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7 IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON
COUNTY OF PIERCE

8 DEBRA FEALY on behalf of herself and all
9 others similarly situated,

10 Plaintiff,

11 v.

12 SOUND CREDIT UNION,

13 Defendant.

NO. 20-2-04853-0

COMPLAINT—CLASS ACTION

14
15 **I. NATURE OF THE ACTION**

16 1. Defendant Sound Credit Union has been forcibly imposing unnecessary and
17 unwanted Collateral Protection Insurance (CPI) on thousands of customers to whom it extends
18 automobile financing. Sound Credit regularly purchases CPI at inflated premiums and at its
19 customers' expense to insure its property interest in the principal of auto loans. Sound Credit
20 profits from CPI in the form of increases in the financial interest customers then pay and, on
21 information and belief, in the form of kickbacks from the insurer.

22 2. CPI is a form of "force-placed" insurance that covers a lender's interest in a
23 vehicle while providing little or no benefit to the borrower. Such force-placed insurance
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1 policies have long been recognized for their potential for deception and abuse at the expense of
2 borrowers.¹ The premiums, for example, are often more than ten times the market rate of
3 insurance coverage available to the borrower.

4 3. Sound Credit imposes CPI on borrowers even when it has reason to know the
5 borrowers already have auto insurance in place that was deemed sufficient by the auto dealers
6 Sound Credit authorized to make such determinations at the time the borrower purchased the
7 vehicle and secured financing from Sound Credit.

8 4. Borrowers are required to have insurance before taking possession of a
9 purchased vehicle. Nevertheless, Sound Credit routinely later sends notice that states the
10 company “may” purchase additional CPI at the borrower’s expense if the borrower failed to
11 demonstrate insurance that satisfied additional requirements that Sound Credit imposed. The
12 notices and additional requirements are pretextual. Indeed, Sound Credit ignores the fact that
13 each borrower had insurance at the time of the sale and even ignores supplemental proof of
14 insurance policies that satisfy the additional requirements Sound Credit has imposed.

15 5. Sound Credit’s abusive auto insurance practices have caused consumers
16 significant stress, hardship, and financial losses. These losses not only include the additional
17 inflated cost of insurance—usually amounting to thousands of dollars—but also interest on the
18 additional principal and associated fees. In addition, Sound Credit regularly fails to effectively
19 inform consumers when it raises their monthly payment amounts, which results in additional
20 fees, in borrowers being declared delinquent on their loans, in derogatory credit reporting and,
21 in some cases, in repossession of the vehicles securing the loans.

22 ¹ See, e.g., *Regulator Blasts Wells Fargo for Deceptive Auto Insurance Program*, New York Times,
23 October 20, 2017, available at <https://www.nytimes.com/2017/10/20/business/wells-fargo-auto-insurance-comptroller.html>.

6. The experience of Debra Fealy is typical of thousands of people in Washington who financed a vehicle purchase with an auto loan from Sound Credit. Ms. Fealy purchased a truck that was financed by Sound Credit. She provided proof of her existing insurance coverage to the dealer as a condition of completing the sale, and the dealer found the coverage sufficient to satisfy Sound Credit's insurance requirements. Nearly two months after the sale, Sound Credit imposed additional insurance requirements. Ms. Fealy promptly satisfied those by obtaining a new insurance policy. Sound Credit nonetheless purchased CPI coverage at an inflated premium and added the premium to the principal of her auto loan. Sound Credit then treated Ms. Fealy's monthly loan payments as being inadequate and made derogatory reports about her to credit rating agencies.

7. Ms. Fealy brings this action on her own behalf and on behalf of all others similarly situated against Sound Credit based on its uniform unfair and deceptive practices in the course of forcibly imposing inflated CPI on its borrowers after they financed auto loans with the company.

II. PARTIES

8. Plaintiff Debra Fealy is a resident of Pierce County, Washington.

9. Defendant Sound Credit Union is a Washington corporation with its principal business address located in Tacoma, Washington. Sound Credit claims to have more than 130,000 customers that it terms “members.” Sound Credit operates 29 branches, all of which are in western Washington.

10. The acts and omissions alleged in this complaint against Sound Credit were committed by the company, either directly or through its employees and agents.

III. JURISDICTION AND VENUE

11. This Court has original subject matter jurisdiction under the Washington Constitution, Article IV, Section 6; RCW 4.12.020; and RCW 19.86.090.

12. This Court has personal jurisdiction over Sound Credit, a corporation registered to do business in the state of Washington, that committed acts and omissions recited in this complaint in the state of Washington.

13. Venue is proper in this Court pursuant to RCW 4.12.020(3), 4.12.025(1) and (3) because Sound Credit resides in and does business as a credit union in Pierce County, and because Sound Credit committed the acts complained of below in whole or in part in Pierce County.

14. The claims of Plaintiff and Class members are brought under Washington law. No federal question exists in this matter.

15. Sound Credit and at least two-thirds of the members of the proposed Class are citizens of the State of Washington. The proposed Class seeks significant relief against Sound Credit, whose conduct forms the basis for the claims asserted in the complaint. The injuries resulting from the alleged conduct occurred in Washington. Plaintiff knows of no other class action in the preceding three years asserting similar factual allegations against Sound Credit on behalf of any customers.

IV. FACTUAL ALLEGATIONS

A. Sound Credit's vehicle loan business and force-placed insurance scheme.

16. Vehicle loans constitute Sound Credit's largest and fastest growing lines of lending business. As of the first quarter 2019, Sound Credit reported holding more than 32,600 new and used vehicle loans valued at more than \$573 million. In recent years, Sound Credit has

1 turned the forcible implementation of CPI coverage on its borrowers into a lucrative
2 supplemental revenue stream.

3 17. Unlike common types of liability or collision insurance that cover the monetary
4 losses of vehicle owners in the event they cause damage to others or are themselves harmed,
5 CPI only covers a lender's interest in a vehicle. The vehicle owner receives no direct benefit
6 from CPI coverage.

7 18. The practice of force-placed insurance is relatively uncommon with auto loans.
8 Most states, including Washington, require all drivers to have insurance. As a result, most
9 consumers who finance an automobile purchase are already covered under an existing auto
10 insurance policy. Indeed, most auto dealers will not sell a vehicle without the buyer providing
11 proof of existing insurance, the type and status of which the dealers verify using a national
12 insurance database.

13 19. Sound Credit maintains ongoing relationships with automobile dealers in
14 Western Washington. It informs these dealers of its financing requirements, including
15 insurance requirements. The dealers act as Sound Credit's agents, confirming that vehicle
16 purchasers satisfy Sound Credit's requirements and securing financing on their behalf in order
17 to facilitate auto sales.

18 20. Nevertheless, Sound Credit commonly imposes additional insurance
19 requirements months after a customer finances a vehicle. Sound Credit then sends customers
20 automated notices stating that it will purchase CPI at the customer's expense if the customer
21 has not already secured insurance that meets Sound Credit's heightened requirements.

22 21. The notices Sound Credit sends appear to an average borrower to be
23 inapplicable because the average borrower was already informed that his or her existing
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1 insurance coverage met Sound Credit's requirements at the time the vehicle was purchased. But
2 even when the customer has or obtains insurance coverage that satisfies all the requirements
3 Sound Credit has imposed, Sound Credit will still purchase CPI at grossly inflated premiums
4 and add the cost of that premium to the borrower's loan balance.

5 22. Sound Credit regularly backdates the CPI policy to the original date of purchase.
6 When it does so, Sound Credit charges inflated insurance premiums to customers for periods of
7 time that have already passed even though there has been no damage to the vehicles or claims
8 asserted.

9 23. On information and belief, Sound Credit receives a kickback of the insurance
10 premium as a commission from the insurer, Securian Casualty Co., with whom it has a
11 continuing relationship to forcibly place CPI policies on borrowers. This commission is not
12 disclosed to borrowers and further inflates the cost of CPI premiums that solely cover Sound
13 Credit's interests but that are borne entirely by the borrowers.

14 24. Sound Credit charges interest on the additional principal caused by the inflated
15 CPI premium and adjusts the customer's monthly payment due accordingly. Sound Credit
16 applies payments to the interest on the CPI policy before applying payments to the principal
17 loan balance. Borrowers who pay the monthly payment amount that was due before the
18 additional cost of CPI was added are deemed delinquent, and Sound Credit reports them as
19 such to credit rating agencies.

20 25. Sound Credit's CPI policies and practices have increased the overall interest that
21 customers pay on their loans and have increased the likelihood of underpayments, late
22 payments, fees for insufficient funds, derogatory credit reporting, and repossessions.

1 **B. Plaintiff Debra Fealy's experience.**

2 26. On May 16, 2019, Debra Fealy purchased a new truck from Larson Chrysler
3 Jeep Dodge in Puyallup, Washington. Because of its ongoing relationship with Sound Credit,
4 Larson Chrysler chose Sound Credit as the entity that would finance the purchase, and Larson
5 Chrysler was able to secure financing on Ms. Fealy's behalf from Sound Credit immediately. A
6 Larson Chrysler representative entered all of the information Sound Credit required to
7 underwrite and to approve the auto loan for Ms. Fealy.

8 27. At the time of the purchase, Ms. Fealy entered into a financing agreement with
9 Larson Chrysler that was contemporaneously assigned to Sound Credit. A copy of the
10 agreement is attached as **Exhibit A**. The agreement stated the terms of the auto loan, including
11 the principal amount, details of the amount financed, terms of repayment, and insurance
12 requirements.

13 28. As a condition of financing, Sound Credit requires each buyer to demonstrate he
14 or she has physical damage insurance that covers the vehicle being purchased. Ms. Fealy
15 provided her existing insurance information, which the dealer used to complete an agreement to
16 furnish insurance policy, a copy of which is attached as **Exhibit B**. This agreement specified
17 that Ms. Fealy's existing insurance policy was with Middlesex Insurance Co. and provided the
18 policy's number and expiration date. Ms. Fealy's Middlesex policy was a Broad Form Named
19 Driver Policy. As such, the policy covered any vehicle Ms. Fealy drove, including the truck
20 she purchased from Larson Chrysler.

21 29. The agreement to furnish insurance policy specified which types of insurance
22 failed to constitute an acceptable insurance policy. Ms. Fealy's Middlesex policy was not
23 among the excluded types of insurance policies. Larson Chrysler, acting as Sound Credit's
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1 agent, considered Ms. Fealy to have satisfied all of Sound Credit's insurance-related
2 requirements and thus completed the sale and the financing agreement.

3 30. Ms. Fealy's auto loan carried an annual percentage rate of 4.49% and called for
4 monthly payments of \$600.44, with the first payment being due June 15, 2016. From this total
5 amount, \$435.40 was credited to principal and \$165.04 was charged as interest. Ms. Fealy paid
6 this amount in full and on time at all times relevant to this complaint.

7 31. On July 20, 2016, more than two months after completing the sale and
8 furnishing her insurance information, Ms. Fealy received a letter from Sound Credit dated July
9 12, 2016, and demanding that she furnish Sound Credit with evidence of insurance that meets
10 the following conditions: (a) list Sound Credit as Lienholder or Loss Payee; (b) the
11 comprehensive deductible cannot exceed \$1,000; (c) the collision deductible cannot exceed
12 \$1,000. These conditions were not listed on the loan financing agreement Ms. Fealy signed at
13 the time she purchased the vehicle.

14 32. Upon receiving the letter from Sound Credit, Ms. Fealy contacted an
15 independent insurance agent and secured a new insurance policy from Farmers Insurance at a
16 total cost of \$567.90 for coverage effective August 1, 2016 to February 1, 2017. The new
17 policy met all the criteria Sound Credit had listed. Ms. Fealy provided Sound Credit with
18 evidence of the Farmers Insurance policy before August 1, 2016. *See Exhibit C.*

19 33. Despite receiving evidence of Ms. Fealy's new insurance policy, Sound Credit
20 sent subsequent notices dated July 26 and August 9, 2016. The notice dated August 9 stated
21 that "unless you provide us with evidence of the insurance coverage as required by our loan
22 agreement within five days after the postmark on this letter, we will purchase collateral
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1 protection insurance at your expense to protect our interest.” The notice dated July 26
2 contained similar conditional language.

3 34. Because Ms. Fealy had already provided Sound Credit with the evidence of the
4 insurance coverage it demanded, she concluded the notices of July 26 and August 9 were not
5 applicable. Nonetheless, before August 1, 2016 she confirmed with Sound Credit that it had
6 received the information she sent regarding her Farmers Insurance policy.

7 35. In late August, Sound Credit purchased a CPI policy from Securian Casualty
8 Company for a period of one year at a cost of \$7,973.00. This is more than six times the
9 monthly premium amount of the Farmers Insurance policy Ms. Fealy purchased. The Securian
10 policy did not cover potential liability or damage to Ms. Fealy; it only covered Sound Credit’s
11 interest and only the outstanding balance of the auto loan.

12 36. On information and belief, Sound Credit made no effort to determine whether
13 Ms. Fealy’s vehicle had incurred any damage that would potentially give rise to a claim.
14 Indeed, there was no evidence of Ms. Fealy’s vehicle having incurred any damage from the
15 time of the purchase to the time Sound Credit purchased the CPI policy as there had, in fact,
16 been no damage to the vehicle or any incident involving the vehicle that would give rise to an
17 insurance claim. Sound Credit backdated the start of the policy to May 16, 2016, effectively
18 insuring the vehicle for over three months against a claim that could not arise.

19 37. Sound Credit added the cost of the CPI to Ms. Fealy’s loan principal and raised
20 the monthly payment amount required to service the loan by more than \$270.

21 38. The additional cost of the CPI was not amortized over the life of the loan. Sound
22 Credit instead amortized the CPI amount to be paid within the first year. On information and
23 belief, Sound Credit failed to properly apply the correct annual percentage rate stated in the
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1 Loan Finance Agreement to the amount of the CPI it charged Ms. Fealy. Sound Credit also did
2 not provide disclosures showing the additional amount financed, the finance charge, or the
3 additional cost of credit at the time it added the cost of CPI as an additional extension of credit.

4 39. When Ms. Fealy tendered her September payment on September 12, 2016,
5 Sound Credit considered it a partial payment, and deemed \$270.77 to be past due. Sound Credit
6 then reported Ms. Fealy as delinquent on her auto loan payment to credit reporting agencies.

7 40. In late September, Ms. Fealy disputed Sound Credit's imposition of CPI because
8 she had fully complied with Sound Credit's demands, whether legitimate or not.

9 41. Sound Credit conceded that Ms. Fealy had in fact provided proof of insurance
10 and that the Farmers Insurance policy satisfied all the requirements stated in its notices. Sound
11 Credit refunded \$5,581 of the \$7,973 it had added to the loan balance for the CPI premium and
12 canceled the CPI policy retroactive to August 1, 2016. It nevertheless kept \$2,392 by claiming
13 that coverage was justified for the period of May 16 to August 1, 2016. Even if it had been
14 proper to charge Ms. Fealy for CPI for this period, the amount Sound Credit added to her loan
15 was considerably more than the pro rata share of the total insurance premium for the period it
16 claimed was covered.

17 42. Neither Sound Credit nor any of its agents provided notice that could reasonably
18 have alerted Ms. Fealy of a need to provide additional insurance that would have been effective
19 before August 1, 2016.

20 43. Sound Credit charged additional interest on the \$2,392 it claimed to have
21 advanced Ms. Fealy for CPI coverage, plus a \$20 fee.

22 44. On November 2, 2016 Ms. Fealy paid Sound Credit \$2,392 to satisfy the
23 additional amount owed as a result of the CPI Sound Credit had imposed.
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1 45. Ms. Fealy's experience was not unique. Multiple Sound Credit customers have
2 reported that Sound Credit raised their car payments after it imposed CPI coverage at inflated
3 premiums, often for periods that had already passed and despite the customer having provided
4 Sound Credit with proof of insurance.

5 **C. Class Action Allegations.**

6 46. Plaintiff brings this case as a class action under CR 23(a) and (b)(3).

7 47. The proposed Class is defined as:

8 All Washington residents who financed a motor vehicle through
9 Sound Credit Union and who, during the applicable statute of
10 limitations period and up through the date of final judgment,
11 were charged Collateral Protection Insurance premiums covering
 a vehicle on which they obtained or maintained vehicle insurance
 for some or all of the time of the Collateral Protection Insurance
 Coverage.

12 Excluded from the Class is any entity in which Sound Credit Union has a controlling interest,
13 officers or directors of Sound Credit Union, any judge assigned to the case, any employees
14 assigned to work on the case, and all employees of the law firms representing Plaintiff and the
15 Class.

16 48. Certification of Plaintiff's claims for class-wide treatment is appropriate because
17 Plaintiff can prove the elements of her claims on a class-wide basis using the same evidence
18 that would be used to prove those elements in individual actions alleging the same claims.

19 49. Numerosity (CR 23(a)(1))—The members of the Class are so numerous that a
20 joinder of all members would be impracticable. Defendant Sound Credit currently services
21 more than 32,000 vehicle loans in the state of Washington. While the exact number of Class
22 members is unknown at this time, it is reasonable to assume the Class includes thousands of
23 members.
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1 50. Commonality and Predominance (CR 23(a)(2) and CR 23(b)(3))—The action
2 involves common questions of law and fact. Those common questions of law or fact
3 predominate over questions that may affect only individual Class members. The common
4 issues arising from Sound Credit’s conduct predominate over any individual issues.
5 Adjudication of these common issues in a single action has important and desirable advantages
6 of judicial economy. The questions of law and fact common to Plaintiff and the Class members
7 include, among others, the following:

8 a. Whether Sound Credit has engaged in a common course of failing to
9 reasonably ascertain whether customers had existing insurance before Sound Credit purchased
10 collateral protection insurance on vehicles securing the customer loans;

11 b. Whether Sound Credit engaged in a common course of sending untimely
12 or inadequate notice to customers of any shortcomings in their existing insurance coverage was
13 timely;

14 c. Whether Sound Credit engaged in a common course of imposing
15 Collateral Protection Insurance on customers that it had reason to know was not necessary or
16 justified;

17 d. Whether Sound Credit has engaged in a common course of imposing
18 Collateral Protection Insurance coverage for time periods that have already passed;

19 e. Whether Sound Credit engaged in a common course of charging
20 customers inflated premiums for Collateral Protection Insurance;

21 f. Whether Sound Credit has engaged in a common course of charging
22 higher annual percentage rates to the cost of Collateral Protection Insurance that it adds to its
23 customers’ loan balances;

1 g. Whether Sound Credit has engaged in a common course of extending
2 additional credit without proper disclosures as to the cost of credit;

3 h. Whether Sound Credit's common courses of conduct are unfair within
4 the meaning of RCW 19.86.020;

5 i. Whether Sound Credit's common courses of conduct are deceptive
6 within the meaning of RCW 19.86.020;

7 j. Whether Sound Credit's common courses of conduct occurred in trade or
8 commerce;

9 k. Whether Sound Credit's common courses of conduct are injurious to the
10 public interest because they injured other persons, had the capacity to injure other persons, or
11 have the capacity to injure other persons;

12 l. Whether Sound Credit's common courses of conduct have caused
13 Plaintiff and members of the Class to be injured in their business or property;

14 m. Whether injunctive relief is appropriate to remedy Sound Credit's unfair
15 and deceptive acts and practices; and

16 n. The nature and extent of Class-wide injury and the measure of
17 compensation for such injury.

18 51. Typicality (CR 23(a)(3))—Plaintiff's claims are typical of the claims of the
19 Class. The evidence and the legal theories regarding Sound Credit's alleged wrongful conduct
20 are substantially the same for Plaintiff and the Class members, as the relevant agreements and
21 the challenged CPI charging practices that it applied to customers' loans are uniform for all
22 Class members.

52. Adequacy (CR 23(a)(4))—Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff has retained competent counsel experienced in complex and class action litigation, including consumer rights litigation. Plaintiff and her counsel are committed to prosecuting this action vigorously on behalf of the Class and have the financial resources to do so. Neither Plaintiff nor her counsel have interests that are contrary to, or that conflict with those of the Class.

53. Superiority (CR 23(b)(3))—Plaintiff and the members of the Class have suffered and will continue to suffer harm and damages as a result of Defendant’s wrongful conduct. Absent a class action however, most members of the Class would likely find the cost of litigating their claims prohibitive. Class treatment is superior to multiple individual suits or piecemeal litigation because it conserves judicial resources, promotes consistency and efficiency of adjudication, provides a forum for small claimants, and deters wrongful activities. There will be no significant difficulty in the management of this case as a class action. The members of the Class are readily identifiable from Sound Credit’s own records and other publicly available databases.

V. CLAIMS

FIRST CAUSE OF ACTION

Unfair Acts and Practices in Violation of Chapter 19.86 RCW

54. Plaintiff realleges and incorporates by reference each allegation set forth in the preceding paragraphs.

55. Plaintiff and Class members are “persons” within the meaning of RCW 19.86.010(1).

56. Defendant Sound Credit is a “person” within the meaning of RCW 19.86.010(1).

1 57. Defendant Sound Credit's common courses of unfair conduct in violation of
2 RCW 19.86.020 have caused and continue causing substantial injury to consumers that is not
3 reasonably avoidable nor outweighed by countervailing benefits to consumers or to
4 competition.

5 58. Sound Credit's common courses of unfair conduct occur in trade or commerce
6 and impact the public interest because Defendant is in the business of providing financial
7 services to tens of thousands of consumers in Washington. Thousands of Washingtonians have
8 been affected by Defendant Sound Credit's unfair acts and practices.

9 59. Sound Credit's common courses of unfair conduct caused injury to the business
10 or property of Plaintiff and Class members.

11 60. Plaintiff and members of the Class have been damaged in amounts to be
12 determined at trial and under RCW 19.86.09. Plaintiff and the Class are entitled to recover such
13 damages, including interest thereon, as well as exemplary damages, attorneys' fees and costs.

14 61. Under RCW 19.86.090, Plaintiff and the Class members are entitled to an order
15 enjoining Defendant Sound Credit from engaging in the illegal acts and practices described
16 above.

17 62. Plaintiff and the Class members are entitled to additional equitable relief as the
18 Court deems appropriate, including but not limited to disgorgement for the benefit of the Class
19 members of all or part of the ill-gotten gains Defendant Sound Credit has received in
20 connection with the illegal acts described above.

1 **SECOND CAUSE OF ACTION**

2 **Deceptive Acts and Practices in Violation of Chapter 19.86 RCW**

3 63. Plaintiff realleges and incorporates by reference each allegation set forth in the
4 preceding paragraphs.

5 64. Sound Credit's common courses of conduct have had the capacity to deceive a
6 substantial portion of the public.

7 65. Sound Credit's common courses of conduct occur in trade or commerce and
8 impact the public interest. Sound Credit is in the business of extending and servicing auto loans
9 to tens of thousands of consumers in Washington. Thousands of Washingtonians have been
10 affected by Sound Credit deceptive acts and practices.

11 66. Sound Credit's common courses of deceptive conduct caused injury to the
12 business or property of Plaintiff and Class members.

13 67. Plaintiff and members of the Class have been damaged in amounts to be
14 determined at trial and under RCW 19.86.090. Plaintiff and the Class are entitled to recover
15 such damages, including interest thereon, as well as exemplary damages, attorneys' fees and
16 costs.

17 68. Under RCW 19.86.090, Plaintiff and the Class members are also entitled to an
18 order enjoining Defendant Sound Credit from engaging in the illegal acts and practices
19 described above.

20 69. Plaintiff and the Class are also entitled to additional equitable relief as the Court
21 deems appropriate, including but not limited to disgorgement for the benefit of the Class
22 members of all or part of the ill-gotten gains Defendant has received in connection with the
23 illegal acts described above.

THIRD CAUSE OF ACTION

Conversion

70. Plaintiff realleges and incorporate by reference each allegation set forth in the preceding paragraphs.

71. Sound Credit had and continues to have a duty to maintain and preserve its members' loan accounts and to prevent their inflation through its own wrongful acts.

72. Sound Credit has wrongfully imposed inflated CPI premiums on Plaintiff and members of the Class and has taken specific and readily identifiable funds from them in payment of these premiums, interest, and associated fees.

73. Sound Credit has, without proper authorization, assumed and exercised the right of ownership over these funds, in hostility to the rights of Plaintiff and members of the Class, without legal justification.

74. Sound Credit continues to retain these funds unlawfully without the consent of Plaintiff or the members of the Class.

75. Sound Credit intends to permanently deprive Plaintiff and the members of the Class of these funds.

76. These funds are properly owned by Plaintiff and members of the Class, not Sound Credit, which now claims that it is entitled to their ownership, contrary to the rights of Plaintiff and members of the Class.

77. Plaintiff and members of the Class are entitled to the immediate possession of these funds.

78. Sound Credit has wrongfully converted these specific and readily identifiable funds in violation of law.

79. Sound Credit's conduct is continuing.

1 80. As a proximate result of this wrongful conversion, Plaintiff and members of the
2 Class have suffered and continue to suffer damages.

3 81. By reason of the foregoing, Plaintiff and members of the Class are entitled to
4 recover from Sound Credit all damages and costs permitted by law, including all amounts that
5 Sound Credit has wrongfully converted.

6 82. The financial benefits derived by Sound Credit rightfully belong to Plaintiff and
7 members of the Class. Sound Credit should be compelled to disgorge in a common fund for the
8 benefit of Plaintiff and members of the Class all wrongful or inequitable proceeds it received. A
9 constructive trust should be imposed upon all wrongful or inequitable sums Sound Credit
10 received that is traceable to Plaintiff and members of the Class.

11 **FOURTH CAUSE OF ACTION**

12 **Unjust Enrichment**

13 83. Plaintiff realleges and incorporates by reference each allegation set forth in the
14 preceding paragraphs.

15 84. By means of Sound Credit's wrongful conduct alleged herein, Sound Credit
16 knowingly provides loan services to Plaintiff and members of the Class that are unfair,
17 unconscionable, and oppressive.

18 85. Sound Credit knowingly received and retained wrongful benefits and funds from
19 Plaintiff and members of the Class. In so doing, Sound Credit acted with conscious disregard
20 for the rights of Plaintiff and members of the Class.

21 86. As a result of Sound Credit's wrongful conduct as alleged herein, Sound Credit
22 has been unjustly enriched at the expense of, and to the detriment of Plaintiff and members of
23 the Class.

87. Sound Credit's unjust enrichment is traceable to and resulted directly and proximately from the conduct alleged herein.

88. Under the common law doctrine of unjust enrichment, it is inequitable for Sound Credit to be permitted to retain the benefits it received, and is still receiving, without justification, from the imposition of CPI premiums, interest on those premiums, and related fees on Plaintiff and members of the Class in an unfair, unconscionable, and oppressive manner. Sound Credit's retention of such funds under circumstances making it inequitable to do so constitutes unjust enrichment.

89. The financial benefits derived by Sound Credit rightfully belong to Plaintiff and members of the Class. Sound Credit should be compelled to disgorge in a common fund for the benefit of Plaintiff and members of the Class all wrongful or inequitable proceeds it received. A constructive trust should be imposed upon all wrongful or inequitable sums Sound Credit received that is traceable to Plaintiff and members of the Class.

90. Plaintiff and members of the Class have no adequate remedy at law.

VI. REQUEST FOR RELIEF

Based on the above allegations, Plaintiff, on her own behalf and on behalf of Class Members, prays this Court enter judgment against Defendant Sound Credit as follows:

A. Certify this action as a class action;

B. Appoint Plaintiff as representative of the Class and her attorneys as Class counsel;

C. Enter judgment in favor of Plaintiff and the Class and against Defendant Sound Credit on all causes of action alleged;

D. Declare that the acts and practices of Sound Credit violate Washington law;

1 E. Issue a permanent injunction under RCW 19.86.090 enjoining and restraining
2 Defendant from continuing to engage in the unlawful conduct alleged in this complaint;

3 F. Award Plaintiff and Class members actual and exemplary damages in amounts
4 to be proven at trial;

5 G. Award Plaintiff counsel attorneys' fees, costs, and expenses as allowed by law;

6 H. Award Plaintiff and the Class pre-judgment and post-judgment interest as
7 allowed by law; and

8 I. Grant Plaintiff and the Class such other and additional relief as is just and proper
9 under applicable law.

10 RESPECTFULLY SUBMITTED AND DATED this 11th day of February, 2020.

11 TERRELL MARSHALL LAW GROUP PLLC

12 By: /s/ Toby J. Marshall, WSBA #32726

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Attorneys for Plaintiff

— EXHIBIT A —

SIMPLE FINANCE CHARGE

Dealer Number _____

Contract Number _____

Buyer Name and Address (Including County and Zip Code) DEBRA J. FEALY [REDACTED]	Co-Buyer Name and Address (Including County and Zip Code) N/A	Seller-Creditor (Name and Address) ARSON CHRYSLER JEEP DODGE 2001 N. MERIDIAN FOYALLUP WA 99371
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You, the Buyer (and Co-Buyer, if any), may buy the vehicle below for cash or on credit. By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Seller - Creditor (sometimes "we" or "us" in this contract) the Amount Financed and Finance Charge in U.S. funds according to the payment schedule below, as explained in section 1 on the back. The Truth-in-Lending Disclosures below are part of this contract.

New/Used	Year	Make and Model	Odometer	Vehicle Identification Number	Primary Use For Which Purchased
NEW	2016	DODGE TRUCK RAM 1500	6	[REDACTED]	<input type="checkbox"/> Personal, family, or household unless otherwise indicated below <input type="checkbox"/> business <input type="checkbox"/> agricultural

FEDERAL TRUTH-IN-LENDING DISCLOSURES				
ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.	Total Sale Price The total cost of your purchase on credit, including your down payment of
4.49 %	\$ 9291.75	\$ 48350.49	\$ 57642.24	\$ 76191.78

Your Payment Schedule Will Be:		
Number of Payments	Amount of Payments	When Payments Are Due
96	600.44	Monthly beginning 05/15/2016
N/A	N/A	N/A
Or As Follows: N/A		

Late Charge. If payment is not received in full within 10 days after it is due, you will pay a late charge of \$ 5.00 or 5 % of the part of the payment that is late, whichever is greater.

Prepayment. If you pay off all your debt early, you will not have to pay a penalty.

Security Interest. You are giving a security interest in the vehicle being purchased.

Additional Information: See this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date and security interest.

ITEMIZATION OF AMOUNT FINANCED

1. Cash Sale Price	
Vehicle Cash Price	\$ 58518.00
Other: N/A	\$ N/A
Other: N/A	\$ N/A
Other: N/A	\$ N/A
Other: N/A	\$ N/A
Other: N/A	\$ N/A
Sales Tax	\$ 997.40
Documentary Service Fee (THE DOCUMENTARY SERVICE FEE IS A NEGOTIABLE FEE. Documentary service fees are not required by the state of Washington.)	\$ 150.00
Total Cash Sale Price	\$ 59665.40 (1)
2. Total Downpayment =	
Trade-In: 2014 DODGE TRUCK RAM	
(Year) (Make)	(Model)
Gross Trade-In Allowance	\$ 48235.52
Less: Payoff Made by Seller WHITE RIVER CREDIT UNION	\$ 24685.98
Equals Net Trade In	\$ 18549.54
+ Cash	\$ N/A
+ Other: N/A	\$ N/A
(If total downpayment is negative, enter "0" and see 4H below)	\$ 18549.54 (2)
3. Unpaid Balance of Cash Price (1 minus 2)	\$ 41115.86 (3)
4. Other Charges Including Amounts Paid to Others on Your Behalf	
(Seller may keep part of these amounts):	
A. Cost of Optional Credit Insurance Paid to Insurance Company or Companies.	
Life	\$ N/A
Disability	\$ N/A
B. Other Optional Insurance Paid to Insurance Company or Companies	\$ N/A
Total Insurance Paid to Insurance Companies	\$ N/A
C. Optional Gap Coverage	\$ 885.00
D. Official Fees Paid to Government Agencies	
N/A	\$ N/A
N/A	\$ N/A
N/A	\$ N/A
E. Government Taxes Not Included in Cash Price	\$ N/A
F. Government License and/or Registration Fees	\$ N/A
G. LICENSE	\$ 298.00
H. Government Certificate of Title Fees	\$ 8.00
Total Official Fees	\$ 307.00

Insurance. You may buy the physical damage insurance this contract requires (see back) from anyone you choose subject to our approval of your choice as the law allows. You are not required to buy any other insurance to obtain credit.

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

Check the insurance you want and sign below:

Optional Credit Insurance

☐ Credit Life: ☐ Buyer ☐ Co-Buyer ☐ Both
☐ Credit Disability: ☐ Buyer ☐ Co-Buyer ☐ Both

Premium:

Credit Life \$ N/A

Credit Disability \$ N/A

Insurance Company Name N/A

N/A

Home Office Address N/A

N/A

Credit life insurance and credit disability insurance are not required to obtain credit. Your decision to buy or not to buy credit life insurance and credit disability insurance will not be a factor in the credit approval process. They will not be provided unless you sign and agree to pay the extra cost. If you choose this insurance, the cost is shown in item 4A of the Itemization of Amount Financed. This insurance may not pay all you owe on this contract if you make late payments. Credit disability insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown below.

Other Optional Insurance

☒ N/A ☐ N/A

Type of Insurance Term

Premium \$ N/A

Insurance Company Name N/A

N/A

Home Office Address N/A

N/A

☐ N/A ☐ N/A

Type of Insurance Term

Premium \$ N/A

Insurance Company Name N/A

N/A

Home Office Address N/A

N/A

Other optional insurance is not required to obtain credit. Your decision to buy or not to buy other optional insurance will not be a factor in the credit approval process. It will not be provided unless you sign and agree to pay the extra cost. I want the insurance checked above. We will apply for this insurance on your behalf.

☒ N/A ☐ N/A

Buyer Signature Date

☒ N/A ☐ N/A

Co-Buyer Signature Date

THIS INSURANCE DOES NOT INCLUDE INSURANCE FOR BODILY INJURY LIABILITY, PUBLIC LIABILITY, OR PROPERTY DAMAGE LIABILITY.

Returned Check Charge: You agree to pay a charge of up to \$20 if any check you give us is dishonored or any other payment is returned unpaid. If a check is not paid within 10 business days of the date of the return, you will be charged the full amount of the check.

COPY

May 26, 2016 12:00PM

Vehicle Insurance Information
 Less Payment Made By Seller HITE RIVER CREDIT UNION
 Equals Net Trade In
 + Cash \$ 18549.54
 + Other N/A
 (If total downpayment is negative, enter "0" and see 4H below)
 3. Unpaid Balance of Cash Price (1 minus 2) \$ 18549.54 (2)
 4. Other Charges Including Amounts Paid to Others on Your Behalf \$ 41115.86 (3)
 (Seller may keep part of these amounts):
 A. Cost of Optional Credit Insurance Paid to Insurance Company or Companies
 Life \$ N/A
 Disability \$ N/A
 B. Other Optional Insurance Paid to Insurance Company or Companies \$ N/A
 Total Insurance Paid to Insurance Companies \$ N/A
 C. Optional Gap Contract \$ 895.00
 D. Official Fees Paid to Government Agencies
 Title N/A
 Sales Tax N/A
 License N/A
 E. Government Taxes Not Included in Cash Price \$ N/A
 F. Government License and/or Registration Fees \$ N/A
 LICENSE \$ 298.00
 G. Government Certificate of Title Fees \$ 9.00
 Total Official Fees Paid to Government Agencies \$ 307.00
 H. Other Charges (Seller must identify who is paid and describe purpose)
 N/A for Prior Credit or Lease Balance \$ N/A
 NEW WORLD WARRANTY SERVICE CONT \$ 3932.00
 NEW WORLD WARRANTY MAINT CONT \$ 1580.00
 WA STATE MOPAR/CHRYSLER SLS TX 2.9, 4.4% \$ 518.13
 ARSON CHRYSLER JEEP ADMIN FEE \$ 2.50
 N/A \$ N/A
 N/A \$ N/A
 N/A \$ N/A
 N/A \$ N/A
 N/A \$ N/A
 N/A \$ N/A
 Total Other Charges and Amounts Paid to Others on Your Behalf \$ 7274.63 (4)
 I. Amount Financed (3 plus 4) \$ 48350.49 (5)

OPTION: ☐ You pay no finance charge if the Amount Financed, item 5, is paid in full on or before
 N/A, Yes/No, SELLER'S INITIALS N/A

NO COOLING OFF PERIOD

State law does not provide for a "cooling off" or cancellation period for this sale. After you sign this contract, you may only cancel it if the seller agrees or for legal cause. You cannot cancel this contract simply because you change your mind. This notice does not apply to home solicitation sales.

The Annual Percentage Rate may be negotiable with the Seller. The Seller may assign this contract and retain its right to receive a part of the Finance Charge.

HOW THIS CONTRACT CAN BE CHANGED. This contract contains the entire agreement between you and us relating to this contract. Any change to this contract must be in writing and we must sign it. No oral changes are binding. Buyer Signs X Co-Buyer Signs X/A
 If any part of this contract is not valid, all other parts stay valid. We may delay or refrain from enforcing any of our rights under this contract without losing them. For example, we may extend the time for making some payments without extending the time for making others.

You authorize us to obtain information about you, or the vehicle you are buying, from the state motor vehicle department or other motor vehicle registration authorities.

See back for other important agreements.

NOTICE TO BUYER: (a) Do not sign this contract before you read it or if any spaces intended for the agreed terms, except as to unavailable information, are blank. (b) You are entitled to a copy of this contract at the time you sign it. (c) You may at any time pay off the full unpaid balance due under this contract, and in so doing you may receive a partial rebate of the finance charge. (d) The finance charge does not exceed 4.49 % (must be filled in) per annum computed monthly.

You agree to the terms of this contract. You confirm that before you signed this contract, we gave it to you, and you were free to take it and review it. You confirm that you received a completely filled-in copy when you signed it.

Buyer Signs X Date 5/16/16 Co-Buyer Signs X/A Date N/A
 Co-Buyers and Other Owners — A co-buyer is a person who is responsible for paying the entire debt. An other owner is a person whose name is on the title to the vehicle but does not have to pay the debt. This other owner agrees to the security interest in the vehicle given to us in this contract.
 Other owner signs here X/A Address N/A
 Seller signs X Date 5/16/16 By [Signature] Title [Signature]
 Seller assigns the interest in this contract to Sauod CU (Assigned) under the terms of Seller's agreement(s) with Assignee.
☐ Assigned with recourse ☒ Assigned without recourse ☐ Assigned with limited recourse
 ARSON CHRYSLER JEEP DODGE
 Seller By [Signature] Title [Signature]

FORM NO. 843-WA (Revised) U.S. PATENT AND TRADEMARK OFFICE
 THIS IS THE PROPERTY OF THE NATIONAL AUTOMOTIVE DEALERS ASSOCIATION. IT IS TO BE USED ONLY FOR THE PURPOSES OF THE NATIONAL AUTOMOTIVE DEALERS ASSOCIATION. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM.

No. 1141 — P. 20 N/A
 Type of Insurance Term
 Premium \$ N/A
 Insurance Company Name N/A
 Name Office Address N/A
 Other optional insurance is not required to obtain credit. Your decision to buy or not buy other optional insurance will not be a factor in the credit approval process. It will not be provided unless you sign and agree to pay the extra cost.
 I want the insurance checked above. We will apply for this insurance on your behalf.
 Buyer Signature X/A Date N/A
 Co-Buyer Signature N/A Date N/A
THIS INSURANCE DOES NOT INCLUDE LIABILITY, PUBLIC LIABILITY, OR PROPERTY DAMAGE LIABILITY.
 Returned Check Charge: You agree to pay a charge of up to \$20 if any check you give us is dishonored or any electronic payment is returned unpaid. If a check is not paid within 15 days, you will pay a charge of the lesser of \$10 or the face amount of the check if we make written demand that you do so.
 OPTIONAL GAP CONTRACT. A gap contract (debt cancellation contract) is not required to obtain credit and will not be provided unless you sign below and agree to pay the extra charge. If you choose to buy a gap contract, the charge is shown in item 4C of the Statement of Amount Financed. See your gap contract for details on the terms and conditions it provides. It is a part of this contract.
 Term 36 Months
 CARGO CUMULATIVE Name of Gap Contract
 I want to buy a gap contract.
 Buyer Signs X [Signature]

ORIGINAL LIEN-HOLDER

COPY

1. FINANCE CHARGE AND PAYMENTS

- a. **How we will figure Finance Charge.** We will figure the Finance Charge on a daily basis at the Annual Percentage Rate on the unpaid part of the Amount Financed.
- b. **How we will apply payments.** We may apply each payment to the earned and unpaid part of the Finance Charge, to the unpaid part of the Amount Financed and to other amounts you owe under this contract in any order we choose.
- c. **How late payments or early payments change what you must pay.** We based the Finance Charge, Total of Payments, and Total Sale Price shown on the front on the assumption that you will make every payment on the day it is due. Your Finance Charge, Total of Payments, and Total Sale Price will be more if you pay late and less if you pay early. Changes may take the form of a larger or smaller final payment or, at our option, more or fewer payments of the same amount as your scheduled payment with a smaller final payment. We will send you a notice telling you about these changes before the final scheduled payment is due.
- d. **You may prepay.** You may prepay all or part of the unpaid part of the Amount Financed at any time without penalty. If you do so, you must pay the earned and unpaid part of the Finance Charge and all other amounts due up to the date of your payment.
- e. **Right to Refinance a Balloon Payment.** A balloon payment is a scheduled payment that is more than twice as large as the average of your earlier scheduled payments. If this contract contains a balloon payment and you do not pay it, you have the right to obtain a new payment schedule. Unless you agree otherwise, the periodic payments under the new payment schedule will not be substantially greater than the earlier scheduled payments. This provision does not apply if you did not purchase this vehicle for personal, family, or household use. It also does not apply if we adjusted your payment schedule to your seasonal or irregular income.

2. YOUR OTHER PROMISES TO US

- a. **If the vehicle is damaged, destroyed, or missing.** You agree to pay us all you owe under this contract even if the vehicle is damaged, destroyed, or missing.
- b. **Using the vehicle.** You agree not to remove the vehicle from the U.S. or Canada, or to sell, rent, lease, or transfer any interest in the vehicle or this contract without our written permission. You agree not to expose the vehicle to misuse, seizure, confiscation, or involuntary transfer. If we pay any repair bills, storage bills, taxes, fines, or charges on the vehicle, you agree to repay the amount when we ask for it.

3. IF YOU PAY LATE OR BREAK YOUR OTHER PROMISES

- a. **You may owe late charges.** You will pay a late charge on each late payment as shown on the front of this contract. Acceptance of a late payment or late charge does not excuse your late payment or mean that you may keep making late payments. If you pay late, we may also take the steps described below.
- b. **You may have to pay all you owe at once.** If you break your promises (default), we may demand that you pay all you owe on this contract at once. Default means:
 - You do not pay any payment on time;
 - You give false, incomplete, or misleading information on a credit application;
 - You start a proceeding in bankruptcy or one is started against you or your property; or
 - You break any agreements in this contract.
 The amount you will owe will be the unpaid part of the Amount Financed plus the earned and unpaid part of the Finance Charge, any late charges, and any amounts due because you defaulted.
- c. **You may have to pay collection costs.** If we hire an attorney who is not our salaried employee to collect what you owe, you will pay the attorney's reasonable fee and court costs as the law allows. You will also pay any collection costs we incur as the law allows.
- d. **We may take the vehicle from you.** If you default, we may take (repossess) the vehicle from you if we do so peacefully and the law allows it. If your vehicle has an electronic tracking device, you agree that we may use the device to find the vehicle. If we take the vehicle, any accessories, equipment, and replacement parts will stay with the vehicle. If any personal items are in the vehicle, we may store them for you at your expense. If you do not ask for these items back, we may dispose of them as the law allows.
- e. **How you can get the vehicle back if we take it.** If we repossess the vehicle, you may pay to get it back (redeem). We will tell you how much to pay to redeem. Your right to redeem ends when we sell the vehicle.
- f. **We will sell the vehicle if you do not get it back.** If you do not redeem, we will sell the vehicle. We will send you a written notice of sale before selling the vehicle. We will apply the money from the sale, less allowed expenses, to the amount you owe. Allowed expenses are expenses we pay as a direct result of taking the vehicle, holding it, preparing it for sale, and selling it. Attorney fees and court costs the law permits are also allowed expenses. If any money is left (surplus), we will pay it to you unless the law requires us to pay it to someone else. If money from the sale is not enough

Security interest.

You give us a security interest in:

- The vehicle and all parts or goods put on it;
- All money or goods received (proceeds) for the vehicle;
- All insurance, maintenance, service, or other contracts we finance for you; and
- All proceeds from insurance, maintenance, service, or other contracts we finance for you. This includes any refunds of premiums or charges from the contracts.

This secures payment of all you owe on this contract. It also secures your other agreements in this contract. You will make sure the title shows our security interest (lien) in the vehicle.

d. Insurance you must have on the vehicle.

You agree to have physical damage insurance covering loss of or damage to the vehicle for the term of this contract. The insurance must cover our interest in the vehicle. **WARNING: UNLESS YOU PROVIDE US WITH EVIDENCE OF THE PHYSICAL DAMAGE INSURANCE COVERAGE AS REQUIRED BY THIS CONTRACT, WE MAY (BUT ARE NOT REQUIRED) PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPER COVERAGE ELSEWHERE. YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR AMOUNT FINANCED. IF THE COST IS ADDED TO THE AMOUNT FINANCED, THE ANNUAL PERCENTAGE RATE ON THIS CONTRACT WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR ANOTHER DATE AFTER THAT DATE OF LAPSE. THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY WASHINGTON'S MANDATORY LIABILITY INSURANCE LAWS.** If the vehicle is lost or damaged, you agree that we may use any insurance settlement to reduce what you owe or repair the vehicle.

- e. What happens to returned insurance, maintenance, service, or other contract charges.** If we get a refund of insurance, maintenance, service, or other contract charges, you agree that we may subtract the refund from what you owe.

someone else. If money from the sale is not enough to pay the amount you owe, you must pay the rest to us. If you do not pay this amount when we ask, we may charge you interest at a rate not exceeding the highest lawful rate until you pay.

- g. What we may do about optional insurance, maintenance, service, or other contracts.** This contract may contain charges for optional insurance, maintenance, service, or other contracts. If we demand that you pay all you owe at once or we repossess the vehicle, you agree that we may claim benefits under these contracts and cancel them to obtain refunds of unearned charges to reduce what you owe or repair the vehicle. If the vehicle is a total loss because it is confiscated, damaged, or stolen, we may claim benefits under these contracts and cancel them to obtain refunds of unearned charges to reduce what you owe.

4. WARRANTIES SELLER DISCLAIMS

The following paragraph does not affect any warranties covering the vehicle that the vehicle manufacturer may provide. It does not apply at all if you bought the vehicle primarily for personal, family, or household use.

Unless the Seller makes a written warranty, or enters into a service contract within 90 days from the date of this contract, the Seller makes no warranties, express or implied, on the vehicle, and there will be no implied warranties of merchantability or of fitness for a particular purpose.

- 5. Used Car Buyers Guide.** The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.

6. Servicing and Collection Contacts.

You agree that we may try to contact you in writing, by e-mail, or using prerecorded/artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. You also agree that we may try to contact you in these and other ways at any address or telephone number you provide us, even if the telephone number is a cell phone number or the contact results in a charge to you.

7. Applicable Law

Federal law and the law of the state of our address shown on the front of this contract apply to this contract.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The preceding NOTICE applies only to goods or services obtained primarily for personal, family or household use. In all other cases, Buyer will not assert against any subsequent holder or assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller, or against the manufacturer of the vehicle or equipment obtained under this contract.

COPY

1. FINANCE CHARGE AND PAYMENTS

- a. **How we will figure Finance Charge.** We will figure the Finance Charge on a daily basis at the Annual Percentage Rate on the unpaid part of the Amount Financed.
- b. **How we will apply payments.** We may apply each payment to the earned and unpaid part of the Finance Charge, to the unpaid part of the Amount Financed and to other amounts you owe under this contract in any order we choose.
- c. **How late payments or early payments change what you must pay.** We based the Finance Charge, Total of Payments, and Total Sale Price shown on the front on the assumption that you will make every payment on the day it is due. Your Finance Charge, Total of Payments, and Total Sale Price will be more if you pay late and less if you pay early. Changes may take the form of a larger or smaller final payment or, at our option, more or fewer payments of the same amount as your scheduled payment with a smaller final payment. We will send you a notice telling you about these changes before the final scheduled payment is due.
- d. **You may prepay.** You may prepay all or part of the unpaid part of the Amount Financed at any time without penalty. If you do so, you must pay the earned and unpaid part of the Finance Charge and all other amounts due up to the date of your payment.
- e. **Right to Refinance a Balloon Payment.** A balloon payment is a scheduled payment that is more than twice as large as the average of your earlier scheduled payments. If this contract contains a balloon payment and you do not pay it, you have the right to obtain a new payment schedule. Unless you agree otherwise, the periodic payments under the new payment schedule will not be substantially greater than the earlier scheduled payments. This provision does not apply if you did not purchase this vehicle for personal, family, or household use. It also does not apply if we adjusted your payment schedule to your seasonal or irregular income.

2. YOUR OTHER PROMISES TO US

- a. **If the vehicle is damaged, destroyed, or missing.** You agree to pay us all you owe under this contract even if the vehicle is damaged, destroyed, or missing.
- b. **Using the vehicle.** You agree not to remove the vehicle from the U.S. or Canada, or to sell, rent, lease, or transfer any interest in the vehicle or this contract without our written permission. You agree not to expose the vehicle to misuse, seizure, confiscation, or involuntary transfer. If we pay any repair bills, storage bills, taxes, fines, or charges on the vehicle, you agree to repay the amount when we ask for it.
- c. **Security Interest.**
You give us a security interest in:
 - The vehicle and all parts or goods put on it;
 - All money or goods received (proceeds) for the vehicle;
 - All insurance, maintenance, service, or other contracts we finance for you; and
 - All proceeds from insurance, maintenance, service, or other contracts we finance for you. This includes any refunds of premiums or charges from the contracts.

This secures payment of all you owe on this contract. It also secures your other agreements in this contract. You will make sure the title shows our security interest (lien) in the vehicle.

3. IF YOU PAY LATE OR BREAK YOUR OTHER PROMISES

- a. **You may owe late charges.** You will pay a late charge on each late payment as shown on the front of this contract. Acceptance of a late payment or late charge does not excuse your late payment or mean that you may keep making late payments. If you pay late, we may also take the steps described below.
- b. **You may have to pay all you owe at once.** If you break your promises (default), we may demand that you pay all you owe on this contract at once. Default means:
 - You do not pay any payment on time;
 - You give false, incomplete, or misleading information on a credit application;
 - You start a proceeding in bankruptcy or one is started against you or your property; or
 - You break any agreements in this contract.
 The amount you will owe will be the unpaid part of the Amount Financed plus the earned and unpaid part of the Finance Charge, any late charges, and any amounts due because you defaulted.
- c. **You may have to pay collection costs.** If we hire an attorney who is not our salaried employee to collect what you owe, you will pay the attorney's reasonable fee and court costs as the law allows. You will also pay any collection costs we incur as the law allows.
- d. **We may take the vehicle from you.** If you default, we may take (repossess) the vehicle from you if we do so peacefully and the law allows it. If your vehicle has an electronic tracking device, you agree that we may use the device to find the vehicle. If we take the vehicle, any accessories, equipment, and replacement parts will stay with the vehicle. If any personal items are in the vehicle, we may store them for you at your expense. If you do not ask for these items back, we may dispose of them as the law allows.
- e. **How you can get the vehicle back if we take it.** If we repossess the vehicle, you may pay to get it back (redeem). We will tell you how much to pay to redeem. Your right to redeem ends when we sell the vehicle.
- f. **We will sell the vehicle if you do not get it back.** If you do not redeem, we will sell the vehicle. We will send you a written notice of sale before selling the vehicle.
We will apply the money from the sale, less allowed expenses, to the amount you owe. Allowed expenses are expenses we pay as a direct result of taking the vehicle, holding it, preparing it for sale, and selling it. Attorney fees and court costs the law permits are also allowed expenses. If any money is left (surplus), we will pay it to you unless the law requires us to pay it to someone else. If money from the sale is not enough to pay the amount you owe, you must pay the rest to us. If you do not pay this amount when we ask, we may charge you interest at a rate not exceeding the highest lawful rate until you pay.
- g. **What we may do about optional insurance, maintenance, service, or other contracts.** This contract may contain charges for optional insurance, maintenance, service, or other contracts. If we demand that you pay all you owe at once or we repossess the vehicle, you agree that we may claim benefits under these contracts and cancel them to obtain refunds of unearned charges to reduce what you owe or repair the vehicle. If the vehicle is a total loss because it is confiscated, damaged, or stolen, we may claim benefits under these contracts and cancel them to obtain

d. insurance you must have on the vehicle.

You agree to have physical damage insurance covering loss of or damage to the vehicle for the term of this contract. The insurance must cover our interest in the vehicle. **WARNING: UNLESS YOU PROVIDE US WITH EVIDENCE OF THE PHYSICAL DAMAGE INSURANCE COVERAGE AS REQUIRED BY THIS CONTRACT, WE MAY (BUT ARE NOT REQUIRED) PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPER COVERAGE ELSEWHERE. YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR AMOUNT FINANCED. IF THE COST IS ADDED TO THE AMOUNT FINANCED, THE ANNUAL PERCENTAGE RATE ON THIS CONTRACT WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR ANOTHER DATE AFTER THAT DATE OF LAPSE. THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY WASHINGTON'S MANDATORY LIABILITY INSURANCE LAWS.** If the vehicle is lost or damaged, you agree that we may use any insurance settlement to reduce what you owe or repair the vehicle.

- e. What happens to returned insurance, maintenance, service, or other contract charges.** If we get a refund of insurance, maintenance, service, or other contract charges, you agree that we may subtract the refund from what you owe.

refunds of unearned charges to reduce what you owe.

4. WARRANTIES SELLER DISCLAIMS

The following paragraph does not affect any warranties covering the vehicle that the vehicle manufacturer may provide. It does not apply at all if you bought the vehicle primarily for personal, family, or household use.

Unless the Seller makes a written warranty, or enters into a service contract within 90 days from the date of this contract, the Seller makes no warranties, express or implied, on the vehicle, and there will be no implied warranties of merchantability or of fitness for a particular purpose.

- 5. Used Car Buyers Guide.** The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.

Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.

6. Servicing and Collection Contacts.

You agree that we may try to contact you in writing, by e-mail, or using prerecorded/artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. You also agree that we may try to contact you in these and other ways at any address or telephone number you provide us, even if the telephone number is a cell phone number or the contact results in a charge to you.

7. Applicable Law

Federal law and the law of the state of our address shown on the front of this contract apply to this contract.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The preceding NOTICE applies only to goods or services obtained primarily for personal, family or household use. In all other cases, Buyer will not assert against any subsequent holder or assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller, or against the manufacturer of the vehicle or equipment obtained under this contract.

— EXHIBIT B —

LAW 228RS-U

Pgt. 3/16

AGREEMENT TO FURNISH INSURANCE POLICY (TO BE USED WITH SECURITY AGREEMENT ON SALE OF VEHICLE)

Date 05/16/2016

TO SELLER LARSON CHRYSLER JEEP DODGE

2001 N MERIDIAN PUYALLUP WA 98371

The undersigned Buyer(s) agree(s) to furnish his/her own Insurance Policy, covering a vehicle which is the subject of a Security Agreement (the "Security Agreement") dated this 16th day of MAY, YR 2016

The vehicle referred to herein is described as follows:

Year	Make	Model	Body Type	Vehicle Identification No.
2016	DODGE TRUCK	RAM 1500	1500 LARAMIE	[REDACTED]

Such Insurance Policy must be delivered to the Seller within _____ days from the date of this Agreement. The following is not an acceptable policy: Maintenance or repair contracts, One Month Policies or Insurance Certificates that make reference to a "Master Insurance Agreement." If Seller does not receive such Policy by the time stated, Seller may (but is not required to) procure insurance of the kind and type agreed to be furnished under the terms of the Security Agreement. Such insurance may cover only Seller's interest in the vehicle.

Ins.Co. MIDDLESEX INSURANCE CO Agent SWEET P INSURANCE INC

7403 LAKEWOOD DR N STE 9 BUCKLEY WA 98321 (253) 474-6624

Policy No. [REDACTED] Exp. Date 10/28/2016

☐ Fire & Theft - ☐ Additional Coverage - ☒ \$ 500.00 Deductible Comprehensive - ☒ \$ 500.00 Deductible Collision

In the event Buyer(s) fail(s) to furnish a valid insurance policy, or written evidence of insurance, of the type required under the Security Agreement, Buyer(s) hereby agree(s) to pay to Seller or its assignees any earned premium for any policy they may have to place for the above described vehicle in accordance with repayment procedures set forth in the Security Agreement.

Buyer(s) further agree(s) to assume forthwith any and all responsibility for damage to the vehicle or resulting from the use, maintenance or operation of the vehicle, and agree to hold Seller free of any loss, claim, or liability resulting from any damage to the vehicle or from the vehicle's use, maintenance or operation.

Loss Payee

Loss Payee's Address

Sound Credit Union
POB 1595 Tacoma WA 98401

NOTICE TO BUYER: This Agreement does not authorize the ordering of Public Liability or Property Damage Insurance. Any insurance ordered by the Seller or Seller's Assignee will cover loss of or damage to the vehicle only and will not include Public Liability or Property Damage Insurance.

BUYER'S NAME (PRINT) DEBRA J FEALY

HOME PHONE [REDACTED] BUSINESS PHONE [REDACTED]

ADDRESS [REDACTED]

BUYER'S SIGNATURE

CO-BUYER'S SIGNATURE

LAW FORM NO. 228RS-U

REV 1/13

©2013 The Reynolds and Reynolds Company TO ORDER: www.reynolds.com 1-800-344-0596; fax 1-800-531-9055

THE FINDER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO CONTENT OR FITNESS FOR PURPOSE OF THIS FORM. CONSULT YOUR OWN LEGAL COUNSEL.

— **EXHIBIT C** —

Evidence of Insurance State of Washington

Named Insured(s): Debra Fealy
Vehicle: 2016 Ram 1500 Crew Long 4X4 Larami
VIN: [REDACTED]
Registered Owner(s): Debra Fealy



Policy Number: [REDACTED]
Effective: 8/1/2016
Expiration: 2/1/2017

NAIC Number: 21687

Your Agent: Chris C Faverty
4121 S Meridian Ste 1a
Puyallup, WA 98373-5974

Agent Phone: (253) 841-4800

Mid-Century Insurance Company, Woodland Hills, CA an authorized Washington insurer, certifies that it has issued an owner's liability insurance policy pursuant to the Mandatory Insurance Law of Washington. Examine the Policy Exclusions carefully. This form does not constitute any part of your insurance policy.

KEEP THIS CERTIFICATE IN YOUR VEHICLE AT ALL TIMES.

WHAT TO DO IN CASE OF AN ACCIDENT:

Contact Farmers Claim Department

Call us 24-hours a day at (800) 435-7764
Para Español, llame al (877) 732-5266

Obtain the following information:

1. Name, address, and phone number of each driver, passenger and witness.
2. Driver's license number, vehicle description and license plate numbers.
3. Vehicle damage and accident scene photos.
4. Name of Insurance company and policy number for each vehicle.
5. Report the accident to the proper authorities.
6. Do not admit fault — an investigation may later reveal you were not responsible for the accident.

Visit www.farmers.com to learn more about claim self-service options. It's quick, convenient and always open!

See policy for actual coverage language.

25-9018 7-14

new Insurance full

Coverage started 8-1-16



Washington
Evidence of Insurance



FARMERS
INSURANCE

KEEP WITH VEHICLE

Named Insured(s):
Debra Fealy

Your Agent:
Chris Faverty Ins Agency Inc
Agent Phone: (253) 841-4800

Policy Number: [REDACTED]
Effective: 8/1/2019
Expiration: 2/1/2020
NAIC Number: 21687
Underwriting Company:
Mid-Century Insurance Company
6301 Owensmouth Ave.
Woodland Hills, CA 91367
Phone: 1-888-327-6335

Fold here

Vehicle(s):
2016 Ram 1500 Crew Long 4X4 Larami
[REDACTED]

Registered Owner(s):
Debra Fealy

Started 8-1-16



New Insurance

Auto Insurance New Policy

VAF1001115

DEBRA FEALY
[REDACTED]

Your Farmers Policy

Policy Number [REDACTED]

Effective: 8/1/2016 12:01 AM

Expiration: 2/1/2017 12:01 AM

Your Farmers Agent

Chris Favery Ins Agency Inc

4121 S Meridian #1a

Puyallup, WA 98373

(253) 841-4800

cfavery@farmersagent.com

To file a claim call

1-800-435-7764

8/3/2016

Dear Debra Fealy,

Thank you for choosing Farmers Insurance for your auto insurance needs.

Enclosed are some important documents for your new policy. Please take some time and carefully review this information, which includes:

- ID cards
- Declaration page – a summary of your insurance coverages, limits, and deductibles
- Your insurance policy form and endorsements

A summary of your premium information is shown below.

Premium at-a-glance

Policy Premium	\$537.90
Fees	\$30.00
Premium and Fees	\$567.90

This is not a bill.

Your bill with the amount due will be mailed separately.

If you have any questions or would like to learn more about our other insurance products and services, please contact your agent.

We appreciate your business.

Sincerely,

Farmers Insurance Group®



Auto Insurance Declaration Page

Policy Number: [REDACTED]

Effective: 8/1/2016 12:01 AM

Expiration: 2/1/2017 12:01 AM

Named Insured(s): Debra Fealy

e-mail
Address(es): [REDACTED]

Underwritten By: Mid-Century Insurance Company
 6301 Owensmouth Ave.
 Woodland Hills, CA 91367

Premiums/Fees

Policy Premium \$537.90

Fees (*also see Information on Additional Fees below) \$30.00

Policy Premium and Fees \$567.90

This is not a bill.

Your bill with the amount due will be mailed separately.

Household Drivers

Name	Driver Status
Debra Fealy	Covered

Vehicle Information

Veh. #	Year/Make/Model/VIN	Coverage	Deductible	Limit
1	2016 Ram 1500 Crew Long 4X4 Larami 1C6RR7VT3GS305944	Comprehensive: Collision: Underinsured Motorist Property Damage:	\$1,000 \$1,000	\$25,000 each accident

Coverage Information

Coverage	Limits (applicable to all vehicles)	Premiums by Vehicle Vehicle 1
Bodily Injury Liability	\$25,000 each person \$50,000 each accident	\$155.80
Property Damage Liability	\$25,000 each accident	\$116.20
Medical Coverage		Not Covered
Underinsured Motorist Bodily Injury	\$25,000 each person \$50,000 each accident	\$83.50
Comprehensive		\$16.90
Collision		\$116.90
Underinsured Motorist Property Damage		\$25.80

farmers.com

Policy No. [REDACTED]

Questions?

 Call your agent Chris Faverty Ins
 Agency Inc at (253) 841-4800 or email
 cfaverty@farmersagent.com

Manage your account:

 Go to www.farmers.com to access
 your account any time!

Declaration Page (continued)

Coverage	Limits (applicable to all vehicles)	Premiums by Vehicle Vehicle 1
Towing and Road Service		\$4.90
Glass Deductible Buyback		\$17.90
Total Premium Per Vehicle		\$537.90
► Policy Premium		\$537.90

Fee Detail

	Vehicle 1	Total
Fees Per Vehicle	\$15.00	\$15.00
Financial Responsibility Filing		\$15.00
► Fees		\$30.00
► Policy Premium and Fees		\$567.90

Discounts

Discount Type	Applies to Vehicle(s)	Discount Type	Applies to Vehicle(s)
Transfer	1	Homeownership	1
Mature Driver	1		

Policy and Endorsements

This section lists the policy form number and any applicable endorsements that make up your insurance contract. Any endorsements that you have purchased to extend coverage on your policy are also listed in the coverages section of this declarations document: 56-5045 3rd ed.; H1171 1st ed.; J6284 1st ed.; J6674 1st ed.; WA033 1st ed.; WA038 1st ed.; WA039 1st ed.; J6491 1st ed.; WA035 3rd ed.; WA050 1st ed.; WA052 1st ed.; J6936 1st ed.; WA030 2nd ed.; WA027 1st ed.; WA047 2nd ed.; WA058 1st ed.; WA034 2nd ed.; SR22

Other Information

- Financial responsibility filing required on this policy.
- Debra Fealy's mature driver course expires on 7/7/2019.
- Please contact your Farmers agent for a free Farmers Friendly Review so that you can ensure that your family is properly protected. Your agent can explain all of the policy discounts/credits, coverage options and our various other product offerings that may be available to you.

Declaration Page (continued)

*Information on Additional Fees

The "Fees" stated in the "Premium/Fees" section on the front apply on a per-policy, not an account basis. The following additional fees also apply:

1. **Service Charge per installment** (In consideration of our agreement to allow you to pay in installments):
 - For Recurring Electronic Funds Transfer (EFT) and fully enrolled online billing (paperless): **\$0.00** (applied per account)
 - For other Recurring EFT plans: **\$2.00** (applied per account)
 - For all other payment plans: **\$5.00** (applied per account)

If this account is for more than one policy, changes in these fees are not effective until the revised fee information is provided for each policy.

2. **Late Fee: \$10.00** (applied per account)
3. **Returned Payment Charge: \$25.00** (applied per check, electronic transaction, or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account)
4. **Reinstatement Fee: \$25.00** (applied per policy)

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

Countersignature



Authorized Representative

farmers.com

Policy No. [REDACTED]

Questions?

Call your agent Chris Faverty Ins Agency Inc at (253) 841-4800 or email cfaverty@farmersagent.com

Manage your account:

Go to www.farmers.com to access your account any time!

Your E-Z Reader Car Policy



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READ YOUR POLICY CAREFULLY.

- Any additional provisions affecting your policy are attached as "endorsements."
- This policy is a legal contract between you (the policyholder) and us (the Company). **It Contains Certain Exclusions.**

Your E-Z Reader Car Policy (continued)

Agreement

We agree with you, in return for your premium payment, to insure you subject to all the terms of this policy. We will insure you for the coverages and the limits of liability shown in the Declarations of this policy.

Definitions

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations and spouse if a resident of the same household. "We," "us" and "our" mean the Company named in the Declarations which provides this insurance. In addition, certain words appear in bold type. They are defined as follows:

Accident or occurrence means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** or **property damage** neither expected nor intended by the **insured person**.

Bodily injury means bodily injury to or sickness, disease or death of any person.

Damages are the cost of compensating those who suffer **bodily injury** or **property damage** from an **accident**.

Family member means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.

Occupying means in, on, getting into or out of.

Private passenger car means a four wheel land motor vehicle of the private passenger or station wagon type actually licensed for use upon public highways. It includes any motor home with no more than six wheels and not used for business purposes.

Property damage means physical injury to or destruction of tangible property, including loss of its use.

State means the District of Columbia and any state, territory or possession of the United States, or any province of Canada.

Utility car means a land motor vehicle having at least four wheels and designed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type. This does not mean a vehicle used in any business or occupation other than farming or ranching. However, it does include a newly acquired or replacement vehicle of the same type if its usage is the same as the **utility car** described in the Declarations.

Utility trailer means a vehicle designed to be towed by a **private passenger car** and includes a farm wagon or farm implement while towed by a **private passenger car** or **utility car**. It does

not include a trailer used as an office, store, display or passenger trailer.

Your insured car means:

1. The vehicle described in the Declarations of this policy and any **private passenger car** or **utility car** with which you replace it. You must advise us within 30 days of any change of car. If your policy term ends more than 30 days after the change, you can advise us any time before the end of that term.
2. Any additional **private passenger car** or **utility car** of which you acquire ownership during the policy period. Provided that:
 - a. You notify us within 30 days of its acquisition, and
 - b. As of the date of acquisition, all **private passenger** and **utility cars** you own are insured with a member company of the Farmers Insurance Group of Companies.Ownership shall include the written leasing of a **private passenger** or **utility car** for a continuous period of at least six months.
3. Any **utility trailer**:
 - a. That you own, or
 - b. While attached to **your insured car**.
4. Any **private passenger car**, **utility car** or **utility trailer** not owned by you or a **family member** while being temporarily used as a substitute for any other vehicle described in this definition because of its withdrawal from normal use due to breakdown, repair, servicing, loss or destruction.

What to Do in Case of Accident

Notice

In the event of an **accident**, or loss, notice must be given to us promptly. The notice must give the time, place and circumstances of the **accident**, or loss, including the names and addresses of injured persons and witnesses.

Other Duties

A person claiming any coverage of this policy must also:

1. Cooperate with us and assist us in any matter concerning a claim or suit.
2. Send us promptly any legal papers received relating to any claim or suit.
3. Submit to physical examinations at our expense by doctors we select as often as we may reasonably require.
4. Authorize us to obtain medical and other records.
5. Provide any written proofs of loss we require.

6. Notify police and us if a hit-and-run motorist is involved and an underinsured motorist claim is to be filed.
7. If claiming car damage coverage:
 - a. Take reasonable steps after loss to protect the vehicle and its equipment from further loss. We will pay reasonable expenses incurred in providing that protection.
 - b. Promptly report the theft of the vehicle to the police.
 - c. Allow us to inspect and appraise the damaged vehicle before its repair or disposal.
8. Submit to examination under oath upon our request.

Part I - Liability

Coverage A - Bodily Injury

Coverage B - Property Damage

We will pay **damages** for which any **insured person** is legally liable because of **bodily injury** to any person and/or **property damage** arising out of the ownership, maintenance or use of a **private passenger car**, a **utility car**, or a **utility trailer**.

We will defend any claim or suit asking for these **damages**. We may settle when we consider it appropriate.

We will not defend any suit or make additional payments after we have paid the limit of liability for the coverage.

Additional Definitions Used in This Part Only

Insured person as used in this part means:

1. You or any **family member**.
2. Any person using **your insured car**.
3. Any other person or organization with respect only to legal liability for acts or omissions of:
 - a. Any person covered under this part while using **your insured car**.
 - b. You or any **family member** covered under this part while using any **private passenger car**, **utility car** or **utility trailer** other than **your insured car** if not owned or hired by that person or organization.

Insured person does not mean:

1. The United States of America or any of its agencies.
2. Any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
3. Any person who uses a vehicle without having sufficient reason to believe that the use is with the permission of the owner.

Your insured car as used in this part shall also include any other **private passenger car**, **utility car**, or **utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured car** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**.

Supplementary Payments

In addition to our limit of liability, we will pay these benefits as respects an **insured person**:

1. All costs we incur in the settlement of any claim or defense of any suit.
2. Interest after entry of judgment on any amount that does not exceed our limit of liability.
3.
 - a. Premiums on appeal bonds on any suit we defend.
 - b. Premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy.
 - c. Up to \$300 for the cost of bail bonds required because of **accident** or traffic law violation arising out of use of **your insured car**.
4. Actual loss of wages or salary up to \$50 a day, but not other income, when we ask you to attend a trial or hearing.
5. Expenses you incur for immediate medical and surgical treatment for others necessary at the time of the **accident** resulting in **bodily injury** covered by this part.
6. Other reasonable expenses incurred at our request.

We are not obligated to apply for or furnish any of the above bonds.

Exclusions

This coverage does not apply to:

1. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of a vehicle while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. **Bodily injury** or **property damage**:
 - a. Caused intentionally by or at the direction of an **insured person**, or
 - b. Arising from any **occurrence** caused by an intentional act of an **insured person** where the results are reasonably foreseeable.
3. **Bodily injury** or **property damage** with respect to which any person is an insured under nuclear energy insurance. This exclusion applies even if the limits of that insurance are exhausted.

Your E-Z Reader Car Policy (continued)

4. **Bodily injury** to an employee of an **insured person** arising in the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits are required.
5. **Bodily injury or property damage** for any person while employed or otherwise engaged in the business or occupation of transporting, selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways, including road testing or delivery. This exclusion does not apply to the ownership, maintenance or use of **your insured car** by you, any **family member**, or any partner, agent or employee of you or any **family member**.
6. **Bodily injury or property damage** arising out of the ownership, maintenance or use of any vehicle except a **private passenger car** by any person employed or otherwise engaged in a business other than the business described in Exclusion 5 above.
7. Damage to property owned or being transported by an **insured person**.
8. Damage to property rented to, or in the charge of an **insured person** except a residence or private garage not owned by that person.
9. **Bodily injury or property damage** arising out of the ownership, maintenance or use of any motorized vehicle with less than four wheels.
10. **Bodily injury or property damage** arising out of the ownership, maintenance or use of any vehicle other than **your insured car**, which is owned by or furnished or available for regular use by you or a **family member**.
11. Liability assumed under any contract or agreement except liability of others you assume in a written contract relating to the use of an auto you do not own.
12. Liability arising from the sponsoring or taking part in any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation, or in practice or preparation for any such contest.
13. **Bodily injury or property damage** arising out of the ownership, maintenance, or use by any person of a vehicle in which you have transferred full ownership interest but the transfer does not comply with the transfer provisions of the **state law**.
14. Punitive or exemplary **damages** or the cost of defense related to such **damages**.

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

1. The **bodily injury** liability limit for "each person" is the maximum for **bodily injury** sustained by one person in an **occurrence**. Any claim for loss of consortium or injury to relationship arising from this injury shall be included in the limit.
2. Subject to the **bodily injury** liability limit for "each person" the **bodily injury** liability limit for "each **occurrence**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any **occurrence**.
3. The **property damage** liability limit for "each **occurrence**" is the maximum for all **damages** to all property in any one **occurrence**.
4. We will pay no more than the maximum limits provided by this policy regardless of the number of vehicles insured, **insured persons**, claims, claimants, or policies, or vehicle involved in the **occurrence**.

Out of State Coverage

An **insured person** may become subject to the financial responsibility law, compulsory insurance law or similar law of another **state** or in Canada. This can happen because of the ownership, maintenance or use of **your insured car** when you travel outside of Washington. We will interpret this policy to provide any broader coverage required by those laws, except to the extent that other liability insurance applies. No person may collect more than once for the same elements of loss.

Conformity with Financial Responsibility Laws

When we certify this policy as proof under any financial responsibility law, it will comply with the law to the extent of the coverage required by the law.

Other Insurance

If there is other applicable Auto Liability Insurance on any other policy that applies to a loss covered by this part, we will pay our share. Our share is the proportion that our limits of liability bear to the total of all applicable limits.

Any insurance we provide for a vehicle you do not own shall be in excess over any other collectible insurance.

If we or any member company of the Farmers Insurance Group of Companies, issue any applicable insurance pertaining to vehicle other than **your insured car**, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

Part II - Underinsured Motorist

Coverage C - Underinsured Motorist Coverage

We will pay all sums which an **insured person** is legally entitled to recover as **damages** from the owner or operator

Your E-Z Reader Car Policy (continued)

of an **underinsured motor vehicle** because of **bodily injury** sustained by the **insured person**. The **bodily injury** must be caused by **accident** and arise out of the ownership, maintenance or use of the **underinsured motor vehicle**.

Determination as to whether an **insured person** is legally entitled to recover **damages** or the amount of **damages** shall be made by agreement between the **insured person** and us. If no agreement is reached, the decision will be made by arbitration.

Additional Definitions Used in This Part Only

As used in this part:

1. **Insured person** means:

- You or a **family member**.
- Any other person while **occupying your insured car**.
- Any person for **damages** that person is entitled to recover because of **bodily injury** to you, a **family member**, or another occupant of **your insured car**.

But, no person shall be considered an **insured person** if the person uses a vehicle without having sufficient reason to believe that the use is with permission of the owner.

2. **Motor vehicle** means a land motor vehicle or a trailer but does not mean a vehicle:

- Operated on rails.
- Located for use as a residence or premises.

3. **Underinsured motor vehicle** means:

- A **motor vehicle** with respect to the ownership, maintenance, or use of which either no **bodily injury** or **property damage** liability bond or insurance policy applies at the time of an **accident**, or with respect to which the sum of the limits of liability under all **bodily injury** or **property damage** liability bonds and insurance policies applicable to a covered person after an **accident** is less than the applicable **damages** which the covered person is legally entitled to recover.
- A hit-and-run vehicle or phantom vehicle whose operator or owner cannot be identified and which hits or which causes an **accident** resulting in **bodily injury** or **property damage** without physical contact with:
 - You or any **family member**.
 - A vehicle which you or any **family member** are **occupying**.
 - Your insured vehicle.

When there is no physical contact, the facts of the **accident** must be reported to the police within 72 hours of the **accident**. The **accident** must also be verified by

someone other than you or another person having an underinsured motorist claim from the same **accident**.

- Insured by a liability bond or policy at the time of the **accident** but the Company denies coverage or is or becomes insolvent.
- Underinsured Motor Vehicle** does not include a Motor Vehicle to which Part I Liability Coverage of this policy applies.

Exclusions

- This coverage shall not apply to the benefit of any insurer or self-insurer under any workers' compensation disability benefits law or any similar disability benefit law.
- This coverage shall not apply to punitive or exemplary **damages** or the cost of defense related to such **damages**.
- This coverage does not apply to **bodily injury** sustained by a person:
 - While **occupying a motor vehicle** owned or available for regular use by you or a **family member** for which insurance is not afforded under the Liability coverage of this policy.
 - While **occupying your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
 - During active participation in any organized or agreed-upon racing or speed contest or demonstration or in practice or preparation for any such contest.

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

- The limit for "each person" is the maximum for **bodily injury** sustained by any person in any one **accident**. Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
- Subject to the limit for "each person," the limit for "each **accident**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any one **accident**.
- Subject to the law of the **state** of the **accident**, we will pay no more than these maximums regardless of the number of vehicles insured, **insured persons**, claims, claimants, policies, or vehicles involved in the **accident**.

Other Insurance

- If any other automobile liability insurance applies to a loss covered by this part, we will pay only our share. Our share is

Your E-Z Reader Car Policy (continued)

the proportion that our limits of liability bears to the total of all applicable limits.

2. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.
3. If this policy and any other policy providing **underinsured motorist coverage** apply to the same loss, the maximum limit of liability under all policies will be the highest limit of liability that applies under any one policy.

Arbitration

If an **insured person** and we do not agree (1) that the person is legally entitled to recover **damages** from the owner or operator of an **underinsured motor vehicle**, or (2) as to the amount of payment under this Part, either that person or we may demand that the issue be determined by arbitration.

In that event, the **insured person** will select an arbitrator and we will select another. The two arbitrators will select a third. If they cannot agree on the third arbitrator within 30 days, the judge of a court having jurisdiction will appoint the third arbitrator. The **insured person** will pay the arbitrator selected by that person. We will pay the arbitrator we select. The expense of the third arbitrator and all other expenses of arbitration will be shared equally.

Arbitration will take place in the county where the **insured person** lives. Local court rules governing procedures and evidence will apply. The decision in writing of any two arbitrators will be binding subject to the terms of this insurance.

Part III - No-Fault

Coverage D - Personal Injury Protection

We will provide the benefits described below for **bodily injury** to each **insured person** caused by a **motor vehicle accident**.

1. Medical and Hospital Benefits

We will pay for all reasonable and necessary medical and hospital expenses incurred for services furnished within one year from the date of the **accident** which caused the injury. This includes drugs, artificial substitutes for parts of the body, and eye glasses. It also includes necessary x-ray, dental, ambulance, nursing and funeral services.

We will not pay more than \$10,000 for each **insured person** including a limit of \$2,000 for funeral expenses.

2. Income Continuation Benefits

We will pay up to 85% of the **insured person's** loss of income from work, subject to the following:

- a. The **insured person** must have a regular income from an occupation at which he or she was usually working at the time of the **accident**.
- b. Coverage and payment periods begin 14 days after the date of the **accident**.
- c. Coverage ends when the earliest of the following events occurs:
 - (i) when the **insured person** is able to return to his or her usual work,
 - (ii) 52 weeks after coverage begins,
 - (iii) upon the death of the **insured person**,
- d. The most we will pay to any **insured person** is \$200 per week, with a maximum of \$10,000.
- e. The total combined amount any person can receive under sick leave, any other disability or loss of income benefit, and this coverage shall not be more than 85% of the **insured person's** weekly income.
- f. Except for you, your **family members**, your guest passengers, and persons using **your insured car** with your permission, we will not pay for any **accident** which occurs outside the **state** of Washington.

3. Loss of Service Benefits

We will pay up to \$12 per day for essential services you would normally perform without pay if you were not disabled by the **accident**. This Coverage applies only to you. We will pay only for services actually performed by someone who is not a **family member**.

Coverage begins on the day of the **accident**. Coverage ends on the date you are reasonably able to perform the service yourself or upon your death. Coverage is limited to a maximum of 52 weeks.

Additional Definitions Used in This Part Only

Insured person means:

1. You or any **family member**
2. Any other person while:
 - a. a guest passenger in **your insured car**,
 - b. using **your insured car** with your permission,
 - c. a **pedestrian** if struck by **your insured car**.

Motor vehicle means a land motor vehicle or a trailer, but does not mean a vehicle:

1. Operated on rails or crawler-treads.
2. Which is a farm type tractor, or any equipment designed or modified for use principally off public roads, while not on public roads.

Your E-Z Reader Car Policy (continued)

3. Located for use as a residence or premises.

Pedestrian means a natural person while not **occupying** a **motor vehicle**.

Exclusions

1. We will not pay you or any **family member** for injury received while **occupying** any **motor vehicle** you own, or which is furnished for your regular use, but is not described in the Declarations of this policy.
2. We will not pay a **family member** for injury received while **occupying** a **motor vehicle** owned by or furnished for the regular use of that **family member**.
3. We will not pay for injury to any person:
 - a. which is caused intentionally by that person.
 - b. who is injured while taking part in any organized or agreed-upon racing or speed contest or demonstration or in practice or preparation for any such contest.
 - c. caused by war (declared or undeclared), civil war, insurrection, rebellion or revolution, or any act contributing to such activity.
 - d. resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
 - e. arising out of the ownership, maintenance or use of any motorized vehicle with less than four wheels.

Limit of Liability

Regardless of the number of vehicles insured, **insured persons**, claims, claimants, policies, or vehicles involved in the **accident**, we will pay no more than the limits of liability described in this coverage for each person injured in any one **accident**.

Any amount payable by us to an **insured person** shall be reduced by any amount payable under any workers' compensation or any similar medical or disability benefits law.

Other Insurance

If there is other applicable automobile medical payments or Personal Injury Protection for medical and hospital benefits insurance that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limits of liability bears to the total of all applicable limits.

Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

Arbitration

If any person making claim and we do not agree as to the amount of payment under this part, then by mutual written agreement the matter shall be decided by arbitration. If the parties agree

in writing, the matter shall be decided by a single arbitrator selected by the person making claim and ourselves.

If a single arbitrator is not agreed upon, then the **insured person** shall select one arbitrator and we will select another. The two arbitrators will select and agree upon a third. The decision of any two arbitrators shall be binding on the person and on us.

Payment of Benefits

No payment shall be made under this coverage unless the **insured person** or his legal representative shall have agreed in writing that the amount of such payments shall be applied toward settlement of any claim or satisfaction of any award entered in his favor under underinsured motorists coverage in this or any other policy of the Farmers Insurance Group of Companies.

Part IV - Damage to Your Car

Coverage F - Comprehensive

We will pay for **loss** to **your insured car** caused by any accidental means except **collision**, less any applicable deductibles. Any deductible amount will apply separately to each **loss**.

Loss caused by missiles, falling objects, fire, **theft** or **larceny**, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed **loss** caused by **collision**. If breakage of glass results from a **collision**, you may elect to have it treated as **loss** caused by **collision**.

Coverage G - Collision

We will pay for **loss** to **your insured car** caused by **collision** less any applicable deductibles.

Any deductible shall apply separately to each **loss**.

Coverage H - Towing and Road Service

We will pay for reasonable and necessary towing and labor costs incurred because of disablement of **your insured car**. The labor must be performed at the place of disablement.

Additional Definitions Used in This Part Only

1. **Collision** means collision of **your insured car** with another object or upset of **your insured car**.
2. **Loss** means direct and accidental loss of or damage to **your insured car**, including its equipment.
3. **Your insured car** shall also include any other **private passenger car**, **utility car**, or **utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured**

Your E-Z Reader Car Policy (continued)

car unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**.

4. **Theft or Larceny** means the unlawful taking and removal of the insured car, its parts or accessories. It does not include voluntary parting with title or possession by you or others, if induced to do so by trickery or false pretense. Such inducement may be in the form of, but not limited to, transfer of possession without a legal right to do so, embezzlement or concealment by any person in possession of the insured car under any of the following:

1. Bailment lease
2. Conditional sale
3. Purchase agreement
4. Mortgage or other claim or lien.

Supplementary Payments

1. If you have comprehensive coverage, we will pay for transportation expenses incurred by you because of the total **theft of your insured car**. We will pay up to \$15 per day, but no more than \$450 each **loss**. This coverage begins 48 hours after the theft has been reported to us and to the police and ends when the car is returned to use or when we offer settlement for the **loss**.
2. We will pay up to, but not more than \$200 for **loss** of clothing or luggage in **your insured car** and belonging to you or a **family member** if the **loss** is caused by:
 - a. **Collision of your insured car** while covered by this policy.
 - b. Fire, lightning, flood, earthquake, explosion, falling aircraft, or **theft** of the entire insured car; and **loss** occurs to **your insured car** from the same cause while covered for comprehensive by this policy.

Exclusions

This coverage does not apply to **loss**:

1. To **your insured car** while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of any of these.
3. Caused by **theft** to equipment designed for the reproduction of sound, or any radio receiving or radio receiving and transmitting equipment. This applies to such equipment as a tape player, tape recorder, citizens band radio and two-way mobile radio, telephone, television or scanning monitor

receiver. It also applies to any electronic device incorporating any of this equipment, as well as accessories and antennas.

This exclusion does not apply to that equipment which is permanently installed in the opening of the dash or console of **your insured car** normally used by the motor vehicle manufacturer for the installation of a radio or sound reproducing device.

4. Caused by **theft** to tapes, records, reels, cassettes, cartridges, carrying cases or other devices for use with equipment designed for the reproduction of sound.
5. To a camper body, canopy or **utility trailer** owned by you or a **family member** and not described in the Declarations. But, coverage does apply to a camper body, canopy or **utility trailer** ownership of which you acquire during the policy period if you ask us to insure it within 30 days after you acquire it.
6. To awnings, cabanas, or equipment designed to provide additional living facilities.
7. Due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. But coverage does apply if the **loss** results from burning of wiring. Also coverage does apply if the **loss** results from the total **theft of your insured car**.
8. To a vehicle not owned by you when used in auto business operations.
9. During any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation or in practice or preparation for any such contest.
10. To a van, pickup, or panel truck due to increased cost of repair or replacement of the following furnishings or equipment:
 - a. special carpeting, insulation, wall paneling, furniture or bars.
 - b. facilities for cooking and sleeping including enclosures or bathroom facilities.
 - c. height-extending roofs.
 - d. murals, paintings or other decals or graphics.
11. Radar Detectors

Limits of Liability

Our limits of liability for **loss** shall not exceed:

1. The amount which it would cost to repair or replace damaged or stolen property with other of like kind and quality, or with new property less an adjustment for physical deterioration and/or depreciation.

Your E-Z Reader Car Policy (continued)

2. \$500 for a **utility trailer** not owned by you, or a **family member**.

Payment of Loss

We may pay the **loss** in money or repair or replace damaged or stolen property. We may at any time before the **loss** is paid or the property is replaced return, at our expense, any stolen property either to you or to the address shown in the Declarations, with payment for the resulting damage. We may keep all or part of the property at the agreed or appraised value.

Appraisal

You or we may demand appraisal of the **loss**. Each will appoint and pay a competent and disinterested appraiser and will equally share other appraisal expenses. The appraisers, or a judge of a court having jurisdiction, will select an umpire to decide any differences. Each appraiser will state separately the actual cash value and the amount of **loss**. An award in writing by any two appraisers will determine the amount payable, which shall be binding on the parties subject to the terms of this insurance.

No Benefit to Bailee

This coverage shall not directly or indirectly benefit any carrier or other bailee for hire liable for **loss** to **your insured car**.

Other Insurance

If there is other applicable similar insurance on any other policy that applies to a **loss** covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. This coverage does not apply to any additional car if there is similar coverage on it.

Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

Part V - Conditions

1. Policy Period and Territory

This policy applies only to **accidents, occurrences**, and losses during the policy period shown in the Declarations which occur within the United States, its territories or possessions, or Canada, or while the car is being shipped between their ports.

2. Changes

This policy with the Declarations includes all agreements between you and us relating to this insurance. No other change

or waiver may be made in this policy except by endorsement or new declarations or new policy issued by us.

The premium for each term of this policy is determined by information in our possession at the inception of that term. Any changes in this information which would affect the rating of your policy will allow us to make an additional charge or refund on a pro rata basis. If a premium adjustment is necessary we will make the adjustment as of the effective date of the change. Any premium refund or amount due of less than \$5, resulting from a policy change, will be included in your next billing unless you request an immediate refund.

When we broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in your **state**. We may make other changes or replace this policy, to conform to coverage currently in use at the next policy period. The change or new policy will be delivered to you, or mailed to you at your mailing address shown in the Declarations at least 30 days before the effective date of the new policy period.

Policy terms which conflict with laws of Washington are hereby amended to conform to such laws.

3. Legal Action Against Us

We may not be sued unless there is full compliance with all the terms of this policy. We may not be sued under the Liability Coverage until the obligation of a person we insure to pay is finally determined either by judgment against that person at the actual trial or by written agreement of that person, the claimant and us. No one shall have any right to make us a party to a suit to determine the liability of a person we insure.

4. Transfer of Your Interest

Interest in this policy may not be assigned without our written consent. But, if the insured named in the Declarations or the spouse of the insured resident in the same household dies, the policy will cover:

- The survivor.
- The legal representative of the deceased person while acting within the scope of duties of a legal representative.
- Any person having proper custody of **your insured car** until a legal representative is appointed.

5. Our Right to Recover Payment

When a person has been paid **damages** by us under this policy and also recovers from another, we shall be reimbursed to the extent of our payment after that person has been fully compensated for his or her loss.

Your E-Z Reader Car Policy (continued)

Except as limited above, we are entitled to all the rights of recovery of the person to whom payment was made against another. That person must sign and deliver to us any legal papers relating to that recovery, do whatever else is necessary to help us exercise those rights and do nothing after loss to prejudice our rights.

It may be necessary for us to make payment under the Underinsured Motorist Coverage due to the insolvency of another insurance carrier. In such a case, our right of subrogation is limited to proceedings directly against the insolvent insurer or receiver. We will exercise those rights which the person insured by the insolvent insurer might otherwise have had, if he or she had personally made the payment.

6. Two or More Cars Insured

With respect to any **accident** or **occurrence** to which this and any other auto policy issued to you by any member company of the Farmers Insurance Group of Companies applies, the total limit of liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This does not apply to Part III - No-Fault, Coverage D of the policy.

7. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any insured person.

8. Termination or Reduction of Coverage

a. Cancellation or reduction of coverage:

- (1) You may cancel this policy by advising us in writing when at a future date the cancellation is to be effective.
- (2) We may cancel, change the renewal date, or cancel or reduce all or any portion of any coverage by mailing notice to you, your representative or any lienholder shown in the policy at the address shown in the Declarations or by delivering the notice:
 - (a) Not less than 10 days prior to the effective date of such cancellation, reduction, or change of renewal date for non-payment of premium.
 - (b) Not less than 20 days prior to the effective date of cancellation for all other cases.

If we cancel or reduce all or any portion of any coverage, the notice we send you will describe that portion we are cancelling or reducing.

- (3) If we modify coverage for damage to your car, by including a deductible not exceeding one hundred dollars, this shall not be deemed a cancellation of the coverage or of the policy.

- (4) (a) Our right to cancel is limited if this policy has been in effect for 60 days or is a renewal and insures either of the following:

- (i) a private passenger type auto or a station wagon, that does not carry passengers for hire nor is rented to others;
- (ii) any other four wheel motor vehicle with a load capacity of fifteen hundred pounds or less which is not used in your occupation, profession or business.

- (b) We can cancel such a vehicle only if either of the following applies:

- (i) you fail to pay the premium when due.
- (ii) your drivers license, or that of any other person who customarily operates **your insured car**, has been under suspension or revocation during policy period or within one hundred eighty days prior to any renewal.

b. Nonrenewal

We will send to you at the address shown in the Declarations, or deliver to you, notice of nonrenewal not less than 20 days before the end of the policy period, if we decide not to renew or continue this policy.

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

c. Automatic Termination

This policy will automatically terminate at the end of the policy period if you or your representative do not accept our offer to renew it. Your failure to pay the required renewal premium as we require means that you have declined our offer.

If other insurance is obtained on **your insured car**, any similar insurance afforded under this policy for that car will cease on the effective date of the other insurance.

d. Other Provisions

- (1) If different requirements for cancellation and nonrenewal or termination of policies become applicable because of the laws of Washington, we will comply with those requirements.
- (2) Mailing of a notice shall be sufficient proof of notice. We may deliver a notice instead of mailing it.
- (3) The effective date and time stated on the notice for cancellation of the entire policy shall become the end of the policy period.

Your E-Z Reader Car Policy (continued)

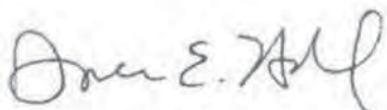
- (4) The effective date and time stated on the notice for reductions of coverage or cancellation of a portion of the coverage, shall be the effective date of the change. The notice shall be part of the policy. It is an endorsement.
- (5) Termination or change may result in a premium refund. If so, we will send it to you within 30 days after

receiving your notice. Our making or offering of a refund is not a condition of cancellation.
The refund will be computed on a pro rata basis.

This policy shall not be effective unless countersigned on the Declarations Page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below:

**FARMERS INSURANCE COMPANY OF WASHINGTON
MID-CENTURY INSURANCE COMPANY**



Secretary



Vice President

No Mexico Coverage

Read This Warning Carefully

No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an automobile **accident** a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican insurance company when needed.

FARMERS INSURANCE GROUP OF COMPANIES INCLUDES:

Farmers Insurance Company of Washington
Mid-Century Insurance Company
Fire Insurance Exchange
Truck Insurance Exchange
Farmers New World Life

Policy Endorsements

Safety Glass Deductible Buyback - Coverage F (H1171 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

For an additional premium, it is agreed that the deductible applying to Coverage F - Comprehensive is replaced by a \$100 deductible for a covered **loss** to safety glass.

Our limit of liability for **loss** is the amount necessary to replace safety glass.

92-1171 1st Edition 1-05

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Safety Glass - Waiver of Deductible Part IV - Damage to Your Car - Coverage F (J6284 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

It is agreed that if a loss to auto safety glass is repaired rather than replaced, the deductible applying to Coverage F - Comprehensive under Part IV - Damage to Your Car is waived. If the auto safety glass is replaced, the deductible applying to Comprehensive will remain in force.

93-6284 1st Edition 2-07

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Amending Customizing Equipment Exclusion - Your E-Z Reader Car Policy (J6491 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

It is agreed that your policy is amended as follows:

Under PART IV - DAMAGE TO YOUR CAR, Exclusion number 10 is deleted and replaced with:

To a van, pick-up or panel truck due to increased cost of repair or replacement of the following furnishings or equipment:

- a. Special carpeting, insulation, wall covering, furniture or bars.

Policy Endorsements (continued)

- b. Dining, kitchen and sleeping facilities including enclosures or bathroom facilities;
- c. Height-extending roofs;
- d. Murals, special paint and/or methods of painting, decals or graphics.

93-6491 1st Edition 5-07

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Customized Equipment Endorsement (J6674 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

Under **PART IV - DAMAGE TO YOUR CAR, Coverage F - Comprehensive**, and **Coverage G - Collision**, the following is added:

We will also pay for repair or replacement of **customized equipment** up to a total of \$1,000 for any one **loss** event. Multiple items of **customized equipment** lost or damaged in the same event are considered to be one **loss**.

The following definition is added to **PART IV - DAMAGE TO YOUR CAR, Additional Definitions Used In This Part Only**:

Customized equipment means any furnishings or equipment, which is permanently attached to **your insured car** and common to its use, which is not the vehicle's factory available furnishings or equipment.

This includes, but is not limited to:

- a. any video, electronic sound reproducing or transmitting equipment, and its component parts, media and data, including but not limited to DVD, Game System or MP3 player;
- b. any painted, chrome or finished surface, whether refinished in whole or in part, of any automobile insured under this Part where the claim exceeds the cost of duplicating the vehicle's factory applied surface finish;
- c. tires, wheels, rims, spinners, grilles, louvers, side pipes, hood scoops or spoilers or any exterior surface, body or exhaust equipment, or modification thereto, which exceeds the cost of repairing or replacing the vehicle's factory available equipment;
- d. any engine, transmission or suspension parts, or modification thereto, which exceeds the cost of repairing or replacing the vehicle's factory available equipment;
- e. GPS navigational systems;
- f. special carpeting, insulation, wall paneling, furniture or bars;
- g. facilities for cooking or sleeping including enclosures or bathroom facilities;
- h. height-extending roofs; or
- i. custom murals, paintings or other decals or graphics.

Under **Additional Definitions Used In This Part Only, 2.**, **loss** is deleted and replaced with:

Policy Endorsements (continued)

- 2 **Loss** means direct and accidental **loss** of or damage to **your insured car**, including its **customized equipment**.

93-6674 1st Edition 4-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Excluding Coverage for Personal Vehicle Sharing - Your E-Z Reader Car Policy (J6936 - 1st Edition)

This Endorsement is added to your policy and applies to any and all insured vehicles under your policy.

It supersedes any provision of your policy (including any endorsement of your policy) to the contrary.

It is agreed that a new section is added to your policy, following Part V of the policy, entitled "Car Sharing Provisions". This section states as follows:

Car Sharing Provisions

The following definitions are added to your policy.

Personal vehicle sharing means the operation and use of a **private passenger motor vehicle**, by persons other than the vehicle's registered owner in connection with a **personal vehicle sharing program**.

Personal vehicle sharing program means a legal entity qualified to do business in this state engaged in the business of facilitating the sharing of **private passenger motor vehicles** for noncommercial use by individuals within the state.

The following applies to all provisions of your policy, and supersedes any provision to the contrary.

Your insured vehicle does not include any **private passenger motor vehicle** during any time that it is under the operation and use of a person, other than the vehicle owner, pursuant to a **personal vehicle sharing program**, or is otherwise under the use of a **personal vehicle sharing program**.

While a **private passenger motor vehicle** is used by a person other than the insured as part of a **personal vehicle sharing program** or in a **personal vehicle sharing program** all coverage afforded under this policy is excluded in its entirety.

A **private passenger motor vehicle** that was **your insured vehicle** under this policy before it was used for **personal vehicle sharing** or in a **personal vehicle sharing program** shall become **your insured vehicle** again under this policy, subject to the terms and conditions of this policy, when both of the following occur:

- (1) The **private passenger motor vehicle** is returned to a location designated by the **personal vehicle sharing program**; and
- (2) The earliest of one of the following occurs:
 - (A) The expiration of the time period established for the vehicle in the **personal vehicle sharing program** occurs; or

Policy Endorsements (continued)

- (B) The intent to terminate the **personal vehicle sharing** use is verifiably communicated to the **personal vehicle sharing program**; or
- (C) The vehicle owner takes possession and control of the vehicle.

93-6936 1st Edition 5-12

This endorsement is part of your policy. It supersedes and controls anything to the contrary in the policy. It is otherwise subject to all other terms of the policy.

Amended Business Use Exclusion - Your E-Z Reader Car Policy - Washington (WA027 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

It is agreed that Exclusion 6, under Part I - Liability is deleted and replaced with the following:

Bodily injury or property damage arising out of the ownership, maintenance or use of any vehicle by any person employed or otherwise engaged in a business other than the business described in Exclusion 5.

This exclusion does not apply to the maintenance or use of a:

- a. **Private passenger car**.
- b. **Utility car** that you own, if rated as a **private passenger car**, or
- c. **Utility trailer** used with a vehicle described in a. or b. above.

However, this exclusion does apply to any vehicle:

- 1. While used in employment by any person whose primary duties are the delivery of products or services; or,
- 2. While used in any employment in an emergency occupation on a full-time, part-time, or volunteer basis.
Such occupations include, Fire Fighting, Ambulance, and Police activities. However, this exclusion does not apply to the vehicle described in the Declarations or any **private passenger car** or **utility car** with which you replace it.
- 3. Which is one of a fleet or pool of vehicles which are provided for the use of an **insured person** in the course of his or her employment, unless such vehicle is specifically listed in the Declarations.

94-1590 1st Edition 5-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary in the policy. It is otherwise subject to all other terms of the policy.

Policy Endorsements (continued)

Endorsement Amending Definitions, Part I - Liability, Part II - Uninsured Motorist, Part III - Medical and Part V - Conditions - Your E-Z Reader Car Policy - Washington (WA030 - 2nd Edition)

It is agreed that the definition of "you" and "your" in the Definitions section of Your E-Z Reader Car Policy, is amended to read as follows:

Throughout this policy, "you" and "your" mean the named insured shown in the Declarations or renewal notice and your spouse or registered domestic partner under applicable state law if a resident of the same household with you. Any domestic partner must be registered as required by state law prior to the date of a loss.

It is agreed that the definition of **your insured car** in the Definitions section of Your E-Z Reader Car Policy, is amended to read as follows:

Your insured vehicle means:

1. Any **private passenger car** or **utility car** described in the Declarations of this policy;
2. A **replacement vehicle**;
3. A **substitute vehicle**;
4. A **rental vehicle**;
5. An **additional vehicle**;
6. Any **utility trailer**:
 - a. That you own, or
 - b. If not owned by you, while attached to **your insured vehicle**.

It is further agreed that the following definitions for **Replacement car**, **Substitute car**, **Additional car** and **Rental vehicle** are added to the Definitions section of Your E-Z Reader Car Policy:

Replacement vehicle means a **private passenger car** or **utility car** that you acquire as a replacement of any vehicle described in the Declarations, either by purchase, or by a written lease of at least six continuous months. This definition applies only if you:

1. Acquire the **replacement vehicle** during the policy period; and
2. Notify us within 30 days of its acquisition, or before the end of the policy period, whichever is less.

A **replacement vehicle** will have the same coverage as the vehicle it replaces.

Substitute vehicle means a **private passenger car** or **utility car**, not owned by you, but being temporarily used by you as a substitute for any vehicle described in the Declarations. This applies only while the vehicle described in the Declarations is withdrawn from normal use because of breakdown, repair, servicing, **loss**, or destruction.

Additional vehicle means a **private passenger car** or **utility car** of which you acquire possession either by purchase, or by a written lease of at least six continuous months. This definition applies only if you:

1. Acquire the **additional vehicle** during the policy period; and
2. Notify us within 30 days of its acquisition or before the end of the policy period, whichever is less.

Rental vehicle means any **private passenger car**, **utility car**, or **utility trailer** having a gross vehicle weight of 12,000 pounds (lbs.) or less rented by you on a daily or weekly basis not to exceed 30 consecutive days, provided that this car or trailer is not owned by, furnished or available for regular use by you or a **family member**.

Policy Endorsements (continued)

Part I - Liability, Coverage A - Bodily Injury, Coverage B - Property Damage, Limits of Liability, is deleted and replaced with the following:

The amounts shown in the Declarations for **bodily injury** liability and **property damage** liability are the limits of liability which apply to the insurance provided by Part I, subject further to the following:

1. The **bodily injury** liability limit for each person is the maximum we will pay for all **damages** resulting from **bodily injury** sustained by any one person in any one **accident** or **occurrence**. Included in the limit, but not as a separate claim or claims, are all consequential **damages** sustained by other persons, such as loss of services, loss of support, loss of consortium, wrongful death, grief, sorrow and emotional distress.
2. The **bodily injury** liability limit for each **occurrence** is the maximum we will pay for all claims by two or more persons for all **damages** for **bodily injury** arising out of any one **accident** or **occurrence**, subject to the per person limit.
3. The **property damage** liability limit for each **accident** or **occurrence** is the maximum we will pay for all **damages** to all property arising out of any one **accident** or **occurrence**.
4. An **insured person's damages** paid or payable under this policy shall be reduced by any amount paid or payable under any workers' compensation law, disability benefit law, benefit of the United States, or any state or any political subdivision, or any similar medical or disability law.
5. If you or a **family member** have two or more automobile insurance policies with any members of the Farmers Insurance Group of Companies that provide coverage for an **accident** or **occurrence**, the insurance coverage we provide through any or all of those policies for a non-owned vehicle involved in that **accident** or **occurrence** shall not exceed the highest limit of coverage you have on any one of those policies.
6. We will pay no more than the maximum limits, as shown in the Declarations of this policy, for any one vehicle or person insured by this policy for any one **accident** or **occurrence** involving **your insured vehicle** as defined by this policy, regardless of the number of:
 - a. vehicles or premiums shown in the Declarations;
 - b. vehicles insured;
 - c. **insured persons**;
 - d. claims or claimants;
 - e. policies; or
 - f. vehicles involved in the **occurrence**.

The limits of liability provided by this policy may not be stacked or combined with the liability limits provided by any other policy issued to you or a **family member** by any member of the Farmers Insurance Group of Companies.

7. If the coverage limit on the Declarations or renewal notice is stated as a Combined Single Limit, then the limit of liability shown is the maximum limit of liability for all **bodily injury** and **property damage** resulting from any one **occurrence**. This is the most we will pay regardless of the number of:
 - a. vehicles or premiums shown in the Declarations;
 - b. vehicles insured;
 - c. **insured persons**;
 - d. claims or claimants;
 - e. policies; or
 - f. vehicles involved in the **accident** or **occurrence**.

We will apply the stated combined single limit to provide the minimum limits required by law for **bodily injury** and **property damage** liability. However, this Provision will not change our total limit of liability.

Policy Endorsements (continued)

Part II - Uninsured Motorist, Coverage C - Uninsured Motorist Coverage, Limits of Liability section is deleted and replaced with the following:

The limits of liability shown in the Declarations apply subject to the following:

1. The limit for "each person" is the maximum for **bodily injury** sustained by any person in any one **accident**. Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
2. Subject to the limit for "each person," the limit for "each accident" is the maximum combined amount for **bodily injury** sustained by two or more persons in any one **accident**.
3. We will pay no more than the maximum limits of this coverage, as shown in the Declarations of this policy, for any person or vehicle insured under this Part for any one **accident** or **occurrence** regardless of the number of:
 - a. vehicles or premiums shown in the Declarations;
 - b. vehicles insured;
 - c. **insured persons**;
 - d. claims or claimants;
 - e. policies; or
 - f. vehicles involved in the **accident** or **occurrence**.

The limits provided by this policy for this coverage may not be stacked or combined with the limits provided by any other policy issued to you or a **family member** by any of the Farmers Insurance Group of Companies.

4. The limits are not increased by insuring **additional vehicles**, even though a separate premium for each vehicle is shown on the Declarations page.

Part III - No Fault, Limits of Liability is deleted and replaced with the following:

We will pay no more than the maximum limits of this coverage, as shown in the Declarations of this policy, for any person insured under this Part for any one **accident** regardless of the number of:

- a. vehicles described in the Declarations;
- b. vehicles insured;
- c. **insured person(s)**;
- d. claims;
- e. claimants;
- f. policies; or
- g. vehicles involved in the **accident** or **occurrence** that triggers this coverage.

The limits of this coverage as provided by this policy may not be stacked, aggregated, or otherwise combined with the limits of this or similar coverage provided by any other policy issued to you or a **family member** by us or by any other member of the Farmers Insurance Group of Companies.

The limits are not increased by insuring **additional vehicles**, even though a separate premium for each vehicle is shown on the Declarations page.

Policy Endorsements (continued)

Part V - Conditions, item 2. Changes, is deleted and replaced with the following:

2. Changes to Your Policy; Your Duty to Report Changed Circumstances

This policy with the Declarations includes all agreements between you and us relating to this insurance. No other change or waiver may be made in this policy except by endorsement or new declarations or new policy issued by us.

The premium for each term of this policy is determined by information in our possession at the inception of that term. Any changes in this information which would affect the rating of your policy will allow us to make an additional charge or refund on a pro rata basis. If a premium adjustment is necessary we will make the adjustment as of the effective date of the change. Any premium refund or amount due of less than \$5, resulting from a policy change, will be included in your next billing unless you request an immediate refund.

Changes that may result in a premium change include, but are not limited to, you or a **family member** obtaining a driver's license or operator's permit, or changes in:

- a. Your address;
- b. Your garaging address;
- c. Resident drivers and additional frequent drivers;
- d. The number, type, or use classifications of **your insured vehicle**; and
- e. Coverages, deductibles, or limits of liability.

Your Duty to Report Changed Circumstances

Your policy was issued in reliance on the information you provided us, including information concerning any vehicles and persons insured by the policy. You agree to cooperate with us in determining if the information you provided and upon which we relied to issue this policy is correct and complete, and you agree to notify us if it changes during the policy period. **You agree by acceptance of this policy that all information shown on the Declarations page of your policy or on the Application is accurate. You agree that if any information changes, is incorrect or incomplete, you will notify us. We may adjust your coverage and premium accordingly during the policy period.** Any recalculation by us of your premium, or any changes we make to your coverage, based on new information acquired, will be made using the rules, rates and forms used in your **state**.

For example (and not by way of limitation), we have indicated to you certain persons that were identified by us through the underwriting process as members of your household or regular users of **your insured vehicle(s)**. You have either agreed that those persons were members of your household or regular operators of **your insured vehicle(s)**, or you have disputed those facts. To properly insure your vehicles at the appropriate rate, you must promptly notify us when:

- a. You change your address or change the place of principal garaging of any insured vehicle;
- b. Any resident operators are added or deleted;
- c. Any persons become new regular users of **your insured vehicle(s)**;
- d. You acquire an **additional** or **replacement vehicle**;
- e. You or a **family member** obtain a driver's license or operator's permit;
- f. There are changes in the use of insured vehicles;
- g. You want changes in your coverage, deductibles, or limits of liability;
- h. There are changes in your discount eligibility.

Under this policy, a regular user of a vehicle is one that drives that vehicle more than 60 days per year.

Policy Endorsements (continued)

Under this policy, an undisclosed driver is someone previously unknown to us, or someone you previously told us was not a regular user of the vehicle.

If we determine through our underwriting or claims handling processes that an undisclosed driver is a regular user of any insured vehicle, we will notify you, and provide you 14 days to add this driver to your policy. The driver will become rated on the policy when you contact your agent to add the driver, and your premium will be adjusted accordingly, effective the date the driver was added to the policy.

If at the end of the 14 day period you have not contacted your agent or us with information regarding the undisclosed driver, we will add an additional driver to the policy who will be rated with the information currently available to us.

Coverage Changes

When we broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in your **state**. We may make other changes or replace this policy, to conform to coverage currently in use at the next policy period. The change or new policy will be delivered to you, or mailed to you at your mailing address shown in the Declarations at least 30 days before the effective date of the new policy period.

Policy terms which conflict with laws of Washington are hereby amended to conform to such laws.

Part V - Conditions, item 6. **Two or More Cars Insured**, the last sentence that reads as follows is deleted:

"This does not apply to **Part III - No-Fault, Coverage D** of the policy."

Part V - Conditions, item 8 - **Termination or Reduction of Coverage**, subsection a. (2) is deleted and replaced with the following:

- (2) We may cancel coverage under this policy by mailing notice to you, your representative or any lienholder shown in the policy at the address shown in the Declarations or by delivering the notice. If we cancel coverage the notice will include the actual reason for cancellation. The notice will be delivered:
 - (a) Not less than 10 days prior to the effective date of such cancellation for non-payment of premium.
 - (b) Not less than 20 days prior to the effective date of cancellation for all other legally permissible reasons.
 - (c) After the policy is in effect for 60 days, we will cancel only:
 - (1) For nonpayment of premium; or
 - (2) If your driver's license or that of any driver who customarily uses "your covered auto" has been suspended, revoked, or cancelled. This must have occurred:
 - (i) During the policy period; or
 - (ii) If this is a renewal or continuation policy, during the policy period or the 180 days immediately preceding the effective date of the renewal or continuation policy.

In addition, Subsection b. **Non-Renewal** is deleted and replaced with the following:

We will mail to you at the address shown in the Declarations, or deliver to you, notice of non-renewal not less than 20 days before the end of the policy period, if we decide not to renew or continue this policy.

The notice will include the actual reason for not renewing your policy.

Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation which existed before the effective date of such renewal.

Policy Endorsements (continued)

Part V - Conditions, item 9, is added and made a part of this policy:

9. Even if separate premiums are shown for different vehicles insured under this policy, payment of any premium will apply to the entire policy, and thus payment of less than the minimum amount due will not be sufficient to keep the policy in force as to fewer than all vehicles shown in the Declarations.

94-1711 2nd Edition 10-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Special Waiver of Small Premium Adjustment - Washington (WA033 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

It is agreed that the following is made a Condition of this policy:

"any premium adjustment refund of less than \$7, resulting from a policy change, will be included in your next billing."

94-1754 1st Edition 6-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Amending Part II - Underinsured Motorist Coverage - Your E-Z Reader Car Policy - Washington (WA034 - 2nd Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

It is agreed that Part II of this policy is amended as follows:

Part II - Underinsured Motorist, Coverage C - Underinsured Motorist Coverage, Insuring Agreement is deleted and replaced with the following:

We will pay all sums which an **insured person** is legally entitled to recover as **damages** from the owner or operator of an **underinsured motor vehicle** because of **bodily injury** sustained by the **insured person**. The **bodily injury** must be caused by **accident** and arise out of the ownership, maintenance or use of the **underinsured motor vehicle**.

Under Additional Definitions Used in This Part Only:

Items 3b. and d. are deleted and replaced by the following:

- b. A hit-and-run vehicle or phantom vehicle whose operator or owner cannot be identified and which hits or which causes an **accident** resulting in **bodily injury** or **property damage** without physical contact with:
- (1) You or any **family member**.
 - (2) A vehicle which you or any **family member** are **occupying**.
 - (3) **Your insured car**.

Policy Endorsements (continued)

When there is no physical contact, the facts of the **accident** must be reported to the police within 72 hours of the **accident**. The facts of the **accident** must also be verified by someone other than you or another person having an underinsured motorist claim from the same **accident**.

- d. **Underinsured motor vehicle** does not include a **motor vehicle** to which Part I Liability Coverage of this policy applies. This provision does not apply to you or any **family member**.

Item 3e. is added:

- e. An **underinsured motor vehicle** does not include a **motor vehicle** owned by any governmental entity, including its subdivisions or agencies, or operated by an employee of such entity, while in the course of employment. This exclusion will not apply if the governmental entity is unable to satisfy a claim because of financial inability or insolvency.

Part II - Underinsured Motorist, Coverage C - Underinsured Motorist Coverage, Arbitration is deleted.

94-1755 2nd Edition 2-16

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Amending Part III - No-Fault Coverage D - Personal Injury Protection - Washington (WA035 - 3rd Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations

It is agreed that Part III - No-Fault, Coverage D - Personal Injury Protection is amended as follows:

1. Medical and Hospital Benefits

The first sentence is amended as follows:

The words "one year" are changed to "three years."

The second paragraph is deleted and replaced with:

We will not pay more than \$10,000 for each **insured person**. We will pay up to \$2,000 expenses. This amount is in addition to the \$10,000 limit for Medical and Hospital Benefits.

2. Income Continuation Benefits

We will pay up to 85% of the **insured person's** loss of income from work, less income earned benefit payment period, subject to the following:

- The **insured person** must have a regular income from an occupation at which he or she working at the time of the accident.
- Coverage and payment periods begin 14 days after the date of the accident.
- Coverage ends when the earliest of the following events occurs:
 - when the **insured person** is able to return to his or her usual work
 - 54 weeks from the date of the automobile accident
 - upon the death of the **insured person**
- The most we will pay to any **insured person** is \$200 per week, with a maximum of \$10,000.

Policy Endorsements (continued)

- e. The combined weekly payment an insured may receive under personal injury protection workers' compensation, disability insurance, or other income continuation benefits may be eighty-five percent of the **insured person's** weekly income from work.

3. Loss of Service Benefits

3. Loss of Service Benefits is deleted and replaced by the following:

3. Loss of Services Benefits

We will pay up to \$40 per day, not to exceed \$200 per week, up to \$5,000, for essential services you would normally perform without pay if you were not disabled by the **accident**. This Coverage only to you. We will pay only for services actually performed by someone who is not a **family member**.

Coverage begins on the day of the accident. Coverage ends on the date you are reasonably perform the service yourself, or upon your death.

Exclusions

The following is added to item 3:

- f. arising out of any **insured person's** use of a **motor vehicle** in the commission of a felony.

94-1756 3rd Edition 6-12

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Other Insurance Endorsement - Part II - Underinsured Motorist - Washington (WA038 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

All **Other Insurance** provisions under Part II, Underinsured Motorist of your policy are deleted and replaced with the following:

If this policy and any other policy providing underinsured motorist coverage apply to the same **accident**, the maximum limit of liability under all policies will be the highest limit of liability that applies under one policy. This limit applies regardless of the number of covered persons, claims made, or vehicles or premiums shown on the policy, or premiums paid, or vehicles involved in the **accident**. If other underinsured motorist coverage applies, we will pay only our fair share of the loss. That share is our proportion of the total underinsured motorist insurance that applies to the loss. But any insurance we provide when you or an **insured person** uses a vehicle you do not own will be excess over any other collectible insurance.

The phrase "any other policy providing underinsured motorist coverage" used above includes other policies issued by any member company of the Farmers Insurance Group of Companies, whether or not purchased by you, and policies issued by any other insurer.

94-1759 1st Edition 6-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Policy Endorsements (continued)

Endorsement Amending Material Damage Coverage - Your E-Z Reader Car Policy - Washington (WA039 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

Under **Part IV - Damage to Your Car, Limits of Liability**, item 1. is deleted and replaced with the following:

1. The amount which it would cost to repair or replace damaged or stolen property with other of like kind and quality, or with new property less an adjustment for physical deterioration and/or depreciation. Deductions for betterment and depreciation will be taken only for parts normally subject to repair or replacement during the useful life of **your insured car**. Deductions will be limited to the lesser of the following:
 - a. an amount equal to the proportion that the expired life of the part to be repaired or replaced bears to the normal useful life of that part.
 - b. an amount which the resale value of **your insured car** is increased by the repair or replacement.

94-1760 1st Edition 6-08

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Adding Property Damage to Underinsured Motorist Coverage - Washington (WA047 - 2nd Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

For an additional premium, **Underinsured Motorist Coverage** is amended to include the following:

We will pay **damages** for **property damage** which an **insured person** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle**. The **property damage** must be caused by **accident** and arise out of the ownership, maintenance, or use of the **underinsured motor vehicle**.

As used in this endorsement, **property damage** means physical injury or destruction of: 1) **your insured car** or 2) property contained in **your insured car** which is owned by an **insured person**.

Limit of Liability

The **property damage** liability limit shall be the limit shown in the schedule below and designated in the Declarations. The total **damages** shall be reduced by the amount available from any party held liable for the **accident**.

Policy Endorsements (continued)

Coverage Designation	Limit
P1	\$10,000
P8	\$15,000
P2	\$20,000
P3	\$25,000
P4	\$40,000
P5	\$50,000
P6	\$100,000
P10	\$250,000
P7	\$500,000
P9	\$1,000,000

A deductible of three hundred dollars will apply to **property damage** caused by a hit-and-run or phantom vehicle.

A deductible of one hundred dollars will apply for **property damage** caused by all other **underinsured motor vehicles**.

This coverage applies to **property damage** arising from an **accident** with a hit-and-run or phantom vehicle which does not make physical contact with you or **your insured car** or **your insured vehicle**, provided that:

- The facts of the **accident** can be verified by someone other than you or another person having an underinsured motorist claim from the same **accident**, and
- you or someone on your behalf reports the **accident** to the police within seventy-two hours.

94-2005 2nd Edition 12-12

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Endorsement Amending Part IV - Damage to Your Car Excluding Coverage for Diminished Value - Your E-Z Reader Car Policy - Washington (WA050 - 1st Edition)

This coverage applies only to the vehicle(s) for which this endorsement is listed on the Declarations page.

Under **Part IV - Damage to Your Car, Additional Definitions Used in this Part Only**, the following Definitions are added:

Diminution in value means any actual or perceived reduction in the resale price or market value of **your insured car**, following a **loss**. This includes any actual or perceived reduction in the resale price or market value of **your insured car** following **repair** to, or replacement of the damaged parts of, **your insured car**. **Repair** means to restore damaged or stolen property to its pre-**loss** function and appearance.

Under **Part IV - Damage to Your Car, Additional Definitions Used in this Part Only**, the following Definition number 2. **Loss** is deleted and replaced with the following:

- Loss** means direct and accidental loss of or damage to the functionality or appearance of **your insured car**, including its equipment. **Loss** does not include any actual or perceived reduction in the resale price or market value of **your insured car**.

Policy Endorsements (continued)

Under **Part IV - Damage to Your Car, Exclusions**, the following is added: To **your insured car** due to **diminution in value**.

Under **Part IV - Damage to Your Car, Limits of Liability**, is deleted and replaced with the following:

Our limits of liability for **loss** shall not exceed the lesser of:

1. The amount which it would cost to **repair** damaged or stolen property; or
2. The amount which it would cost to replace damaged or stolen property with other property of like kind; or
3. The amount which it would cost to replace damaged or stolen property with new property less an adjustment for physical deterioration and/or depreciation.
4. \$500 for a **utility trailer** not owned by you, or a **family member**.

Deductions for betterment and depreciation will be taken only for parts normally subject to **repair** or replacement during the useful life of **your insured car**. Deductions will be limited to the lesser of the following:

- a. an amount equal to the proportion that the expired life of the part to be **repaired** or replaced bears to the normal useful life of that part.
- b. an amount which the resale price or market value of **your insured car** is increased by the **repair** or replacement.

Under **Part IV - Damage to Your Car, Payment of Loss**, is deleted and replaced with the following:

At our option we may:

1. Pay the **loss** in money; or
2. **Repair** damaged or stolen property; or
3. Replace damaged or stolen property.

We may choose whichever remedy is the lesser in cost. These remedies are not cumulative.

We may at any time before the **loss** is paid or the property is replaced return, at our expense, any stolen property either to you or to the address shown in the Declarations, with payment for the resulting damage. We may keep all or part of the property at the agreed or appraised value.

94-2591 1st Edition 4-12

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

Loss Payable Provisions - Washington (WA052 - 1st Edition)

Form Reg.-335

1. Loss or damage, if any, under this policy shall be payable first to the loss payee or mortgagee (hereinafter called secured party), and, second, to the insured, as their interests may appear; Provided, That, upon demand for separate settlement by the secured party, the amount of said loss shall be paid directly to the secured party to the extent of its interest.
2. This insurance as to the interest of the secured party shall not be invalidated by any act or neglect of the insured named in said policy or his agents, employees or representatives, nor by any change in the title or ownership of the insured property: Provided, however, That, the conversion, embezzlement or secretion by the named insured or his agents, employees or representatives is not covered under said policy unless specifically insured against and premiums paid therefor.

Policy Endorsements (continued)

3. In applying the pro rata provisions of the policy, the amount payable to the secured party shall be reduced only to the extent of pro rata payments receivable by the secured party under other policies.
4. The company reserves the right to cancel the policy at any time as provided by its terms, but in such case the company shall mail to the secured party a notice stating when such cancellation shall become effective as to the interest of said secured party. The amount and form of such notice shall be not less than that required to be given the named insured, by law or by the policy provisions, whichever is more favorable to the secured party.
5. If the insured fails to render proof of loss within the time granted in the policy conditions, such secured party shall do so within sixty days after having knowledge of a loss, in form and manner as provided by the policy, and, further, shall be subject to the provisions of the policy relating to appraisal and the time of payment and bringing suit.
6. Whenever the company shall pay the secured party any sum for loss or damage under policy and shall claim that, as to the insured, no liability exists, the company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all collateral held to secure the debt, or may, at its option, pay to the secured party the whole principal due or to grow due on the mortgage or other security agreement, with interest, and shall thereupon receive a full assignment and transfer of the mortgage or other security agreement and of all collateral held to secure it; but no subrogation shall impair the right of the secured party to recover the full amount due it.
7. All terms and conditions of the policy remain unchanged except as herein specifically provided.
8. All notices sent to the secured party shall be sent to its last reported address, which must be stated in the policy or in this endorsement below.

94-2704 1st Edition 3-13

This endorsement is part of your policy. It supersedes and controls anything to the contrary in the policy. It is otherwise subject to all other terms of the policy.

Rideshare Exclusion Endorsement - Washington (WA058 - 1st Edition)

This Endorsement amends your Personal Auto Policy. Please read it carefully.

The following exclusion is added to your policy:

Rideshare Exclusion Applicable To All Coverages

We do not provide coverage under this policy for any **accident** that occurs while **your insured car** is being used in a **Personal Vehicle Sharing Program**, a **Commercial Ridesharing Program**, any **prearranged ride**, or a similar arrangement.

The following definitions are added to your policy:

Commercial Ridesharing Program means an arrangement or activity through which persons or property are transported for compensation, regardless of the amount or form of compensation charged or paid and includes the time:

1. Commencing when a driver of a **private passenger car** is available to accept transportation requests for passengers or property for compensation;
2. Between the driver accepting a transportation request and the passengers or property entering into or being loaded upon the **private passenger car** used for this request;
3. Passengers or property are in or upon the **private passenger car** used for this request; and

Policy Endorsements (continued)

4. Between the passengers or property exiting or unloading from the **private passenger car** and the driver is no longer available to accept transportation requests.

Personal Vehicle Sharing Program, means a legal entity qualified to do business in this state engaged in the business of facilitating the sharing of **private passenger motor vehicles** for noncommercial use by individuals within the state.

Prearranged Ride, means a period of time that begins when a driver accepts a transportation request through a digital network or similar connection and continues while the driver transports the rider in a **private passenger car**, and ends when the rider departs from the **private passenger car**.

The following subsection is added to the definition of **Insured Person** does not mean in **Part I – Liability, Additional Definitions Used In This Part Only**:

Insured person does not mean: Any person while **occupying**, operating or using a car that is available for hire or while using a car that is part of a **Personal Vehicle Sharing Program, Commercial Ridesharing Program** or similar arrangement.

The following paragraph is added to the definition of **Insured Person** in **Part II – Uninsured Motorist Coverage C – Uninsured Motorist Coverage (Including Underinsured Motorist Coverage)**, Additional Definitions Used In This Part Only:

Insured person does not mean: Any person while operating a car that is available for hire or while using a car that is part of a **Personal Vehicle Sharing Program, Commercial Ridesharing Program** or similar arrangement.

The following paragraph is added to the definition of **Insured Person** in **Part III – No-Fault Coverage D – Personal Injury Protection Coverage**, Additional Definitions Used In This Part Only:

Insured person does not mean: Any person while operating a car that is available for hire or while using a car that is part of a **Personal Vehicle Sharing Program, Commercial Ridesharing Program** or similar arrangement.

The following Condition is added to your policy:

You must disclose to us your participation, as either a driver or vehicle owner, in any **Commercial Ridesharing Program**, or other similar arrangement. Failure to do so may result in the rescission, cancellation or nonrenewal of your policy. This duty does not apply to a share-the-expense car pool.

94-2955 1st Edition 5-15

This endorsement is a part of the policy. It changes the policy so please read it carefully. All other terms and conditions of the policy continue to apply.



Uniform Financial Responsibility Certificate (SR22) For the state of Washington

WAFU001115

DEPARTMENT OF LICENSING
REINSTATEMENT UNIT
P.O. BOX 9030
OLYMPIA, WA 98507-9030

8/3/2016

Insured:

Debra Fealy

License Number:

OLN State:

Washington

Birth Date:

Case Number:

NAIC Code:

21687

Name of Insurance Company:

Mid-Century Insurance Company,
Woodland Hills, CA

Policy Number:

Certification effective date:

8/1/2016 12:01 AM

This certification is effective from the above date and continues until cancelled or terminated in accordance with the financial responsibility laws and regulations of this state.

- ☒ **OWNER'S POLICY:** Applicable to the following described vehicle(s) and subject to the terms and conditions defined in the owner's insurance policy.

Vehicles covered by this certificate:

Year	Make	Model	VIN
2016	Ram	1500 Crew Long 4X4 Larami	

- ☒ **OPERATOR'S POLICY:** Applicable to any vehicle not registered/titled to the above listed person and subject to the terms and conditions defined in the operator's insurance policy.

The company signatory certifies that it has issued to the above named insured a motor vehicle liability policy as required by the financial responsibility laws of this state, which policy becomes effective on the above certification effective date.

Authorized Representative

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