

NON-RESIDENT PRIVATE AUTO POLICY

This policy is sold exclusively to NON RESIDENTS of the United States of America. The insured **auto** has to be registered in a country other than the United States of America and must be mainly garaged and used outside of the United States of America. Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. This policy does not provide coverage to accidents that occur in Mexico or Canada.

Throughout this policy, the word "you" and "your" refer to the Named Insured shown in the Declarations or any endorsement and form issued as part of this policy. The words "we", "us" and "our" refers to New Horizon Insurance Company.

SECTION I - COVERED AUTOS

A. DESCRIPTION OF COVERED AUTO

This is a scheduled auto policy. Only those **autos** described under **ITEM TWO** of the Declarations, or on any endorsement of insurance issued as part of this policy for which a premium charge is shown and any **trailers** declared under **ITEM TWO** while attached to the insured **auto** are covered **autos**.

SECTION II - LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an **Insured** legally must pay as damages because of **bodily** injury or **property damage** to which this insurance applies, caused by an accident and resulting from the ownership, maintenance or use of a covered **auto**.

We have the right and duty to defend any suit asking for these damages. However, we have no duty to defend suits for **bodily** Injury or **property damage** not covered by this insurance. We may investigate a settle any claim or **suit** as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements. We have no duty to defend if we are not notified of a suit by the insured.

1. WHO IS AN INSURED

The following are **Insureds**:

- a. You or any family member while using with your permission the covered auto scheduled in **ITEM TWO** unless excluded per section B. EXCLUSION.
- b. Anyone liable for the conduct of an **Insured** described above but only to the extent of that liability, However, the owner or anyone else from whom you **hire or borrow** a covered **auto** is an **Insured** only if that **auto** is a **trailer** connected to **the** covered **auto** scheduled under **ITEM TWO**. Such trailer must be scheduled under **ITEM TWO** as a listed trailer.

2. COVERAGE EXTENSIONS

- a. Supplementary Payments. In addition to the Limit of Insurance, **we** will pay for the **Insured**:
(1) All expenses we incur.

- (2) Up to \$100 for cost of bail bonds (including bonds for related traffic law violations) required because of an **accident** we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to **release** attachments in any **suit we** defend, but only for bond amounts within our Limit of Insurance,
- (4) All reasonable expenses incurred by the **Insured** at our request, other than loss of earnings.
- (5) Up to \$50 dollars a day for loss of earnings but not other income, due to attendance to hearings or trials at our request.
- (6) All costs taxed against the **Insured** in any **suit** we defend.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment in *any suit* we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Other State Coverage Extensions.

While a covered **auto** is in use in any state of the United States we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered **auto** is being used. We will not pay anyone more than once for the same elements of **loss** because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

Bodily Injury or **property damage** expected or intended from the standpoint of the **Insured**.

2. Liability assumed under any contract *or* agreement.

3. WORKERS COMPENSATION

Any obligation for which the **Insured** or the **Insured's** insurer may be held liable under any worker's compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

Bodily Injury to:

- a. An employee of the **Insured** arising out of and in the course of employment by the **Insured**; or
- b. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph a. above.

This exclusion applies:

- (1) Whether the **Insured** may be liable **as** an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

5. FELLOW EMPLOYEE

Bodily Injury to any fellow employee of the **Insured** arising out of and in the course of the fellow employee's employment.

6. CARE, CUSTODY OR CONTROL

Property damage to property owned, used by, rented to or transported by the **Insured** or in the **Insured's** care, custody or control.

7. Accidents that occur in Mexico or Canada.
8. HANDLING OF PROPERTY
Bodily Injury or property damage resulting from the handling of property:
 - a. Before it is moved from the place where it is accepted by the **Insured** for movement into or onto the covered **auto**; or
 - b. After it is moved from the covered **auto** to the place where it is finally delivered by the **Insured**.
9. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE
Bodily Injury or property damage resulting from the movement of property by a mechanical device, even if attached to the insured **auto**.
10. TYPE OF USE
Bodily Injury or Property Damage to any person for liability arising out of the ownership or operation of a covered **auto** while it is:
 - a. Being used to carry persons for a fee;
 - b. Being used to carry property for a fee;
 - c. Rented, leased, sold or under a conditional sales agreement to another;
 - d. Used for commercial or business purposes including but not limited to delivery of services or goods of any kind;
 - e. Vehicles hauling any kind of hazardous cargo.
11. OCCUPATION
Bodily Injury or Property Damage to any person while employed or otherwise engaged in the business or occupation of: selling; repairing; servicing; storing; or parking vehicles designed for use mainly on public roads. This includes road testing and delivery. This exclusion (11) does not apply to the ownership, maintenance or use of your covered **auto** by:
 - a. **You**;
 - b. Any family member;
12. To any person for the use of a vehicle without a reasonable belief that that person is entitled to do so except for you or any family member while using your covered **auto**.
13. To **bodily injury or property damage** arising directly or indirectly from Nuclear Fission, Nuclear Fusion or Radioactive Contamination.
14. Coverage to the insured **auto** if during the policy term you have purchased other liability insurance for it.
15. POLLUTION
 - a. **Bodily Injury or property damage** arising out of the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants**;
 - (1) That are, or that are contained in any property that is:
 - (a) Being transported or towed by, or handled for movement into, onto or from, the covered **auto**;
 - (b) Otherwise in the course of transit; or
 - (c) Being stored, disposed of, treated or processed in or upon the covered **auto**;
 - (2) Before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **Insured** for movement into or onto the covered **auto**; or

- (3) After the **pollutants** or any property in which the **pollutants** are contained are moved from the covered **auto** to the place where they are finally delivered, disposed of or abandoned by the **Insured**.

Paragraph a.(1) (c) does not apply to fuels, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered **auto** or its parts, if the pollutants escape or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such pollutants;

16. To **bodily injury** or **property damage** caused by an auto driven in or preparing for any, racing, speed or demolition contest or stunting activity of any nature, whether or not prearranged or organized.
17. Bodily injury or property damage for the ownership, maintenance or use of
 - a. any motorized vehicle having fewer than four wheels; or
 - b. any motorized vehicle while used in any illegal transportation or trade; or
18. WAR
Bodily Injury or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.
19. FAMILY MEMBERS
Bodily Injury to you or any **family member**.
20. Any **auto** not scheduled on the Declarations.
21. Any **auto** registered or principally **garaged** in the United States of America or Canada.
22. **Mobile equipment** attached or detached from the covered **auto**.
23. **Acts of Terrorism**.
24. Any driver under the age of 21 and over the age of 75.
25. Any driver that does not possess a valid driver's license at the time of the accident.

C. LIMIT OF INSURANCE

1. If separate limits of Liability are provided by this policy as stated under Section 5b of the Declarations, the following applies:
Regardless of the number of covered **autos**, **Insureds**, premiums paid, claims made or vehicles involved in the **accident**, the limit of insurance is as follows:
 - a. The most we will pay for all damages resulting from **bodily injury** to any one person caused by any one **accident** is the limit of Bodily Injury Liability shown in the Declarations.
 - b. Subject to the limit for each person, the most we will pay for all damages resulting from **bodily Injury** caused by any one **accident** is the limit of Bodily Injury Liability shown in the Schedule or in the Declarations for each **accident**.
 - c. The most we will pay for all damages resulting from **property damage** caused by any one **accident** is the limit of Property Damage Liability shown in the Declarations.
2. If combined limits of Liability are provided by this policy as stated under Section 5b of the Declarations, the following applies:

Regardless of the number of covered **autos, Insureds**, premiums paid, claims made or vehicles Involved in the **accident**, the most we will pay for all damages resulting from any one **accident** is the Limit of Insurance for Liability Coverage shown in the Declarations.

All **bodily injury** and **property damage** resulting from Continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **accident**.

The insured **auto** and any attached trailer are considered as one vehicle and applicable Limit of Liability will not be increased for any accident involving an **auto** with an attached trailer.

SECTION III- MEDICAL PAYMENTS COVERAGE

A. COVERAGE

We will pay reasonable expenses incurred for necessary medical and funeral services because of bodily injury:

- a. Caused by accident; and
- b. Sustained by a covered person.

We will pay only those expenses incurred within three years from the date of the accident.

B. EXCLUSIONS

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

1. Sustained while occupying any motorized vehicle having less than four wheels or an all-terrain vehicle.
2. Sustained while occupying your covered **auto** when it is:
 - a. Being used to carry persons for a fee; or
 - b. Being used to carry property for a fee; or
 - c. Rented or leased to another; or
 - d. Principally **garaged** in the United States.
3. Occurring during the course of employment other than domestic if workers' compensation benefits are required or available for the bodily injury.
4. Sustained while occupying a covered **auto** without a reasonable belief that that person is entitled to do so.
5. 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; or
 - e. Rebellion or revolution.
6. From or as a consequence of the following whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;
 - b. Radiation; or
 - c. Radioactive contamination.

C. LIMIT OF INSURANCE

1. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:

- a. Covered persons;
 - b. Claims made;
 - c. Vehicles or premiums shown in the Declarations; or
 - d. Vehicles involved in the accident.
2. Any amounts otherwise payable for expenses under this coverage shall be reduced by any amounts paid or payable for the same expense under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.
 3. No payment will be made unless the injured person or that person's legal representative agrees in writing that any payment shall be applied toward any settlement or judgment that person receives under any Auto Liability or Uninsured/Underinsured Motorists Coverage provided by this policy.

D. 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. However, any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

E. ASSIGNMENT OF BENEFITS

Payments for medical expenses will be paid directly to a physician or other health care provider if we receive a written assignment signed by the covered person to whom such benefits are payable.

F. DEFINITIONS

The definitions contained in the Definitions Section of the policy apply to Section III-A. The following special definition applies:

1. Covered person as used in this section means:
 - a. You or any family member while occupying your covered **auto**; or
 - b. Any other person while occupying your covered **auto**.

SECTION IV- PERSONAL INJURY PROTECTION COVERAGE

This policy and endorsements do not provide coverage for PIP.

SECTION V- UNINSURED / UNDERINSURED COVERAGE

This policy and endorsements do not provide coverage for UM/UIM.

SECTION VI- PHYSICAL DAMAGE COVERAGE

This policy and endorsements do not provide coverage to Physical Damage sustained by the insured **auto**.

SECTION VII - CONDITIONS

The following conditions apply to this insurance:

A. LOSS CONDITIONS

While a covered **auto** is in use in any state of the United States we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit or limits specified by a compulsory or financial responsibility law in the jurisdiction where the covered **auto** is being used.

(2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered **auto** is being used. We will not pay anyone more than once for the same elements of **loss** because of these extensions.

1. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

a. In the event of **accident**, claim, **suit** or **loss**, you must give us or our authorized representative prompt notice of the **accident** or **loss**. Such notice must include:

- (1) How, when and where the **accident** or **loss** occurred;
- (2) The **Insured's** name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

b. Additionally, you and any other involved **Insured** must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the **Insured's** own cost.
- (2) Immediately send us copies of any demand, notice, summons or legal paper received concerning the claim or **suit**.
- (3) Cooperate with us in the investigation, settlement or defense of the claim or **suit**.
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as **we** reasonably require.

c. Within 15 days after we receive your written notice of claim, we must:

- (1) acknowledge receipt of the claim. If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.
- (2) begin any investigation of the claim.
- (3) specify the information you must provide in accordance with paragraph b. above. We may request more information, if during the investigation of the claim such additional information is necessary.

d. After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

- (1) within 15 business days; or
- (2) within 30 days if we have reason to believe the loss resulted from arson.

e. if we do not approve payment of your claim or require more time for processing your claim, we must:

- (1) give the reasons for denying your claim, or
- (2) give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after our requesting more time.

f. In the event of a weather-related catastrophe or major natural disaster, as defined by the Texas Department of Insurance, the claim-handling deadlines as stated above are extended for an additional 15 days.

g. Loss Payment

- (1) If we notify you that we will pay your claim, or part of your claim, we must pay within 5 **business days** after we notify you.
- (2) If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 **business days** after the date you perform the act.

h. Notice of Settlement of Liability Claim

(1) We will notify you in writing of any initial offer to compromise or settle a claim against you under the liability section of this policy. We will give you notice within 10 days after the date the offer is made.

(2) We will notify you in writing of any settlement of a claim against you under the liability section of this policy. We will give you notice within 30 days after the date of the settlement.

2. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this insurance until:

- a. There has been full compliance with all the terms of this insurance; and
- b. Under Liability Coverage, we agree in writing that the **Insured** has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the **insured's** liability.

3. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after **accident** or **loss** to impair them.

B. GENERAL CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or the **insured's** estate will not relieve us of any obligations under this insurance.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Insurance is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

- a. This Insurance;
- b. The covered **auto**; or
- c. Your interest in the covered **auto**.

We may deny coverage for any accident or loss if you or an insured person knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct in connection with the presentation or settlement of a claim.

3. OTHER INSURANCE

- a. For any covered **auto** you own, this insurance is primary insurance.
- b. When this insurance and any other insurance or policy covers on the same basis, either excess or primary, we will pay only our **share**. Our **share** is the proportion that the Limit of Insurance of our insurance bears to the total of the limits of all the **Coverage** Forms and policies covering on the same basis.

4. POLICY PERIOD, COVERAGE TERRITORY

Under this Insurance, we cover **accidents** and **losses** occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory. The coverage territory is The United States of America. No coverage is provided for accidents occurring in Mexico or Canada.

5. TWO OR MORE POLICIES ISSUED BY US

If this insurance and any other insurance or policy issued to you by us or any company affiliated with us apply to the same **accident**. The aggregate maximum Limit of Insurance under all the policies shall not exceed the highest applicable Limit of Insurance under any one policy. This condition does not apply to any policy Issued by us or an affiliated company specifically to apply as excess Insurance over this.

6. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be assigned without our written consent. However, if an **Insured** shown in the Declarations dies, coverage will be provided for:

- a. The surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if an **Insured** shown in the Declarations; or
- b. The legal representative of the deceased person as If an **Insured** shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your covered **auto**.

Coverage will be provided until the end of the policy period.

7. CANCELATION

- a. This policy may not be canceled when written for a period of less than 30 days.
- b. This policy may be canceled when written for a period of 30 days or more as follows:
 - (1) The **Insured** shown in the Declarations may cancel by:
 - (a) returning this policy to us; or
 - (b) giving us advance written notice of the date cancellation is to take effect.
 - (2) We may cancel by mailing at least 10 days' notice to the **Insured** shown in the Declarations at the address shown in this policy.
- c. We may email any notice instead of mailing it. Proof of email of any **notice** shall be sufficient proof of notice.
- d. If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund promptly, The premium refund, If any, will be computed based on the following:
 - (1) If the named insured cancels, earned premium shall be computed in accordance with the Company's customary short rate table and procedure.
 - (2) If the company cancels, earned premium shall be computed pro rata.However, making or offering to make the refund is not a condition of cancellation.
- e. The effective date of cancellation stated in the notice shall become the end of the policy period.
- f. Any cancellation or restriction of coverage made without your consent will be of no effect, except as:
 - (1) provided for in this Cancellation provision; or
 - (2) required by the Texas Department of Insurance.
- g. We may not cancel a policy based solely on the fact that you are an elected official.

8. CHANGES

This policy and endorsements contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement Issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change.

To properly insure your covered vehicle, you must promptly notify us when:

1. Your address or phone number changes.
2. Your covered vehicle is primarily garaged at an address other than the address shown on the Declarations.

3. You make physical or mechanical modification to a covered vehicle.
4. You acquire a replacement vehicle.

SECTION VIII- DEFINITIONS

- A. **Accident** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage**.
- B. **Auto** means a land motor vehicle, designed for travel on public roads but does not include **mobile equipment**.
- C. **Bodily injury** means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. **Family member** means a person related to you by blood, marriage or adoption who is a resident of your household. This Includes a ward or foster child.
- E. **Garaged** means that place where your vehicle is typically housed or kept while it is not being operated.
- F. **Insured** means any person or organization qualifying as an Insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or suit brought.
- G. **Loss** means direct and accidental **loss** or damage.
- H. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
 5. Vehicles not described in paragraphs 1, 2, 3, or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration. lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
 6. Vehicles not described in paragraphs 1, 2, 3, or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:
 - a. Equipment designed primarily **for**:
 - i. Snow removal;
 - ii. Road maintenance, but not construction or resurfacing; or
 - iii. Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers: and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well **servicing** equipment.
- I. **Property damage** means damage to or **loss** of use of tangible property.

- J. Suit means a civil proceeding in which damages because of **bodily Injury** or **property damages** to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.
- K. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, Including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- L. **Trailer** includes semitrailer, designed to travel on public roads.
- M. **Terrorism / Act of Terrorism** means: Section 102(1) defines an act of terrorism for purposes of the Act. Section 102(1)(A) states, "The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States-(i) to be an act of terrorism; (ii) to be a violent act or an act that is dangerous to-(I) human life; (II) property; or (III) infrastructure; (iii) to have resulted in damage within the United States, or outside of the United States in the case of-(I) an air carrier or vessel described in paragraph (5)(B); or (II) the premises of a United States mission; and (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion." Section 102(1)(B) states, "No act shall be certified by the Secretary as an act of terrorism if-(i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000." Section 102(1)(C) and (D) specify that the determinations are final and not subject to judicial review and that the Secretary of the Treasury cannot delegate the determination to anyone.
- N. **Business day** means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.

In Witness Whereof, the company has caused this policy to be executed and attested.

Secretary

President