

Table of Contents

CHAPTER 1: ANNOTATED POLICY

CONTENTS	1
1-1:1 Texas Personal Auto Policy Agreement.....	3
1-1:2 Definitions	5
1-2 LIABILITY COVERAGE INSURING AGREEMENT	15
1-2:1 Supplementary Payments.....	23
1-2:2 Exclusions	24
1-2:3 Limit of Liability	33
1-2:4 Out of State Coverage	34
1-2:5 Financial Responsibility Required.....	35
1-2:6 Other Insurance	35
1-3 MEDICAL PAYMENTS COVERAGE	37
1-3:1 Insuring Agreement	37
1-3:2 Exclusions	39
1-3:3 Limit of Liability	41
1-3:4 Other Insurance	42
1-3:5 Assignment of Benefits	42
1-4 PERSONAL INJURY PROTECTION COVERAGE	42
1-4:1 Insuring Agreement	43
1-4:2 Exclusions	47
1-4:3 Limit of Liability	48
1-4:4 Other Insurance	48
1-4:5 Other Provisions.....	49
1-4:6 Assignment of Benefits	49
1-5 UNINSURED/UNDERINSURED MOTORISTS	49
1-5:1 Coverage	49
1-5:2 Insuring Agreement	51
1-5:3 Exclusions	68
1-5:4 Limit of Liability	71
1-5:5 Other Insurance	74
1-6 COVERAGE FOR DAMAGE TO YOUR AUTO	75
1-6:1 Insuring Agreement	75
1-6:2 Transportation Expenses.....	78
1-6:3 Exclusions	78
1-6:4 Limit of Liability	80

1-6:5	Payment of Loss	81
1-6:6	No Benefit to Bailee	81
1-6:7	Other Insurance	81
1-6:8	Appraisal	81
1-6:9	Specified Causes of Loss	83
1-6:10	Optional and Limited Specified Causes of Loss (Fire, Theft, Wind).....	83
1-7	DUTIES AFTER AN ACCIDENT OR LOSS	84
1-7:1	General Duties	84
1-7:2	Additional Duties for Uninsured/Underinsured Motorists Coverage.....	87
1-7:3	Additional Duties for Coverage for Damage to Your Auto	88
1-8	GENERAL PROVISIONS	88
1-8:1	Bankruptcy.....	88
1-8:2	Changes.....	89
1-8:3	Legal Action Against Us	90
1-8:4	Our Right to Recover Payment.....	90
1-8:5	Policy Period and Territory	91
1-8:6	Termination	92
1-8:7	Transfer of Your Interest in This Policy	96
1-8:8	Two or More Auto Policies	97
1-9	ADDITIONAL COVERAGES AND PROVISIONS.....	98
1-9:1	Towing and Labor Costs Coverage	98
1-9:2	Rental Reimbursement Coverage.....	98
1-9:3	530A. Loss Payable Clause — Modified	98

CHAPTER 2: ENDORSEMENTS

CONTENTS.....	101
2-1 MEXICO COVERAGE — LIMITED WARNING READ THIS PROVISION CAREFULLY!	103
2-1:1 Additional Exclusions	103
2-1:2 Special Conditions.....	103
2-2 565. AUTO DEATH INDEMNITY AND TOTAL DISABILITY COVERAGES	104
2-2:1 Schedule.....	104
2-2:2 Definitions	107
2-2:3 Exclusions	107
2-2:4 Conditions	108
2-3 573. SUPPLEMENTARY DEATH BENEFIT.....	109
2-3:1 Insuring Agreement and Limit of Liability.....	109

2-3:2	Proof of Claim.....	110
2-3:3	Other Coverage Provided by This Policy.....	110
2-3:4	Definitions	110
2-4	560C. RECREATIONAL TRAILERS, MOBILE HOMES OR MOTORHOMES.....	111
2-4:1	Schedule.....	111
2-5	593C. TEXAS PERSONAL AUTO POLICY — AMENDATORY ENDORSEMENT	112
2-5:1	Definitions Is Amended to Add the Following:.....	112
2-5:2	Duties After an Accident or Loss — General Duties Is Amended as Follows:.....	112
2-5:3	Liability — Exclusion Is Amended as Follows:.....	114
2-6	573A. SUPPLEMENTARY DEATH BENEFIT.....	115
2-6:1	Insuring Agreement and Limit of Liability.....	115
2-6:2	Proof of Claim.....	115
2-6:3	Other Coverage Provided by This Policy.....	115
2-6:4	Definitions	116

CHAPTER 3: POLICY ISSUES

	CONTENTS.....	117
3-1	INTRODUCTION	119
3-2	DUTIES AFTER AN ACCIDENT OR LOSS-GENERAL DUTIES	143
3-3	UNINSURED/UNDERINSURED MOTORIST ISSUES.....	181
3-4	PERSONAL INJURY PROTECTION COVERAGE ISSUES.....	227
3-5	STANDING.....	231
3-6	INSURER INSOLVENCY.....	234
3-7	PUNITIVE DAMAGES.....	235
3-8	LIENS, SUBROGATIONS, AND ASSIGNMENTS	239
3-9	PRIMARY V. EXCESS.....	262

CHAPTER 4: EXTRA-CONTRACTUAL ISSUES

	CONTENTS.....	265
4-1	INTRODUCTION	267
4-2	THE DECEPTIVE TRADE PRACTICES ACT (DTPA) AND THE INSURANCE CODE	267
4-3	DUTY OF GOOD FAITH AND FAIR DEALING AND THE INSURANCE CODE	270

4-4	THE PROMPT PAYMENT OF CLAIMS ACT	286
4-5	RECOVERING UNDER AN EXTRA-CONTRACTUAL CLAIM WITHOUT FINDING ANY BREACH OF CONTRACT	297

CHAPTER 5: KIDS AND CARS

	CONTENTS.....	301
5-1	KIDS AND CARS: INTRODUCTION	303
5-2	TEENAGERS: THEY'RE NOT JUST PASSENGERS ANYMORE	305
5-3	NEGLIGENT ENTRUSTMENT OF A VEHICLE.....	309

CHAPTER 6: INDEX OF TOPICS AND CASES

	CONTENTS.....	311
	ALPHABETICAL INDEX OF TOPICS	313
	ALPHABETICAL INDEX OF CASES.....	338
	INDEX.....	378