

Personal Injury Protection Endorsement #2

We will pay Oregon Personal Injury Protection (PIP) benefits for:

- **Medical and hospital expenses;**
- **Income continuation expenses;**
- **Loss of services expenses;** and
- **Funeral expenses**

Incurred with respect to bodily injury sustained by an injured person and caused by an accident arising out of the ownership, maintenance or use of a motor vehicle.

EXCLUSIONS

This insurance does not apply to:

1. Bodily injury sustained by any person
 - a. Who intentionally causes injury to him/herself; or
 - b. While participating in any prearranged or organized racing or speed contest or in practice or preparation for any such contest;
2. Income continuation expenses and loss of services expenses with respect to bodily injury sustained by any pedestrian, other than the insured in an accident which occurs outside the State of Oregon;
3. Bodily injury due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
4. Bodily injury resulting from radioactive, toxic, explosive or other hazardous properties of nuclear material;
5. Bodily injury sustained by the insured while occupying any motor vehicle owned by the insured or furnished for the insured's regular use and not insured for Oregon Personal Injury Protection benefits, including a motorcycle or moped as defined in Oregon Statutes;

DEFINITIONS

When used in reference to this insurance the following words have the meanings below.

"Motor vehicle" means a self-propelled land motor vehicle or trailer other than:

1. A farm type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads;
2. A vehicle operated on rails or crawler-treads; or
3. A vehicle located for use as a residence or premises.

"Bodily injury" means bodily injury, sickness or disease, including death at any time resulting therefrom.

"Funeral expenses" means reasonable and necessary expenses for professional funeral services incurred within one year after the date of the accident.

"Income continuation expenses" means 70% of the injured person's loss of income from work during a period of disability caused by bodily injury sustained by such person in the accident, provided that:

1. Such person was usually engaged in a remunerative occupation at the time of the accident;
2. The period of such disability continues for at least 14 consecutive days after the accident; and
3. Income continuation expenses shall include only expenses for loss of income incurred from the date such disability commenced to the date on which such person is able to return to his usual occupation and are subject to a maximum payment period in the aggregate of 52 weeks.

"Injured person" means

1. The insured who sustains bodily injury while occupying a private passenger motor vehicle or, while a pedestrian through being struck by a motor vehicle;
2. Any other person, who sustains bodily injury while occupying or using the insured motor vehicle, with the permission of the insured, or while a pedestrian, through being struck by the insured motor vehicle.

"Insured motor vehicle" means a passenger motor vehicle of which the insured is the owner, to which the bodily injury liability insurance of the policy applies;

"Loss of services expenses" means expenses reasonably incurred, during a period of disability caused by bodily injury sustained by an injured person in the accident, for essential services in lieu of those such person would have performed without income, provided that:

1. Such person was not usually engaged in a remunerative occupation at the time of the accident.
2. The period of such disability continues for at least 14 consecutive days after the accident; and
3. Loss of services expenses shall include only expenses for such services actually rendered from the date such disability commenced to the date on which such person is reasonably able to perform such services and are subject to a maximum payment period in the aggregate of 52 weeks.

"Medical and hospital expenses" means all reasonable and necessary expenses incurred within one year from the date of the accident for medical, hospital, dental, surgical, ambulance and prosthetic services.

"Insured" means the entity named on the Participation Agreement.

"Occupying" means in or upon or entering into or alighting from.

"Pedestrian" means any person not occupying a self-propelled vehicle.

"Private passenger motor vehicle" means a four-wheel passenger or station wagon type motor vehicle not used as a public or livery conveyance and includes any other four-wheel motor vehicle of the utility, pick-up body, sedan delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled motor home and a farm truck.

LIMITS OF LIABILITY

Regardless of the number of persons or organizations insured, policies or bonds applicable, claims made or insured motor vehicles to which this insurance applies, our liability for Oregon Personal Injury Protection benefits with respect to bodily injury sustained by any one injured person in any one motor vehicle accident is limited. PIP coverages and limits for each covered person increase to any larger amounts required by state law. Our current PIP limits these:

1. All reasonable and necessary expenses of medical, hospital, dental, surgical, ambulance and prosthetic services incurred within one year after the date of the person's injury, but not more than \$15,000 in the aggregate for all such expenses of the person. Expenses of medical, hospital, dental, surgical, ambulance and prosthetic services shall be presumed to be reasonable and necessary unless the provider is given notice of denial of the charges not more than 60 calendar days after we receive from the provider notice of the claim for the services. At any time during the first 50 calendar days after we receive notice of claim, the provider shall, within 10 business days, answer in writing questions from us regarding the claim. For purposes of determining when the 60 day period provided by this paragraph has elapsed, counting of days shall be suspended if the provider does not supply written answers to us within 10 days and shall not resume until the answers are supplied.
2. If the injured person is usually engaged in a remunerative occupation and if disability continues for at least 14 days, 70 percent of the loss of income from work during the period of the injured person's disability until the date the person is able to return to the person's usual occupation. This benefit is subject to a maximum payment of \$3,000 per month and a maximum payment period in the aggregate of 52 weeks. As used in this paragraph, "income" includes but is not limited to salary, wages, tips, commissions, professional fees and profits from an individually owned business or farm.
3. If the injured person is not usually engaged in a remunerative occupation and if disability continues for at least 14 days, the expenses reasonably incurred by the injured person for essential services in lieu of the services the person would have performed without income during the period of the person's disability until the date the person is reasonably able to perform such essential services. This benefit is subject to a maximum payment of \$30 per day and a maximum payment period in the aggregate of 52 weeks.
4. All reasonable and necessary funeral expenses incurred within one year after the date of the person's injury, but not more than \$5,000.

5. If the injured person is a parent or legal guardian of a minor child and is required to be hospitalized for a minimum of 24 hours, \$25 per day for child care, with payments to be made after the initial 24 hours of hospitalization and to be made for as long as the person is unable to return to work if the person is engaged in a remunerative occupation or for as long as the person is unable to perform essential services that the person would have performed without the income if the person is not usually engaged in a remunerative occupation, but not to exceed \$750.

POLICY PERIOD; TERRITORY

This insurance applies only to accidents which occur during the policy period, within the United States of America, its territories or possessions, or Canada.

CONDITIONS

This insurance is subject to the following additional Conditions:

1. **Notice.** In the event of an accident, written notice containing particulars sufficient to identify the injured persons, and also reasonably obtainable information respecting the time, place and circumstances of the accident shall be given by or on behalf of each injured person to us as soon as practicable. If any injured person or his/her legal representative shall institute legal action to recover damages for bodily injury against a person or organization who is or may be liable in tort therefore, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to us by such injured person or his/her legal representative.

Any injured person who has received benefits and who makes a claim or institutes legal action against any person or organization legally responsible for the bodily injury shall give notice of such claim or action to us by personal service or by registered or certified mail.

2. **Action against us.** No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all terms of this endorsement.
3. **Medical Reports; Proof of Claim.** As soon as practicable the injured person or someone on his/her behalf shall give us written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist us in determining the amount due and payable. The injured person shall submit to physical examinations by physicians selected by the State at the expense of us when and as often as we may reasonably require.

The injured person, or in the event of his/her incapacity or death his/her legal representative, shall upon each request from us execute authorization to enable us to obtain medical reports, copies of records and information with respect to loss of income. We may require that the injured person, as a condition for receiving income continuation expenses, cooperate in furnishing us reasonable medical proof of his/her inability to work.

4. **Reimbursement and Trust Agreement.** In the event of payment to any person of any benefits under this endorsement:
 - a. We shall be entitled to reimbursement or subrogation in accordance with the provisions of ORS 742.534 or ORS 742.538.
 - b. We are entitled to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of the injured person against any person or organization legally responsible for the accident, to the extent benefits were paid, less our share of expenses, costs and attorney fees incurred by the injured person in connection with such recovery.
 - c. The injured person shall hold in trust for the benefit of us all his/her rights of recovery to the extent of benefits furnished.
 - d. The injured person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights.
 - e. If requested in writing by us, the injured person shall take such action as may be necessary or appropriate to recover such benefits furnished as damages from the person or organization legally

responsible, but only to the extent of benefits furnished by us. In the event of recovery we shall be reimbursed out of such recovery for the injured person's share of expenses, costs and attorney's fees incurred by us in connection with the recovery.

- f. The injured person shall execute and deliver to us such instruments and papers as may be appropriate to secure the rights and obligations of the injured person and us as established by this provision.
5. **Arbitration.** If any person is making claim and we do not agree as to the amount payable hereunder, then each party shall, upon the written demand of either, select a competent and disinterested arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within 30 days then, upon the request of such person or us, such third arbitrator shall be selected by a judge of a court in the county and state in which such arbitration is pending. The arbitrators shall then hear and determine the question or questions so in dispute, and the decision in writing of any two arbitrators shall be binding upon the person and us, each of who shall pay his/her or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration, provided that attorney fees and fees paid to medical or other expert witnesses are not deemed to be expenses of arbitration but are borne by the party incurring them. Unless the parties otherwise agree the arbitration shall be conducted in the county and state in which the person resides and in accordance with the usual rules governing procedure and admission of evidence in courts of law.
6. **Other Insurance.** The insurance afforded under this endorsement shall be excess for:
 - a. Bodily injury sustained by any pedestrian, other than the insured, to the extent that amounts are paid or payable to or on behalf of such pedestrian under any collateral benefits, including but not limited to insurance benefits under another policy issued by this or any other insurer, governmental benefits, other than Medicare, gratuitous benefits or Oregon Personal Injury Protection Benefits.
 - b. Bodily injury sustained by the insured while occupying any motor vehicle, other than the insured motor vehicle, with respect to which Oregon Personal Injury Protection benefits are in effect.