and providing insurance?

10 A No.

11 Q You were not asked to bring that today, were
12 you?

13 A No.

14 Q Okay. Now, you've provided to the Court a copy of
15 the license of Carlos Morazan?

16 A Uh-huh.

17 Q Yes?

18 A Yes.

19 Q Uh-huh is hard to spell.

20 And it says on the -- is that the complete
21 contents of that application, the file application,
22 just his license, driver's license?

23 A No.

24 Q What else is in there?

25 A It's got all pieces of the application, the

1 dec page, the certificate of completion for
2 DocuSign, and then any -- we call them supporting
3 docs; driver's license, vehicle registrations,
4 bill of sales, driver training certificates,
5 anything like that.

6 Q Did you find that in the file here?

7 A I found his driver's license, yes.

8 Q And did you find any of those other fancy
9 documents you talk about?

10 A They weren't applicable. Those were --

11 Q That's not my question. I didn't ask if they
12 apply. Did you find that in this file?

13 A No other fancy documents, no, ma'am.

14 Q Did you find a birth certificate of Kevin M., or
15 Kevin Morazan?

16 A We don't ask for that, so, no, I did not find
17 that.

18 Q Did you find in that file the certificate of title
19 on Joceline -- Jocephine -- I always say it wrong --
20 Elsa Velasquez?

21 A No.

22 Q And she's actually the owner of the vehicle in
23 question today, right?

24 A That's my understanding, yes.

25 Q Well, I don't want your understanding. You're the

1 manager. You're the head chief. You were supposed to
2 review these documents. You were their witness. Who
3 owned the car that was wrecked? Whose name was it in?

4 A Mrs. Morazan.

5 Q So, in spite of that, you got an application here
6 for insurance and Carlos Morazan, who does not own the
7 vehicle that is involved in this wreck, you have his
8 license in there. But I see on the application that
9 there's a reference to something as it relates to
10 Miss Velasquez. Tell the Court what that is.

11 A I'm not sure I understand the question.

12 Q Well --

13 A I see a listed driver.

14 Q On Exhibit 1, you have her listed as -- Exhibit 1
15 shows her on the driver information. She's actually
16 under Kevin's.

17 A Yes.

18 Q What does it mean -- what is her date of birth?

19 A 9/12/82.

20 Q Was there any verification that your agent would
21 have had to do to confirm that that is the correct
22 date of birth?

23 A No.

24 Q Why not?

25 A She had an international driver's license.

1 Q Those -- you can still read those, though.

2 A Uh-huh.

3 Q Did you?

4 A No.

5 Q She also has a South Carolina ID card. Was that
6 ever put in the file or looked at?

7 MR. SAWYER: Objection, Your Honor. No
8 foundation.

9 MS. BRIGHT MATTHEWS: I'm on cross.

10 THE COURT: I'm going to overrule.

11 BY MS. BRIGHT MATTHEWS:

12 Q So it says on file here. You testified that the
13 only thing that's in the file is the driver license of
14 Carlos Morazan?

15 A I can't answer that.

16 Q Because you weren't there. But you're here today,
17 though.

18 A No, I wasn't there.

19 Q You weren't there.

20 A No.

21 Q So, just like you weren't there if it's -- and I
22 don't mean to be facetious, but you weren't there to
23 see whether or not there's a lazy Susan that actually
24 turned around you, were you? You weren't there. You
25 didn't see.

1 A Did I see it that day? No.

2 Q You can only testify -- did you see Carlos choose
3 a font for a DocuSign?

4 A No.

5 Q Did you see or hear him question whether or not
6 this information could be presented to him in
7 Spanish?

8 A No.

9 Q As a matter of fact, those offices are videoed,
10 aren't they?

11 A No.

12 Q You don't video any of the people that come into
13 the insurance company?

14 A Not that office, no.

15 Q Okay, let's go on.

16 It says on here that her social security
17 number is also on file. Was that, in fact, true?

18 A I can't answer that.

19 Q It says that Kevin's social security number is on
20 file. Is that true?

21 A I can't answer that.

22 Q What about where it says Carlos Morazan's social
23 security number is on file. Is that true?

24 A I can't answer that.

25 Q And don't you use information like that in order

1 to determine -- you do a soft check on a person's
2 credit score so that can also be an issue in
3 determining what their insurance is going to be and
4 how much it's going to cost?

5 A If they had one, yes.

6 Q Okay. What if a person has a work visa where they
7 pay taxes to the United States, would that be in the
8 file?

9 A It should be, but there's really no basis for
10 that for rating an insurance policy.

11 Q So you don't use a person's credit score or the
12 fact that they had DUIs, or anything like that, to
13 determine whether or not you're going to give them
14 coverage?

15 A Well, that determines rates.

16 Q Yes.

17 A A work visa has no bearing on an insurance
18 rate.

19 Q Okay, I got it.

20 Do you have anything independent of what's
21 printed on this sheet by these two young ladies that
22 are not here today to verify to this Court that
23 Carlos Morazan did not request -- did not sign
24 something physically instead of doing the DocuSign?
25 He says he did not sign DocuSign because he did not

1 understand it. Do you have anything to present to
2 this Court today that he is telling an untruth?

3 A I have a signed application.

4 Q That is incomplete, because you've already
5 verified that there's a lot of information that's not
6 in there.

7 A He signed every part of it stating he
8 understood. We take our information from what our
9 insureds tell us.

10 Q And you had the opportunity to take the driving --
11 the registration, as well as the bill of sale on this
12 Trail Blazer that's at issue here, and it was in
13 Joceline Velasquez's name, but you didn't ask her to
14 provide -- you didn't put the coverage in her name
15 either, did you?

16 A I can't answer that.

17 Q Okay. In your capacity to be here today, did you
18 review a certified First Acceptance letter that was
19 sent to Carlos Morazan on June 9, 2020?

20 A No.

21 Q Okay.

22 MR. SAWYER: Your Honor, I think I'm
23 going to have to object to where it looks like
24 this line is going. He's not here as a corporate
25 30(b)(6) witness. He's here as a fact witness and

1 his knowledge and his role as an employee. So if
2 she's going to go the line of asking about claims
3 documents, that's -- I mean, I guess he can say
4 whether he has personal knowledge about it, but I
5 just want to be clear, he's a fact witness, not a
6 30(b)(6).

7 MS. BRIGHT MATTHEWS: He is a fact
8 witness.

9 THE COURT: Understood.

10 MS. BRIGHT MATTHEWS: Not a lot of facts,
11 though, unfortunately.

12 THE COURT: Your objection is overruled.
13 If he knows.

14 BY MS. BRIGHT MATTHEWS:

15 Q Okay.

16 A I don't have anything to do with that. I
17 don't work there. I'm not licensed to do that.

18 Q Do you have anything to provide to this Court that
19 that where the birth date for Kevin Morazan or
20 Joceline Velasquez, they're wrong, since you're a fact
21 witness?

22 A No. This is based on the information that
23 Carlos gave us.

24 Q Okay. I don't have any other questions. Let's
25 see what Mr. Smith might have. Thank you.

0165

1 A Yes.

2 Q So that way there's a record of the transaction?

3 A Right.

4 Q And a record of what was provided to the insurance
5 company by the applicant?

6 A Yes.

7 Q And the application, whose document is that? Who
8 is making representation in the application?

9 A Carlos is.

10 Q And there were questions about no reference to "Se
11 habla español," the Spanish-speaking customer service
12 in the application. The only place in all of the
13 application that has the customer service information
14 is on that dec page which is part of the documents
15 they go through when they sign, correct?

16 A We also have a poster in the office that had
17 the Spanish-speaking line.

18 Q Okay. And, ultimately, who has to make the
19 decision as to whether they want to sign an
20 application?

21 A The named insured.

22 Q And there was questions about lazy Susans. Did
23 you see it there on that day? Had you been in that
24 store when it was opened, during the time period that
25 it was open?

1 A Many times.

2 Q And were the monitors there or lazy Susans?

3 A Yes. As far as how long the store was there,
4 I started in 2006 and the store was open then.

5 Q Okay. And then lastly, Joe, the mention about a
6 credit check, would that only be for the applicant?

7 A Yes.

8 Q Those are all my questions. Thank you.

9 THE COURT: Anything further?

10 MS. BRIGHT MATTHEWS: Nothing further,
11 Your Honor.

12 MR. SMITH: Nothing further, Your
13 Honor.

14 THE COURT: Okay. Now, you're done. You
15 can leave all that stuff up there.

16 THE WITNESS: Okay.

17 THE COURT: Thank you.

18 MR. SAWYER: Your Honor, I think the only
19 other thing to put in the record for our part of
20 the case is an admission and the answer of Harry
21 Brown, although I don't know that that matters.
22 But also, Tamasha Floyd, who is represented by
23 Mr. Smith and Mr. Bush, just that they admitted in
24 their answer that Kevin Morazan was the driver of
25 the vehicle at the time of the accident.

1 THE COURT: Okay.

2 MR. SAWYER: And, if you'd like, Judge, I
3 can give you the paragraph where that is admitted,
4 if need be.

5 THE COURT: Please.

6 MR. SAWYER: Let me get it real quick.
7 It was paragraph 33 of their answer admitting
8 paragraph 31 of the complaint. There's actually,
9 I believe, a couple of other spots, but that's the
10 easiest reference.

11 And Mr. Brown's answer, although he is
12 not here, was the exact same answer as
13 Miss Floyd's answer, so it's the same paragraphs.
14 We're admitting that as well.

15 THE COURT: Good enough.

16 MR. SAWYER: Your Honor, at that point, I
17 believe we rest the factual part of our case.

18 THE COURT: Fabulous. Moving on.

19 MR. SMITH: Your Honor, at this point in
20 time, we make a motion for directed verdict.
21 There's been no evidence produced to you today,
22 Your Honor, that a 14-year-old can get an
23 appropriate policy of liability insurance which
24 can be executed. In fact, when I asked the
25 witness -- the only question I asked him was, *If a*

1 14-year-old came into your office and asked for a
2 policy of insurance, what would you tell him? He
3 said, No.

4 We don't have the person that entered
5 into this information here. He's talking about
6 policies in their office. He's not talking about
7 facts in this case. He's talking about what his
8 policies are in his office. We don't have that
9 person here. That's an important person to hear
10 from, Your Honor. She's not here.

11 The bottom line is, a 14-year-old in our
12 state cannot drive. This is a mistake on their
13 policy. This is their fault. They should have
14 put in the right date of birth. They should have
15 determined the date of birth. They didn't. A
16 mistake on their policy cannot be held against a
17 third party that has serious injuries that was not
18 ever involved in this. That is a mistake.

19 Your Honor, the case -- bear with me one
20 second. Your indulgence, Your Honor.

21 The case of *Williams vs. Geico*,
22 409 S.C. 586 states that, "If policies are
23 contradicting and misleading, ambiguous or have
24 conflicting terms in them, they should be
25 construed in favor of the insured and strictly

1 construed against the insurance company."

2 Additionally, it is completely against the law and
3 public policy to have a named-driver exclusion on
4 a person that's 14. That just simply cannot
5 occur. He can't turn his driver's license in
6 because you can't have one in South Carolina. He
7 can't get a policy of insurance because he's 14.

8 This is a simple case. This case should
9 have been rectified by their company. They should
10 have determined, *Oh, one of my new agents that I*
11 *just hired, by the way, I closed the office a*
12 *couple days later -- you know, and flew out. Who*
13 knows where they are now. Can my client even find
14 them? I don't know.

15 So the bottom line is -- not my client.
16 I'm sorry. Margie's client. They can't -- who
17 knows if they can even find them.

18 The bottom line, this policy -- this
19 excluded-driver's provision, or named-driver's
20 exclusion, makes me confused just thinking about
21 it, but the bottom line is, it's for bad drivers.
22 It's not for a 14-year-old. They made a mistake.
23 They should have admitted their fault and paid the
24 25K.

25 Thank you, Your Honor.

1 Yes, sir.

2 MR. SAWYER: Yes, Your Honor. May it
3 please the Court?

4 A few things. First of all, the
5 reference about an ambiguity. No ambiguity has
6 been pointed out in the contract. Nobody claims
7 that the named-driver exclusion or the written
8 contract is ambiguous. To the extent that the
9 date is wrong in the application, the application
10 is a reputation of the insured. Not the
11 representation of the insurance company. The rule
12 that you construe ambiguities against the
13 contractor, in this case for an application, would
14 be construing that ambiguity against the person
15 who signed the application because he's the one
16 who provided the information and signed the
17 application saying this is true.

18 But I think all that is a red herring,
19 Your Honor, because there is no debate here that
20 Kevin Morazan was the person named in the
21 exclusion and the driver at the time of the
22 accident.

23 Getting to the legal question, because I
24 think that's the more fundamental issue that's
25 being presented in the directed verdict. First of

1 all, they claim that it's against the law to have
2 this exclusion. But you know what they don't give
3 you? A single case, a single statute, or anything
4 else that says that this exclusion cannot be
5 applied.

6 So let's start with what the statute
7 actually says, Your Honor. Your Honor, do you
8 have a copy? I'd be happy to hand up a copy if
9 you don't.

10 THE COURT: I have a copy, but I prefer
11 paper.

12 MR. SAWYER: You're just like me. I kill
13 a lot of trees, unfortunately.

14 THE COURT: Thank you.

15 MR. SAWYER: All right. Your Honor,
16 let's walk through the named-driver exclusion
17 statute, which says --

18 MS. BRIGHT MATTHEWS: Do you have one for
19 me?

20 MR. SAWYER: I do, Margie. Yes, ma'am.

21 MS. BRIGHT MATTHEWS: Thank you. You
22 need one too?

23 MR. SMITH: I got one.

24 MR. SAWYER: Notwithstanding the
25 definition of insured in Section 38-77-30, and,

1 Your Honor, the definition of insured in Section
2 38-77-30 says it's, "The named insured, the
3 resident spouse, and all resident relatives in the
4 household," which means by statute that if a
5 policy does not exclude somebody, regardless of
6 whether they have a license, if they're a
7 household resident and they get behind the wheel
8 of a person, that person is an insured under the
9 policy. That's why we have the named-driver
10 exclusion statute because, otherwise, it doesn't
11 matter if he's 14, 12, or 60, whether he has a
12 license or not, if he gets behind the wheel of a
13 car, even without permission, under South Carolina
14 law he's a statutory insured. That's why the
15 general assembly allows this exclusion.

16 So let's go forward. "The insurer and
17 the named insured must by the terms of a written
18 amended mandatory enforcement, the form of which
19 has been approved by the director or his designee
20," we've established that. That's stipulated
21 in the record, so that box is checked, Your Honor.
22 "... agree that coverage under such a policy of
23 liability insurance shall not apply while the
24 motor vehicle is being driven" -- or, excuse me,
25 "being operated by a natural person designated by

1 name." It doesn't say natural person over the age
2 of X. It doesn't say a natural person --
3 anything. It says natural person. Black's Law
4 Dictionary defines a natural person as a human
5 being. So they have to agree to exclude coverage
6 on a specific human being designated by name as
7 operating a vehicle. That's satisfied. The
8 exclusion name is Kevin Morazan.

9 So then let's continue: "The agreement
10 when signed by the named insured ..., " and we have
11 the DocuSign here. We have the fact established
12 through the request to admit that Mr. Morazan
13 electronically signed this, so the document was
14 signed by Mr. Morazan, "is binding upon every
15 insured to whom the policy applies and any
16 substitution or renewal of it. However, no
17 natural person may be excluded unless the named
18 insured declares" -- and that's incredibly
19 important and I'll tell you why in a minute, Your
20 Honor -- but, "The named insured declares in the
21 agreement that, one, the driver's license of the
22 excluded person has been turned in to the
23 department of motor vehicles, or" -- key word
24 there "or" -- "an appropriate policy of liability
25 insurance or other securities as may be required

1 by law has been properly executed in the name of
2 the person to be excluded."

3 And if Your Honor will look at Exhibit 1
4 and we go to the named-driver exclusion there's a
5 space there marked that says "An appropriate
6 policy of liability the insurance applies." And,
7 again, under 38-77-30, any other household policy
8 issued to a resident relative in the household of
9 Carlos Morazan would have included Kevin as an
10 insured. He's is not expressly excluded by
11 statute, Your Honor.

12 So each and every part of the statute is
13 satisfied here. We've met each and every element
14 of the statute and there are no disputes on any of
15 those items, Your Honor.

16 So let's get to the secondary argument
17 where they claim, *Well, you can't do this because*
18 *there's no evidence he was a bad driver.* Well,
19 that's not what the statute says. The Court's
20 first rule when it comes to statutory construction
21 is, *We stop if the statute is unambiguous.* We
22 *don't go beyond there.*

23 And, Your Honor, I'm going to hand up to
24 you a decision from Judge Quattlebaum that I've
25 had before him during the whole two weeks that he

1 was on the district court before he went to the
2 4th Circuit, a very short term. And, Your Honor,
3 this is a named-driver exclusion case. And much
4 like the argument that's being conveyed to you
5 now, the person in that case had never had a
6 license. In fact, the accident that took place in
7 that case took place while the person who was
8 excluded was taking her driver's ed examination.
9 Talk about bad luck.

10 And the argument was made that, in that
11 case, the agent knew -- they argued that the agent
12 knew that the applicant had not turned in their
13 license to the DMV because they had never actually
14 had insurance. I say applicant, sorry, I mean the
15 person excluded by the policy.

16 And Judge Quattlebaum said, *The statutory*
17 *language is plain and unambiguous.* Actually, he
18 said "clear and unambiguous." If you go to the
19 third page of the printed copy that I've given
20 Your Honor on the bottom right-hand paragraph, the
21 language of Section 38-77-340 is "clear and
22 unambiguous." The requirement is that the insured
23 who is applying for the policy declared that
24 either the excluded person has turned in their
25 license or has other insurance.

1 The insurance company is not required to
2 go and verify that representation because the
3 insured is the one who benefits from that
4 experience, Your Honor. The insured is the one
5 who is avoiding premiums. And, by the way, at the
6 time of this accident, Kevin was 17. He wasn't 14
7 at the time of the accident, and he wasn't
8 licensed.

9 So, Judge, getting on to one final point
10 -- and, by the way, that's the holding of Judge
11 Quattlebaum, but it follows the holding from
12 Judge Joe Anderson in the *Bostick* decision as
13 well. I have a copy of that if you'd prefer, Your
14 Honor.

15 THE COURT: Yes, sir.

16 MR. SAWYER: *Bostick* was another case
17 that our firm handled. I believe I might have
18 helped brief this when I was a law clerk, but I
19 can't make that absolute representation,
20 Your Honor.

21 But, in that case, the named insured
22 excluded -- it was a business and they excluded
23 the principal of the business, and there was a
24 dispute over the veracity of the representation in
25 the named-driver exclusion as to whether he had

1 other insurance, and Joe Anderson, in that case,
2 Your Honor, held that it did not matter because
3 the insurance company did not have an obligation
4 to go back and verify the representation that was
5 made on the excluded-driver form.

6 Judge, there was mention of the *Pickens*
7 case. I argued the *Pickens* case before the
8 Supreme Court two years ago. And in the *Pickens*
9 case, guess what, the driver of the vehicle that
10 was excluded, there was no evidence that he had
11 other insurance even with the representation that
12 the declaration page said he had other insurance.

13 Now, that wasn't a critical part of the
14 Supreme Court's because nobody really challenged
15 it on that ground, but that was a factual part of
16 the record, Your Honor.

17 We argue the *Knight* decision the same
18 year as *Pickens* to the Supreme Court. Supreme
19 Court, again, enforce the named-driver exclusion.
20 Now, there was not an issue of an inaccurate
21 representation. He certainly did have other
22 insurance.

23 Now, Your Honor, again, I believe the
24 language of the statute is plain and unambiguous.
25 If you have any doubt, I want to hand you a

1 comparison of a previous version of the statute
2 with how the statute is currently worded, and this
3 is incredibly enlightening, Your Honor. And the
4 reason for that is, this has not always been the
5 law. The General Assembly used to have a
6 different requirement when it came to named-driver
7 exclusions.

8 Back in 1996 and for a long period, when
9 a person chose to exclude someone under the
10 named-driver exclusion statute, the agent couldn't
11 just take the applicant's word for it. The agent
12 had to go to the department of motor vehicles or
13 department of public safety and get verification
14 that the person to be excluded actually did have
15 other insurance or had, in fact, turned in their
16 license to the DMV.

17 What I've given you, Your Honor, on the
18 left-hand column is the 1996 version of the
19 statute with red lines adding and strike throughs
20 deleting for the amendment to the current version
21 of the statute. If you'll notice everything there
22 at the bottom that required the agent of the
23 insurance company to go and do that verification,
24 the General Assembly struck all of that out for
25 the current version, and they changed it to state

1 that the only thing that has to be done is the
2 named insured declares in the agreement. That's
3 the statutory language. Again, it's plain and
4 unambiguous, but if we look at the statutory
5 history, then if there ever was an ambiguity, it's
6 taken care of by that.

7 The General Assembly chose to put the
8 burden of a false representation on an insurance
9 application on the person who should bear that
10 burden, and that would be the named insured. It's
11 their application.

12 So that's the law in South Carolina.
13 Kevin Morazan was indisputably a natural person.
14 The named-driver exclusion has been signed. It
15 marks that Kevin had other insurance. It's
16 approved by the department of insurance. It
17 satisfies each and every element of South Carolina
18 Code 38-77-340. And the law is that when that is
19 signed and the excluded driver gets behind the
20 wheel of a car, there is no coverage.

21 The Court of Appeals in the *Lincoln General*
22 case said it applied to minimum liability coverage.
23 The Supreme Court in the *Knight* case said it applied
24 to UIM coverage. The Supreme Court in the *Pickens*
25 case says it applies to mandatory uninsured motorist

1 coverage. Every type of coverage in any way, if the
2 excluded driver gets behind the wheel, there is no
3 coverage.

4 So, Your Honor, therefore, I believe the
5 directed verdict motion should be denied. And,
6 frankly, I think we're entitled to judgment in our
7 favor.

8 THE COURT: Yes, ma'am.

9 MS. BRIGHT MATTHEWS: Your Honor, I'd
10 like to go ahead and include all of my arguments
11 in one directed verdict motion.

12 First, this action is entitled, as you
13 see there, and it does not include the named
14 insured. The named insured, as I've said over and
15 over, is Carlos Morazan. It does not in any
16 portion here, which was striking to me, ever name
17 him in this DJ, declaratory judgment action. And
18 on that basis, I believe that directed verdict
19 should be granted because they haven't named the
20 proper person.

21 They had it at their disposal, and I was
22 able to pull it out of their witness that, yes,
23 Elsa is the one who had the car in her name. But
24 her husband came in, got the insurance. They got
25 no information on her. They got the wrong date of

1 birth on her. They did nothing to verify as to
2 him.

3 I also believe that directed verdict is
4 appropriate in this particular case because they
5 have not proven that Carlos Morazan signed
6 anything. They proved that somebody did a
7 DocuSign. The burden is on them. They had an
8 opportunity to find these -- this particular
9 agent, Rochelle Smith, bring her here so that she
10 could testify -- not to what the normal procedure
11 in our office is, because that's not factual.
12 What would be factual is, *Yes, I remember this*
13 *guy. I explained this to him. He signed it. I*
14 *helped him with the DocuSign, or, I gave him an*
15 *opportunity to get a Spanish version as he wanted.*

16 He testified -- there was a summary
17 judgment motion that we were supposed to have last
18 week in reference to these same issues that have
19 been brought up. After he testifies and after
20 Elsa testified that -- he says, *I never signed by*
21 *DocuSign. I did not sign that way. It wasn't*
22 *until then that we brought up these -- that we*
23 *found a witness -- that we hear from a witness*
24 *that this is the normal procedure of this office*
25 *that is now closed.*

1 I can't go back to 2016, but I know that
2 they did not have the Spanish information in the
3 actual application. They only put it in the
4 declarations, and that's a totally different
5 standard.

6 Your Honor, we believe that there was
7 a -- there was no meeting of the minds as it
8 relates to the exclusion of Kevin, because there's
9 something wrong here. My client has three
10 children. It wasn't until after this horrific,
11 tragic wreck that all of a sudden Kevin M. with
12 the wrong date of birth and the wrong
13 relationship -- they haven't been able to explain
14 that. They have not met their burden.

15 As a matter of fact, this case should be
16 dismissed at -- this declaratory judgement action
17 should be dismissed in favor of Carlos and Elsa,
18 even though Carlos isn't a party, on the basis
19 that they fail to show that he actually signed,
20 and they failed to put the -- have the accurate
21 information or verification. And I understand
22 what he's saying regarding that. It's not even
23 anywhere near what it should have. It's showing
24 him as an employee, and on the first page it's
25 showing him as a son. Somebody should have

1 brought up all of this stuff.

2 And whenever you see these inaccuracies,
3 this contract should then be viewed in favor of
4 the insured, not First Acceptance.

5 I've wondered the entire time, and I was
6 surprise that the witness said we never checked
7 Joceline. Why wouldn't you? We never even checked
8 Carlos. Why wouldn't you? I think that shows a
9 pattern here of sloppiness.

10 Based upon all of my arguments, I know I
11 put a lot in there, Your Honor, they failed to
12 meet their burden. And, therefore, directed
13 verdict should be granted in favor of the
14 defendants.

15 MR. SMITH: Your Honor, may I just
16 address what he said in the case law very quickly?

17 THE COURT: Absolutely.

18 MR. SMITH: Both of these cases involve
19 people of majority, not a 14-year-old. These
20 cases involve someone that is testing themselves
21 on the driver's test and an owner of a business,
22 not to 14-year-old. A 14-year-old, it's just
23 really insulting to the Court to even come in here
24 with this and say that they can get a driver's
25 license and turn it in, or get a policy of

1 insurance. Nobody is going to insure a
2 14-year-old.

3 Thank you, Your Honor.

4 MR. SAWYER: Your Honor, I'll try to take
5 each of those in turn. First of all, the issue of
6 whether he signed it, that's been deemed admitted
7 by the request to admit.

8 But also, Your Honor, we have testimony
9 about the process for DocuSign. The way it takes
10 place, DocuSign is nationally known for how it
11 works. Most people have dealt with DocuSign. The
12 whole purpose is to verify the authenticity of
13 signatures in the process because it's a uniform
14 system for the way it's done.

15 That's been submitted to the Court. It's
16 already been admitted. Had there been an
17 objection, it wouldn't have been admissible under
18 901 or (b)(1), (b)(4), (b)(9), processor system,
19 distinctive characteristics and the like because
20 the DocuSign has a unique ID, it has a policy
21 application number, or the policy number, and
22 other unique identifiers. We also have testimony
23 from a witness as to how the process works. All
24 of that has been provided. So it wouldn't be
25 admissible under rule 901. But guess what? It's

1 already admitted.

2 So the admission, both in the request to
3 admit, but also there was no objection when we
4 submitted the application and the testimony that
5 we put up. So that issue is not in dispute. He
6 signed it. That's what the request to admit is
7 there to do, but we also made sure we covered our
8 backsides and put it up in front of Your Honor.

9 Your Honor, the idea of the burden,
10 that's all we have to prove. The contract is a
11 document of independent legal significance. The
12 signatures are too. The signatures are on there.
13 And the declaration is there as part of the
14 contract, part of the application, so it's done.
15 That part is already taken care of. The issue
16 about whether you need to have a Spanish speaker,
17 first of all there's no evidence that anyone asked
18 for a Spanish speaker at the agency. No evidence
19 to that whatsoever. So that wouldn't be a proper
20 claim for directed verdict because there's no
21 evidence before the record that Mr. Morazan didn't
22 understand what he signed.

23 But also, Your Honor, South Carolina code
24 states, "The English language is the official
25 language of the South Carolina code." That's

1 1-1-696. It's the law of this state that -- and
2 now I'm quoting the statute. "Neither this state
3 nor any political subdivision thereof shall
4 require by law, ordinance, regulation, order,
5 decree, program, or policy the use of any language
6 other than English." That's South Carolina code
7 Section 1-1-967.

8 So to suggest that somehow this contract
9 is invalid, because it wasn't in Spanish, is just
10 something pulled out completely from thin air and
11 not supported by South Carolina in any way.

12 And, Your Honor, ultimately, the case
13 law, as you know, is very well established that a
14 person is deemed to understand documents they
15 choose to sign. That's why we got the evidence in
16 that, ultimately, the applicant decides whether
17 they sign the application. It's their application
18 submitted to the insurance company. So when he
19 signed it, he's deemed to have understood it.

20 They also have a burden and a duty to
21 read the policy that they received. The testimony
22 was that they get a declarations page the day they
23 sign the application. They get new declarations
24 every time the policy is renewed, every six
25 months, and every single one of those stated that

1 Kevin Morazan was an excluded driver. So there's
2 no surprise here. There's no unknowing of this,
3 Your Honor. It's in the record. It's
4 established. It's there.

5 And if, by the way, Your Honor, there's
6 not a meeting of the minds, well, the answer to
7 that is, there's no contract, so we're done there.
8 But I do think there's a meeting of the minds. I
9 think the meeting of minds was to exclude Kevin
10 Morazan.

11 This reference about whether Carlos is
12 supposed to be a party, Your Honor. Carlos never
13 made a claim to First Acceptance, and couldn't
14 make a claim because there was no comp or
15 collision on this policy at the time of the loss
16 and his son was the one that was driving. So
17 there wouldn't be any coverage because there's no
18 comp or collision. South Carolina law allows the
19 exclusion to property owned by the insured for
20 liability coverage, so there wouldn't be any
21 coverage had he made a claim.

22 The statute of limitations has run and he
23 did not sue his son or his son's estate -- not a
24 surprise -- which means that he could never make a
25 claim under the policy at this point.

1 There's also no suit against Carlos
2 Morazan. So there is no interest that he has for
3 purpose of this declaratory judgment action.
4 There's not right to protect or lose here. He has
5 no claim, he has not filed any suit, and he's not
6 named as a defendant in any suit. Those are the
7 parties that have to be included in a declaratory
8 judgment action.

9 And I file dozens of these a year and that's
10 the test. Because, if not, they're not an interested
11 party. In fact, I could name a named insured who
12 doesn't have a claim. The named insured would say,
13 *What am I doing here? I don't have a claim here.* And
14 then the judge would dismiss that person because
15 they're not an interested party. The mere fact that
16 they're the named insured is not sufficient.

17 And again, Your Honor, this claim about,
18 *Well, Elsa owned the car, not Carlos,* again, if
19 Carlos doesn't have an insurable interest, we,
20 again, don't have an insurance policy.

21 So all of these points are, you know,
22 thrown in to confuse the issue, but the focal
23 point is, do we have a named-driver exclusion?
24 Does that named-driver exclusion check all the
25 boxes under the statute? We walked through that

1 laboriously, Your Honor. The answer is, yes, if
2 it checks each and every part of the statute,
3 that's all we have to establish. It's what we
4 have established. And that's why the
5 excluded-driver provision applies in this case.

6 THE COURT: Anything else?

7 MS. BRIGHT MATTHEWS: Your Honor, I just
8 want to draw your attention to Exhibit Number 3 --
9 no -- Exhibit Number 1 just to clarify what
10 Mr. Sawyer said. He says there's no comp and
11 collision, but, yet, on the limits of liability it
12 says there's a \$500 deductible, unless I'm
13 confused.

14 MR. SAWYER: It's Exhibit 3. It's the
15 contract in effect. And, at the time of the
16 accident in 2018, there was not comp and collision
17 on the vehicles. And, of course, we look at the
18 policy that's in effect on the date of loss.

19 THE COURT: All right. All right. This
20 is a good point to take a break. Let's take about
21 15 minutes or so.

22 MR. SAWYER: Thank you, Your Honor.

23 MS. BRIGHT MATTHEWS: Thank you, Your
24 Honor.

25 (A break was taken at 3:19 to 3:45 p.m.)

1 MR. SAWYER: The motion for directed
2 verdict is respectfully denied.

3 So let's move on now to the defense case.
4 Who's first? You're, sort of, working as a team.

5 MS. BRIGHT MATTHEWS: Yes.

6 THE COURT: You know. It doesn't matter
7 to me. Somebody call a witness. You-all decide
8 amongst yourselves.

9 MS. BRIGHT MATTHEWS: The defense rests.

10 THE COURT: For real? Okay.

11 MR. SAWYER: Your Honor, we make a
12 directed verdict motion. I think all the
13 arguments have been made, but now you've heard all
14 the evidence and we just reiterate the arguments
15 we made on the law and focusing on the plain
16 language of the statute comparing the prior
17 version of the statute with the current version of
18 the statute. At this point, the form is approved
19 by the department, signed by the named insured,
20 and it designates a natural person by name who was
21 driving the car at the time of the accident. It
22 makes a declaration that that person had other
23 insurance. Each element of 38-77-340 has been
24 satisfied, and, therefore, I believe that we've
25 proven our case and are entitled to do declaratory

1 judgment that the exclusion applies and there's no
2 coverage for this particular claim or loss under
3 the policy.

4 THE COURT: Anything else from the
5 defense?

6 MR. SMITH: Just briefly in response,
7 they had the wrong information on the policy. If
8 they put the right information on it, they never
9 would have asked for an excluded-driver provision.
10 The minor was 14 years old. So the
11 excluded-driver provision applies when you have a
12 license and turn it in, or when you can get a
13 policy of insurance. And if you're a driver -- if
14 you can't even drive, as long you get a policy of
15 insurance. That just doesn't makes sense. It's
16 really a common-sense case. It's -- I even asked
17 him, *If I was 14-year-old and I came into your*
18 *office and asked for a policy of insurance, what*
19 *would you say?* He just said, *No.*

20 I mean, so it's just simply -- they're
21 just not going to do it. You know, it doesn't
22 make sense. They didn't put the 8-year-old in
23 there. I mean, they have an 8-year-old too. They
24 didn't put the 8-year-old on the policy. I mean,
25 if you can't drive, you can't turn your license

1 in, you can't get -- there's no reason to get
2 insurance if you're not driving in the state of
3 South Carolina, then this doesn't apply. The
4 exclusion does not apply to a 14-year-old, is
5 basically the bottom line.

6 They got the date wrong. So you got
7 someone on their policy -- the insurance company
8 put the information in and it's got the wrong date
9 on it, and they got someone that can drive -- you
10 got a Kevin Morazan, there's a date of birth of
11 1993 as opposed to 2001, so they put 1993 on
12 there. That person can drive. But they got that
13 wrong. This is their form. This is their
14 document. They got that wrong.

15 They said all you did was sign it. They
16 didn't say you put the information. They put the
17 information in. They didn't bring anybody in here
18 to talk about that.

19 So we got a case here where, of course,
20 if you can drive, you're going to do an
21 excluded-driver provision. But you can't drive in
22 our state by law, that is an unenforceable
23 exclusion. It's just simply unenforceable because
24 it's illegal. I'm not going to exclude someone
25 from a policy that can't drive. From an

1 automobile liability policy, I'm not going to
2 exclude that person that cannot legally drive in
3 our state.

4 THE COURT: Me and Mr. Sawyer addressed
5 that, because you've articulated it far better
6 than I could, and I think you're right on this.

7 MR. SAWYER: I'm happy to, Your Honor.
8 We'll start with that, and I'll work through the
9 other points.

10 So, first of all, what's the other option
11 for the declaration, that they've turned their
12 license in to the DMV which means they can't
13 drive. So that argument doesn't make any sense.
14 You wouldn't exclude somebody who can't drive.
15 But importantly, the requirement under the statute
16 is that the named insured declares. And as to a
17 person who is 14 and having other insurance,
18 South Carolina code Section 38-77-30 defines who
19 is an insured by statute for automobile insurance,
20 and that includes resident relatives to qualify.

21 And, in fact, in this case, it's worth
22 noting that Kevin, when he was 17, drove without a
23 license. So, certainly, people who don't have a
24 license and people who aren't supposed to drive,
25 they do drive; hence, the need for excluded-driver

1 provisions. There's no statute that prohibits it.
2 Here it's designated a natural person, human
3 being, designated by name.

4 Your Honor, also the statement that had
5 they known, they would not have excluded him. The
6 testimony on the stand, and it's uncontroverted,
7 is that had the correct date been provided, we'd
8 still have the exclusion and the application in
9 two places requires disclosure of all persons 14
10 and older. There's a pretty reasonable basis for
11 that, which is 14-year-olds turn 15 and then they
12 go get a permit and the carrier is not going to
13 know about that. So they want to know who's up on
14 deck, and that's for good reason.

15 So all of that is there. It's all asked
16 for in the application. The law is what it is,
17 and we believe we're entitled to declaratory
18 judgment, Your Honor.

19 THE COURT: Let me add to that that the
20 point was made that the 8-year-old was not listed
21 and excluded. And no one has touched on this, but
22 on the second page of the application under the
23 underwriting questions -- and there's a question,
24 *Have all members of the household 14 years and*
25 *older been disclosed*, so the 8-year-old wouldn't

1 have been required to be disclosed while the
2 14-year-old was. You disclose and then exclude.

3 So any additional -- did I miss anything?
4 Any additional arguments?

5 MR. SAWYER: That's it, Your Honor.

6 MR. SMITH: Nothing here, Your Honor.

7 MS. BRIGHT MATTHEWS: Your Honor, I would
8 renew my arguments. I'm not going to rehash what
9 I said earlier. I renew my arguments for the
10 denial of the directed verdict because I feel that
11 they have not -- they failed to meet their burden
12 in establishing that this is a true excluded
13 driver.

14 THE COURT: Right.

15 I'm going to grant the plaintiff's motion
16 for directed verdict. I mean -- yeah. I don't
17 know that it matters because the defense put up no
18 case, but that, sort of, would have been my
19 verdict given that there's no testimony there. I
20 find in favor of the plaintiff in that there is no
21 coverage. I think the easy way to do it is
22 really, sort of, to adopt Mr. Sawyer's arguments.

23 In the alternative, though, just to touch
24 back on Senator Bright Matthews's argument, and I
25 believe Mr. Sawyer addressed it, that she contends

1 that there is no meeting of the minds. And, as
2 indicated by Mr. Sawyer, if there is no meeting of
3 the minds, then there's no valid contract and
4 there wouldn't be coverage anyway.

5 MS. BRIGHT MATTHEWS: I didn't mean that.
6 I meant meeting -- I meant meeting of the minds as
7 it related to the exclusion issue, that he should
8 have been excluded. That's what I meant. And I
9 was going to --

10 THE COURT: You want to segregate that
11 portion of the contract, as it were.

12 MS. BRIGHT MATTHEWS: Uh-huh. Because
13 the burden is on them. They presented -- our
14 position on directed verdict was, they presented
15 no factual witness, that, number 1, he signed, or
16 that there was a meeting of the minds as it
17 related to an exclusion of Kevin on the policy.
18 And if I said it wrong, I apologize, but that's
19 what I meant. No meeting of the minds on the
20 contract itself. The existence of coverage,
21 because he was paying the policy.

22 THE COURT: Right.

23 MS. BRIGHT MATTHEWS: So he expected
24 coverage. There's no meeting of the minds as it
25 relates to that particular element.

1 THE COURT: Okay. All right, so then I
2 won't even address that. I withdraw my comment on
3 that.

4 MR. SAWYER: We'll address it if we need
5 to.

6 THE COURT: Because I really was looking
7 at it as an entire contract.

8 MS. BRIGHT MATTHEWS: No.

9 MR. SAWYER: And that would be our
10 position because the application is one document
11 and it's in the application.

12 THE COURT: Right, executed apparently on
13 the same day, same time, and includes the same
14 information. I mean, the testimony is that the
15 existence of Kevin M. wouldn't even otherwise been
16 known. Right? This information comes from the
17 applicant, but maybe I'm going too far.

18 What I want you to do though, Mr. Sawyer,
19 is draft a proposed order and email -- no, don't
20 email it. E-file it in Word format so that I may
21 edit it because -- particularly, for a non-jury
22 trial, the Court has to make findings of fact and
23 conclusions of law. I just need you to give me a
24 good starting point, and I'm sure you can do
25 better citing all the cases that apply.

1 MR. SAWYER: I'm happy to do this, Your
2 Honor. Do you want me to do proposed findings of
3 fact in the proposed order?

4 THE COURT: Yes. Yes.

5 MR. SAWYER: I just want to make sure.

6 THE COURT: Just make sure it's in Word
7 format, though. And my findings of fact are,
8 generally, just a summary of the testimony and
9 what the exhibits show.

10 So, you know, I know it's difficult for
11 lawyers not to harken back to whatever they pled
12 in the complaint and argued and motions, but I'll
13 fix that, if necessary. That's why I want it in
14 Word format.

15 MR. SAWYER: Understood, Your Honor.
16 Thank you.

17 MR. SMITH: Thank you, Your Honor.

18 MS. BRIGHT MATTHEWS: Thank you.

19 MR. SAWYER: Thank you for your time.

20 (Trial concluded.)

21

22

23

24

25

CERTIFICATE OF REPORTER

I, SHARON G. HARDOON, Official Circuit Court Reporter, III for the State of South Carolina at Large, do hereby certify that the foregoing is a true, accurate, and complete Transcript of Record of the proceedings had and evidence introduced in the trial of the captioned case, relative to appeal, in Court of Common Pleas for Beaufort County, South Carolina.

I do further certify that I am neither kin, counsel, nor interest to any party hereto.

March 6, 2024



Sharon G. Hardoon, CSR
Official Circuit Court Reporter, III

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001 - 39 - 9041

KELLY WILLIAMS

2303 BOUNDARY ST STE 2

BEAUFORT

(843)982-0800

Policy No:

CSSC 000095310

Quote No:

0012574161

Times are Central Time (CST)

Eff. Date: 02/26/2016

Time: 14:58:36

Exp. Date: 08/26/2016

Time: 12:01 AM

Home Phone:

(000)000-0000

Work Phone:

(000)000-0000

Cell Phone:

(843)476-1585

BEAUFORT SC 29906

IS AN SR-22 REQUIRED? NO

NAME:

CASE:

DATE:

VEHICLE INFORMATION

No.	Territory	Symbol	Model Year	Trade Name	Model Name	Vehicle Identification Number (VIN)	Business Use
001	201	01	2006	DODGE	RAM 1500	1D7HA18N56J158168	
002	201	39	2005	CHEVROLET	TRAILBLAZE	1GNET16S156157690	

DRIVER INFORMATION

No.	DRIVER NAME (as shown on driver's license)	Date of Birth	SEX M or F	Marital Status	AD	License State	Driver's License	Social Security	SR 22	Occupation
001	CARLOS MORAZAN	05021974	M	M		SC	On File	On File		
002	KEVIN MORAZAN	09061993	M	M		SC	Excluded	On File		
003	JOSELINE VELASQUEZ	09121982	F	M		IT	On File	On File		

VIOLATIONS *Note: all accidents will be charged if not fully explained*

I have disclosed all accidents and/or traffic violations occurred within the last 3 years as stated below.

Driver No	Code	Description	Date	Driver No	Code	Description	Date
003	008	INTERNATIONAL	02262016				

COVERAGES**LIMITS OF LIABILITY****PREMIUMS** - Coverage is provided for items where a premium is charged

		Vehicle #1	Vehicle #2	Vehicle #3	Vehicle #4	Vehicle #5	Vehicle #6
Bodily Injury	25,000 per person 50,000 per accident	170.00	163.00				
Property Damage	25,000 per accident	117.00	110.00				
Uninsured Motorist BI	25,000 per person 50,000 per accident	27.00	38.00				
Uninsured Motorist PD	25,000 (\$200 Deductible)	19.00	18.00				
Comprehensive	0500 deductible		148.00				
Collision	0500 deductible		206.00				
SC Uninsured Motorist Fund Fee		1.00	1.00				
Total Premium for Each Vehicle		334.00	684.00				

Policy Fee: 10.00

A fee of \$10.00 is charged for each installment

SR-22 Fee:

Total Charges: 1028.00

PAY PLAN:

DB61

DISCOUNTS:

TRA-NO L

ALARM

AIR BAG

AL BRAKE

Prior Coverage Co.: ASSURANCEAMERICA INS

SCC-300 ed. May 2010

THE INSURER CAN CANCEL THIS POLICY FOR WHICH YOU ARE APPLYING WITHOUT CAUSE DURING THE FIRST 90 DAYS. THAT IS THE INSURER'S CHOICE. AFTER THE FIRST 90 DAYS, THE INSURER CAN ONLY CANCEL THIS POLICY FOR REASONS STATED IN THE POLICY.

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47

Policy No: CSSC 000095310

LIENHOLDER / LESSOR INFORMATION			
No.	INTEREST NAME	ADDRESS	
002	AUTO SALES OF BEAUFORT	3428 TRASK PKWY	BEAUFORT SC 29906

UNDERWRITING QUESTIONS - MUST BE COMPLETED	
1. Do all drivers have current and valid license to operate a motor vehicle? If no, please explain.	YES
2. Have all drivers, such as children away from home or in college, who may operate your vehicle(s) on a REGULAR basis or any INFREQUENT basis been listed on this application? If no, please explain.	YES
3. Have all members of household 14 years and older been disclosed on this application? If no, please explain.	YES
4. Are all vehicles in the household listed on this application? If no, please explain.	YES
5. Are any vehicles used for delivery purposes or for any other commercial purpose? (examples: pizza or newspaper delivery) If yes, please explain.	NO
6. Are any operators a member of the armed forces? If yes, where stationed.	NO
7. Any physical or mental impairment? If yes, please explain.	NO
8. Any vehicles listed modified, altered, customized, or rebuilt/salvaged? If yes, please explain.	NO
9. Is there damage to any vehicle? If yes, please explain.	NO
10. Is there any damage to windshield, windows, or mirrors, including but not limited to cracks, chips or scratches? If yes, please explain.	NO

Explanation of questions above:

OFFER OF ADDITIONAL UNINSURED MOTORIST COVERAGE AND OPTIONAL UNDERINSURED MOTORIST COVERAGE

Automobile liability insurance coverage pays other motor vehicle drivers and their passengers for damages caused by you and for which you are legally responsible. There are two types of automobile liability insurance coverage: bodily injury and property damage. Bodily injury coverage pays for bodily injuries to others inflicted by your motor vehicle. Property damage coverage pays for damages which your motor vehicle causes to other motor vehicles or property.

Under South Carolina law, an insurance company may refuse to write your automobile liability insurance for a number of reasons. If an insurance company decides to write your automobile liability insurance coverage, however, it must provide at least \$25,000 of bodily injury coverage for each person whom you may injure in any single accident and \$50,000 of bodily injury coverage for two or more people whom you may injure in any single accident. The insurance company must also provide at least \$25,000 in property damage coverage for each accident you may cause. You may have seen these limits described as \$25,000/\$50,000/\$25,000 or 25-50-25. These limits are commonly known as minimum limits. In order to drive your automobile upon the roads of this State, you must have at least these minimum limits of insurance, unless you post a satisfactory bond or pay a \$550 fee to drive uninsured. There is no requirement that an insurance company offer higher than minimum limits of automobile liability insurance coverage. If your insurance company does offer more than the minimum limits, you will be required to pay an additional premium for those increased limits of protection.

An insurer that writes your automobile liability insurance coverage must also offer two additional coverages which will protect you in the event you are damaged in an automobile accident by an at-fault driver who either has no automobile insurance or whose automobile insurance liability limits are less than your damages in that accident. These coverages are termed additional uninsured motorist coverage and optional underinsured motorist coverage, respectively. You may also see them referred to as UM and/or UIM. If you decide to purchase either of these coverages, you will be required to pay an additional premium for each of these coverages.

Uninsured motorist coverage compensates you, or other persons insured under your automobile insurance policy, for amounts which you may be legally entitled to collect as damages from an owner or operator of an at-fault uninsured motor vehicle. An uninsured motor vehicle is a motor vehicle which either has no liability insurance coverage or is operated by a hit-and-run driver. By law, your automobile insurance policy automatically provides uninsured motorist coverage of \$25,000/\$50,000/\$25,000. There is a \$200 deductible for uninsured property damage claims.

You also have the right to buy additional uninsured motorist coverage, in various limits up to the limits of the liability coverage you have purchased. The limits of additional uninsured motorist coverage which your insurance company is authorized to write and for which you are eligible are shown on this form, together with the additional premium for those increased limits. You may not purchase uninsured motorist coverage with limits in excess of your liability limits.

Underinsured motorist coverage compensates you, or other persons insured under your automobile insurance policy, for amounts which you legally may be entitled to collect as damages from an owner or operator of an at-fault underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle which is covered by some form of liability insurance, but which is insufficient to fully compensate you for your damages.

Your automobile insurance policy does not automatically provide any underinsured motorist coverage. However, you have the right to buy, and your insurance company is required to offer, optional underinsured motorist coverage in various limits up to the limits of liability coverage you have purchased. The limits of optional underinsured motorist coverage which your insurer is authorized to write and for which you are eligible are shown on this form, together with the additional premium for those limits. You may not purchase underinsured motorist coverage with limits in excess of your liability limits.

If you reject optional underinsured or additional uninsured motorist coverages shown on this form and if you are involved in an automobile accident that is not your fault, this form may be used by your insurance company as evidence against you if you make a claim for additional uninsured motorist coverage or optional underinsured motorist coverage.

If you do not complete this form and return it to your insurance company or insurance agent within 30 days, your insurance company is required by law to add additional uninsured motorist coverage and optional underinsured motorist coverage, in the same limits as your automobile liability insurance, to your automobile insurance policy. You will be required to pay an additional premium for each of these coverages and your policy may be canceled for non-payment of that additional premium.

In the future, if you wish to increase or to decrease your limits of additional uninsured motorist coverage or optional underinsured motorist coverage, you must contact either your insurance agent or your insurance company. You will not be presented with another copy of this form by your insurance agent or insurance company upon the renewal of your automobile liability insurance policy. You will not be presented with another copy of this form by your insurance agent or current insurance company when you extend, change, supersede, or replace your automobile liability insurance policy.

Please read this form carefully. Your insurance agent or your insurance company must answer any questions which you may have. If you have any further questions, you may contact the Department of Insurance at:

Office of Consumer Services
South Carolina Department of Insurance
1201 Main Street, Suite 1000, Columbia, SC 29201
Post Office Box 100105 Columbia, South Carolina 29202-3105
(803) 737-6180
(800) 768-3467
E-mail Address: consumers@doi.sc.gov

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47
Print Date: 02/26/16

Policy No: CSSC 000095310

Offer of Additional Uninsured Motorist Coverage

Minimum uninsured motorist coverage limits of \$25,000/\$50,000/\$25,000 are automatically provided by your insurance policy. If you select additional uninsured motorist coverage, an additional premium will be charged. The schedule below indicates the premium charges for minimum and increased limits:

<u>Limits of Coverages</u>	<u>Amount of Increased Premium</u>
25/50/25	91.00
50/100/50	119.00
100/300/100	139.00

Do you wish to purchase additional uninsured motorist coverage? Yes ___ No x

If your answer is "no," you must sign here: s1 CARLOS MORAAN

If your answer is "yes," specify the limits you desire. These limits cannot exceed your automobile insurance liability limits.

I select / / split limits.

Offer of Optional Underinsured Motorist Coverage

Minimum uninsured motorist coverage limits of \$25,000/\$50,000/\$25,000 are automatically provided by your insurance policy. If you select optional underinsured motorist coverage, an additional premium will be charged. The schedule below indicates the premium charges for minimum and increased limits:

<u>Limits of Coverages</u>	<u>Amount of Increased Premium</u>
25/50/25	86.00
50/100/50	134.00
100/300/100	205.00

Do you wish to purchase optional underinsured motorist coverage? Yes ___ No x

If your answer is "no," you must sign here: s1 CARLOS MORAAN

If your answer is "yes," specify the limits you desire. These limits cannot exceed your automobile insurance liability limits.

I select / / split limits

Applicant's Acknowledgment

By my signature, I acknowledge that I have read -- or I have had read to me -- the above explanations and offers of additional uninsured motorist coverage and optional underinsured motorist coverage. I understand that the above explanations of these coverages are intended only to be brief descriptions of additional uninsured motorist coverage and optional underinsured motorist coverage, and that payment of benefits under either of these coverages is subject both to the terms and conditions of my automobile insurance policy and the laws of the State of South Carolina.

My signature below further acknowledges that I understand the coverages as they have been explained to me, and the type and amounts of coverage marked on the preceding pages have been selected by me. This is the type and amount of insurance coverage I wish to purchase.

Type or print your name: CARLOS MORAAN

Your signature:

DocuSigned by:
s1 CARLOS MORAAN
D0AFBE1E7C144F6

Your address:

1602 CHARLESTON DR BEAUFORT, SC 29906

Today's date:

61/ 2/26/2016

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47

Date: 02/26/16

Policy No: CSSC 000095310

NAMED DRIVER EXCLUSION

In consideration of the premium charged, I, the named insured on my insurance policy, hereby authorize the person(s) listed below to be excluded from my insurance policy. This means that the Company shall not be liable for damages, losses or claims arising out of the operation or use of the automobile described in the policy or any other automobile to which the terms of the policy are extended, whether or not such operation or use was with the express or implied permission of its owner, while said automobile is being driven or operated by the following named person(s). This exclusion includes any claim for damages made against you, a family member or any other person or organization that is vicariously liable for an accident or loss arising out of the operation of your covered auto or non-owned auto by the excluded driver(s).

Named Excluded Driver(s)

Excluded Driver	DOB	Relationship
KEVIN MORAZAN	9/06/1993	EMPLOYEE

☐ The driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or

☒ An appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded.

In all other respects, this policy remains unchanged.

I understand that this agreement will be binding and will apply to and remain in effect for this policy term and all future renewals, reinstatements, replacement policies, or any changes in my policy unless I notify First Acceptance Insurance Company, Inc. in writing to amend the policy. The provisions of this endorsement supersede and exclude from the policy any contrary provision(s).

I further declare that (1) the driver's license of the excluded person has been turned in to the Department of Motor Vehicles, or (2) an appropriate policy of liability insurance (or other security) as may be authorized by law has been properly executed in the name of the person to be excluded.

The undersigned, being the named insured in this policy, hereby requests, consents and agrees to the exclusion set forth as witness his/her signature signifying his/her agreement.

DocuSigned by:
s1 CARLOS MORAZAN
D0AFBE1E7C144F6...

d1/
2/26/2016
Date

This endorsement is attached to and forms a part of the policy issued by First Acceptance Insurance Company, Inc.

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47
Date: 04/20/16

Policy No: CSSC 000095310

FRAUD NOTICE

IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

APPLICANT'S STATEMENT - READ BEFORE SIGNING

I hereby apply to the Company for a policy of insurance as set forth in this application on the basis of the statements contained herein. I AGREE THAT SUCH POLICY SHALL BE NULL AND VOID IF SUCH INFORMATION IS FALSE, OR MISLEADING, OR WOULD MATERIALLY AFFECT ACCEPTANCE OF THE RISK BY THE COMPANY. I understand a routine inquiry may be made which will provide applicable information concerning character, general reputation, personal characteristics and mode of living. In connection with this application for insurance, we may also review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score. Upon written request, additional information as to the nature and scope of the report, if one is made, will be provided. The Company or its affiliates may obtain new or updated information to calculate my renewal premium or service my insurance. I agree that the insurance company has my permission to charge the correct rates and if the correct premium is not paid, I understand that this policy will be cancelled for non-payment of premium based on the correct premium developed. I certify that all operators of my vehicle(s) have been reported to the Company.

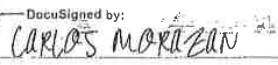
I further agree that if my downpayment or full payment check is returned by the bank because of non-sufficient funds, coverage will be null and void from inception. An NSF (non-sufficient funds) fee will be applied to my account.

I also certify that all persons age 14 or over who live with me have been reported to the Company. I have reported any business or commercial use of my vehicle(s) to the Company. I also certify that my principal residence/place of vehicle garaging is in South Carolina ten (10) or more months of each year. I have been provided with a duplicate signed copy of this application. I give the company permission to obtain the driving records of all residents.

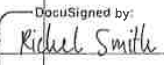
It is further agreed that, in the event the Company shall, because of any interest, become obligated to pay a sum or sums of money because of loss for which there would be no coverage because of the exclusions contained in this endorsement, the insured will reimburse the Company for any and all sums, costs and expenses paid or incurred by the Company.

No insurance contract on property or of any interest therein or arising therefrom shall be enforceable except for the benefits of persons having at the time of the loss an insurable interest in the things insured.

I understand and agree that coverages may be voided when a resident operator or regular operator is driving if the driver is not listed on this application. I further understand that failure to declare ALL ACCIDENTS and VIOLATIONS may also result in the denial of a future claim and cancellation or rescission of my policy.

Applicant's Signature  DocuSigned by: Carlos Morazan d1/ Date: 6/26/2016
D0AFBE1E7C144F6

I certify that all information contained herein is correct to the best of my knowledge, that this form was complete and then signed by the applicant in my presence, that completed copy has been given to the applicant, and that I have retained a duplicate signed copy.

Agent Signature  DocuSigned by: Richard Smith d3/ Date: 6/3/2016
04511A089F074E1

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47

FIRST ACCEPTANCE INSURANCE COMPANY, INC.

Date: 02/26/16

DECLARATION PAGE

Insureds Copy

Central Time: 02:58 PM

Policy No: CSSC 000095310

ORIGINAL EFFECTIVE 02/26/2016

Time: PER APPLICATION

CARLOS MORAZAN

Agent: 001-39-9041 KELLY WILLIAMS

1602 CHARLESTON DR

Customer Service: 1-800-321-0899

Se Habla Espanol: 1-888-922-7767

PO Box 23410
Nashville, TN 37202

BEAUFORT, SC 29906

Policy Period From 02/26/2016 Time: Per Application To: 08/26/2016 Time: 12:01 AM at the address of the named insured as stated herein.

Vehicle / Lienholder Information

If we issue payment to insured for comprehensive or collision Insurance, we will pay the Insured and the following lienholder/additional interest.

Unit	Description	Vehicle Identification Number (VIN)	Symbol	Territory
001	2006 DODGE RAM 1500	1D7HA18N56J158168	01	201
Unit 002	AUTO SALES OF BEAUFORT 3428 TRASK PKWY	BEAUFORT SC 29906-0000		
002	2005 CHEVROLET TRAILBLAZE	1GNET16S156157690	39	201

The auto(s) or trailer(s) described in this policy is principally garaged at the above address unless otherwise stated.

Coverage is provided where a premium and a limit of liability are shown for the coverage.

Coverages	Limits of Liability	Premiums	- Coverages is only valid where premium is shown below				
		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
Liability Coverage							
Bodily Injury	25,000 each person	170.00	163.00				
	50,000 each accident						
Property Damage	25,000 each accident	117.00	110.00				
Uninsured Motorist BI/PD							
Bodily Injury Liability	25,000 each person	27.00	38.00				
	50,000 each accident						
Property Damage Liability	25,000	19.00	18.00				
	\$200 Deductible applicable to P.D. Liability						
Coverage for Damage to Your Motorist							
Comprehensive	500 deductible each accident		148.00				
Collision	500 deductible each accident		206.00				

SC Uninsured Motorist Fund Fee

Full Term Premium each vehicle

A fee of \$10.00 is charged for each installment

1.00

1.00

334.00

684.00

SR-22 Fee:

Total Charges: 1028.00

THE INSURER CAN CANCEL THIS POLICY FOR WHICH YOU ARE APPLYING WITHOUT CAUSE DURING THE FIRST 90 DAYS. THAT IS THE INSURER'S CHOICE. AFTER THE FIRST 90 DAYS, THE INSURER CAN ONLY CANCEL THIS POLICY FOR REASONS STATED IN THE POLICY.

Endorsements made part of this policy at time of issue

SCC-100	PERSONAL AUTO POLICY	SCC-102	NAMED DRIVER EXCLUSION	SCC-101	LOSS PAYABLE CLAUSE
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NOTE! If you fail to receive any of the above policy forms or endorsements or for additional copies, please contact: Acceptance Insurance, PO Box 23410 Nashville, TN 37202

SCC-200 ed. JAN 2012



PO Box 23410
Nashville, TN 37202

INSTALLMENT PAYMENT DUE DATE(S) / AMOUNT DUE*:

03/13/2016	179.70
04/13/2016	179.70
05/13/2016	179.70
06/13/2016	179.70
07/13/2016	179.70

*Any changes to your policy can affect the amount you owe. An EFT payment plan may result in a slightly lower payment amount.

DISCOUNTS:

The following discounts apply to your policy. If a Homeowner or Transfer discount has been applied, you are required to provide proof of your eligibility to receive the discount. If you do not provide the needed proof within seven (7) days the discount will be removed and your premium will increase.

TRANSFER
MULTI-CAR

***** YOUR DISCOUNTS = \$427.00 TOTALING 29.5 %*****

FEE DISCLOSURE:

Certain Fees may be applied to your policy during each policy period. These fees are charged in addition to your policy premium and will apply to all renewal and rewritten policies, regardless of any lapses or cancellations. The fees listed below may be charged:

LATE FEE	10.00
NSF CHECK FEE	20.00
POLICY FEE	10.00
UMBI FUND FEE	1.00
PREMIUM INSTALLMENT FEE	10.00
PREMIUM INSTALLMENT FEE (EFT)	3.00
REINSTATEMENT FEE	10.00
SR-22 FILING FEE	25.00

DocuSign Envelope ID: 8F40BA53-337A-46F6-A3F7-F67D13E14A47

**P.O. Box 23410
Nashville, TN 37202**

2/26/16

CARLOS MORAZAN
1602 CHARLESTON DR
BEAUFORT SC 29906

FIRST ACCEPTANCE INSURANCE COMPANY, INC.

Policy Number: CSSC 000095310

1018.00

Policy Fee:

10.00

***** THE FOLLOWING DISCOUNTS WERE APPLIED TO THIS POLICY *****
TRANSFER MULTI-CAR

***** YOUR DISCOUNTS = \$427.00 TOTALING 29.5 %*****

Total Billed

1028.00

Down payment:179.70 Monthly Payments:179.70
Payments include a 10.00 billing fee.

I understand that the products listed above are billed together, but that
they are written for different products.
I further understand that I may cancel either of these products at any time.

Signature: s/

DocuSigned by:

CARLOS MORAZAN

Date:

d1/

2/26/2016

THANK YOU FOR YOUR BUSINESS.

**Certificate Of Completion**

Envelope Id: 8F40BA53337A46F6A3F7F67D13E14A47

Status: Completed

Subject: New Policy to Sign - CARLOS MORAZAN - 28 CSSC 000095310

User:

Source Envelope:

Document Pages: 11

Signatures: 7

Envelope Originator:

Certificate Pages: 5

Initials: 0

Global Esignature

AutoNav: Enabled

3813 Green Hills Village Dr.

Envelope Stamping: Enabled

Nashville, TN 37215

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

esign@facins.com

IP Address: 65.82.137.2

Record Tracking

Status: Original

Holder: Global Esignature

Location: DocuSign

2/26/2016 12:57:39 PM

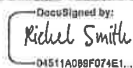
esign@facins.com

Signer Events**Signature****Timestamp**

Richel Smith

rsmith@acceptanceinsurance.com

First Acceptance Corporation

Security Level: Email, Account Authentication
(None)
 DocuSigned by:

 04511A089F074E1...

Sent: 2/26/2016 1:03:33 PM

Viewed: 3/3/2016 8:24:39 AM

Signed: 3/3/2016 8:25:06 AM

Using IP Address: 71.48.196.201

Electronic Record and Signature Disclosure:
Not Offered
ID:**In Person Signer Events****Signature****Timestamp**

In Person Signing Host:

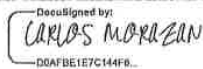
Richel Smith

rsmith@acceptanceinsurance.com

In Person Signer:

CARLOS MORAZAN

Security Level: In Person

 DocuSigned by:

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Sent: 2/26/2016 12:57:41 PM

Viewed: 2/26/2016 12:59:43 PM

Signed: 2/26/2016 1:03:30 PM

Using IP Address: 71.48.196.201

Electronic Record and Signature Disclosure:
Accepted: 2/26/2016 12:59:43 PM
ID: a5d2da31-730b-4307-8dd3-e585f714b47d**Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Notary Events****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

2/26/2016 1:03:33 PM

Certified Delivered

Security Checked

3/3/2016 8:24:39 AM

Signing Complete

Security Checked

3/3/2016 8:25:06 AM

Completed

Security Checked

3/3/2016 8:25:06 AM

Electronic Record and Signature Disclosure

Electronic Record and Signature Disclosure created on: 7/18/2011 6:21:01 AM
Parties agreed to: In Person Signer: CARLOS MORAZAN

CONSUMER DISCLOSURE

From time to time, First Acceptance Corporation (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the "I agree" button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign "Withdraw Consent" form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact First Acceptance Corporation:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: dcarver@facins.com

To advise First Acceptance Corporation of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at dcarver@facins.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from First Acceptance Corporation

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to dcarver@facins.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with First Acceptance Corporation

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to dcarver@facins.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari®, 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to

other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the "I agree"™ button below.

By checking the "I agree"™ box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC CONSUMER DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify First Acceptance Corporation as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by First Acceptance Corporation during the course of my relationship with you.



(•D•)

FIRST ACCEPTANCE INS. CO, INC.



PO Box 23410
Nashville, TN 37202

DECLARATION PAGE

Policy No: 28 CSSC000095310 Account No: 004924710
 Amended Effective: August 26, 2018 Time: Per Application
 Policy Period: From August 26, 2018 Time: Per Application To: February 26, 2019
 Customer Service: 1-800-321-0899
 Se Habla Español: 1-888-922-7767

008395_C_010350000005115_8239

Agent:



CARLOS MORAZAN
 1602 CHARLESTON DR
 BEAUFORT SC 29906-9710

ADRIENNE FERGUSON
 608 N HWY 52 STE D
 MONCKS CORNER SC 29461
 D020C-90583-21701-180C8-S0S3C-20909



VEHICLE INFORMATION						
Unit	Description	Vehicle Identification Number (VIN)	Symbol	Class	Points	Deductible Comp/Collision
1	2006 DODGE	1D7HA18N56J158168	01	FM36	00	
4	2004 FORD EXPED	1FMEU15W64LB19832	38	MM37	00	

LIENHOLDER INFORMATION		
If we issue payment to the insured for comprehensive or collision insurance, we pay the insured and the following lienholder/additional interest.		
Unit	Interest Name	Interest Address

COVERAGES AND PREMIUMS BY VEHICLE								
*If purchased, the comprehensive/collision deductible selected for each vehicle is listed in the "Vehicle Information" section.								
Coverage	Limits of Liability	Deductible*	Veh 1 Prem	Veh 2 Prem	Veh 3 Prem	Veh 4 Prem	Veh 5 Prem	Veh 6 Prem
Bodily Injury	25,000 per person 50,000 per accident		207	206				
Property Damage	25,000 per accident		128	130				
Uninsured Motorist PD	25,000 per accident		25	23				
Unin. Motorist BI - S	25,000 per person Stacked 50,000 per accident	200 deductible	50.00	38.00				
Uninsured Motorist Fee			1	1				
Total Premium for VEH			411.00	398.00				

SC 200 01.17

Please see reverse side

(*BACK*)

DRIVER INFORMATION							
Driver #	Name	Date of Birth	Gender	M/S	DL State	DL Status	Driver Status
1	CARLOS MORAZAN	05/02/1974	M	M	SC		Active
2	KEVIN MORAZAN	09/06/1993	M	M	SC		Excluded
3	JOSELINE VELASQUEZ	09/12/1982	F	M	IT		Active
4	JORGE MORAZAN	12/09/1981	M	M	SC		Active

PREMIUM SUMMARY

TOTAL PREMIUM: [\$809.00] OTHER FEE: [\$.00]
POLICY FEE: [\$.00] TOTAL CHARGES: [\$809.00]

*A FEE OF [\$10.00] IS CHARGED FOR EACH INSTALLMENT

ENDORSEMENT CHANGES	
Endorsement Changes	Effective Date

ENDORSEMENTS MADE PART OF THIS POLICY AT THE TIME OF ISSUE

SCC-100 PERSONAL AUTO POLICY SCC-100 PERSONAL AUTO POLICY SCC-102 NAMED DRIVER EXCLUSION
SCC-102 NAMED DRIVER EXCLUSION

Note: if you fail to receive any of the above policy forms or endorsements or for additional copies,
please contact: Acceptance Auto Insurance, P.O Box 150769, Nashville, TN 37215



FIRST ACCEPTANCE INSURANCE COMPANY, INC.
SOUTH CAROLINA PERSONAL AUTO POLICY

IMPORTANT

Please read your South Carolina Personal Auto Policy carefully as it contains language which may restrict or exclude coverage.

WARNING

South Carolina Law provides that any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

Material misrepresentations may prevent recovery of benefits under this policy. Misrepresentations could include failure to disclose on the application operators of any vehicle, or accurate driving records of the drivers.

3813 Green Hills Village Drive
Nashville, TN 37215

In the event of an accident please call Claims: 1-800-779-2103
PLEASE REPORT ALL ACCIDENTS IMMEDIATELY REGARDLESS OF FAULT
All other inquiries call Customer Service: 1-800-321-0899

**YOUR PERSONAL AUTO POLICY
QUICK REFERENCE**

	Beginning on Page
Agreement	1
Definitions	1
Duties	4
Your Duties In Case Of An Accident Or Loss	
Additional Duties For Part C – Uninsured/Underinsured Motorist Coverage	
Additional Duties For Part D – Damage To The Insured Auto	
PART A Liability Coverage	6
Insuring Agreement	
Definitions – (Part A Only)	
Supplementary Payments	
Exclusions	
Limit Of Liability	
Out Of State Coverage	
Conformity With State Financial Responsibility Laws	
Other Insurance	
PART B Medical Payments Coverage	11
Insuring Agreement	
Definitions – (Part B Only)	
Exclusions	
Limit Of Liability	
Other Insurance	
PART C Uninsured and Underinsured Motorist Coverage	14
Insuring Agreement	
Definitions – (Part C Only)	
Exclusions	
Limit Of Liability	
Proof Of Claim	
Other Insurance	
PART D Coverage For Damage To Your Vehicle	19
Insuring Agreement	
Definitions – (Part D Only)	
Towing And Storage Charges	
Transportation Expenses	
Exclusions	
Limit Of Liability	
Proof Of Loss	
Payment Of Loss	
No Benefit to Bailee	
Other Insurance	
Appraisal	

**YOUR PERSONAL AUTO POLICY
QUICK REFERENCE (continued)**

Beginning on Page

PART E	General Policy Provisions	25
Bankruptcy		
Joint And Individual Interests		
Changes		
Legal Action Against Us		
Our Right To Recover		
Policy Period And Territory		
Termination, Cancellation, Insufficient Funds, Nonrenewal, Other Termination Provisions		
Transfer Of Your Interest In This Policy		
Limitations On Agent Authority		
Misrepresentation And Fraud		
Two Or More Autos Insured		
Conformity To State Statutes		
Company Signature		
ENDORSEMENT FORMS SECTION		30
Loss Payable Clause		
Named Driver Exclusion		
Additional Insured – Lessor		
Named Non-Owner Coverage		
Custom and Special Equipment Coverage		
Towing And Labor Costs Coverage		
Rental Reimbursement Coverage		

IMPORTANT NOTICE

IN ADDITION TO THE INSURANCE COVERAGE REQUIRED BY LAW TO PROTECT YOU AGAINST A LOSS CAUSED BY AN UNINSURED MOTORIST, IF YOU HAVE PURCHASED LIABILITY INSURANCE COVERAGE THAT IS HIGHER THAN THAT REQUIRED BY LAW TO PROTECT YOU AGAINST LIABILITY ARISING OUT OF THE OWNERSHIP, MAINTENANCE, OR USE OF THE MOTOR VEHICLES COVERED BY THIS POLICY, AND YOU HAVE NOT ALREADY PURCHASED UNINSURED MOTORIST INSURANCE COVERAGE EQUAL TO YOUR LIABILITY INSURANCE COVERAGE:

- (1) YOUR UNINSURED AND UNDERINSURED MOTORIST INSURANCE COVERAGE HAS INCREASED TO THE LIMITS OF YOUR LIABILITY COVERAGE AND THIS INCREASE WILL COST YOU AN EXTRA PREMIUM CHARGE; AND**
- (2) YOUR TOTAL PREMIUM CHARGE FOR YOUR MOTOR VEHICLE INSURANCE COVERAGE WILL INCREASE IF YOU DO NOT NOTIFY YOUR AGENT OR INSURER OF YOUR DESIRE TO REDUCE COVERAGE WITHIN TWENTY DAYS OF THE MAILING OF THE POLICY OR THE PREMIUM NOTICE, AS THE CASE MAY BE;**
- (3) IF THIS IS A NEW POLICY AND YOU HAVE ALREADY SIGNED A WRITTEN REJECTION OF SUCH HIGHER LIMITS IN CONNECTION WITH IT, PARAGRAPHS (1) AND (2) OF THIS NOTICE DO NOT APPLY."**

PERSONAL AUTOMOBILE POLICY

AGREEMENT

This policy is issued and renewed in reliance upon the truth and accuracy of the representations made in the **application** for this insurance. The terms of this policy impose obligations on all persons defined as an **insured**. The responsibilities, acts and/or omissions, in connection with this insurance, of any person defined as **you**, shall be binding upon all other persons.

This contract includes the **Declarations Page**, Endorsements, the **Application**, the Personal Auto Policy, and all attachments. In return for premium payment and subject to all the terms of this policy, **we** agree with **you** as follows:

DEFINITIONS USED THROUGHOUT THIS POLICY

Unless defined differently elsewhere in this policy, the words and phrases listed below have the following meanings throughout the policy and will appear in bold print:

1. **Accident or accidental** means a sudden, unexpected, and unintended event causing **bodily injury or property damage**, arising out of the operation, ownership, maintenance, or use of an **auto**. All **bodily injury and property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **accident**.
2. **Actual cash value** means market value at the time of the **loss** based upon **vehicle** mileage, age, condition, original optional equipment, and comparable **vehicles** available for sale within a reasonable geographic radius as documented in an electronic database of publications and dealerships, less **depreciation** and/or **betterment**.
3. **Additional auto** means an **auto** that **you** become the **owner** of and acquire while the policy is in force that is in addition to all **autos** currently listed on the **Declarations Page**, as long as **we** insure all other **autos** owned by **you**.
 - a. **Additional auto** does not include any **auto** that **you** acquire, purchase or lease with anyone other than a **resident** or **relative**. Coverage does not apply to an additional **auto** registered to a corporation or other business entity.
 - b. The **auto** must be an acceptable risk to **us** under **our** underwriting guidelines to qualify as an **additional auto**.
4. **Application** means the form entitled First Acceptance Insurance Company Automobile Application that contains statements, coverage options, and agreements that form a part of this policy.
5. **Auto or automobile** means: a motor vehicle having four load-bearing wheels and which is of a kind required to be registered under the laws of this state relating to motor vehicles designed primarily for operation upon the public streets, roads and highways and driven by power other than muscular power. **Auto** includes a pick up, van or sport utility vehicle with a gross vehicle weight of less than ten-thousand (10,000) pounds exclusive of load that is not used in business. **Auto** does not include motorcycles, midget cars, golf carts, tractors, farm machinery, any vehicle operating on crawlers or treads, or any vehicle used as a residence or premises.
6. **Auto business** means the **business** of selling, leasing, repairing, servicing, delivering, testing, road testing, towing, storing, or parking of **vehicles** or **trailers**.

7. **Betterment** means making an item better or adding value.
8. **Bodily injury** means bodily harm, sickness or disease, including death that results therefrom. **Bodily injury** does not include harm, sickness, disease or death arising out of a medically defined communicable disease contracted by any person or the exposure of such a disease by any person to any other person.
9. **Business** means trade, profession, occupation, course of employment, job, or commercial use of any kind, but does not include the use of the **insured auto** to carry tools and supplies between home and a job site.
10. **Declarations Page** means the document you receive from us listing the types of coverages you have selected, the limit for each coverage, the cost for each coverage, deductibles, the specified **autos** covered by this policy, the types of coverages for each such **auto**, the drivers on the policy, and other information applicable to this policy.
11. **Deductible** is that sum which you have elected that is shown on the **Declarations Page** or stated in the policy that will be deducted from the **loss** payment.
12. **Depreciation** means decline of value due to wear and tear or obsolescence.
13. **Diminution in value** means the actual or perceived reduction, if any, in the fair market value of tangible property by reason of the fact that it has been damaged and repaired.
14. **Insured auto** means:
 - a. any **auto** described on the **Declarations Page**.
 - b. any **trailer you own** while it is attached to the **insured auto**. For coverage to be provided under Part D- Coverage for Damage to the Insured Auto of this policy, the **trailer** must be listed on the **Declarations Page** and a premium must be paid.
 - c. a **replacement auto**. For a **replacement auto** to be considered an **insured auto**, you must notify us within 7 days of the date you become the **owner** or take physical possession of the **replacement auto**, whichever comes first. The **replacement auto** will have the same coverage we now provide for the **auto** being replaced except for Part D- Coverage for Damage to the Insured Auto. We will only provide Part D coverage effective after you:
 - i. ask us to do so; and
 - ii. give us the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.
 - iii. To qualify as a **replacement auto** under this policy, the **auto** must qualify as an acceptable risk to us under our underwriting guidelines.
 - d. an **additional auto**. For an **additional auto** to be considered an **insured auto**, you must notify us within 7 days of the date you become the **owner** or take physical possession of the **additional auto**, whichever comes first. The **additional auto** will have the broadest coverage we now provide on your policy, except for Part D- Coverage for Damage to the Insured Auto. We will only provide Part D coverage effective after you:
 - i. ask us to do so; and
 - ii. give us the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.
 - iii. To qualify as an **additional auto** under this policy, the **auto** must be an acceptable risk to us under our underwriting guidelines.

- e. a **temporary substitute auto**. A **temporary substitute auto** is provided the same coverage as the **auto** which it temporarily replaces. Temporary is defined as less than 30 days.

An **insured auto** is not an **auto you own** that you rent or lease to others.

- 15. **Loss** means sudden, direct, and accidental destruction or damage. **Loss** does not include **diminution in value**.
- 16. **Named insured** means the person(s) who signed the policy application and is identified on the **Declarations Page** by name as the policyholder.
- 17. **Non-owned auto** means any **auto**, including a **rental vehicle**, that is used by **you** within the scope of the express permission of the **owner** and not **owned** by, furnished to, or available for the regular use of **you**, a **relative**, or a **resident**.
- 18. **Occupy or Occupying** means in, upon, getting into, out of, on or off.
- 19. **Own, Owned or Owner** means the person:
 - a. holds legal title to the **vehicle**;
 - b. has legal possession of the **vehicle** that is subject to a written security agreement with an
 - i. original term of six (6) months or more; or
 - ii. has legal possession of the **vehicle** that is leased to that person under a written agreement for a continuous period of six (6) months or more
- 20. **Premium payment** means the actual receipt of cash funds by us regardless of the form of payment.
- 21. **Property damage** means physical injury to or destruction of tangible property, including loss of use of that property
- 22. **Racing** means participating in, preparation for, or any use of a **vehicle** or **trailer** in any competition, race, speed, demolition, stunt, demonstration, off-road driving, driver training, high performance driving, driver competition, or timed contest or activity, whether professionally organized or not.
- 23. **Regular operator** is any person not listed on the **Declarations Page** who operates the **insured auto** on 7 or more occasions during the 90 calendar days preceding either your application for this insurance policy or any accident or loss for which coverage is sought under this policy.
- 24. **Regular use or frequent use** means operation or use of an **auto** by any person on 7 or more occasions during the 90 calendar days preceding either **your** application for this insurance policy or any accident or **loss** for which coverage is sought under this policy.
- 25. **Relative** means any person related to **you** by blood, marriage, or adoption, including a ward or foster child, who lives with **you** in **your** place of domicile or permanent residence whether or not temporarily living elsewhere. **Relative** includes a minor under **your** guardianship who lives in **your** place of domicile or permanent residence. **Relative** does not include any person over the age of 14 who resides at **your** place of domicile or permanent residence but who is not listed on the application or endorsed on the policy prior to a **loss** or **accident**.
- 26. **Rental vehicle** means an **auto** you rent or hire for a term of 30 days or less. An **auto** you rent or hire for more than 30 days is an **auto** furnished or available for **your** regular use. **Rental vehicles** may be rented or hired only from an entity licensed to conduct such business under applicable state law.
- 27. **Replacement auto** means an **auto** that **you** become the **owner** of and acquire while the policy is in force that takes the place of an **auto** described on the **Declarations Page** because of:
 - a. termination of **your** ownership interest in an **auto** described on the **Declarations Page**.

- b. mechanical breakdown, theft, deterioration, or total loss of an **auto** described on the **Declarations Page**, rendering it permanently inoperable.

Replacement auto does not include any **auto** that **you** acquire, purchase or lease with anyone other than a **resident** or **relative**. Coverage does not apply to a **replacement auto** registered to a corporation or other business entity.

The **auto** must qualify as an acceptable risk to **us** under **our** underwriting guidelines to qualify as a **replacement auto**.

- 28. **Resident** means a person living in **your** household other than **you** or a **relative**, and any other person who regularly receives their mail at **your** household address or Post Office Box. **Resident** does not include any person over the age of 14 who resides at **your** place of domicile or permanent residence but who is not listed on the application or endorsed on the policy prior to a **loss** or **accident**.
- 29. **Temporary substitute auto** means any **auto** operated by **you** or any **relative** or **resident**, which is not furnished or available for regular use by **you**, a **relative** or a **resident** and is used on a temporary basis as a substitute for an **auto** listed on the **Declarations Page**, which is out of normal use because of its:
 - a. breakdown.
 - b. repair.
 - c. servicing.
 - d. **loss**.
 - e. destruction.
 - f. manufacturer's defects.
 - g. latent defects.
- 30. **Trailer** means a non-powered vehicle with no independent means of locomotion, including a farm wagon or farm implement, designed to be pulled by a:
 - a. private passenger **auto** or station wagon; or
 - b. pickup truck or private passenger van.
- 31. **Vehicle** means a surface transportation device used for conveying goods, passengers, or equipment.
- 32. **We**, **us**, and **our** mean the company shown on the **Declarations Page**.
- 33. **You** and **your** means the **named insured** shown on the **Declarations Page** and includes **your** spouse, if living in the same place of domicile or permanent residence as **you**, and disclosed on the application or endorsed to the policy prior to a **loss**. Spouse means a lawfully wedded partner and includes persons joined in a civil union as recognized by the state of South Carolina.

DUTIES

FAILURE TO COMPLY WITH ANY OF THESE DUTIES MAY RESULT IN DENIAL OF COVERAGE OR RELIEVE **US** OF ALL DUTIES TO INVESTIGATE, SETTLE, DEFEND, PAY ANY JUDGMENT OR OTHERWISE HONOR ANY CLAIMS MADE BY OR AGAINST ANY **INSURED**. **OUR RIGHTS WILL BE DEEMED TO HAVE BEEN PREJUDICED IF YOU OR ANY INSURED UNDER THIS POLICY FAIL TO COMPLY WITH ANY OF THESE DUTIES AND IT ADVERSELY AFFECTS OUR INVESTIGATION OF THE CLAIM INCLUDING OUR ABILITY TO DETERMINE COVERAGE, LIABILITY OR DAMAGES.**

YOUR DUTIES IN CASE OF AN ACCIDENT OR LOSS

In the event of an **accident** or **loss**, **you** or any person claiming coverage under this policy must:

- 1. notify **us** immediately of how, when and where the **accident** or **loss** happened in writing, or by email at newclaims@acceptanceinsurance.com, or by calling **us** at 1-800-779-2103 and giving us

a recorded statement about the accident and the use of the vehicle. Notice should include, at a minimum, the names and addresses of any persons involved in the **accident** or **loss**, any witnesses and the identity of any law enforcement agency involved in the investigation of the **accident** or **loss**. Failure to give notice as required may jeopardize **your** coverage under this policy.

2. cooperate with **us** in any matter concerning a claim or suit.
3. submit to physical examination at **our** expense, by doctors **we** select, as often as **we** may require.
4. authorize **us** to obtain medical and other records.
5. provide any written proof of loss under oath that **we** may require.
6. not admit fault, assume any obligation, nor agree to incur any expense in connection with any claim or **accident** without **our** consent.
7. attend hearings, depositions, and trials as often as **we** or a court may require.
8. immediately send **us** any legal papers received regarding any claim or suit.
9. allow **us** to take signed and/or recorded statements when and as often as **we** may require.
10. authorize **us** to access, inspect, and extract data from **your** vehicle event data recorder (EDR) when we require.
11. submit to examinations under oath (EUO) and sign copies of the transcript as often as **we** may require.

We may examine **you** or any person claiming coverage under oath, while not in the presence of any person, other than **your** attorney, about any matter relating to this insurance or the claim, including an insured's books, and records, and/or other documents. **You** or any person claiming coverage under this policy must prepare and sign any documents or paperwork prepared or submitted by **us**. The EUO may be conducted by a representative of **our** choice.

12. Full compliance with all terms of this policy is a condition precedent to any coverage available from this policy. **We** may not be sued unless there is full compliance with all terms of this policy.

ADDITIONAL DUTIES FOR PART C- UNINSURED/UNDERINSURED MOTORISTS COVERAGE

In addition to the duties stated in the Your Duties In Case Of Accident Or Loss section above, a person seeking coverage under Part C— Uninsured/Underinsured Motorist Coverage under this policy must also:

1. File a report of the **accident** with the appropriate law enforcement agency within twenty-four (24) hours or as soon thereafter as practicable following the **accident**; and
2. If a hit and run or unknown driver is involved, make a written report of the accident to **us** within thirty (30) days of the **accident**.
3. Send **us** copies of any legal papers.
4. Give **us** full details regarding the facts of loss and all injuries sustained and treatment received by **you** or any person claiming coverage under this policy.
5. Take reasonable steps after **loss** to protect the **insured auto** and its equipment from further **loss** if you purchased **uninsured motorist** property damage coverage.
6. Permit **us** to inspect and appraise the damaged property before its repair or disposal.

ADDITIONAL DUTIES FOR PART D- DAMAGE TO THE INSURED AUTO

In addition to the duties stated in the Your Duties In Case Of Accident Or Loss section above, a person seeking coverage under Part D- Coverage for Damage to the Insured Auto must also:

1. File a report with the appropriate law enforcement agency within 24 hours after discovery of the **loss** if the **insured auto** or any of its equipment is stolen or vandalized or a hit-and-run driver is involved.
2. Report the accident to **us** as soon as possible.
3. Take reasonable steps after a **loss** to protect the **insured auto** and its equipment from further **loss**. **We** will pay reasonable expenses incurred in providing this protection. **We** will not be responsible for any **loss** or portion of any **loss** which is caused by **your** delay in protecting the **insured auto**.
4. Allow **us** to inspect and appraise the damaged property before its repair or disposal.

We will pay only for damages which **we** are able to inspect prior to repairs being commenced, unless emergency repairs are necessary to minimize further damages and/or expenses.

In the event that emergency repairs are necessary, **we** require photographs of the damaged area(s) along with a complete itemized estimate of repair and payment receipt.

PART A: LIABILITY COVERAGE

INSURING AGREEMENT

In consideration of the premium paid for this coverage, **we** will pay damages up to the policy limits stated on the **Declarations Page**, for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an **auto accident**. Damages include prejudgment interest awarded against the **insured** subject to **our** limit of liability for this coverage. **We** will settle or defend, as **we** consider appropriate, any claim or suit asking for these damages. In addition to **our** limit of liability, **we** will pay all defense costs **we** incur. **Our** duty to settle or defend ends when the limit of liability has been exhausted by the payment of a judgment or settlement. **We** have no duty to defend any suit, settle any claim or pay any judgment for **bodily injury** or **property damage** not covered under this policy.

DEFINITIONS-- (Part A Only)

Insured as used in this Part means:

1. **You** or any **resident** or **relative** for the ownership, maintenance or use of the **insured auto**.
2. **You** while operating any **non-owned auto** with the express or implied permission of the **owner** and within the scope of that permission.
3. Any other person while driving the **insured auto** with **your** express permission provided that the **vehicle** must be used within the scope of **your** permission.

Insured does not mean any person without a valid driver's license or holding only a learner's permit operating or driving an **insured auto** unless that person is listed on the application or added to the policy prior to the **accident**. **Insured** does not mean any driver who is not listed on the policy who also resides in the same household as **you** or who is a **regular operator** of any vehicle insured under this policy and is involved in an **accident** which occurs while the **auto** is being driven, operated, manipulated, maintained, serviced or used in any other manner by that person, regardless of whether or not the **named insured** is **occupying** the vehicle at the time the said driver is using it in any manner, whatsoever. These limitations shall only apply to coverage in excess of what is required by the South Carolina Motor Vehicle Financial Responsibility Act.

SUPPLEMENTARY PAYMENTS

In addition to **our** limit of liability, **we** will pay on behalf of an **insured**:

1. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend and **we** choose to appeal. **We** will not pay the premium for attachment bonds that exceed **our** limit of liability. **We** have no duty to apply for or furnish these bonds.
2. For damages covered under this policy, interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** offer to pay that part of the judgment which does not exceed **our** limit of liability for this coverage.
3. Other reasonable expenses incurred at **our** request.
4. Reasonable loss of wages, up to fifty dollars (\$50) per day, but not other income, because of attendance at hearings, proceedings, or trials at **our** request.

To receive a supplementary payment under this section, **you** must submit a claim and provide proof of entitlement.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part A, including **our** duty to defend, does not apply to:

1. **Bodily Injury or Property Damage** due to or resulting from intentional acts, or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct, including but not limited to being under the influence of or being mentally incapacitated by any drug, medication, alcohol or other substance;
 - b. **you** or any **insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **bodily injury or property damage**;
 - c. such **bodily injury or property damage** is of a different kind or greater degree than intended or reasonably expected by the **insured**; or
 - d. such **property damage or bodily injury** is sustained by a different person than intended or reasonably expected by the **insured**.
2. **Property damage** to **property owned** by or in the care or custody or control of any **insured**.
3. **Property damage** to property any **insured** rents, uses or has charge of or responsibility for. This exclusion **does not** apply to a rented residence or a rented private garage.
4. **Bodily injury** to an employee or fellow employee of any **insured** person arising out of employment or during the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless Workers' Compensation benefits, disability benefits, or similar benefits are required or available for that domestic employee.
5. **Bodily injury or property damage** arising out of the ownership, maintenance, or use of any **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. using any vehicle to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network company, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.
6. Any person while employed or otherwise engaged in an **auto business**. However, this exclusion does not apply to claims against **you** when the **bodily injury or property damage** arises out of **auto business** operations conducted by someone other than **you**, a **relative** or **resident**.
7. Maintaining or using any vehicle while that person is employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusions 5 and 6. If a **business** use surcharge is noted on the **Declarations Page**, this exclusion does not apply to the **ownership, maintenance or use of that auto** by:
 - a. **you**; or
 - b. any **relative**.

8. Any person using the **insured auto** without or beyond the scope of **your** express or implied permission.
9. **Bodily injury or property damage** for which that person:
 - a. is an **insured** under a nuclear energy liability policy; or
 - b. would be an **insured** under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
 - c. For the purpose of this exclusion a nuclear energy liability policy means a policy issued by any of the following or their successors:
 - i. Nuclear Energy Liability Insurance Association;
 - ii. American Nuclear Insurers;
 - iii. Mutual Atomic Energy Liability Underwriters; or
 - iv. Nuclear Insurance Association of Canada.
10. **Bodily injury or property damage** arising out of the ownership, maintenance, or use of:
 - a. a motorcycle or any other motorized **vehicle** that does not meet the definition of an **auto**.
 - b. an all-terrain **vehicle** regardless of its number of wheels.
 - c. any **vehicle** not required to be licensed for use on public roads.
 - d. any vehicle weighing in excess of ten thousand (10,000) pounds, exclusive of load.
11. **Bodily injury or property damage** arising out of any person's liability for the **ownership**, maintenance, repair or operation of the **insured auto** when it:
 - a. is being rented or leased to others; or
 - b. has been sold to another; or
 - c. is under a conditional sales agreement by **you** to another.
12. **Bodily injury or property damage** arising out of the operation of farm or ranch machinery.
13. **Bodily injury or property damage** arising out of the **ownership**, maintenance or use of an **auto** in a racing event
14. **Bodily injury or property damage** arising out of any liability assumed by an **insured** under any contract or agreement, whether written or verbal.
15. **Bodily injury or property damage** for which the United States Government is held responsible under the Federal Tort Claims Act.
16. **Bodily injury or property damage** arising out of the **ownership**, maintenance, repair or use of an **auto** while it is being used as a residence or premises.
17. **Bodily injury** arising out of or resulting from the discharge or use of any firearm or weapon.
18. **Bodily injury to you**, a **relative** or a **resident** arising out of the ownership, maintenance or use of the **insured auto**.
19. **Bodily injury or property damage** to any person while occupying any **auto**:
 - a. being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. used or operated in an attempt to flee a law enforcement agent

This exclusion applies regardless of whether any person is actually convicted of a crime.
20. **Bodily injury or property damage** arising out of the loading or unloading of any **auto**.
21. **Bodily injury or property damage** arising out of the **ownership**, maintenance or use of the **insured auto** when it is driven, operated or used with **your** permission by an individual not listed on the policy who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit.

This exclusion shall only apply to coverage amounts in excess of those amounts required under South Carolina's Motor Vehicle Financial Responsibility Act.
23. **Bodily injury or property damage** caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction or radioactive contamination, or any consequence of any of these.
24. **Bodily injury or property damage** to the owner of any **auto** while that person is a passenger in the **owned auto** and driven by an **insured**.

25. The payment of civil fines, administrative fees, attorney fees, and any other charges levied or claimed by a municipality or other division of government with respect to **property damage** or **bodily injury**.
 26. The payment of charges or assessments made by a municipal, state or federal emergency services provider for or in any way arising out of a motor vehicle collision response or accident clean up.
 27. **Bodily injury** or **property damage** resulting from the use of the **insured auto** by a person or persons specifically excluded by endorsement.
 28. **Bodily injury** or **property damage** resulting from the use of an **auto** for snow removal.
 29. **Bodily injury** or **property damage** incurred while the **auto** is used for towing a **trailer** designed to be towed by something other than an **auto**.
 30. **Bodily injury** or **property damage** resulting from the radioactive, toxic, explosive or other hazardous properties or source of, nuclear or by product material, each as defined in the Atomic Energy Act of 1954, as amended.
 31. **Bodily injury** or **property damage** arising out of actual, alleged or threatened discharge, dispersal, release, or escape of any **pollutant** unless such discharge, dispersal, release, or escape is sudden and accidental and arises directly from collision or upset of the **insured auto**.
 32. **Bodily injury** occurring during the course of employment if benefits are payable under a workers' compensation law or similar law.
- B. We do not provide Liability Coverage for the **ownership**, maintenance, repair or use of:
1. Any **auto**, other than the **insured auto**, which is:
 - a. **owned** by you; or
 - b. furnished or available for **your regular use**.
 2. Any **auto**, other than the **insured auto**, which is:
 - a. **owned** by any **relative** or **resident**; or
 - b. furnished or available for the regular use of any **relative** or **resident**.
 3. Any motorized vehicle having fewer than four wheels.

LIMIT OF LIABILITY

The limit of liability shown on the **Declarations Page** for each person for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury**, sustained by any one person in any one **auto accident**. This includes all derivative claims arising out of said **bodily injury** which includes, but is not limited to, emotional injury or mental anguish of others resulting from the **bodily injury** to another, damages for care, loss of service or death, loss of consortium, loss of society or companionship, estate claims, and wrongful death.

Subject to this limit for each person, the limit of liability shown on the **Declarations Page** for each **accident** for **Bodily Injury** Liability Coverage is **our** maximum limit of liability for all damages for **bodily injury** resulting from any one **auto accident**.

The limit of liability shown on the **Declarations Page** for each **accident** for **property damage** liability coverage is **our** maximum limit of liability for all damage to all property resulting from any one **auto accident**. This is the most we will pay under **Bodily Injury** Liability Coverage or **Property Damage** Liability Coverage, whichever is applicable, as a result of any one **auto accident** regardless of the number of:

1. **insureds**;
2. claims made;
3. **autos** or premiums shown on the **Declarations Page**;
4. **autos** involved in the **auto accident**;
5. premiums paid; or
6. lawsuits brought.

Regardless of the Limits of Liability shown on the **Declarations Page**, the limit of liability applicable to the operation of the **insured auto** by any person not listed by name on the policy shall not exceed the greater

of the minimum financial responsibility limits required by the South Carolina Financial Responsibility Act, or the minimum financial responsibility limits applicable to the operation of that **insured auto** in the state or province in which the **auto accident** occurred.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

Any amount payable under this coverage to or for an injured person will be reduced by any payment made to that person under PART B – MEDICAL PAYMENTS COVERAGE and PART C – UNINSURED/UNDERINSURED MOTORIST COVERAGE of this policy or any applicable no-fault or personal injury protection coverage.

No one will be entitled to receive duplicate payments for the same elements of damage.

OUT OF STATE COVERAGE

If an **auto accident** to which this policy applies occurs in any state or province other than South Carolina, we will interpret **your policy** for that **auto accident** as follows:

1. This policy is not intended as proof under any state financial responsibility laws, other than South Carolina.
2. If a state or province requires a non-resident to maintain minimum limits of liability for **bodily injury** or **property damage** higher than the limits shown in the **Declarations Page** or it is required by law that this policy conform to those higher limits, then **your policy** will provide the higher specified limits of liability for **bodily injury** and **property damage** or the limits stated in the **Declarations page**, whichever is greater.
3. This policy does not provide coverage for any mandatory no-fault law or other similar law of any other state.
4. All terms, conditions, exclusions, notification changes, rejections, and endorsements in this policy shall apply as written. This policy shall be interpreted under South Carolina law. **Our** application of the terms and conditions of this contract shall be in accordance with South Carolina law.

NOTICE: You must notify **us** if you move to another state or province. If you relocate or the **insured auto** is principally garaged outside of South Carolina more than 30 days in the preceding three hundred and sixty-five (365) days prior to the **accident**, then the coverage under this policy shall not be modified in any way.

CONFORMITY WITH STATE FINANCIAL RESPONSIBILITY LAWS

When we certify this policy as proof of financial responsibility pursuant to South Carolina law, it will comply with that law to the extent of the coverage and limit of liability required by that law. If we make a payment due to an **accident** occurring in South Carolina that we would not be required to make except for the fact that this policy is certified as proof of financial responsibility, **you** agree to reimburse **us** for any such payment.

This policy is not intended as proof under any state financial responsibility law, other than in South Carolina. The terms, conditions, and exclusions as written will apply in any other state where the **loss** or **accident** may occur. **We** will not provide coverage under any no-fault law or other similar law of any other state.

OTHER INSURANCE

If there is other applicable liability insurance or bond, **we** will pay only **our share** of the **loss**. **Our share** is the proportion that **our limit** bears to the total of all applicable limits.

Coverage for **bodily injury** and **property damage** arising from the maintenance, repair or use of an **additional auto** or a **replacement auto**, does not apply where there is other valid and collectible insurance.

If an **insured** is using a **non-owned auto**, this liability insurance will be excess over any other insurance or self insurance regardless of any provisions of any other policy available to the user. However, if the insurance on the **non-owned auto** has limits equal to or greater than the applicable minimum financial responsibility law, there is no excess liability insurance available under this policy.

We have no duty to defend the lessor or owner of a **non-owned auto** under this Part.

PART B: MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

Subject to the limit of Liability shown on the **Declarations Page**, if you pay a premium for Medical Payments Coverage, we will reimburse for any reasonable medical expenses that have been paid for necessary medical and funeral services because of **bodily injury**:

1. caused by an **auto accident**; and
2. sustained by an **insured**.

We will reimburse only those **medical expenses** incurred within one (1) year from the date of the **accident**. Coverage under this Part shall not apply if the **accident** or its resulting damages were either intended by the **insured**, or could have reasonably been expected from the viewpoint of the **insured**.

DEFINITIONS—(Part B Only)

Insured as used in this Part means:

1. **you** while **occupying** any **auto**, other than an **auto owned** by **you** which is not the **insured auto**;
2. a **relative** while **occupying** the **insured auto**;
3. any person other than **you**, or any **relative**, or **resident** while **occupying** the **insured auto** as a guest passenger or while operating or using the **insured auto** within the scope of your express or implied permission.

Insured does not mean a driver that is not listed on this policy, who resides in the same household as the **named insured**, or who is a **regular operator** of any **vehicle** insured under this policy, and is involved in an **accident** which occurs while the automobile is being driven, operated, manipulated, maintained, repaired, serviced or used in any other manner by this person. This limitation shall apply whether or not the **named insured** is **occupying** the **vehicle** at the time the unlisted driver is using it in any manner whatsoever.

Medical Expenses means usual and customary charges incurred for reasonable and necessary services rendered to or on behalf of an **insured** for medical, surgical, x-ray, or dental services when performed by a licensed medical professional, pharmaceuticals, prosthetic devices, eye glasses, necessary ambulance, hospital and professional nursing services when prescribed by a licensed medical professional, and funeral services. **Medical Expenses** do not include expenses:

- B. For treatment, services, products or procedures that are:
 1. experimental in nature, for research, or not primarily designed to serve a medical purpose; or
 2. not commonly and customarily recognized throughout the medical profession and within the United States as appropriate for the treatment of **bodily injury**; or
- C. Incurred for:
 1. the use of thermography or other related procedures of similar nature; or
 2. the use of acupuncture or other related procedures of a similar nature; or
 3. the purchase or rental of equipment not primarily designed to serve a medical purpose;

EXCLUSIONS

We do not provide Medical Payments Coverage for any person for **bodily injury**:

1. Arising out of the ownership, maintenance, repair or use of a **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.

- b. operating any **vehicle** displaying advertising.
- c. operating any **vehicle** containing permanently installed mechanical equipment.
- d. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

- 2. Sustained while **occupying** the **insured auto** while it is located for use as a residence or premises.
- 3. Occurring during the course of employment if Workers' Compensation benefits are required or available for the **bodily injury**.
- 4. Sustained while **occupying** or when struck by any **auto** other than the **insured auto** which is:
 - a. **owned** by **you**; or
 - b. furnished or available for **your** regular use.
- 5. Sustained while **occupying** or when struck by any **auto** other than the **insured auto** which is:
 - a. **owned by** any **relative** or **resident**; or
 - b. furnished or available for the regular use of any **relative** or **resident**.
- 6. Sustained while **occupying** any **auto** being used without or beyond the scope of the **owner's** express or implied permission.
- 7. Resulting from the maintenance, repair or use of any **auto** while that person is engaged in any **auto business**.
- 8. Resulting from the maintenance or use of any **auto** while that person is employed or otherwise engaged in any **business**. If a **business** use surcharge is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to:
 - a. **you**; or
 - b. any **relative**.
- 9. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution;
 - f. radioactive contamination;
 - g. Nuclear reaction or radiation whether controlled or uncontrolled or however caused.
- 10. Sustained while **occupying**:
 - a. a motorcycle or any motorized vehicle having fewer than four wheels or more than six wheels; or
 - b. an all-terrain vehicle regardless of the number of wheels it has; or
 - c. any self-propelled vehicle not licensed for use on public roads; or
 - d. any vehicle weighing in excess of ten thousand (10,000) pounds, exclusive of load.
- 11. Sustained while **you** are or any **relative** or **resident** is **occupying** the **insured auto** while it is:
 - a. Being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. Used or operated in an attempt to flee a law enforcement agent

This exclusion applies regardless of whether any person is actually convicted of a crime.
- 12. Resulting while the **insured auto** is being used, operated or driven, by an individual not listed on the policy who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license or learner's permit; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit.
- 13. Resulting from **ownership**, maintenance or use of an **auto** in a **racing** event
- 14. For whom the United States Government or any of its military services are required to provide similar services and/or benefits.

15. Sustained while the **insured auto** is being operated by a person or persons specifically excluded by endorsement.
16. Arising from or resulting from the discharge or use of any firearm or weapon.
17. Sustained while the **insured auto** is rented to others.
18. Sustained by any person that causes or contributes to an **accident** while operating an **auto** when that person is driving under the influence (DUI) of alcohol, medication or drugs or while driving while intoxicated (DWI).
19. Sustained by any person that causes or contributes to an **auto accident** while engaged in reading, talking, typing, texting or other similar use of any electronic device, including but not limited to a phone, smart phone, computer, or tablet.
20. Sustained by **you**, a **resident** or a **relative** or any **regular or frequent operator** of the **insured auto**, if that person is not disclosed on the application or added to the policy prior to the **accident**.
21. To the extent that any medical expense is paid or payable to or on behalf of the **insured** under the provisions of any:
 - a. other automobile or premises insurance affording benefits for medical expenses.
 - b. individual, blanket, group accident, disability, or hospitalization insurance.
 - c. medical or surgical reimbursement plan.
 - d. workers' compensation or disability benefits law or any similar law
22. Caused by dumping discharge or escape of any irritants, **pollutants** or contaminants other than the fluids necessary for the operation of the **insured auto**.
23. Caused by explosives, other than the fluids necessary for the operation of the **insured auto**.
24. Due to or resulting from intentional acts by or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**.

LIMIT OF LIABILITY

- A. The limit of liability shown on the **Declarations Page** for this coverage is **our** maximum limit of liability for each person injured in any one **accident** regardless of the number of:
 1. claims made;
 2. **autos** or premium shown on the **Declarations Page**;
 3. **autos** involved in the **auto accident**;
 4. **insureds**;
 5. lawsuits brought; or
 6. premiums paid.
- B. If two or more policies issued by us to **you** or any **relative** provide Medical Payments Coverage and apply to these same bodily injuries, the total limits of liability under such policies shall not exceed that of the policy with the highest limit of liability.
- C. An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

OTHER INSURANCE

If there is other applicable **auto** medical payments insurance, **we** will pay only **our** share of the **loss**. **Our** share is the proportion that our limit of liability bears to the total of all applicable limits. Any **auto** medical payments insurance **we** provide for a loss involving an **auto** **you** do not own shall be excess over any other applicable **auto** medical payments insurance.

PART C: UNINSURED/UNDERINSURED MOTORIST COVERAGE

INSURING AGREEMENT

Uninsured Motorist Coverage

Subject to the Limits of Liability, if **you** pay a premium for Uninsured Motorist Coverage, **we** will pay for damages which an **insured** is legally entitled to recover from the **owner** or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by an **insured** or due to **property damage**:

1. caused by an **accident**; and
2. arising out of the **ownership**, maintenance, or use of an **uninsured motor vehicle**.

Underinsured Motorist Coverage

Subject to the Limits of Liability, if **you** pay a premium for Underinsured Motorist Coverage, **we** will pay damages which an **insured** is legally entitled to recover from the **owner** or operator of an **underinsured motor vehicle** because of **bodily injury** or **property damage** sustained by an **insured**:

1. caused by an **accident**; and
2. arising out of the **ownership**, maintenance, or use of an **underinsured motor vehicle**.

We will pay under this Part C only after the limits of liability under any and all applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

Any judgment for damages arising out of a lawsuit is not binding on **us** unless **we** have

1. received reasonable notice of filing of the suit resulting in the judgment; and
2. had a reasonable opportunity to protect **our** interest in the suit.

DEFINITIONS— (Part C Only)

Insured as used in this Part means:

1. **you** or a **relative**.
2. any other person while using the **insured auto** with **your** express or implied permission.
3. any personal representative for damages that person is legally entitled to recover because of **bodily injury** to which this coverage applies sustained by a person listed in 1. or 2. above.

However, no person shall qualify as an **insured** if the person operating the **insured auto** does not have **your** express or implied permission or is a **resident** not disclosed on the **application** or added prior to the **accident**.

Uninsured motor vehicle means a vehicle for which:

1. A **bodily injury** and **property damage** liability bond, cash deposit, security, or policy in at least the amounts of coverage required by South Carolina law does not apply at the time of the **accident**.
2. The operator or **owner** is unknown and cannot be identified, and such operator or **owner** causes an **accident** resulting in **bodily injury** to an **insured** or **property damage**. There is no right of action or recovery under the uninsured motorist provision, unless:
 - a. the **insured** or someone on his or her behalf reports the **accident** to some appropriate police or civil authority within a reasonable time, under all the circumstances, after the **accident**; and
 - b. the **insured** provides a report setting forth the facts of the **accident** to **us** within 30 days of the **accident**, and makes the **auto** available to **us** for inspection; and
 - c. the injury or damage was caused by physical contact with the unknown vehicle, or the **accident** must have been witnessed by someone other than the **owner** or operator of the **insured auto** to provide competent, independent, corroborative evidence; provided, however, the witness must sign an affidavit attesting to the truth of the facts of the **accident** contained in the affidavit to prove that the **bodily injury** or **property damage** was proximately caused by the negligence or intentional actions of the unidentified operator of the **vehicle**. The testimony of the **owner** or operator of the **insured auto** shall not constitute independent corroborative evidence; and

- d. the **insured** was not negligent in failing to determine the identity of the other vehicle and the driver of the other vehicle at the time of the **accident**.
- 3. A **bodily injury** and **property damage** liability bond or policy applies at the time of the **accident** but the bonding or insuring company:
 - a. legally denies coverage.
 - b. is or becomes insolvent.
 - c. is in delinquency proceedings, suspension, or receivership.
 - d. is financially unable to fully satisfy a judgment rendered in favor of an **insured**.

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

- 1. which qualifies as the **insured auto** under this policy.
- 2. **owned** by or furnished or available for the regular use of **you** or a **resident** or a **relative**.
- 3. **owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent, or fails to qualify as a self-insurer under South Carolina law.
- 4. **owned** by any governmental unit or agency, except when:
 - a. operated by a person without proper authorization.
 - b. a cause of action against that governmental unit or agency arising out of an **accident** is barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law.
- 5. operated on rails or crawler treads.
- 6. which is designed mainly for use off public roads while not on public roads.
- 7. while located for use as a residence or premises.
- 8. which is not required to be registered as a **vehicle**.
- 9. which is an **underinsured motor vehicle**.

Underinsured Motor Vehicle means a **vehicle** as to which a **bodily injury** liability insurance or bond applies at the time of the **accident** with limits of liability that equal or exceed the minimum amount required by the South Carolina Motor Vehicle Financial Responsibility Law, but the applicable limits of liability for **bodily injury** are less than the amount of the damages sustained in the **accident** which the **insured** is entitled to recover.

However, **underinsured motor vehicle** does not include any vehicle or equipment:

- 1. which qualifies as the **insured auto** under this policy.
- 2. **owned** by or furnished or available for the regular use of **you** or a **resident** or a **relative**.
- 3. **owned** or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent, or fails to qualify as a self-insurer under South Carolina law.
- 4. **owned** by any governmental unit or agency, except when:
 - a. operated by a person without proper authorization.
 - b. a cause of action against that governmental unit or agency arising out of an **accident** is barred by the Tort Claims Act of South Carolina, as amended, or by any other applicable law.
- 5. operated on rails or crawler treads.
- 6. which is designed mainly for use off public roads while not on public roads.
- 7. while located for use as a residence or premises.
- 8. which is not required to be registered as a **vehicle**.

9. which is an **uninsured motor vehicle**.

EXCLUSIONS

READ THE FOLLOWING EXCLUSIONS CAREFULLY. COVERAGE WILL NOT BE AFFORDED UNDER THIS PART FOR ANY OF THE EXCLUSIONS LISTED BELOW.

Coverage under this Part C is not provided for **property damage** or **bodily injury** sustained by any person:

1. 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.
2. Arising out of the ownership, maintenance, repair or use of a **vehicle** in the course and scope of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

3. When the **insured auto** is rented or leased to another; this does not apply if **you** or any **relative** lends the **insured auto** to another for reimbursement of operating expenses only.
4. While using or **occupying** the **insured auto** without the express or implied permission of **you** or any **relative**. This exclusion does not apply to **you** or any **relative** while using the **insured auto**.
5. While using a **non-owned auto** without the express or implied permission of the **owner**.
6. For the amount of the deductible for **uninsured motorist property damage** shown on the **Declarations Page** for **property damage** to the property of each **insured** as the result of any one **auto accident**.
7. While **occupying** or when struck by any vehicle **owned** by **you**, any **relative**, or any **resident**, if **uninsured motorist coverage** or **underinsured motorist coverage** has not been purchased for that vehicle. This includes a **trailer** of any type used with that **auto**.
8. If the property is contained in or struck by an **auto** (other than the **insured auto**) **owned** by or furnished for the regular use of **you** or any **relative** or **resident**. This includes a **trailer** of any type used with that **auto**.
9. For **bodily injury** or **property damage** to any person while **occupying** any **auto**:
 - a. Being used in any unlawful activity (other than a traffic violation), illicit trade or transportation; or
 - b. Used or operated in an attempt to flee a law enforcement agent.
10. Resulting from use of the **insured auto** by a person or persons specifically excluded by endorsement.
11. Due to or resulting from intentional acts, or reasonably expected to result from the intentional or felonious acts or omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct, including but not limited to being under the influence of or being mentally incapacitated by any drug, medication, alcohol or other substance;
 - b. **you** or any **insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **bodily injury** or **property damage**;
 - c. such **bodily injury** or **property damage** is of a different kind or greater degree than intended or reasonably expected by the **insured**, or such **property damage** or **bodily injury** is sustained by a different person than intended or reasonably expected by the **insured**.
12. Who does not report the **accident** to the police within twenty-four (24) hours of the **accident**, or as soon as possible thereafter, and make a written report to **us** within thirty (30) days, if a hit and run vehicle or unknown driver is involved.
13. For **bodily injury** or **property damage** resulting from the **ownership**, maintenance, or use of

- a. Any vehicle with more or less than four (4) wheels;
 - b. Any vehicle designed mainly for use off public roads, except in a medical emergency;
 - c. Any vehicle, other than **the insured auto**, which is **owned** by you or available for your regular use;
 - d. Any vehicle, other than **the insured auto**, which is **owned** by a **relative** or a **resident** or regularly used by a **relative, resident**, or members of their immediate families.
 - 14. While **the insured auto** is used in, or in preparation for, any **racing** event.
 - 15. Arising from or caused by the use of firearms or any other weaponry.
 - 16. Sustained from any other source other than an **accident**.
- B. 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.

If a court with proper jurisdiction determines any exclusion is invalid or unenforceable because it does not satisfy the minimum requirements of the South Carolina Motor Vehicle Financial Responsibility Act, such exclusion shall apply only to that portion of the damages that is in excess of the minimum limits of liability required by that law.

LIMIT OF LIABILITY

The limit of **bodily injury** liability shown on the **Declarations Page** for each person for Uninsured and Underinsured Motorist Coverage is **our** maximum limit of liability for all damages arising from **bodily injury**, including, but not limited to, death sustained by any one person in any one **accident**, loss of consortium, loss of services, loss of society, or loss of companionship.

Subject to this limit for each person, the limit of **bodily injury** liability shown on the **Declarations Page** for each **accident** for Uninsured and Underinsured Motorist coverage is **our** maximum limit of liability for all damages for **bodily injury**, including claims as noted above, resulting from any one **accident**.

The limit of **property damage** liability shown on the **Declarations Page** for each **accident** for Uninsured and Underinsured Motorist Coverage is **our** maximum limit of liability for all damages to all property resulting from any one **accident**. **Our** limit of liability under this Part C for **property damage** to the **insured auto** arising out of one **accident** will be the lesser of:

- 1. the **actual cash value** of the **insured auto** at the time of the **accident**, reduced by the applicable **deductible** shown on the **Declarations Page**, and reduced by its salvage value if you or the owner retain the salvage.
- 2. the amount necessary to repair the **insured auto** to its pre-loss condition using parts produced by or for the vehicle's manufacturer or parts from other sources, including, but not limited to, **aftermarket parts**, reduced by the applicable **deductible** shown on the **Declarations Page**.
- 3. any limit of liability shown on the **Declarations Page** for **property damage** under this Part C.

Payments for **property damage** under this Part C are subject to the following provisions:

- 1. Any amount payable under this Part C for **property damage** shall be subject to the **deductible** shown on the **Declarations Page**;
- 2. No more than one **deductible** shall be applied to any one **accident**.
- 3. An adjustment for **depreciation** or physical condition, which may also be referred to as **betterment**, wear and tear, or prior damage, will be made in determining the limit of liability at the time of the **accident**; and
- 4. In determining the amount, **we** will pay to repair damaged property to its pre-loss condition, the repair or replacement parts and equipment may be new, reconditioned, remanufactured, or used, including, but not limited to original manufacturer parts or equipment and non-original manufacturer parts or equipment.

This is the most **we** will pay for **bodily injury** and **property damage** regardless of the number of:

1. **insureds** or claimants.
2. claims made.
3. **autos** or premiums shown on the **Declarations Page**.
4. **vehicles** involved in the accident.
5. lawsuits brought.
6. premiums paid.
7. policies or bonds applicable.

An **auto** and attached **trailer** are considered one **auto**. Therefore, the limit of liability will not be increased for an **accident** involving an **auto** with an attached **trailer**.

When **you** sustain damages covered under this Part C while **occupying** the **insured auto**, or an **auto owned** by **you** or a **relative**, the most that may be recovered as benefits under each applicable uninsured or underinsured motorist coverage is the limit of liability applicable to that **insured auto**. When **you** are **occupying** a **vehicle** other than the **insured auto** or an **auto owned** by **you** or a **relative** and sustain **bodily injury** covered under this Part C, **our** coverage shall be excess to the coverage applicable to the **vehicle** that **you** are **occupying**, and **our** total limit of liability under this policy shall not exceed **our** limit of liability for one vehicle. Coverage for more than one vehicle under this policy may not be stacked or combined together for **bodily injury** sustained by **you** while **occupying** a **vehicle** other than the **insured auto** or an **auto owned** by **you** or a **relative**. When **you** are not **occupying** a **vehicle** and sustain **bodily injury** caused by the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, **our** limit of liability shall not exceed the limit of liability shown on the **Declarations Page** for any one covered vehicle.

No payment will be made for **loss** paid or payable to the **insured** under Part D of this policy or any policy of property insurance. However, for any payment made for **property damage** under Part C, the **deductible** shall be the lower of the **deductible** allowed under Part C or the **deductible** shown on the **Declarations Page** for the applicable coverage under Part D.

We will not make a duplicate payment under this coverage for any element of **loss** or injury for which payment has been made by or on behalf of persons or organizations who may be legally responsible. Any amounts otherwise payable for damages under this part shall be reduced by all sums:

1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons who or organizations which may legally be responsible. This includes all sums paid under Part A or Part D of this policy.
2. Paid or payable for medical payments coverage under Part B of this policy when the **insured** receives compensation for the **bodily injury**.

We will not pay for any element of **loss** or injury if a person is entitled to receive payment for the same element of **loss** or injury under any of the following or similar laws:

1. Workers' Compensation law.
2. Disability benefits law.
3. Personal Injury Protection or no-fault coverage.

PROOF OF CLAIM

An **insured** making a claim under this coverage must give **us** full details of their injuries and treatment.

OTHER INSURANCE

If there is other applicable uninsured or underinsured motorist coverage, **we** will pay only **our** share of the damages. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable coverage

limits. However, any insurance we provide shall be excess over any other collectible insurance, except for **bodily injury** to you or a **relative** when **occupying** the **insured auto**. We will not pay for any damages which would duplicate any payment made for damages under other insurance, except as required under the South Carolina Motor Vehicle Financial Responsibility Act and then only for damages within the minimum limits of coverage required by the Act.

PART D: COVERAGE FOR DAMAGE TO YOUR VEHICLE

INSURING AGREEMENT

Subject to the Limits of Liability, if **you** pay a premium for Comprehensive and/or Collision Coverages, we will pay for direct and accidental **loss** to the **insured auto** including its equipment attached thereto, less any applicable deductible shown on the **Declarations Page**.

We will pay for **loss** to the **insured auto** caused by:

1. **Collision** only if the **Declarations Page** indicates that **Collision** Coverage is provided for that **auto**.
2. **Other than Collision (Comprehensive)** only if the **Declarations Page** indicates that **Other Than Collision (Comprehensive)** Coverage is provided for that **auto**.

Our payment will be reduced by any deductible shown on the **Declarations Page**.

The **insured auto** must be used or operated by or in the care or custody of an **authorized driver** at the time of the **loss**, except in the event of theft or larceny.

DEFINITIONS -- (Part D Only)

Authorized driver means:

1. **You**;
2. any other person listed on the policy application or added by endorsement during the policy term prior to the **loss**; or
3. any other person who has **your** express permission to use the **insured auto** and who:
 - a. holds a valid driver's license at the time of loss; and
 - b. is not a **regular operator** of the **insured auto**.

Authorized driver does not mean any person with a learner's permit operating an **insured auto** unless that person is listed on the policy.

Authorized driver does not mean a person who is not listed on this policy, who resides in the same household as the **named insured**, or who is a **regular operator** of any **vehicle** insured under this policy, and is involved in an **accident** which occurs while the **vehicle** is being driven, operated, manipulated, maintained, serviced, or used in any other manner by this person.

Collision means the upset of the **insured auto** or its impact with another vehicle or object.

Loss caused by the following is considered **Other than Collision (Comprehensive)**:

1. missiles or falling objects;
2. fire;
3. theft or larceny;
4. explosion or earthquake;
5. windstorm;
6. hail, water or flood;
7. malicious mischief or vandalism;
8. riot or civil commotion;
9. contact with bird or animal; or
10. breakage of glass, except as a result of **collision**.

Insured auto as used in this part means:

- a. any **auto** or **trailer** described on the **Declarations Page**.

- b. a **replacement auto** or an **additional auto**.

We will only provide Part D coverage for a **replacement auto** or an **additional auto** effective after you:

- i. ask **us** to do so; and
- ii. give **us** the opportunity to inspect the **vehicle** or provide documentation that the **vehicle** was purchased new, having never been titled to a prior **owner**.

To qualify as a **replacement auto** or an **additional auto** under this policy, the **auto** must be an acceptable risk to **us** under our underwriting guidelines.

Custom and Special Equipment means equipment, devices, accessories, changes and enhancements, other than those installed by the original manufacturer, which are permanently installed or attached and alter the appearance or performance of an **auto**. This includes, but is not limited to, such items as body or suspension alterations; custom or special wheels or tires; side exhausts; roll bars; light bars; spoilers; ground effects; bed liners; utility boxes; custom windows; custom painting; murals; decals or graphics; and any electronic equipment, antennas and other devices used exclusively to send or receive audio, visual or data signals, or play back recorded media, which are permanently installed in the **insured auto** using bolts, brackets or slide-out brackets.

TOWING AND STORAGE CHARGES

In addition, after an **auto accident** for which this coverage is provided, we will pay reasonable towing and storage charges **you** or any **relative** is legally responsible for in transporting and storing the **insured auto** up to a maximum of two hundred dollars (\$200). This coverage applies only if the **Declarations Page** indicates that **Collision** or **Other than Collision (Comprehensive)** is provided for that **auto**.

TRANSPORTATION EXPENSES

In addition, we will pay without application of a deductible, up to fifteen dollars (\$15) per day, to a maximum of four hundred and fifty dollars (\$450) for transportation expenses incurred from a commercially licensed rental agency by **you** in the event of the total theft of the **insured auto**. This applies only if the **Declarations Page** indicates that **Other than Collision (Comprehensive)** is provided for the **insured auto**. We will pay only transportation expenses incurred during the period:

1. beginning forty-eight (48) hours after the theft; and
2. ending when the **insured auto** is returned to use or we offer to pay for its **loss**, which ever occurs first.

EXCLUSIONS

We will not pay for:

1. Any **loss** or damage arising from an **accident** which occurs while the **auto** is being driven, operated, manipulated, maintained, serviced, or used in any other manner by someone other than an **authorized driver**. This exclusion shall apply whether or not the **named insured** is occupying the vehicle at the time said driver is using it in any manner whatsoever.
2. **Loss** arising out of the ownership, maintenance, or use of a **vehicle** in the course of any **business** including, but not limited to:
 - a. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - b. operating any **vehicle** displaying advertising.
 - c. operating any **vehicle** containing permanently installed mechanical equipment.
 - d. carrying persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.

This exclusion does not apply to a share-the-expense car pool.

3. Damage due and confined to:
 - a. wear and tear;

- b. freezing;
- c. mechanical or electrical breakdown or failure;
- d. road damage to tires;
- e. manufacturer's defects; or
- f. latent defects.

This exclusion does not apply if the damage results from the total theft of the **insured auto**.

4. **Loss** due to or as a consequence of:
 - a. radioactive contamination;
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection;
 - e. rebellion or revolution; or
 - f. discharge of any nuclear weapon (even if accidental).
5. **Loss to vehicle** equipment or accessories including but not limited to:
 - a. insulation, furniture or bars.
 - b. facilities for cooking or refrigeration and sleeping.
 - c. body or suspension alterations or any equipment not installed by the original manufacturer which mechanically or structurally changes the **insured auto** and results in an increase in performance or change in appearance.
 - d. awnings, cabanas, or equipment designed to provide additional living facilities.
 - e. tapes, compact discs, records, cassettes, or similar recording or recorded media used with sound equipment, including any cases or other containers used in storing or carrying such items.
 - f. sound receiving or transmitting equipment designed for use as citizen band radios, 2-way mobile radios, televisions, VCRs, telephones not originally installed by the original make and model **vehicle** manufacturer or dealer, home high fidelity equipment, scanning monitor receivers, radar or laser detectors, or any other detection equipment for speed-measuring devices, or any accessories or antennas to any of these types of equipment.
 - g. bed liners and fifth wheel conversions.
 - h. side exhausts, headers, tachometers, and pressure and temperature gauges.
 - i. winches, **trailer** hitches, roll bars, utility boxes, tool boxes and light bars.
 - j. **auto** covers or front-end covers or protectors.
 - k. pickup shell, box covers, camper body, height extending roofs, toppers or ladders.
 - l. any modified suspension equipment, modified engines, modified carburetors systems, or modified equipment, including but not limited to custom wheels or tires.
 - m. paint, murals, decals or graphics, custom windows, paintings, special carpeting or furnishings, sunroofs, moon roofs, t-bar roofs or height extending roofs, bubble domes or similar windows.
 - n. any electronic equipment, antennas, and other devices used exclusively or primarily to send or receive audio, visual, or data signals, or to play back recorded media, if such equipment or device is not permanently installed in the dash or console opening of the **insured auto** by the **auto** manufacturer or dealer and specified as original equipment by the **vehicle** manufacturer.

This exclusion does not apply to subparagraphs g-n if you have elected **Custom and Special Equipment Coverage** for the item(s) and it is listed on the **Declarations Page** and you have paid premium for same.
6. **Loss to the insured auto** due to forfeiture ordered by the courts or destruction or confiscation by governmental or civil authorities. This exclusion does not apply to the interests of Loss Payees in the **insured auto**.
7. **Loss to the insured auto** while employed or otherwise engaged in any **auto business**.
8. **Loss to the insured auto** while maintained or used by any person employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusion 7. If a **business** use surcharge is noted on the **Declarations Page** for an **auto** shown on the **Declarations Page**, this exclusion does not apply to the **ownership**, maintenance or use of the **auto** by:
 - a. you; or

- b. any relative.
- 9. **Loss to the insured auto** while any **authorized driver**:
 - a. is using the **insured auto** in any unlawful activity (other than a traffic violation); or
 - b. using or operating the **insured auto** to flee any law enforcement agent.
- 10. **Loss to the insured auto** which occurs due to use of any **insured auto** in any racing event.
- 11. **Loss to the insured auto** while it is:
 - a. being rented or leased to another; or
 - b. sold to another; or
 - c. under any conditional sales agreement by **you** to another.
- 12. **Loss** due to theft, conversion, secretion or fraudulent disposal of covered property by **you** or any **relative**.
- 13. **Loss** due to and resulting from intentional acts, or reasonably expected to result from the intentional or felonious omissions, committed by **you** or any **insured**. This exclusion applies even if:
 - a. **you** or any **insured** lacks the mental capacity to control or govern his or her own conduct;
 - b. **you** or any **insured** is temporarily insane or temporarily lacks the mental capacity to control or govern his or her conduct or is temporarily unable to form any intent to cause **property damage**;
 - c. such **property damage** is of a different kind or degree than intended or reasonably expected; or
 - d. such **property damage** is sustained by a different person than intended or reasonably expected.
- 14. **Loss** arising out of the operation or use of the **insured auto** by any individual who:
 - a. is under the minimum age to obtain a driver's license; or
 - b. does not have a valid driver's license; or
 - c. has a suspended driver's license; or
 - d. has a revoked driver's license; or
 - e. has only a learner's permit, unless listed on the policy prior to the **loss**;
 - f. is operating the **auto** outside of the privileges authorized by a valid driver's license
- 15. **Loss** arising out of or due to the use of the **insured auto** for the commercial transport of toxic or flammable liquids and/or chemicals.
- 16. **Loss to the insured auto** that results, in whole or in part, from a person operating the **auto** when that person is driving under the influence (DUI) of alcohol or drugs or while driving while intoxicated (DWI).
- 17. **Loss to the insured auto** that results, in whole or in part, from a person operating the **auto** when that person is engaged in reading, talking, typing, texting or other similar use of any electronic device, including but not limited to a phone, smart phone, computer, or tablet.
- 18. **Loss** due to a single **vehicle accident** when a police report has not been made within 24 hours or as soon as practicable following the **accident**.
- 19. **Loss** to any **non-owned auto**, including a **rental vehicle**.
- 20. **Loss** to property the **insured** rents or has charge of, including loss of its use.
- 21. **Diminution in value** to the **insured auto** due to a covered **loss**.
- 22. **Loss** resulting from the ownership, maintenance or use of the **insured auto** by any person who is a **regular operator** of the **insured auto**, but is not listed on the policy prior to the **loss**.
- 23. **Loss** due to theft if:
 - a. there is no evidence that forcible entry was required to operate or move the **auto**; or
 - b. the key or keys to the **auto** were left in or on the **auto**; or
 - c. there is no evidence that the ignition wiring was altered or the ignition cylinder was forced to allow the operation of the **auto** without keys.
- 24. **Loss to the insured auto** or its equipment resulting from recreational, off road use when the vehicle is not specifically designed and recommended by the original manufacturer for such use.
- 25. **Loss** to wearing apparel, tools or personal effects.
- 26. **Loss to the insured auto** resulting from its use by a person or persons specifically excluded by endorsement.

LIMIT OF LIABILITY

- A. Our limit of liability for **loss** to the **insured auto** will be the lesser of the:
1. **actual cash value**;
 2. 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 less deduction for any applicable **depreciation**; or
 3. stated amount shown on the **Declarations Page**, if applicable.
- B. An adjustment for **depreciation** and physical condition will be made in determining **actual cash value** in the event of a total **loss**. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the **betterment**.
- C. 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.
- D. Further, if there is a stated amount **you** declared on the **application** or endorsement for a specific **auto** listed and shown on the **Declarations Page**, that stated amount will be the total Limit of Liability applicable for **loss** to that **auto**, including its **Custom and Special Equipment**.
- E. Unless **you** pay a premium for and the endorsement for **Custom and Special Equipment** is shown on the **Declarations Page**, the maximum payment for all electronic equipment designed for the reproduction of sound will be the lesser of:
1. the **actual cash value**, reduced by the applicable deductible and its salvage value, if **you** or the **owner** retains the salvage;
 2. the amount necessary to repair or replace the part with parts of like kind and quality, reduced by the applicable deductible; or
 4. five hundred (\$500) dollars.
- F. If the **loss** is to a **trailer** shown on the **Declarations Page** we will pay up to the limit stated on the **Declarations Page**. For all other **trailers**, the most we will pay for **loss** is \$500.
- G. Our liability for the cost of repairing the **insured auto** and its equipment is limited to the amount necessary to perform physical repairs to the stolen or damaged property. Part D of **your** policy – **Coverage for Damage to Your Auto** – does not cover, and we will not pay for, **diminution in value**.
- H. We will not pay for any **depreciation** to the **insured auto** resulting from a **loss** sustained under Part D of this policy.
- I. In the repair of the **insured auto** under the physical damage coverage provisions of this policy, we may specify the use of **automobile** parts not made by the original manufacturer. These parts are required to be at least equal in terms of fit, quality, performance and warranty to the original manufacturer parts they replace.
- J. Our payment for **loss** will be reduced by any applicable deductible shown on the **Declarations Page** for **Collision** and/or **Other than Collision (Comprehensive)** and/or **Custom and Special Equipment Coverage**, if selected.
- K. No one will be entitled to receive duplicate payment for the same elements of damage. If **loss** to the **insured auto** is also payable under the liability coverage or another policy issued by **us**, we will pay for such damage or **loss** only once, either under this policy or under the liability of the other policy.
- L. No **deductible** will apply to a **Other than Collision (Comprehensive)** **loss** to automobile safety glass. A **vehicle** damaged in a collision where more than the safety glass is damaged may have the full collision **deductible** applied.

PROOF OF LOSS

When we request it, **you** must file a written proof of **loss** within sixty (60) days from the date of our request or there will be no coverage for the **loss** claimed under PART D.

PAYMENT OF LOSS

We may pay for the **loss** in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. **you**; or
2. the address shown on the **Declarations Page** of this policy.

If we return stolen property, we will pay for any direct physical damage to the insured auto or its equipment resulting from the theft. We may keep all or part of the property at an agreed or appraised value. You do not have the right to abandon salvage to us.

We may wait up to 30 days from the date the theft is reported in writing to the police and to us to either issue payment or replace the property.

NO BENEFIT TO BAILEE

The insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER INSURANCE

If other insurance also covers the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. Any applicable deductible of this policy will be taken in a proportionate share based on the applicable deductibles of each policy. However, any insurance we provide for an auto you do not own shall be excess over any other insurance.

APPRAISAL

If you and we do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will:

1. pay its chosen appraiser; and
2. bear the expenses of the appraisal and umpire equally.

We do not waive any of our rights under this policy by agreeing to an appraisal.

PART E: GENERAL POLICY PROVISIONS

By acceptance of this policy, you affirm and agree that:

1. This policy is issued in reliance upon your statements made in the application;
2. Your statements made in the application are true and complete;
3. Your statements made in the application are incorporated into and form a part of this policy;
4. Your statements as reflected in the Declarations page and all endorsements are incorporated into and form a part of this policy;
5. The insurance application, Declarations page and all endorsements are incorporated into and form a part of this policy;
6. Any material misrepresentation on your part may render this policy null and void from inception
7. This policy embodies all agreement existing between you and us; and
8. You have the affirmative obligation to report all accidents regardless of fault and to promptly advise us of any change in circumstances or in the information you supplied to us on your application.

BANKRUPTCY

Bankruptcy or insolvency of the insured shall not relieve us of any obligations under this policy.

JOINT AND INDIVIDUAL INTERESTS

If there is more than one named insured on this policy, any named insured may cancel or change this policy. The action of one named insured shall be binding on all persons provided coverage under this

policy.

CHANGES

The premium charged is based on information **we** have received from **you** or other sources. **You** agree:

1. That if any of this information material to the development of the policy premium is incorrect, incomplete or changed, **we** may adjust the premium accordingly during the policy period
2. To cooperate with **us** in determining if this information is correct and complete, and to advise **us** of any changes during the policy period within seven (7) days of the change.
3. That any return premium will be calculated on the basis of the correct premium, if this policy is cancelled.
4. Any adjustment of **your** premium will be made using **our** rules in effect at the time of the change.

Premium adjustments may be made as a result of a change in:

1. The type or number of **autos** insured by the policy, including changes in use;
2. Drivers;
3. Coverages or coverage limits;
4. Rating territory; or
5. Eligibility for discounts or surcharges or other premium credits or debits.

This policy contains all of the coverage agreements between **you** and **us**. Its terms may not be changed or waived except by an endorsement issued by **us**.

LEGAL ACTION AGAINST US

No legal action may be brought against **us** until:

1. there has been full compliance with all the terms and conditions of this policy.
2. 30 days after the required written notice of **loss** and reasonable proof of claim has been filed with **us**.
3. **we** agree in writing that the **insured** has an obligation to pay or the amount of that obligation has been finally determined by judgment after trial.

No person or organization has any right under this policy to bring legal action against **us** or to make **us** a party to any legal proceeding to determine the liability of the **insured**.

We have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

OUR RIGHT TO RECOVER

- A. If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall:
 1. do whatever is necessary to enable **us** to exercise **our** rights; and
 2. do nothing after the **loss** to prejudice them; and
 3. deliver to **us** any legal papers relating to that recovery.
- B. If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 1. hold in trust for **us** the proceeds of the recovery; and
 2. reimburse **us** to the extent of **our** payment, including expenses, costs and attorney fees incurred in connection with this recovery.

POLICY PERIOD AND TERRITORY

This policy applies only to covered **losses** resulting from **auto accidents** or damage to the **insured auto** which occur:

1. during the policy period as shown on the **Declarations Page**; and
2. within the policy territory.

The policy territory is:

1. the United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

TERMINATION, CANCELLATION, INSUFFICIENT FUNDS, NONRENEWAL, AUTOMATIC TERMINATION, OTHER TERMINATION PROVISIONS

Cancellation

This policy may be canceled during the policy period as follows:

1. The **named insured** shown on the **Declarations Page** may cancel by giving **us** advance written notice of the date cancellation is to take effect.
2. **We** may cancel this policy by mailing notice to the **named insured** shown on the **Declarations Page** to the last known address:
 - a. at least 15 days prior if cancellation is for non-payment of premium;
 - b. at least 15 days prior if cancellation is for a reason other than non-payment of premium and is mailed during the first 90 days the policy is in effect;
 - c. at least 15 days in all other cases.
3. **We** may cancel this policy only for one or more of the following reasons within the first sixty (60) days of the initial policy period:
 - a. a premium payment by check, draft, or remittance is not honored upon presentment; or
 - b. **you** produce satisfactory proof that **you** have sold or otherwise disposed of **your covered auto**, or surrendered its tags and registration; or
 - c. **you** produce satisfactory proof that **you** have secured another policy that satisfies the financial responsibility laws of the State of South Carolina; or
 - d. **you** do not pay the required premium for this policy when due, however the policy will not be cancelled before the 31st day.
4. After the policy has been in effect for 90 days, **we** will cancel only for reasons permissible under the applicable South Carolina insurance statutes including, but not limited to:
 - a. nonpayment of premium.
 - b. suspension or revocation of **your** driver's license or that of any driver who lives with **you** or any driver who customarily uses the **insured auto**.
 - c. any other reason permitted by law.

We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

If this policy is canceled, **you** may be entitled to a premium refund. If so, **we** will send **you** the refund. The premium refund, if any, will be computed on a pro rata basis. However, making or offering to make the refund is not a condition of cancellation.

The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

If **we** cancel or non-renew the policy, **we** will give the same notice of cancellation or nonrenewal to any loss payee stated in the policy as **we** give to **you**.

Nonrenewal

If **we** decide not to renew or continue the policy, **we** will mail notice to **you** at the address shown on the **Declarations Page** at least 15 days before the end of the policy period.

Dishonored / Insufficient Checks or Credit Cards. **We** provide coverage for each policy term only on condition that the initial **premium payment** and any subsequent installment **premium payments** for that policy term are paid. **You** have not paid the initial **premium payment** or any installment **premium**

payment if **you** provide **us** a check, a credit card, or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn.

If **you** have not paid the initial **premium payment** because **you** give **us** a check, a credit card, or an electronic funds transfer that is not honored at first presentation by the financial institution upon which it is drawn, this policy shall be void from the inception of the policy term and no coverage will exist.

If **you** receive a notice from **us**, referencing either a regular installment **premium payment** or a renewal **premium payment**, and informing **you** that **your premium payment** to **us** was returned unpaid for insufficient funds or any other reason, **you** must provide a replacement payment to **us** by means of either a cashier's check or money order. If the replacement payment is timely made prior to the cancellation or expiration of **your** policy, then **your** policy will remain active and in force.

If **we** receive a **premium payment** or a replacement **premium payment** after **your** policy has cancelled or expired, **your** policy may be reinstated, at **our** discretion, with a gap in coverage. Any **accidents** or **losses** occurring between the date of cancellation or lapse for non-payment of premium and the date of any reinstatement of this policy will not be covered.

Failure to Renew. If **we** offer to renew or continue the policy and **you** or **your** representative do not make payment by the end of the current policy period, then the policy will automatically terminate at the end of the current policy period. **Your** failure to pay the required renewal or continuation premium by the due date means that **you** have not accepted **our** offer.

Other Termination Provisions.

1. If the law in effect at the time this policy is issued, renewed or continued;
 - a. requires a longer notice period;
 - b. requires a special form or procedure for giving notice; or
 - c. modifies any of the stated termination reasons; **we** will comply with those requirements.
2. **We** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
3. If this policy is cancelled, the premium refund, if any, will be computed according to **our** manuals. However, making or offering to make the refund is not a condition of cancellation.
4. The effective date of cancellation stated in the notice shall terminate all coverages under this policy.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. **Your** rights and duties under this policy may not be assigned without **our** written consent. However, upon the death of the **named insured** shown on the **Declarations Page**, coverage will be provided until the end of the policy period for:
1. The surviving spouse, if a **resident** in the same household at the time of death.
 2. The legal representative of the deceased person while acting within the scope of duties of a legal representative. This applies only with respect to the representative's legal responsibility to maintain or use **the insured auto**.
- B. Coverage will only be provided until the end of the policy period or cancellation, whichever is less.

LIMITATIONS ON AGENT AUTHORITY

The authorized agent who obtained this policy for **you** has limited authority to act in transacting business with **you** on this policy. Any statement or assurance made by the authorized agent to **you** concerning **your** policy is governed by **our** guidelines and rules, as well as applicable laws and regulations and will not be binding upon **us**.

The authorized agent who obtained this policy for **you** does not possess any apparent, implied, or actual authority to act on **our** behalf after the expiration, cancellation, or nonrenewal of **your** policy with **us**. Any representations made by the authorized agent after a notice of termination has been initiated, by either **you** or **us**, will apply only if **we** provided prior written approval.

MISREPRESENTATION AND FRAUD

Fraud or Misrepresentation in the Application or Notification of Change

The statements made by **you** in the application are deemed to be representations. If any representation contained in the application is false, misleading, or materially affects the acceptance or rating of the risk by **us**, this policy will be void from its inception.

If any representation contained in any notification of change is false, misleading, or materially affects the acceptance or rating of the risk by **us**, this policy will be terminated from the effective date of the change.

This provision shall apply to statements or representations that contain fraudulent, false, misleading or deceptive statements, direct misrepresentations, and omissions or concealments of fact. **We** may void this policy or deny coverage even after the occurrence of an **accident or loss**. This means that **we** will not be liable for any claims or damages that would otherwise have been covered in the absence of the fraud or misrepresentation. No coverage will be afforded to any **relative or resident** in **your** household unless named in the application for coverage and/or listed on the **Declarations Page** or added by endorsement.

Fraud or Misrepresentation in the Presentation of a Claim

The statements made by **you** or any other person seeking coverage under this policy are deemed to be representations. In connection with any **accident or loss**, **we** do not provide coverage for anyone who has engaged in fraudulent conduct or made statements or representations that contain fraudulent, false, misleading or deceptive statements, direct misrepresentations, or omissions or concealments of fact. This means that **we** will not be liable for any claims or damages that would otherwise have been covered in the absence of the fraud or misrepresentation.

If **we** are not permitted by law to retroactively void this policy, **you** agree that **we** have the right to reduce any amounts otherwise owed to **you** under any coverage(s) provided by this policy, except for the coverages provided in Part A, by the amount of any additional premium which would have been charged to **you** had there been no fraud and/or misrepresentation. With respect to the coverages provided under Part A of this policy **you** agree to make any additional **premium payment** which would have been charged to **you** had there been no fraud and/or misrepresentation. **You** agree that any payments made by **us** as the result of **your** fraud and/or misrepresentation may be recovered by **us** from **you**, or from any payments due or made to **you** under any coverage(s) provided by this policy.

TWO OR MORE AUTOS INSURED

With respect to any **accident** to which this and any other **auto** policy issued to **you** by **us** applies, the total limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

CONFORMITY TO STATE STATUTES

The terms of this policy that conflict with the statutes of South Carolina are amended to conform to such statutes. Any dispute as to the coverages provided or the provisions of this policy shall be governed by the law of the State of South Carolina.

COMPANY SIGNATURE

This policy is signed on behalf of First Acceptance Insurance Company, Inc., and is countersigned on the **Declarations Page**, if necessary, by **our** authorized representative.

First Acceptance Insurance Company, Inc.
3813 Green Hills Village Drive
Nashville, Tennessee 37215
Claims Phone#: 1-800-779-2103
Customer Service Phone #: 1-800-321-0899

Vice President and Secretary,

Mike Bodayle

Mike Bodayle

**YOUR PERSONAL AUTO POLICY QUICK REFERENCE
ENDORSEMENT FORMS SECTION**

SC - 101	Loss Payable Clause	30
SC - 102	Named Driver Exclusion	31
SC - 103	Additional Insured - Lessor	31
SC - 104	Named Non-Owner Coverage	32
SC - 105	Custom and Special Equipment Coverage	33
SC - 109T	Towing and Labor Costs Coverage	34
SC - 109R	Rental Reimbursement Coverage	34

The following endorsements form a part of your policy only if the form number corresponding to the specific endorsement is printed on the Declarations Page and premium has been paid. If a form number does not appear on the Declarations Page of the attached policy, then the endorsement below is not applicable to your policy.

**FORM SC-101
LOSS PAYABLE CLAUSE**

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
FORMS SECTION ON THE DECLARATIONS PAGE**

Loss or damage shall be paid, subject to all the terms of this policy, as interest may appear, to the **named insured**, the Loss Payee shown on the **Declarations Page** of this policy, both jointly, or separately, at **our** discretion. However, if the **insured auto** is not a total loss, **we** may make payment jointly to **you** and the facility or shop where your **insured auto** is repaired.

The loss payee has no greater rights under this policy than the **insured**. Where coverage is denied to the **insured**, coverage is also denied to the loss payee.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of **you** or a **relative**, the Loss Payee or lien holder's interest will not be protected.

We reserve the right to cancel or non-renew this policy as permitted by policy terms and the cancellation or non-renewal shall terminate this agreement as to the Loss Payee's interest. **We** will give written notice of cancellation or non-renewal to the Loss Payee shown on the **Declarations Page**. Proof of mailing shall be sufficient proof of notice.

When **we** pay the Loss Payee, **we** shall, to the extent of payment, be subrogated to the Loss Payee's rights of recovery.

SC-101 01.17

FORM SC-102
NAMED DRIVER EXCLUSION ENDORSEMENT

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
FORMS SECTION ON THE DECLARATIONS PAGE**

Notwithstanding any other provision of the agreement and in consideration of the premium charged for this policy, it is agreed that no coverage is afforded for any claim or loss arising from an accident when the **insured auto**, or any other **auto** to which the terms of this policy apply is being driven, operated, or under the control of, either with or without the express or implied permission of the **named insured** or **owner**, by those persons specifically listed by **you** on **your** application or as named by **you** on a subsequent policy endorsement as an excluded driver. This includes any claim for damages made against **you**, a **relative**, or any other person or organization that is vicariously liable for an accident arising out of the operation of a motorized vehicle by the excluded driver.

This endorsement applies to any continuation, renewal, replacement, or reinstatement of this policy unless changed by **you** in writing.

No Uninsured Motorist Coverage or Underinsured Motorist Coverage will be provided under this policy to anyone while the **insured auto** or any other **auto** to which the terms of this policy are extended is being driven or operated by the excluded driver(s).

All other terms and provisions of this policy remain unchanged.

SC-102 01.17

FORM SC-103
ADDITIONAL INSURED – LESSOR

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
FORMS SECTION ON THE DECLARATIONS PAGE**

All provisions and exclusions that apply to this policy shall also apply to this endorsement except as changed by this endorsement.

Insuring Agreement

26

Any coverage afforded under Part A or Part D of this policy for **the insured auto** shall also apply to the lessor named on the **Declarations Page** of this policy as an additional **insured**.

This **insured** is subject to the following additional provisions:

1. **We** will pay damages for which the lessor becomes legally responsible only if said damages arise out of acts or omissions of:
 - a. **you** or any **relative**, or
 - b. any other person using, maintaining or operating **the insured auto** with the **named insured's** permission and within the scope of such except the lessor or any employee or agent of the lessor using **the insured auto**.
2. If **we** cancel or non-renew this policy, notice provided under this policy will also be mailed to the lessor. Proof of mailing shall be sufficient proof of notice.
3. The lessor is not responsible for payment of premiums.
4. The designation of the lessor as an additional **insured** shall not operate to increase **our** limits of liability under this policy.

SC-103 01.17

FORM SC-104
NAMED NON-OWNER COVERAGE

**THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE
FORMS SECTION ON THE DECLARATIONS PAGE**

It is agreed that such insurance as is afforded by this policy for Part A- Liability Coverage, Part B- Medical Payments Coverage, or Part C- Uninsured Motorist Coverage applies subject to the following provisions:

Under all DEFINITIONS sections of the policy, the definition of **you** and **your** are deleted and replaced as follows: **you** and **your** means the person named on the **Declarations Page** only, specifically excluding the spouse of that individual.

Under DEFINITIONS section of the policy the definition of **insured auto** is deleted and no coverage is provided with respect to a covered vehicle under this policy.

This coverage applies when **you** are personally in control as the driver of an **auto**, with the permission of that person having the right to grant such permission.

Coverage does not apply to:

1. any **losses** resulting from the operation or use of a **vehicle** by any person other than **you**. Any provisions in the policy that give such coverage are eliminated.
25. **bodily injury or property damage** arising out of the ownership, maintenance or use of any **vehicle** in the course and scope of any **business** including, but not limited to:
 - e. wholesale or retail deliveries or any activity associated with the delivery of items such as magazines, newspapers, food, pizza, or any other product.
 - f. operating any **vehicle** displaying advertising.
 - g. operating any **vehicle** containing permanently installed mechanical equipment.
 - h. used to carry persons or property for compensation or a fee, including but not limited to, use in connection with a personal vehicle sharing program, transportation network, or any other similar vehicle or ride sharing business or enterprise.
2. **bodily injury or property damage** arising out of **auto business** operations, including the selling, repairing, servicing, storing or parking of cars.
3. **bodily injury or property damage** arising out of the ownership, maintenance or use of any **vehicle owned**, in full or in part, or registered in the name of **you**, a **resident**, or **relative**.
4. **bodily injury or property damage** arising out of the ownership, maintenance or use of any **vehicle** furnished or available for the **regular or frequent use of you, a resident or a relative**.

Any insurance afforded by this policy is excess over any other collectible **auto** liability insurance or self insurance.

If you purchase, lease, acquire, or register an **auto** in **your** name, **you** must notify **us** within 7 days of the date **you** become the **owner** or take physical possession of the **auto**, whichever comes first.

SC 104 01.17

FORM SC-105
CUSTOM AND SPECIAL EQUIPMENT COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only on those insured vehicles for which **Collision** and **Other Than Collision (Comprehensive)** coverage is noted on the **Declarations Page** and only on additional custom and special equipment permanently installed in the **insured auto** which is specifically listed on the **application**.

All provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

The provisions and exclusions that apply to **Part D - Coverage for Damage to Your Auto** - also apply to this endorsement except as changed by this endorsement.

A. The **Insuring Agreement** in **Part D** of this policy is replaced by the following:

INSURING AGREEMENT

Subject to the Limits of Liability and the terms herein, if **you** pay a premium for **Comprehensive** and/or **Collision** Coverages, **we** will pay for direct and accidental **loss** to the **insured auto** for that coverage purchased, including its original factory-installed equipment attached thereto, less any applicable deductible shown on the **Declarations Page**.

We will pay for **loss** to **insured auto** caused by:

1. **Collision** only if the **Declarations Page** indicates that **Collision** Coverage is provided for that **auto**.
2. **Other than Collision (Comprehensive)** only if the **Declarations Page** indicates that **Other than Collision (Comprehensive)** Coverage is provided for that **auto**.

Our payment will be reduced by any applicable deductible shown on the **Declarations Page**.

In addition, **we** will pay for direct and accidental **loss** to additional **custom and special equipment** permanently installed in the **insured auto** which is specifically listed on the **application** and shown on the **Declarations Page**, and for which a specific premium is noted and paid. The maximum payment for **loss** to specific **Custom and Special Equipment** shown on the **Declarations Page** will be the lesser of:

1. the stated value listed on the **Declarations Page**, reduced by the applicable deductible, and reduced by its salvage value if **you** retain the salvage;
2. the **actual cash value**, reduced by the applicable deductible, and reduced by its salvage value if **you** retain the salvage;
3. the amount necessary to repair or replace the part with parts of like kind and quality, reduced by the applicable deductible per occurrence.

Coverage for **Custom and Special Equipment** shall not cause our limit of liability for **loss** to an **auto** under this **Part D** to be increased to an amount in excess of:

1. The **actual cash value** of the vehicle, including its **Custom and Special Equipment**; or
2. Any applicable limits of liability or stated amount vehicle coverage elected by **you**.

Our payment under the **Custom and Special Equipment** Coverage Endorsement will be reduced by a \$50 deductible.

B. **Part D - Coverage for Damage to Your Auto - Exclusions.**

The exclusions that apply to **Part D - Coverage for Damage to Your Auto** - also apply to this endorsement except as changed as follows:

1. Exclusion 5. shall not apply to any additional equipment permanently installed in the **insured auto** which is listed on the **application** and for which a specific premium is noted and paid.

SC 105 01.17

FORM SC-109T
TOWING AND LABOR COSTS COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only when noted on the **Declarations Page** of this policy. All the provisions of this policy including all amendments thereto apply to the coverage provided by this endorsement.

Insuring Agreement

If **you** pay a premium for towing and labor costs coverage, **we** will pay up to the amount shown on the **Declarations Page** for towing and labor costs incurred each time the **insured auto** is disabled, other than disablement due to a **loss** under **Collision** and **Other than Collision (Comprehensive)** coverage, provided that:

1. the labor must be performed at the place of disablement; and
2. the disablement does not occur at **your** residence.
3. **you** provide **us** with proof in the form of verifiable receipts of the towing and labor charges incurred.

SC 109T 01.17

FORM SC-109R
RENTAL REIMBURSEMENT COVERAGE

THIS ENDORSEMENT DOES NOT APPLY UNLESS THIS FORM NUMBER IS LISTED UNDER THE FORMS SECTION ON THE DECLARATIONS PAGE

Coverage is provided under this endorsement only when noted on the **Declarations Page** of this policy. All the provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

We will reimburse **you** or, at **our** option, pay directly on **your** behalf, without application of a deductible, up to the daily limit and aggregate amount shown on the **Declarations Page** for Rental Reimbursement Coverage for rental expenses incurred by **you** when **you** rent an **auto** from a commercially licensed rental agency approved by **us**. Daily rental expenses shall not include cost of any insurance related to the rental of the **auto**, cost of refueling the rental **auto**, or mileage fees.

This endorsement applies only if:

1. the **insured auto** is withdrawn from use for more than twenty-four (24) hours; and
2. the **loss** is caused by an **auto accident**.

Our payment will be limited to the lesser of that period of time:

1. reasonably required to repair or replace **your auto**, or
2. forty-eight (48) hours of rental coverage extended after an offer has been made if the **insured auto** has been deemed a total **loss**, or
3. when **we** pay for the **loss**, or
4. thirty (30) days.

This coverage provided by this endorsement cannot be combined or stacked with the transportation

SC 100 01.17

expenses benefit provided under the TRANSPORTATION EXPENSES section of PART D – COVERAGE FOR DAMAGE TO YOUR AUTO of this policy.

SC 109R 01.17

SC 100 01.17

35

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY

Court of Common Pleas

Jocelyn Newman, Circuit Judge

Case No. 2020-CP-0701692

First Acceptance Insurance
Company, Inc.,

Respondent,

v.

Tamasha F. Floyd, Individually and as
Guardian ad Litem for Jayvon G., A
Minor under the age of Eighteen (18)
Years of Age; Harry C. Brown as
Special Administrator of Kevin M.; Elsa
Velasquez Ferro; Gerald Washington;
and Vincent Williams,

Appellant.

NOTICE OF APPEAL

Tamasha F. Floyd, Individually and as Guardian ad Litem for Jayvon G., a minor under the age of eighteen (18) years of age, appeals the order of the Honorable Jocelyn Newman dated December 6, 2023. Appellant received the order on December 7, 2023.

January 4, 2024

s/ J. Andrew Smith
J. Andrew Smith
South Carolina Bar No. 14086
Law Office of Clifford Bush, III, LLC
28 Old Jericho Road
Beaufort, South Carolina 29906
(843) 379-9500
Attorney for Appellant

s/ Clifford Bush, III
Clifford Bush, III, Esquire
South Carolina Bar No. 17026
28 Old Jericho Road
Beaufort, South Carolina 29906
(843) 379-9500
Attorney for Appellant

Other Counsel of Record:

Wesley Brian Sawyer
Murphy & Grantland, PA
P.O. Box 6648
Columbia, SC 29260
wsawyer@murphygrantland.com
803-454-1233
Attorney for Respondent

Margie Bright Matthews
P.O. Box 499
Walterboro, SC 29488
margie@brightmatthewslaw.com
843-549-6028
Attorney for Elsa Velasquez Ferro

Harry Clayton Brown, Sr.
P.O. Box 824
Ridgeland, SC 29936
harrycbrownsrpc@embarqmail.com
843-726-7920
Special Administrator of the Estate of Kevin M.

RECEIVED

Jan 12 2024

SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

Jocelyn Newman, Circuit Judge

Case No. 2020-CP-0701692

First Acceptance Insurance Company, Inc., Respondent,

v.

Tamasha F. Floyd, Individually and as
Guardian ad Litem for Jayvon G., A Minor
under the age of Eighteen (18) Years of Age;
Harry C. Brown as Special Administrator of
Kevin M.; Elsa Velasquez Ferro; Gerald
Washington; and Vincent Williams, Appellant.

PROOF OF SERVICE

I certify that I have served the Notice of Appeal on Respondent, First Acceptance Insurance Company, by sending an email on January 4, 2024, addressed to Respondent, First Acceptance Insurance Company's attorney of record, Wesley Brian Sawyer, Murphy and Grantland, PA at his email address using his primary e-mail address listed in the Attorney Information System (AIS). A copy of the email is attached hereto.

January 4, 2024

s/ J. Andrew Smith
J. Andrew Smith
28 Old Jericho Road
Beaufort, South Carolina 29906
(843) 379-9500
Attorney for Appellant

CBI

Serving Throughout South Carolina

Law Office of Clifford Bush III, LLC

J. ANDREW SMITH

Attorney at Law

drew@lawofficeofcbushiii.com

www.lawofficeofcbushiii.com

January 4, 2024

The Honorable Jerri Ann Roseneau
Clerk of Court for Beaufort County
Post Office Drawer 1128
Beaufort, South Carolina 29901

RE: First Acceptance Insurance Company, Inc. v. Tamasha Floyd,
Individually and as Guardian ad Litem of Jayvon G., a Minor under the
age of Eighteen (18) Years of Age; Harry C. Brown as Special
Administrator of Kevin M.; Elsa Velasquez Ferro; Gerald Washington;
and Vincent Williams
Case No. 2020-CP-07-01692

Dear Ms. Roseneau:

Attorney Clifford Bush, III, and I represent the Appellant, Tamasha Floyd, Individually and as Guardian ad Litem of Jayvon G., a Minor under the age of Eighteen (18) Years of Age. Enclosed for filing is a Notice of Appeal in the above case. We served the Notice of Appeal on Respondent, First Acceptance Insurance Company, Inc. on January 4, 2024, by and through their counsel of record, Wesley Brian Sawyer.

Sincerely,

s/ J. Andrew Smith

J. Andrew Smith
28 Old Jericho Road
Beaufort, SC 29906
(843) 379-9500
Attorney for Appellant
drew@lawofficeofcbushiii.com

Encl.

cc: Margie Bright Matthews
Attorney for Elsa Velasquez Ferro

Wesley Brian Sawyer
Attorney for Respondent

Harry Clayton Brown, Sr.
Special Administrator of the Estate of Kevin M.

Social Security Disability • Veterans' Disability • Automobile Accidents
Wrongful Death • Medical Malpractice • Personal Injury • Workers' Compensation • Discrimination • Contract Law
28 Old Jericho Road, Beaufort, SC 29906 • P.O. Box 6194, Beaufort, SC 29903 • Ph (843) 379-9500 • Fax (843) 379-9550



Law Office of Clifford Bush III, LLC

J. ANDREW SMITH
Attorney at Law

drew@lawofficeofcbushiii.com
www.lawofficeofcbushiii.com

January 12, 2024

The Honorable Jenny Abbott Kitchings
Clerk, South Carolina Court of Appeals
Post Office Box 11629
Columbia, South Carolina 29211

RECEIVED

Jan 12 2024

SC Court of Appeals

RE: First Acceptance Insurance Company, Inc. v. Tamasha Floyd, Individually and as Guardian ad Litem of Jayvon G., a Minor under the Age of Eighteen (18) Years of Age; Harry C. Brown as Special Administrator of Kevin M.; Elsa Velasquez Ferro; Gerald Washington; and Vincent Williams, Case No. 2020-CP-0701692

Dear Ms. Kitchings:

Enclosed for filing is a notice of appeal in the above case. Also enclosed are the following:

- (1) Proof of service of the notice of appeal on the respondent.
- (2) A copy of the order which is to be challenged on appeal.
- (3) A filing fee of \$250.00

Sincerely,

s/ J. Andrew Smith
J. Andrew Smith
28 Old Jericho Road
Beaufort, SC 29906
(843) 379-9500
drew@lawofficeofcbushiii.com
Attorney for Appellant

Encls.
cc: Margie Bright Matthews
Attorney for Elsa Velasquez Ferro

Wesley Brian Sawyer
Attorney for Respondent, First
Acceptance Ins. Co., Inc.

Harry Clayton Brown, Sr.
Special Administrator for the
Estate of Kevin M.