

**Amendment No. 4  
To  
AGREEMENT  
By and Between  
County of Monterey and Credit Consulting Services, Inc.**

This Amendment No. 4 is made and entered into, by and between the County of Monterey, a political subdivision of the State of California, on behalf of its Health Department, specifically the Environmental Health Bureau, hereinafter referred to as "County", and Credit Consulting Services, Inc., hereinafter referred to as "CONTRACTOR".

**WHEREAS**, the County and CONTRACTOR entered into an AGREEMENT for an amount not to exceed \$49,000 dated June 10, 2019 to provide debt collection services for the period of July 1, 2019 to June 30, 2020 ("AGREEMENT"); and

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT via Amendment No. 1 dated August 30, 2019 to add Exhibit B ("Monterey County Fiscal Policy"); and

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT via Amendment No. 2 to extend the term through June 30, 2021 and add funds in the amount of \$20,000 for an Agreement amount not to exceed \$69,000.

**WHEREAS**, the County and CONTRACTOR amended the AGREEMENT via Amendment No. 3 to reflect Exhibit A-1 and Exhibit B; and

**WHEREAS**, the County and CONTRACTOR wish to amend the AGREEMENT via Amendment No. 4 to extend the term through June 30, 2022.

**NOW THEREFORE**, the County and CONTRACTOR hereby agree to amend the AGREEMENT, as follows:

1. Section 3, "TERM OF AGREEMENT", is amended to read: The term of this AGREEMENT is from June 10, 2019 through June 30, 2022, unless sooner terminated pursuant to the terms of this AGREEMENT.
2. Except as provided herein, all remaining terms, conditions, and provisions of the AGREEMENT are unchanged and remain unaffected by this Amendment No. 4 and shall continue in full force and effect.
3. A copy of this Amendment No. 4 shall be attached to the AGREEMENT.
4. The recitals to this Amendment No. 4 are hereby incorporated by this reference.

IN WITNESS WHEREOF, the parties have executed this AMENDMENT No. 4 on the last day opposite the respective signatures below.

COUNTY OF MONTEREY

CONTRACTOR

By: DocuSigned by: Debra Wilson, Contracts/Purchasing Supervisor  
7B741937AA0D41B...  
Contracts/Purchasing Officer

CREDIT CONSULTING SERVICES, INC.

Date: 6/25/2021 | 9:35 AM PDT

By: \_\_\_\_\_  
Department Head (if applicable)

By: [Signature]  
(Signature of Chair, President, or Vice-President)\*

Date: \_\_\_\_\_

Approved by: DocuSigned by: Mary Grace Perry  
633031E17FD247F...

RODNEY MEEKS, PRESIDENT  
Name and Title

By: Mary Grace Perry  
Deputy County Counsel  
Date: 6/23/2021 | 5:03 PM PDT

Date: \_\_\_\_\_

Approved as to Fiscal Provisions

By: DocuSigned by: Gary Giboney  
D3834BFEC1D8449...  
Auditor/Controller  
Date: 6/25/2021 | 8:22 AM PDT

By: [Signature]  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)\*

RODNEY MEEKS, CFO  
Name and Title

Approved as to Liability Provisions

By: \_\_\_\_\_  
Risk Management

Date: 6/7/2021

Date: \_\_\_\_\_

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.





**PREMIER BUSINESSOWNERS POLICY**

PREMIER OFFICE

**FORMS AND ENDORSEMENTS SUMMARY**

Policy Period:

Policy Number: **ACP BPO 3019513357**From **11-01-20** To **11-01-21**

FORM NUMBER	TITLE
LI0021	0101 NUCLEAR ENERGY LIABILITY EXCLUSION
PB0002	1114 PREMIER BUSINESSOWNERS
PB0006	1114 PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM
PB0009	1114 PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS
PB0430	0917 PROTECTIVE SAFEGUARDS
PB0448	1114 ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION
PB0523	0715 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
PB1504	1114 ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION
PB2005	0411 OFFICE PLUS ENDORSEMENT
PB2998	0908 EXCLUSION - VIOLATION OF CONSUMER PROTEC
PB2999	0215 EXCLUSION - FUNGI OR BACTERIA
PB6072	0711 AMENDMENT TO OTHER INSURANCE CLAUSE FOR ADDITIONAL INSUREDS
PB9004	0520 CALIFORNIA AMENDATORY ENDORSEMENT
PB2099	0411 BUSINESSOWNERS ADVANTAGE
PB0412	0101 LIMITATION OF COVERAGE TO DESIGNATED PREMISES
PB1203	0101 LOSS PAYABLE PROVISIONS

**IMPORTANT NOTICES**

IN0001	0416 CONSUMER COMPLAINTS AND INFORMATION
IN7406	0107 IMPORTANT FLOOD INSURANCE NOTICE
IN7809	1115 DATA BREACH & IDENTITY RECOVERY SERVICES
IN7854	0717 PROTECTIVE SAFEGUARDS ENDORSEMENT ADVISORY NOTICE TO POLICYH

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT TO OTHER INSURANCE CLAUSE FOR  
ADDITIONAL INSUREDS – PRIMARY AND NON-  
CONTRIBUTORY WHEN REQUIRED IN A WRITTEN  
AGREEMENT OR CONTRACT WITH YOU**

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS

Only with respect to any additional insured, in the COMMON POLICY CONDITIONS, form PB 00 09, under condition H. **OTHER INSURANCE**, paragraph 2.a. is replaced by the following:

**H. OTHER INSURANCE**

2. Under any liability coverage provided by this policy,
  - a. If for injury or loss we cover, there is other valid and collectible insurance available to any additional insured under another policy, our obligations are limited as follows:
    - (1) Issued by another insurer, or if there is self insurance or similar risk retention that applies to a loss covered by this policy, then this insurance provided by us shall be excess over such other insurance, unless you have agreed in a written contract or written agreement signed prior to the loss that this insurance shall be primary:
      - (a) Then this insurance is primary. If other insurance is also primary, we will share with all that other insurance as described in d. below; and
      - (b) The coverage afforded by this insurance is non-contributory with the additional insured's own insurance.  
  
Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured to any other person or organization's policy.; or
    - (2) Issued by us or any of our affiliate companies, that applies to a loss covered by this policy, then only the highest applicable Limit of Insurance shall apply to such loss. This condition does not apply to any policy issued by us that is designed to provide Excess or Umbrella liability insurance.

**All terms and conditions of this policy apply unless modified by this endorsement.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

**A. The following is added to Section II. WHO IS AN INSURED:**

Any person or organization shown in the Schedule of this endorsement is also an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to**

**Section III. LIMITS OF INSURANCE AND DEDUCTIBLE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

**C. This insurance, including any duty we have to defend "suits", does not apply to:**

1. "Bodily injury" or "property damage" that arises out of, in whole or in part, or is a result of, in whole or in part, the active negligence of the additional insured shown in the Schedule of this endorsement.
2. "Personal and advertising injury" that arises out of any independent "personal and advertising injury" offense committed by the additional insured shown in the Schedule of this endorsement.

**All terms and conditions of this policy apply unless modified by this endorsement.**

**SCHEDULE**

**Name Of Person Or Organization:**

**COUNTY OF MONTEREY  
ITS OFFICERS, AGENTS AND EMPLOYEES  
168 W ALISAL ST FL 3RD  
SALINAS CA 939012439**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

**A. The following is added to Section II. WHO IS AN INSURED:**

Any person or organization shown in the Schedule of this endorsement is also an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to**

**Section III. LIMITS OF INSURANCE AND DEDUCTIBLE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

**C. This insurance, including any duty we have to defend "suits", does not apply to:**

1. "Bodily injury" or "property damage" that arises out of, in whole or in part, or is a result of, in whole or in part, the active negligence of the additional insured shown in the Schedule of this endorsement.
2. "Personal and advertising injury" that arises out of any independent "personal and advertising injury" offense committed by the additional insured shown in the Schedule of this endorsement.

**All terms and conditions of this policy apply unless modified by this endorsement.**

**SCHEDULE**

**Name Of Person Or Organization:**

**COUNTY OF MONTEREY  
ECONOMIC DEVELOPMENT DEPARTMENT  
168 W ALISAL ST FL 3RD  
SALINAS CA 939012439**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

**PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM**

**A. The following is added to Section II. WHO IS AN INSURED:**

Any person or organization shown in the Schedule of this endorsement is also an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to**

**Section III. LIMITS OF INSURANCE AND DEDUCTIBLE:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits Of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

**C. This insurance, including any duty we have to defend "suits", does not apply to:**

1. "Bodily injury" or "property damage" that arises out of, in whole or in part, or is a result of, in whole or in part, the active negligence of the additional insured shown in the Schedule of this endorsement.
2. "Personal and advertising injury" that arises out of any independent "personal and advertising injury" offense committed by the additional insured shown in the Schedule of this endorsement.

**All terms and conditions of this policy apply unless modified by this endorsement.**

**SCHEDULE**

**Name Of Person Or Organization:**

**COUNTY OF MONTEREY, ITS OFFICERS, AGENTS & EMPLOYEES  
CONTRACTS/PURCHASING DEPARTMENT  
1448 SCHILLING PL  
SALINA CA 939014542**

**POLICY NUMBER: ADC01727-03**



***The Solution* for Errors and Omissions Liability  
Coverage Part Declarations**

**QBE Insurance Corporation**

55 Water Street, New York, New York 10041

Home Office: c/o CT Corporation System, 600 N. 2nd Street, Suite 401, Harrisburg, Pennsylvania 17101

**CERTAIN COVERAGE SUB-PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY TO PAY JUDGMENTS OR SETTLEMENT AMOUNTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.**

**Item 1:** Parent Company: CREDIT CONSULTING SERVICES, INC. dba CCS

**Item 2:** Limits of Liability, Retentions and Retroactive Dates:

Coverage Sub-Part	Limit of Liability	Retention	Retroactive Date
A. Miscellaneous Professional Services	\$1,000,000 any one Claim \$1,000,000 in the aggregate	\$25,000 per Claim	November 1, 1986
B. Technology	N/A	N/A	N/A
C. Media Claims Made	N/A	N/A	N/A
D. Media Occurrence	N/A	N/A	N/A

**Item 3:** Errors and Omissions Combined Aggregate Limit of Liability: \$1,000,000

**Item 4:** Pending or Prior Proceedings Date: May 1, 2018



POLICY NUMBER: 72 UEC IO5817



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF THE DECLARATIONS - ADDITIONAL PERSONS OR ORGANIZATIONS DESIGNATED AS NAMED INSUREDS**

The following person(s) or organization(s) are added to the Declarations as Named Insureds:

CREDIT CONSULTING SERVICES INC  
R J LEASING  
AREA COMMUNICATION  
CREDIT CONSULTING INC PROFIT SHARING PLAN  
JEFFERY L MEEKS AS TRUSTEE OF THE  
JEFFERY L MEEKS LIVING TRUST, DATED 06/26/2013

**ADDITIONAL INSURED:**

COUNTY OF MONTEREY,  
ITS AGENTS, OFFICERS AND EMPLOYEES  
168 W ALISAL ST FL 3  
SALINAS, CA 93901

SUCH INSURANCE AS IS AFFORDED BY THIS ENDORSEMENT  
FOR THE ADDITIONAL INSURED SHALL APPLY AS PRIMARY  
INSURANCE. ANY OTHER INSURANCE MAINTAINED BY THE  
ADDITIONAL INSURED OR ITS OFFICERS AND EMPLOYEES SHALL  
BE EXCESS ONLY AND NOT CONTRIBUTING WITH THE INSURANCE  
AFFORDED BY THIS ENDORSMENT.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership or joint venture,
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **C. Lessors as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor and
  - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **D. Additional Insured if Required by Contract**

- (1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:
  - f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

- (a) The limits of insurance specified in the written contract or written agreement; or
- (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS – OF SECTION IV – BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

**E. Primary and Non-Contributory if Required by Contract**

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

**2. AUTOS RENTED BY EMPLOYEES**

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

### 3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

### 4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

### 5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

### 6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life Insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

### 7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

### 8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

**9. EXTRA EXPENSE - BROADENED COVERAGE**

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

**10. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**11. TWO OR MORE DEDUCTIBLES**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

**12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

**13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

**14. HIRED AUTO - COVERAGE TERRITORY**

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

**15. WAIVER OF SUBROGATION**

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

**16. RESULTANT MENTAL ANGUISH COVERAGE**

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

**17. EXTENDED CANCELLATION CONDITION**

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

**18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE**

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a.If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b.The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

- c.Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a.A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.
- b.A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

**19. VEHICLE WRAP COVERAGE**

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.