

**AMENDMENT NO. 2
TO AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
THE LABOR COMPLIANCE MANAGERS**

THIS AMENDMENT NO. 2 to the Agreement between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and The Labor Compliance Managers (hereinafter, "~~CONTRACTOR~~") ~~is hereby entered into between the County and the~~ **CONTRACTOR** (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, CONTRACTOR entered into an Agreement with County on February 4, 2014 (hereinafter, "Agreement") to provide on-call wage rate and labor compliance monitoring (hereinafter, "services") which provided for an initial term to commence on December 1, 2013 through and including December 31, 2015 with the option to extend the Agreement for three (3) additional one (1) year increments at the County's discretion for an amount not to exceed \$50,000; and

WHEREAS, Agreement was amended by the Parties on April 5, 2015 (hereinafter, "Amendment No. 1") to extend the term for one (1) additional year through December 31, 2016 and to increase the Agreement's not to exceed amount by \$37,400 which resulted in a not to exceed amount of \$87,400; and

WHEREAS, the County has a continued need for services; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term for one (1) additional year to December 31, 2017 and to increase the amount by \$145,000 for a total not to exceed amount of \$232,400 to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 2.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the first sentence of Paragraph 3.1 under Section 3.0, "Term of Agreement", to read as follows:

The initial term shall commence on December 1, 2013 through and including December 31, 2017, with the option to extend the Agreement for one (1) additional one (1) year increment at the County's discretion.

2. Amend the fourth Paragraph of Exhibit A, Payment Provisions, of the Agreement to read as follows:

The total fee amount paid under this Agreement shall not exceed the sum of \$232,400.

Amendment No. 2 to Agreement
The Labor Compliance Managers
On-Call Wage Rate and Labor Compliance Monitoring (RFQ#10422)
RMA
Term: December 1, 2013 to December 31, 2017
Not to Exceed: \$232,400

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

CONTRACTOR*

By: [Signature]
Contracts/Purchasing Officer

The Labor Compliance Managers
Contractor's Business Name

Date: 9-12-16

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

Its: Lindley Robertson-Downer
(Print Name and Title)

Date: 6/17/2016

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

**Approved as to Form and Legality
Office of the County Counsel**

By: [Signature]
for Cynthia L. Hasson
Deputy County Counsel

Its: SHIRLEY TREVIÑO GENERAL MGR
(Print Name and Title)

Date: June 30, 2016

Date: 6/17/16

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 6-30-16

Approved as to Indemnity and Insurance Provisions

By: _____
Risk Management

Date: _____

*INSTRUCTIONS: IF CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the 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.

Amendment No. 2 to Agreement
The Labor Compliance Managers
On-Call Wage Rate and Labor Compliance Monitoring (RFQ#10422)

RMA
Term: December 1, 2013 to December 31, 2017
Not to Exceed: \$232,400



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/6/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Utopia Insurance Services, Inc 6701 Mission Street, Unit #7 Daly City, CA 94014	CONTACT NAME: Greg Rovner
	PHONE (A/C No. Ext): (877) 867-1467 FAX (A/C No.): (877) 804-5583
INSURER(S) AFFORDING COVERAGE	
INSURER A: Sentinel Insurance Company	NAIC # 29424
INSURER B: United Financial Casualty Co.	11770
INSURER C: Darwin Select Insurance Co.	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1272600577 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	57SBMR2568	1/24/2016	1/24/2017	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	GENTL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOG					
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	05362029-10	6/18/2016	12/18/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTIONS					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	57NECFW8214	10/1/2015	10/1/2016	WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Error and Omissions Claims-Made		0305-7801	7/18/2016	7/18/2017	Each Claim \$2,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The County Of Monterey, Its Officers, Agents, and Employees are named as additional insured on a primary and non contributory basis as respects general liability per policy form SS 00 08 04 05 attached.

CERTIFICATE HOLDER County Of Monterey Contracts/Purchasing Dept. 168 W. Aisal St. 3rd Floor Salinas, CA 93901	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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UTOPIA INS SVCS INC
 PO BOX 34336
 SAN FRANCISCO, CA 94134
 1-877-867-1467



Policy number: 05362029-10
 Underwritten by:
 UNITED FINANCIAL CASUALTY COMPANY
 June 28, 2016
 Page 1 of 2

Certificate of Insurance

Certificate Holder	Insured	Agent
Additional Insured COUNTY OF MONTEREY 168 W ALISAL SALINAS, CA 93901	THE LABOR COMPLIANCE MANAGERS 515 BLUEBERRY TERRAC SAN JOSE, CA 95129	UTOPIA INS SVCS INC PO BOX 34336 SAN FRANCISCO, CA 94134

This document certifies that insurance policies identified below have been issued by the designated insurer to the Insured named above for the period(s) indicated. This Certificate is issued for information purposes only. It confers no rights upon the certificate holder and does not change, alter, modify, or extend the coverages afforded by the policies listed below. The coverages afforded by the policies listed below are subject to all the terms, exclusions, limitations, endorsements, and conditions of these policies.

Policy Effective Date: Jun 18, 2016 Policy Expiration Date: Dec 18, 2016

Insurance coverage(s)	Limits
BODILY INJURY/PROPERTY DAMAGE	\$1,000,000 COMBINED SINGLE LIMIT
UNINSURED/UNDERINSURED MOTORIST	\$250,000/\$500,000
EMPLOYER'S NON-OWNED AUTO BIPD	\$1,000,000 COMBINED SINGLE LIMIT

Description of Location/Vehicles/Special Items

Scheduled autos only	
2005 HYUNDAI SANTA FE KM8SC73D65U974441	
UNINSURED MOTORIST PROPERTY DAMAGE	\$3,500
MEDICAL PAYMENTS	\$1,000
ROADSIDE ASSISTANCE	SELECTED
2011 KIA SORENTO 5XYKT3A11BG148521	
MEDICAL PAYMENTS	\$1,000
COMPREHENSIVE	\$100 DED
COLLISION	\$100 W/WAIVER DED
RENTAL REIMBURSEMENT	\$50 PER DAY (\$1500 MAX)
ROADSIDE ASSISTANCE	SELECTED

Policy number: 05362029-10

Page 2 of 2

Certificate number

11916NET029

Please be advised that additional insureds and loss payees will be notified in the event of a mid-term cancellation.

A handwritten signature in black ink, appearing to be "K. P. M.", is written over the text.

Form 5241 (10/02)

PROGRESSIVE

WAIVER OF SUBROGATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

**Business Auto Coverage Form
Motor Truck Cargo Legal Liability Coverage Form
Commercial General Liability Coverage Form**

We agree to waive any and all subrogation claims against the person or organization designated below except for losses that are due in whole or part to the negligence or errors and omissions of the designated person or organization.

**THE COUNTY OF MONTERREY, ITS
OFFICERS, AGENTS, AND EMPLOYEES
168 W AISAL ST 3RD FLR
SALINAS CA 93901**

This endorsement applies to Policy Number: 053620297

Issued to: THE LABOR COMPLIANCE MANAGERS

Endorsement Effective: 06/18/2016

Expiration: 12/08/2016

All other terms, limits and provisions of this policy remain unchanged.

The Labor Compliance Managers
515 Blueberry Terrace
San Jose CA 95129

57SBMRH2568

BUSINESS LIABILITY COVERAGE FORM

**QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY**

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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section C. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph 1. of Section C. - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section C. - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

BUSINESS LIABILITY COVERAGE FORM

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
 - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
 - (b) You are not engaged in the business or occupation of providing such services.
- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (1) The accident takes place in the "coverage territory" and during the policy period;
 - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
 - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur;
- (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

BUSINESS LIABILITY COVERAGE FORM

b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will ~~defend that indemnitee~~ if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and ~~necessary litigation expenses incurred by the indemnitee at our request~~ will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B, - Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

- (1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

BUSINESS LIABILITY COVERAGE FORM

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

BUSINESS LIABILITY COVERAGE FORM

- (iii) "Bodily Injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire;
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily Injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts. If such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
- (ii) "Bodily Injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily Injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

BUSINESS LIABILITY COVERAGE FORM

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
 - (a) Body piercing (not including ear piercing);
 - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
 - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section D. - Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

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o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

- (a) Copyright;
- (b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. - Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

(12) Arising out of:

(a) An "advertisement" for others on your web site;

(b) Placing a link to a web site of others on your web site;

(c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

(d) Computer code, software or programming used to enable:

(i) Your web site; or

(ii) The presentation or functionality of an "advertisement" or other content on your web site;

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(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or

(15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. **Employment-Related Practices**

"Bodily Injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

(1) Whether the Insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. **Asbestos**

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".

(2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. **Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information**

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You - Exception For Damage By Fire, Lightning or Explosion

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

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2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed

before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. - Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
- (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, 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:
- (a) In connection with your premises; or
- (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:
- This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, 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:
- (a) In the performance of your ongoing operations;
- (b) In connection with your premises owned by or rented to you; or
- (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
- (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
- (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
- "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. - Limits Of Insurance.

How this Insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. - Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- Insureds;
- Claims made or "suits" brought; or
- Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- The Limits of Insurance shown in the Declarations.

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

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If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's 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, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

BUSINESS LIABILITY COVERAGE FORM

This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. - Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. - Coverages.

BUSINESS LIABILITY COVERAGE FORM

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

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

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

If you have agreed in a written contract, written agreement or permit 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 (a) and (b) 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 under this Coverage Part 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 for:

- (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, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

BUSINESS LIABILITY COVERAGE FORM

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, ~~one or more of the following Optional Additional Insured Coverages also apply.~~ When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, 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:

- a. in the performance of your ongoing operations; or
- b. in connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured ~~the person(s) or organization(s) shown in the~~ Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor Of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

BUSINESS LIABILITY COVERAGE FORM

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C, is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C, is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

BUSINESS LIABILITY COVERAGE FORM

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured - Owners, Lessees Or Contractors - Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owner, Lessees Or Contractors, 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:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured - Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured - Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. - Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. - Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

BUSINESS LIABILITY COVERAGE FORM

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

- 7. "Electronic data" means information, facts or programs:
 - a. Stored as or on;
 - b. Created or used on; or
 - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by:

- a. ~~The repair, replacement, adjustment, or removal of "your product" or "your work";~~ or
- b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. - Liability and Medical Expenses Limits of Insurance.
- b. A sidetrack agreement;
- c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; or
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. Includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph f. does not include that part of any contract or agreement:

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- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the Insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

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- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral, written or electronic publication of material that violates a person's right of privacy;
 - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
 - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- 23. "Volunteer worker" means a person who:
 - a. Is not your "employee";

BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
- c. Acts at the direction of and within the scope of duties determined by you; and
- d. ~~is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.~~

24. "Your product":

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

- c. ~~Does not include vending machines or other property rented to or located for the use of others but not sold.~~

25. "Your work":

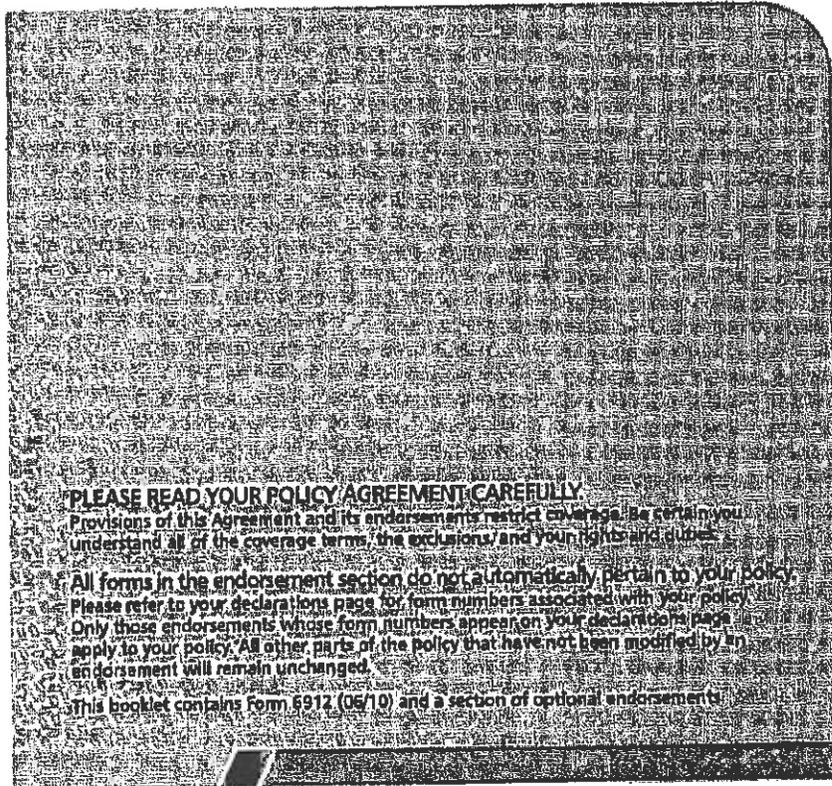
- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

1761-CA-0611



CALIFORNIA

COMMERCIAL AUTO FORMS



PLEASE READ YOUR POLICY AGREEMENT CAREFULLY.

Provisions of this Agreement and its endorsements restrict coverage. Be certain you understand all of the coverage terms, the exclusions, and your rights and duties.

All forms in the endorsement section do not automatically pertain to your policy.

Please refer to your declarations page for form numbers associated with your policy.

Only those endorsements whose form numbers appear on your declarations page

apply to your policy. All other parts of the policy that have not been modified by an

endorsement will remain unchanged.

This booklet contains Form 6912 (06/10) and a section of optional endorsements.

PROGRESSIVE

THE UNIVERSITY OF CHICAGO

PHILOSOPHY DEPARTMENT

PHILOSOPHY 101

COMMERCIAL AUTO POLICY

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COMMERCIAL AUTO POLICY

If you pay your premium when due, we will provide the insurance described in this policy.

DUTIES IN THE EVENT OF AN ACCIDENT OR LOSS

For coverage to apply under this policy, you or the person seeking coverage must promptly report each accident or loss even if you or the person seeking coverage is not at fault. Refer to your policy documents for the claims phone number.

You or the person seeking coverage must also obtain and provide us the names and addresses of all persons involved in the accident or loss, the names and addresses of any witnesses, and the license plate numbers of the vehicles involved.

If you or the person seeking coverage cannot identify the owner or operator of a vehicle involved in the accident, or if theft or vandalism has occurred, you or the person seeking coverage must notify the police within 24 hours or as soon as practicable. However, for purposes of uninsured motorist coverage when the owner or operator of a vehicle involved in the accident cannot be identified, you or the person seeking coverage must notify the police no more than 30 days after the accident.

A person seeking coverage must:

1. cooperate with us in any matter concerning a claim or lawsuit;
2. provide any written proof of loss we may reasonably require;
3. allow us to take signed and recorded statements, including sworn statements and examinations under oath, which we may conduct outside the presence of you, a relative, or any person claiming coverage, and answer all reasonable questions we may ask as often as we may reasonably require;
4. promptly call us to notify us about any claim or lawsuit and send us any and all legal papers relating to any claim or lawsuit;
5. attend hearings and trials as we require;
6. submit to medical examinations at our expense by doctors we select as often as we may reasonably require;
7. authorize us to obtain medical and other records;
8. take reasonable steps after a loss to protect the insured auto from further loss. We will pay reasonable expenses incurred in providing that protection. If failure to provide such protection results in further loss, any additional damages will not be covered under this policy;
9. allow us to have the damage to an insured auto or other auto involved in an accident or loss inspected and appraised before its repair or disposal; and
10. authorize us access to your business or personal records as often as we may reasonably require.

GENERAL DEFINITIONS

The words and phrases below, whether in the singular, plural or possessive, have the following special meanings when appearing in boldface type in this policy, and in endorsements issued in connection with this policy, unless specifically modified.

1. **"Accident"** means a sudden, unexpected and unintended event, or a continuous or repeated exposure to that event, that causes bodily injury or property damage.
2. **"Auto"** means a land motor vehicle or trailer designed for travel on public roads, or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged. It does not include mobile equipment. Self-propelled vehicles with the following types of permanently attached equipment are autos, not mobile equipment:
 - a. equipment designed and used primarily for:
 - (i) snow removal;
 - (ii) road maintenance, but not construction or resurfacing;
 - (iii) street cleaning;
 - b. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment.
3. **"Bodily injury"** means bodily harm, sickness, or disease, including death that results from bodily harm, sickness, or disease.
4. **"Declarations"** or **"declarations page"** means the document prepared by us listing your policy information, which may include the types of coverage you have elected, the limit for each coverage, the cost for each coverage, the specifically described autos covered by this policy, and the types of coverage for each specifically described auto.
5. **"Insured auto"** or **"your insured auto"** means:
 - a. Any auto specifically described on the declarations page; or
 - b. An additional auto for Part I - Liability To Others and/or Part II - Damage To Your Auto on the date you become the owner if:
 - (i) you acquire the auto during the policy period shown on the declarations page;
 - (ii) we insure all autos owned by you that are used in your business;
 - (iii) no other insurance policy provides coverage for that auto; and
 - (iv) you tell us within 30 days after you acquire it that you want us to cover it for that coverage.

If you add any coverage, increase your limits or make any other changes to this policy during the 30 day period after you acquire an additional auto,

these changes to your policy will not become effective until after you ask us to add the coverage, increase your limits or make such changes for the additional auto. We may charge premium for the additional auto from the date you acquire the auto.

With respect to Part I - Liability To Others, if we provide coverage for an additionally acquired auto in accordance with this paragraph b., we will provide the same coverage for such additional auto as we provide for any auto shown on the declarations page.

With respect to Part II - Damage To Your Auto, if we provide coverage for an auto you acquire in addition to any auto specifically described on the declarations page, and the additional auto is:

- (i) a private passenger auto, we will provide the broadest coverage we provide for any auto shown on the declarations page; or
- (ii) any auto other than a private passenger auto, and you have purchased Physical Damage coverage for at least one auto other than a private passenger auto, we will provide the broadest coverage for which the newly acquired auto is eligible.

- c. Any replacement auto on the date you become the owner if:
 - (i) you acquire the auto during the policy period shown on the declarations page;
 - (ii) the auto that you acquire replaces one specifically described on the declarations page due to termination of your ownership of the replaced auto or due to mechanical breakdown of, deterioration of, or loss to the replaced auto that renders it permanently inoperable; and
 - (iii) no other insurance policy provides coverage for that auto.

If we provide coverage for a replacement auto, we will provide the same coverage for the replacement auto as we provide for the replaced auto. We will provide that coverage for a period of 30 days after you become the owner of such replacement auto. We will not provide any coverage after this 30 day period unless within this period you ask us to insure the replacement auto. If you add any coverage, increase your limits or make any other changes to your policy during this 30 day period, these changes to your policy will not become effective until after you ask us to add the coverage, increase your limits or make such changes.

- 6. "Insured contract" means:
 - a. A lease of premises;
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

- e. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability that is vicariously imposed on another for your negligence or that of your employees or agents; or
- f. That part of any contract or agreement, entered into as part of your business, for the rental of an insured auto. However, such contract or agreement shall not be considered an insured contract to the extent that it obligates you or any of your employees to pay for property damage to any auto rented or leased to you or any of your employees.

An "insured contract" does not include that part of any contract or agreement:

- 1. That indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
- 2. That pertains to the loan, lease or rental of an auto to you or any of your employees, if the auto is loaned, leased or rented with a driver; or
- 3. That holds a person or organization engaged in the business of transporting property by auto for hire harmless for your use of an insured auto over a route or territory that person or organization is authorized to serve by public authority.

7. "Loss" means sudden, direct and accidental loss or damage.

8. "Mobile equipment" means any of the following types of land vehicles including, but not limited to, any attached machinery or equipment:

- a. Bulldozers, farm implements and machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles you use solely on premises you own or rent and on accesses to public roads from these premises, unless specifically described on the declarations page and not defined as mobile equipment under other parts of this definition;
- c. Any vehicle that travels on crawler treads, or that does not require licensing in the state in which you live or your business is licensed;
- d. Vehicles, whether self-propelled or not, used primarily to provide mobility to permanently attached:
 - (i) Power cranes, shovels, loaders, diggers or drills; or
 - (ii) Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e. Vehicles not described in Paragraphs a., b., c., or d. above that are not self-propelled and are used primarily to provide mobility to permanently attached equipment of the following types:
 - (i) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
 - (ii) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in Paragraphs a, b, c, or d, above that are self-propelled and used primarily for purposes other than transportation of persons or cargo.

However, mobile equipment does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle law are considered autos.

9. "Occupying" means in, on, entering or exiting.
10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "Private passenger auto" means a land motor vehicle:
 - a. of the private passenger, pickup body, or cargo van type;
 - b. designed for operation principally upon public roads;
 - c. with at least four wheels; and
 - d. with a gross vehicle weight rating of 12,000 pounds or less, according to the manufacturer's specifications.However, private passenger auto does not include step-vans, parcel delivery vans, or cargo cutaway vans or other vans with cabs separate from the cargo area.
12. "Property damage" means physical damage to, destruction of, or loss of use of, tangible property.
13. "Relative" means any person living in the household in which the named insured resides who is related to the named insured by blood, marriage, or adoption, including a ward or foster child. This term only applies if the named insured is a natural person.
14. "Temporary substitute auto" means any auto you do not own while used with the permission of its owner as a temporary substitute for an insured auto that has been withdrawn from normal use due to breakdown, repair, servicing, loss or destruction.
15. "Trailer" includes a semi-trailer and any piece of equipment used to convert a semi-trailer to a full trailer while it is attached to the semi-trailer.
16. "We," "us" and "our" mean the company providing this insurance as shown on the declarations page.
17. "You," "your" and "yours" refer to the named insured shown on the declarations page.

PART I - LIABILITY TO OTHERS

INSURING AGREEMENT - LIABILITY TO OTHERS

Subject to the Limits of Liability, if you pay the premium for liability coverage for the Insured auto involved, we will pay damages, other than punitive or exemplary damages, for bodily injury, property damage, and covered pollution cost or expense, for which an insured becomes legally responsible because of an accident arising out of the ownership, maintenance or use of that Insured auto. However, we will only pay for the covered pollution cost or expense if the same accident also caused bodily injury or property damage to which this insurance applies.

We will settle or defend, at our option, any claim or lawsuit for damages covered by this Part I. We have no duty to settle or defend any lawsuit, or make any additional payments, after the Limit of Liability for this coverage has been exhausted by payment of judgments or settlements.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

- A. When used in Part I - Liability To Others, insured means:
1. You with respect to an insured auto.
 2. Any person while using, with your permission, and within the scope of that permission, an insured auto you own, hire, or borrow except:
 - (a) A person while he or she is working in a business of selling, leasing, repairing, parking, storing, servicing, delivering or testing autos, unless that business is yours and it was so represented in your application.
 - (b) A person, other than one of your employees, partners (if you are a partnership), members (if you are a limited liability company), officers or directors (if you are a corporation), or a lessee or borrower or any of their employees, while he or she is moving property to or from an insured auto.
 - (c) The owner or anyone else from whom the insured auto is leased, hired, or borrowed unless the insured auto is a trailer connected to a power unit that is an insured auto. However, this exception does not apply if the Insured auto is specifically described on the declarations page.For purposes of this subsection A.2., an insured auto you own includes any auto specifically described on the declarations page.
 3. Any other person or organization, but only with respect to the legal liability of that person or organization for acts or omissions of any person otherwise covered under this Part I - Liability To Others.

If we make a filing or submit a certificate of insurance on your behalf with a regulatory or governmental agency, the term "Insured" as used in such filing or certificate, and in any related endorsement, refers only to the person or organization named on such filing, certificate or endorsement.

- B. When used in Part I - Liability To Others, insured auto also includes:
1. Trailers designed primarily for travel on public roads, while connected to your insured auto that is a power unit;
 2. Mobile equipment while being carried or towed by an insured auto; and
 3. Any temporary substitute auto.
- C. When used in Part I - Liability To Others, "covered pollution cost or expense" means any cost or expense arising out of:
1. Any request, demand, order, or statutory or regulatory requirement; or
 2. Any claim or suit by or on behalf of a governmental authority demanding that the insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, pollutants.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of pollutants:

- a. That are, or that are contained in any property that is:
 - (i) Being transported or towed by, handled, or handled for movement into, onto, or from, the insured auto;
 - (ii) Otherwise in the course of transit by or on behalf of the insured; or
 - (iii) Being stored, disposed of, treated, or processed in or upon the insured auto;
- b. Before the pollutants or any property in which the pollutants are contained are moved from the place where they are accepted by the insured for movement into or onto the insured auto; or
- c. After the pollutants or any property in which the pollutants are contained are moved from the insured auto to the place where they are finally delivered, disposed of, or abandoned by the insured.

The above Paragraph a. of this definition does not apply to fuels, lubricants, fluids, exhaust gasses or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the insured auto or its parts, if:

- (1) The pollutants escape, seep, migrate, or are discharged, dispersed or released directly from an insured auto part designed by its manufacturer to hold, store, receive or dispose of such pollutants and is a part that would be required for the customary operation of the insured auto; and
- (2) The bodily injury, property damage or covered pollution cost or expense does not arise out of the operation of any equipment listed in Paragraphs b. and c. of the definition of auto.

The above Paragraphs b. and c. of this definition do not apply to accidents that occur away from premises owned by or rented to an insured with respect to pollutants not in or upon an insured auto if:

- (1) The pollutants or any property in which the pollutants are contained are

- upset, overturned or damaged as a result of the maintenance or use of an insured auto; and
- (2) The discharge, dispersal, release or escape of the pollutants is caused directly by such upset, overturn or damage.

ADDITIONAL PAYMENTS

In addition to our Limit of Liability, we will pay for an insured:

1. all expenses that we incur in the settlement of any claim or defense of any lawsuit;
2. interest accruing after entry of judgment on that part of the judgment that does not exceed our Limit of Liability. This payment does not apply if we have not been given notice of suit or the opportunity to defend an Insured. Our payment, offer in writing, or deposit in court of that part of the judgment which does not exceed our Limit of Liability ends our duty to pay interest which accrues after the date of our payment, written offer or deposit;
3. the premium on any appeal bond or attachment bond required in any lawsuit we defend. We have no duty to purchase a bond in a principal amount exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds;
4. up to \$2,000 for cost of bail bonds required because of an accident we cover. We have no duty to apply for or furnish these bonds;
5. reasonable expenses incurred by an insured at our request, including loss of earnings up to \$250 a day; and
6. all court costs taxed against the insured in any "suit" against the Insured we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

OUT-OF-STATE COVERAGE EXTENSION

If an accident to which this Part I applies occurs in any state, territory, or possession of the United States of America, Puerto Rico, or any province or territory of Canada, other than the state in which an Insured auto is principally garaged, and the state, province, territory or possession has:

1. a financial responsibility or similar law requiring limits of liability for bodily injury or property damage higher than the limits shown on the declarations page, this policy will provide the higher limit; or
2. a compulsory insurance or similar law requiring a non-resident to maintain insurance whenever the non-resident uses an auto in that state, province, territory or possession, this policy will provide the greater of:
 - a. the required minimum amounts and types of coverage; or
 - b. the Limits of Liability under this policy.

This extension does not apply to the limit or limits specified by any law governing commercial carriers of passengers or property.

We will not pay anyone more than once for the same elements of loss because of this extension.

EXCLUSIONS - PLEASE READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE FOR AN ACCIDENT OR LOSS WILL NOT BE AFFORDED UNDER THIS PART I - LIABILITY TO OTHERS.

Coverage under this Part I, including our duty to defend, does not apply to:

1. **Expected or Intended Injury**
Bodily injury or property damage either expected by or caused intentionally by or at the direction of any insured.
2. **Contractual**
Any liability assumed by an insured under any contract or agreement, unless the agreement is an insured contract that was executed prior to the occurrence of any bodily injury or property damage.

However, this exclusion does not apply to liability for damages that an insured would have in the absence of the contract or agreement.

3. **Worker's Compensation**
Any obligation for which an insured or an insurer of that insured, even if one does not exist, may be held liable under workers' compensation, unemployment compensation, disability benefits law, or any similar law.
4. **Nuclear Energy Liability**
An accident for which any person is insured under nuclear energy liability insurance. This exclusion applies even if the limits of that insurance are exhausted.
5. **Employee Indemnification and Employer's Liability**
Bodily injury to:
 - a. An employee of any insured arising out of or within the course of:
 - (i) That employee's employment by any insured; or
 - (ii) Performing duties related to the conduct of any insured's business; or
 - b. The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to bodily injury to a domestic employee if benefits are neither paid nor required to be provided under any workers' compensation, disability benefits, or similar law, or to liability for bodily injury assumed by the insured under an insured contract. For the purposes of this policy, a domestic employee is a person engaged in household or domestic work performed principally in connection with a residence premises.

6. Fellow Employee

Bodily Injury to:

- a. a fellow employee of an insured injured while within the course of their employment or while performing duties related to the conduct of your business.
- b. the spouse, child, parent, brother, or sister of that fellow employee as a consequence of Paragraph a. above.

7. Care, Custody or Control

Property damage to, or covered pollution cost or expense involving, any property owned by, rented to, being transported by, used by, or in the care, custody or control of the insured, including any motor vehicle operated or being towed. But this exclusion does not apply to liability assumed under a sidetrack agreement.

8. Movement of Property by Mechanical Device

Bodily injury or property damage resulting from or caused by the movement of property by a mechanical device, other than a hand truck, not attached to an insured auto.

9. Handling of Property

Bodily injury or property damage resulting from or caused by the handling of property:

- a. before it is moved from the place where it is accepted by the insured for movement into or onto your insured auto; or
- b. after it has been moved from your insured auto to the place where it is finally delivered by the insured.

10. Pollution

Bodily injury or property damage resulting from or caused by the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of any pollutants:

- a. That are, or that are contained in any property that is:
 - (i) Being transported or towed by, handled, or handled for movement into, onto, or from, the insured auto;
 - (ii) Otherwise in the course of transit by or on behalf of the insured; or
 - (iii) Being stored, disposed of, treated, or processed in or upon the insured auto;
- b. Before the pollutants or any property in which the pollutants are contained are moved from the place where they are accepted by the insured for movement into or onto the insured auto; or

- c. After the pollutants or any property in which the pollutants are contained are moved from the insured auto to the place where they are finally delivered, disposed of, or abandoned by the insured.

The above Paragraph a. of this exclusion does not apply to fuels, lubricants, fluids, exhaust gasses, or other similar pollutants that are needed for or result from the normal electrical, hydraulic, or mechanical functioning of the insured auto or its parts, if:

- (1) The pollutants escape, seep, migrate, or are discharged, dispersed, or released directly from an insured auto part designed by its manufacturer to hold, store, receive, or dispose of such pollutants and is a part that would be required for the customary operation of the insured auto; and
- (2) The bodily injury, property damage, or covered pollution cost or expense does not arise out of the operation of any equipment listed in Paragraphs b. and c. of the definition of auto.

The above Paragraphs b. and c. of this exclusion do not apply to accidents that occur away from premises owned by or rented to an insured with respect to pollutants not in or upon an insured auto if:

- (1) The pollutants or any property in which the pollutants are contained are upset, overturned, or damaged as a result of the maintenance or use of an insured auto; and
- (2) The discharge, dispersal, seepage, migration, release, or escape of the pollutants is caused directly by such upset, overturn, or damage.

11. **Racing**
Bodily injury or property damage arising out of you or an insured participating in, or preparing for, a prearranged or organized racing, speed or demolition contest, stunting activity, or performance contest.

12. **War**
Bodily injury or property damage arising directly or indirectly out of:
- a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. **Operations**
Bodily injury, property damage, or covered pollution cost or expense arising out of the operation of:
- a. any equipment listed in Paragraphs b. and c. of the definition of auto; or
 - b. machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of mobile equipment if it were not subject to a compulsory or financial responsibility law where it is licensed or principally garaged.

14. Completed Operations

Bodily injury or property damage arising out of, or caused by, your work after that work has been completed or abandoned.

For purposes of this exclusion, your work means:

- a. Work or operations performed by you or on your behalf;
- b. Materials, parts, or equipment furnished in connection with such work or operations; and
- c. The delivery of liquids.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability, or performance of any of the items included in Paragraphs a., b., or c. above.

Your work will be deemed completed at the earliest of the following times:

- a. When all of the work called for in your contract has been completed.
- b. When all of the work to be done at a particular site has been completed if your contract calls for work at more than one site.
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair, or replacement, but which is otherwise complete, will be treated as completed.

LIMIT OF LIABILITY

We will pay no more than the Limit of Liability shown on the declarations page for this coverage for the insured auto involved in the accident regardless of:

1. the number of premiums paid;
 2. the number of insured autos or trailers shown on the declarations page;
 3. the number of policies issued by us;
 4. the number of vehicles or insureds involved in an accident; or
 5. the number of claims or lawsuits arising out of an accident,
- subject to the following:

1. Coverage Required by Filings

If we have filed a certificate of insurance on your behalf with any regulatory or governmental agency, and:

- (i) we are required to pay any judgment entered against you; or
- (ii) we agree to settle a claim or lawsuit;

for bodily injury, property damage, or covered pollution cost or expense arising out of an accident or loss otherwise not covered under the terms of this policy solely because of such certificate of insurance, we will be obligated to pay no more than the minimum amount required by that agency or applicable law. If

any payment is based solely on such certificate, you must reimburse us in full for our payment, including legal fees and costs we incurred, whether the payment is made as a result of judgment or settlement.

2. Combined Bodily Injury and Property Damage Limits

Subject to the terms of Section 1 above, if your declarations page indicates that combined bodily injury and property damage limits apply for "each accident" or "combined single limit" applies, the most we will pay for the aggregate of all damages and covered pollution cost or expense combined, resulting from any one accident, is the combined liability insurance limit shown on the declarations page for the insured auto involved in the accident.

3. Separate Bodily Injury Liability and Property Damage Liability Limits

Subject to the terms of Section 1 above, if your declarations page indicates that separate bodily injury liability and property damage liability limits apply:

- a. The "each person" bodily injury liability limit listed on the declarations page for the insured auto involved in the accident is the maximum we will pay for bodily injury sustained by any one person in any one accident, and that "each person" maximum limit will apply to the aggregate of claims made for such bodily injury and any and all claims derived from such bodily injury including, but not limited to, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.
- b. Subject to the bodily injury liability limit for "each person", the "each accident" bodily injury liability limit listed on the declarations page for the insured auto involved in the accident is the maximum we will pay for bodily injury sustained by two or more persons in any one accident, including all derivative claims which include, but are not limited to, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.
- c. The "each accident" property damage liability limit listed on the declarations page for the insured auto involved in the accident is the maximum we will pay for the aggregate of all property damage and covered pollution cost or expense combined, sustained in any one accident.

For the purpose of determining our Limit of Liability under Sections 1, 2, and 3. above, all bodily injury, property damage, and covered pollution cost or expense, resulting from continuous or repeated exposure to substantially the same event, shall be considered as resulting from one accident.

An insured auto and any trailer or trailers attached thereto shall be deemed to be one auto with respect to our Limit of Liability.

Any amount payable under Part I - Liability To Others to or for an injured person will be reduced by any payment made to that person under any Uninsured Motorist Coverage,

Underinsured Motorist Coverage, Personal Injury Protection Coverage, or Medical Payments Coverage provided by this policy.

PART II - DAMAGE TO YOUR AUTO

INSURING AGREEMENT - COLLISION COVERAGE

Subject to the Limits of Liability, if you pay the premium for Collision Coverage, we will pay for loss to your Insured auto and its permanently attached equipment when it collides with another object or overturns.

INSURING AGREEMENT - COMPREHENSIVE COVERAGE

Subject to the Limits of Liability, if you pay the premium for Comprehensive Coverage, we will pay for loss to your Insured auto and its permanently attached equipment from any cause other than those covered under Collision Coverage.

Any loss caused by missiles, falling objects, fire, theft, collision with an animal, or accidental glass breakage shall be deemed a Comprehensive loss. However, you have the option of having glass breakage caused by a covered auto's collision or overturn considered a loss under Collision Coverage.

INSURING AGREEMENT - FIRE AND THEFT WITH COMBINED ADDITIONAL COVERAGE (CAC)

Subject to the Limits of Liability, if you pay the premium for Fire and Theft with Combined Additional Coverage (CAC), we will pay for loss to your Insured auto and its permanently attached equipment caused by:

1. fire, lightning or explosion;
2. theft;
3. windstorm or hail;
4. earthquake;
5. flood or rising water;
6. malicious mischief or vandalism;
7. the stranding, sinking, burning, collision, or derailment of any conveyance in or upon which your Insured auto is being transported; or
8. collision with a bird or animal.

No losses other than those specifically described above will be covered under Part II of this policy.

ADDITIONAL COVERAGE

1. **Transportation Expenses**

We will pay up to \$30 per day, up to a maximum of \$900, for temporary transporta-

tion expenses incurred by you because of the theft of an insured auto that is a private passenger auto. This coverage applies only to those insured autos for which you carry Comprehensive Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after you report the theft to us, and ending when the insured auto is returned to use, or we pay for its loss.

2. Coverage for Temporary Substitute Autos

If a temporary substitute auto is involved in a loss, we will provide the same coverage and deductible that would have applied to the insured auto for which it is a substitute. The most we will pay for loss to a temporary substitute auto is the lesser of the Actual Cash Value at the time of loss or the cost of repairing or replacing the damaged or stolen property with like kind and quality, less the applicable deductible.

3. Pet Injury Coverage

If you have purchased Collision Coverage for at least one insured auto listed on the declarations page, Pet Injury Coverage is included in your policy.

Insuring Agreement

If a pet sustains injury or death while inside an insured auto at the time of a loss covered under Collision, Comprehensive, or Fire & Theft with Combined Additional Coverage, we will pay:

1. for reasonable and customary veterinary fees incurred by you or the owner of the pet if the pet is injured in, or as a direct result of, the covered loss; or
2. a death benefit if the pet dies in, or as a direct result of, the covered loss.

In the event of a covered loss due to the theft of an insured auto, we will provide the death benefit provided the pet is not recovered.

Limits of Liability

The following additional Limits of Liability apply to Pet Injury Coverage:

1. The most we will pay for all damages in any one loss is a total of \$1,000 regardless of the number of pets involved.
2. If the pet dies in, or as a direct result of, a covered loss, we will provide a death benefit of \$1,000, less any payment we made toward veterinary expenses for the pet.
3. No deductible shall apply to this coverage.

ADDITIONAL PAYMENTS

If you have paid the premium for Comprehensive Coverage, Collision Coverage, or Fire and Theft with Combined Additional Coverage, then in addition to our Limit of

Liability, we will pay:

1. All reasonable expenses necessary to return a stolen insured auto to you, unless we determine the auto to be a total loss.
2. All reasonable expenses necessary to remove an insured auto from the site of an accident or loss and transport it to a repair facility.

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY

When used in Part II - Damage To Your Auto:

1. "Finance agreement" means a written lease or loan contract, entered into, as a part of your business, pertaining to the lease or purchase by you of an insured auto, and subject to a valid promissory note or written payment obligation contained in a lease, and security agreement or other written agreement establishing a security interest, executed concurrently with the purchase or lease of the insured auto.
2. "Permanently attached equipment" or "PAE" means equipment and devices that are permanently installed or attached to your insured auto. Permanently attached equipment also includes:
 - a. accessories designed to work as part of the equipment or devices;
 - b. load securing equipment and devices; and
 - c. custom paint or decals.
3. "Pet" means a dog or cat occupying an insured auto with your express or implied consent.
4. "Total loss" means any loss to the insured auto that is payable under this Part II if the cost to repair the damage (including parts and labor), when combined with the salvage value, exceeds the actual cash value of the insured auto at the time of the loss.

EXCLUSIONS - PLEASE READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE FOR AN ACCIDENT OR LOSS WILL NOT BE AFFORDED UNDER THIS PART II - DAMAGE TO YOUR AUTO.

1. We will not pay for loss caused by or resulting from any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - a. **War or Military Action**
 - (1) war, including undeclared or civil war;
 - (2) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or agents;
 - (3) insurrection, rebellion, revolution, usurped power or action taken by governmental authority hindering or defending against any of these.

- b. **Nuclear Hazard**
- (1) the explosion of any weapon employing atomic fission or fusion; or
 - (2) nuclear reaction or radiation, or radioactive contamination, however caused.
2. We will not pay for loss to any sound equipment, video equipment or transmitting equipment not permanently installed in your insured auto, or to tapes, records, compact discs, DVDs or similar items used with sound or video equipment.
3. We will not pay for loss to radar detectors or to any other equipment or device designed or used to detect speed measuring equipment, or to any equipment designed or used to jam or disrupt any speed measuring equipment.
4. We will not pay for loss due and confined to:
- a. wear and tear, freezing, mechanical or electrical breakdown.
 - b. blowouts, punctures or other road damage to tires.
- But, coverage does apply if the damage is the result of other loss covered by the policy.
5. We will not pay for loss incurred while your insured auto is used in any illicit trade or transportation, or due to your insured auto's destruction or confiscation by governmental or civil authorities because you, or, if you are a natural person, any relative, engaged in illegal activities.
6. We will not pay for loss caused by you or an insured participating in or preparing for a prearranged or organized racing, speed or demolition contest, stunting activity or performance contest.
7. We will not pay for loss to an insured auto for diminution of value.
8. If we pay your financial obligation under a finance agreement, we will not pay:
- a. Overdue finance agreement payments including any type of late fees or penalties;
 - b. Financial penalties imposed under a finance agreement for excessive use, abnormal wear and tear, or high mileage;
 - c. Security deposits not normally refunded by the lessor or lender;
 - d. Cost of finance agreement related products such as, but not limited to, Credit Life Insurance, Health, Accident or Disability Insurance purchased by you;
 - e. Carry-over balances from previous finance agreements or other amounts not associated with the insured auto; or
 - f. Unpaid principal included in the outstanding finance agreement balance that was not used by you to purchase the insured auto.

LIMIT OF LIABILITY

1. If the declarations page shows Actual Cash Value for the insured auto, then the

most we will pay for loss to your Insured auto is the least of:

- a. the actual cash value of the stolen or damaged property at the time of loss;
- b. the amount necessary to replace the stolen or damaged property with other of like kind and quality; or
- c. the amount necessary to repair the damaged property to its pre-loss physical condition, however if we determine that the Insured auto is a total loss, we may, at our option, pay the lesser of the actual cash value, or the cost to replace, rather than repair, the Insured auto.

Permanently attached equipment is covered to the limit shown on the declarations page. This limit includes transfer of undamaged PAE to another Insured auto, but will not increase the PAE limit shown on the declarations page.

2. If the declarations page shows Stated Amount for the Insured auto, then the most we will pay for loss to your Insured auto is the least of:
 - a. the actual cash value of the stolen or damaged property at the time of loss;
 - b. the amount necessary to replace the stolen or damaged property with other of like kind and quality;
 - c. the amount necessary to repair the damaged property to its pre-loss physical condition, however if we determine that the Insured auto is a total loss, we may, at our option, pay the lesser of the actual cash value, Stated Amount, or the cost to replace, rather than repair the Insured auto; or
 - d. the applicable Stated Amount of the property as shown on the declarations page.

However, if there is a finance agreement in place for the Insured auto, subject to the Stated Amount shown on the declarations page, the most we will pay for a total loss where a finance agreement exists and the Stated Amount is equal to or greater than the outstanding financial obligation, is the greater of:

- a. The outstanding financial obligation under a finance agreement for an Insured auto at the time of the loss; or
- b. The actual cash value of the Insured auto at the time of the loss.

In no event will we pay more than the Stated Amount shown on the declarations page.

Permanently attached equipment is included in the value of the Insured auto, but only to the extent the value of the equipment has been included in the Stated Amount shown on the declarations page. The transfer of undamaged PAE to another Insured auto will be covered if the aggregate of all damage and cost to move is within the Stated Amount shown on the declarations page.

3. Payments for loss covered under Collision Coverage, Comprehensive Coverage, or Fire and Theft with Combined Additional Coverage are subject to the following provisions:
 - a. In determining the amount necessary to repair damaged property to its pre-loss physical condition, the amount to be paid by us:
 - (i) shall not exceed the prevailing competitive labor rates charged in the area

- where the property is to be repaired, and the cost of repair or replacement parts and equipment, as reasonably determined by us; and
- (ii) will be based on the cost of repair or replacement parts and equipment which may be new, reconditioned, remanufactured, or used, including, but not limited to:
 - (a) original manufacturer parts or equipment; and
 - (b) non-original manufacturer parts or equipment;
 - b. the actual cash value is determined by the market value, age and condition of the auto at the time the loss occurs; and
 - c. duplicate recovery for the same elements of damages is not permitted.
4. To determine the amount necessary to repair the damaged property to its pre-loss physical condition as referred to in Paragraph 1.c., the total cost of necessary repairs will be reduced by:
- a. the cost of labor, parts and materials necessary to repair or replace damage, deterioration, defects, or wear and tear on exterior body parts, windshields and other glass, wheels, and paint, that existed prior to the accident and that is eliminated as a result of the repair or replacement of property damaged in the loss. This adjustment for physical condition includes, but is not limited to, broken, cracked or missing parts, rust, dents, scrapes, gouges and peeling paint;
 - b. an amount for depreciation (also referred to as betterment) that represents a portion of the cost of mechanical parts (parts that wear out over time and have a useful life typically shorter than the life of the auto as a whole) that are installed as replacements for existing mechanical parts that were defective, inoperable or nonfunctional prior to the accident, which we deem necessary to replace in the course of repair; and
 - c. an amount for depreciation (also referred to as betterment) on high-wear parts that have a measurable life, such as tires, batteries, engine or transmission, determined by the proportional increase in the useful life of the replacement part when compared to the replaced part. For example, if we replace a 24-month old battery that had a manufacturer's rated life of 60 months with a new 60-month rated battery, our payment for the battery is reduced by 40% and you are responsible to pay that 40% portion of the cost of the battery.

DEDUCTIBLE

For each loss that qualifies for coverage under Comprehensive, Collision, or Fire and Theft with Combined Additional Coverage, the deductible shown on the declarations page for the insured auto will be applied. A single deductible will be applied to any loss. In the event there are different deductible amounts applicable to the loss, the higher deductible will be applied. In all events, the deductible will be applied against the limit of liability. If a loss involves another coverage added by endorsement to this policy, only one deductible will apply to the entire loss event.

If your insured auto is an additional auto that you have requested to be added to your policy within 30 days of your acquisition of the auto, and no deductible has been

designated for the additional auto prior to the loss, then:

1. when the insured auto is a private passenger auto, we will apply the lowest deductible listed for any one auto listed on the declarations page; or
2. when the insured auto is an auto other than a private passenger auto, we will apply the highest deductible listed for any one auto listed on the declarations page.

No deductible will apply to a loss to window glass when the glass is repaired instead of replaced.

SALVAGE

If we pay the actual cash value of your insured auto less the deductible, or if we pay the amount necessary to replace your insured auto less the deductible, we are entitled to all salvage. If your insured auto is a total loss and we pay the applicable Limit of Liability or Stated Amount as shown on the declarations page less the deductible, we are entitled to the same percent of salvage as our payment bears to the actual cash value of your insured auto.

NO BENEFIT TO BAILEE

No bailee or carrier shall benefit, directly or indirectly, from this Part II - Damage To Your Auto.

APPRAISAL

If we cannot agree with you on the amount of your loss, then you or we may demand an appraisal of the loss. Each party shall appoint a competent and disinterested appraiser. If the appraisers agree on the amount of the loss, they shall submit a written report to us and this shall be deemed to be the amount of the loss.

If the appraisers cannot agree on the amount of the loss within a reasonable time, they shall then choose a competent, impartial umpire, provided that if they cannot agree on an umpire within 15 days, either you or we may petition a judge of a court having jurisdiction to choose an umpire. The disagreement of the appraisers shall then be submitted to the umpire. Subject to the provisions of the policy, a written agreement signed by both appraisers or by one appraiser and the umpire will be the amount of the loss.

You must pay your fees and expenses and those of your appraiser. We will pay our fees and expenses and those of our appraiser. All other expenses of the appraisal, including payment of the umpire if one is necessary, will be shared equally by you and us.

By agreeing to an appraisal, we do not waive any of our rights under any other part of this policy, including our right to deny the claim.

PAYMENT OF LOSS

At our option, we may pay the loss in money, or repair or replace the 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 on the declarations page, with payment for the resulting damage less any applicable deductibles. We may keep all or part of the property at the agreed or appraised value, but there shall be no abandonment to us.

We may make payment for a loss either to you or the owner of the property. Payment for a loss is required only if you have fully complied with the terms of this policy.

You must convey title to and possession of the damaged, destroyed, or stolen property to us if we pay the actual cash value of your insured auto less the deductible or if we pay the amount necessary to replace your insured auto less the deductible.

LOSS PAYEE AGREEMENT

We will pay the Loss Payee named in the policy for loss to your insured auto, as the interest of the Loss Payee may appear.

This insurance covers the interest of the Loss Payee unless the loss results from fraudulent acts or omissions on your part.

Cancellation ends this agreement as to the Loss Payee's interest.

If we make any payment to the Loss Payee, we will obtain the Loss Payee's rights against any other party.

GENERAL PROVISIONS

1. Policy Period and Territory

This policy applies only to accidents and losses occurring during the policy period shown on the declarations page and that occur within a state, territory, or possession of the United States of America, or a province or territory of Canada, or while an insured auto is being transported between their ports.

2. Policy Changes

This policy, your insurance application (which is made a part of this policy as if attached hereto), the declarations page, as amended, and endorsements to this policy issued by us contain all the agreements between you and us. Subject to the following, its terms may not be changed or waived except by an endorsement issued by us.

The premium for this policy is based on information we have received from you or other sources. You agree to cooperate with us in determining if this information is correct and complete, and you will notify us if it changes during the policy period. If this information is incorrect, incomplete, or changes during the policy period, you agree that we may adjust your premium during the policy period, or take other appropriate action.

Changes that may result in a premium adjustment include, but are not limited to, changes in:

- a. the number, type, or use classification of insured autos;
- b. operators using insured autos, their ages, driving histories, or marital status;
- c. the place of principal garaging of any insured auto;
- d. coverage, deductibles, or limits of liability; or
- e. rating territory or discount eligibility.

If you ask us to delete a vehicle from this policy, no coverage will apply to that vehicle as of the date and time you ask us to delete it.

Nothing contained in this section will limit our right to void this policy for fraud, misrepresentation or concealment of any material fact by you, or anyone acting on your behalf.

3. Other Insurance

- a. For any insured auto that is specifically described on the declarations page, this policy provides primary coverage. For an insured auto which is not specifically described on the declarations page, coverage under this policy will be excess over any and all other valid and collectible insurance, whether primary, excess or contingent. However, if the insured auto which is specifically described on the declarations page is a trailer, this policy will be primary only if the trailer is attached to an insured auto that is a power unit you own and is specifically described on the declarations page, and excess in all other circumstances.
- b. If coverage under more than one policy applies on the same basis, either excess or primary, we will pay only our proportionate share. Our proportionate share is the proportion that the Limit of Liability of this policy bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

4. Two or More Policies Issued By Us

If any applicable insurance other than this policy is issued to you by us, or any company affiliated with us, and applies to the same accident or loss, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

6. 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 for payment under Part I - Liability To Others until the obligation of an Insured under Part I to pay is finally determined either by judgment against that Insured after actual trial or by written agreement of the Insured, the claimant, and us. No one will have any right to make us a party to a lawsuit to determine the liability of an Insured.

6. Our Recovery Rights

In the event of any payment under this policy, we are entitled to all the rights of recovery of the person or organization to whom payment was made. That person or organization 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 the loss or accident to harm our rights.

When a person has been paid damages by us under this policy and also recovers from another, the amount recovered from the other shall be held in trust for us and reimbursed to us to the extent of our payment, provided that the person to or on behalf of whom such payment is made is fully compensated for their loss.

In the event recovery has already been made from the responsible party, any rights to recovery by the person(s) claiming coverage under this policy no longer exist.

7. Assignment

Interest in this policy may not be assigned without our written consent. If the policyholder named on the declarations page is a natural person and that person dies, the policy will cover:

- a. any other named Insured on the policy;
- b. the legal representative of the deceased person while acting within the scope of duty of a legal representative; and
- c. any person having proper custody of your Insured auto until a legal representative is appointed, but in no event for more than 30 days after the date of death.

8. Waiver

Notice to any agent or knowledge possessed by any agent or other person shall not change or effect a waiver on any portion of this policy nor prevent us from exercising any of our rights under this policy.

9. Bankruptcy

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

10. Inspection and Audit

We shall have the right to inspect your property and operations at any time. This includes, but is not limited to, the right to inspect and audit the maintenance of any autos covered hereunder, the identity of your drivers and their driving records, and your radius of operations. In doing so, we do not warrant that the property or operations are safe and healthful, or are in compliance with any law, rule or regulation.

We shall also have the right to examine and audit your books and records at any time during the policy period and any extensions of that period and within three years after termination of the policy, as far as they relate to the subject matter of this insurance.

11. Fraud or Misrepresentation

This policy was issued in reliance upon the information provided on your insurance application. We may void this policy at any time, including after the occurrence of an accident or loss, if you:

1. made incorrect statements or representations to us with regard to any material fact or circumstance;
2. concealed or misrepresented any material fact or circumstance; or
3. engaged in fraudulent conduct;

at the time of application. This means that we will not be liable for any claims or damages that would otherwise be covered.

We may deny coverage for an accident or loss if you or any other insured knowingly concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct in connection with the presentation or settlement of a claim. We reserve all rights to indemnity against a person committing fraud or misrepresentation for all payments made and costs incurred.

12. Liberalization

If we make a change that broadens a coverage you have under this edition of your policy without additional charge, you will receive the broadened coverage. The broadened coverage applies on the date the coverage change is implemented in your state. This provision does not apply to a general program revision or our issuance of a subsequent edition of your policy. Otherwise, this policy can be changed only by endorsement issued by us.

13. Severability

Except with respect to the Limit of Liability, the coverage afforded applies separately to each Insured who is seeking coverage or against whom a claim or lawsuit is brought.

14. Settlement of Claims

We may use estimating, appraisal, or injury evaluation systems to adjust claims under this policy and to determine the amount of damages, expenses, or loss payable under this policy. Such systems may be developed by us or a third party and may include computer software, databases, and specialized technology.

15. Automatic Termination

If we or an affiliate offers to renew or continue this policy and you or your representative does not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due will mean that you have not accepted our offer.

If you obtain other insurance on an Insured auto, any similar insurance provided by this policy will terminate as to that Insured auto on the effective date of the other insurance.

If an Insured auto is sold or transferred, any insurance provided by this policy will terminate as to that Insured auto on the effective date of the sale or transfer.

16. Duty to Report Changes

You must promptly notify us when:

1. your mailing or business address changes;
2. the principal garaging address of an Insured auto changes;
3. there is a change to the persons who regularly operate an Insured auto; or
4. you acquire, sell, or dispose of autos.

17. Terms of Policy Conformed to Statutes

If any provision of this policy fails to conform to the statutes of the state listed on your application as your business location, the provision shall be deemed amended to conform to such statutes. All other provisions shall be given full force and effect. Any disputes as to the coverages provided or the provisions of this policy shall be governed by the law of the state listed on your application as your business location.

Form 6912 (06/10)

INDEX OF ENDORSEMENTS

All forms appearing in this endorsement section do not automatically pertain to your policy. Only those endorsements whose form numbers appear on your declarations page apply to your policy.

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Form 1797 (06/10)

**CONTINGENT LIABILITY ENDORSEMENT - LIMITED LIABILITY
COVERAGE FOR NON-TRUCKING USE OF AN AUTOMOBILE**

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

PART I - LIABILITY TO OTHERS

A. Under the Additional Definitions Used In This Part Only section:

Subsection A.3. is deleted and replaced by the following:

3. Any other person or organization, but only with respect to the legal liability of that person or organization for acts or omissions of any person otherwise covered under this Part I - Liability To Others. However, Insured does not include anyone engaged in the business of transporting property by auto for hire that is liable for your conduct.

B. The following exclusion is added:

15. Trucking Use

Coverage under this Part I, including our duty to defend, does not apply to an insured auto or any attached trailer while operated, maintained, or used:

- a. To carry property or while such property is being loaded or unloaded from the insured auto or an attached trailer; or
- b. In any business or for any business purpose.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 1890 (03/08)

EMPLOYER'S NON-OWNERSHIP LIABILITY ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

ADDITIONAL DEFINITION USED IN THIS ENDORSEMENT

If you pay a premium for this Employer's Non-Ownership Liability coverage, then the following definition is added:

"Non-owned auto" means an auto that you do not own, lease, hire, rent, or borrow, and that is used in connection with your business. This includes autos owned by your employees, partners (if you are a partnership), members (if you are a limited liability company), or members of their households, but only while such autos are used in your business or your personal affairs.

CHANGES TO PART I - LIABILITY TO OTHERS

The definition of insured auto is modified to include a non-owned auto. The definition of insured does not include the owner of a non-owned auto.

EXCLUSIONS

The insurance provided by this endorsement does not apply to bodily injury or property damage arising out of the ownership, maintenance or use of any non-owned auto in the conduct of any partnership or joint venture of which you are a partner or member and which is not shown as the named insured on the Declarations Page.

OTHER INSURANCE

The insurance provided by this endorsement is excess over any other valid and collectible insurance.

PREMIUM AGREEMENT

The premium for this Employer's Non-Ownership Liability coverage is based, in part, on the number of your employees. We may audit the number of employees and charge appropriately for additional premium up to three years after the policy expiration.

This does not alter or limit our general audit rights under the General Provisions section of this policy.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

HIRED AUTO COVERAGE ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

ADDITIONAL DEFINITIONS USED IN THIS ENDORSEMENT

If you pay a premium for this Hired Auto Coverage, then the following definitions are added:

1. "Hired auto" means an auto you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your employees, partners (if you are a partnership), members (if you are a limited liability company) or member of their households.
2. "Cost of hire" means the total amount paid by you for the hire of autos, including charges for services performed by motor carriers of property or passengers that are subject to the compulsory requirements of any motor carrier laws or regulations.

CHANGES TO PART I - LIABILITY TO OTHERS

When used in Part I - Liability To Others, the definition of insured auto is amended to include a hired auto.

OTHER INSURANCE

The insurance provided by this Hired Auto Coverage endorsement is excess over any other valid and collectible insurance, whether primary, excess, or contingent.

PREMIUM AGREEMENT

The premium for this Hired Auto Coverage is based on the cost of hire, and is subject to a minimum cost of hire. We may audit the cost of hire and charge appropriately for additional premium for up to three years after the policy expiration.

This does not alter or limit our general audit rights under the General Provisions section of this policy.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

BLANKET ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided by the Commercial Auto Policy, Motor Truck Cargo Legal Liability Coverage Endorsement, and/or Commercial General Liability Coverage Endorsement, as appears on the declarations page. All terms and conditions of the policy apply unless modified by this endorsement.

If you pay the fee for this Blanket Additional Insured Endorsement, we agree with you that any person or organization with whom you have executed a written agreement prior to any loss is added as an additional insured with respect to such liability coverage as is afforded by the policy, but this insurance applies to such additional insured only as a person or organization liable for your operations and then only to the extent of that liability. This endorsement does not apply to acts, omissions, products, work, or operations of the additional insured.

Regardless of the provisions of paragraph a. and b. of the "Other Insurance" clause of this policy, if the person or organization with whom you have executed a written agreement has other insurance under which it is the first named insured and that insurance also applies, then this insurance is primary to and non-contributory with that other insurance when the written contract or agreement between you and that person or organization, signed and executed by you before the bodily injury or property damage occurs and in effect during the policy period, requires this insurance to be primary and non-contributory.

In no way does this endorsement waive the "Other Insurance" clause of the policy, nor make this policy primary to third parties hired by the Insured to perform work for the Insured or on the Insured's behalf.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

BLANKET WAIVER OF SUBROGATION ENDORSEMENT

This endorsement modifies insurance provided by the Commercial Auto Policy, Motor Truck Cargo Legal Liability Coverage Endorsement, and/or Commercial General Liability Coverage Endorsement, as appears on the declarations page. All terms and conditions of the policy apply unless modified by this endorsement.

If you pay the fee for this Blanket Waiver of Subrogation Endorsement, we agree to waive any and all subrogation claims against any person or organization with whom a written waiver agreement has been executed by the named insured, as required by written contract, prior to the occurrence of any loss.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 2368 (06/10)

LOAN/LEASE GAP COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Commercial Auto Policy. All terms and conditions of the policy apply unless modified by this endorsement.

INSURING AGREEMENT - LOAN/LEASE PAYOFF COVERAGE

If you pay the premium for this coverage, and the insured auto for which this coverage was purchased is deemed by us to be a total loss, we will pay, in addition to any amounts otherwise payable under Part II of your policy, the difference between:

1. the actual cash value of the insured auto at the time of the total loss; and
2. any greater amount the owner of the insured auto is legally obligated to pay under a written loan or lease agreement to which the insured auto is subject at the time of the total loss, reduced by:
 - a. unpaid finance charges or refunds due to the owner for such charges;
 - b. excess mileage charges or charges for wear and tear;
 - c. charges for extended warranties or refunds due to the owner for extended warranties;
 - d. charges for credit insurance or refunds due to the owner for credit insurance;
 - e. past due payments and charges for past due payments; and
 - f. collection or repossession expenses.

However, our payment under this coverage shall not exceed the limit of liability shown on the declarations page. The limit of liability is a percentage of the actual cash value of the insured auto at the time of the loss.

This coverage applies only if you have purchased both Comprehensive Coverage and Collision Coverage for that insured auto and the loss is covered under one of those coverages.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

**UNINSURED/UNDERINSURED MOTORIST
BODILY INJURY COVERAGE ENDORSEMENT**

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy, and related endorsements, is modified as follows:

INSURING AGREEMENT

Subject to the Limits of Liability, if you pay the premium for Uninsured/Underinsured Motorist Bodily Injury Coverage, we will pay for damages, other than punitive or exemplary damages, which an Insured is legally entitled to recover from the owner or operator of an uninsured auto or underinsured auto because of bodily injury:

1. sustained by an Insured;
2. caused by an accident; and
3. arising out of the ownership, maintenance, or use of an uninsured auto or underinsured auto.

We will pay for damages an Insured is entitled to recover from the owner or operator of an underinsured auto only after the limits of liability under all applicable bodily injury liability bonds and policies have been exhausted by payment of judgments or settlements.

Any judgment or settlement for damages against an owner or operator of an uninsured auto that arises out of a lawsuit brought without our written consent is not binding on us.

ADDITIONAL DEFINITIONS

When used in this endorsement, whether in the singular, plural, or possessive:

1. "Insured" means:
 - a. If the named Insured shown on the Declarations Page is a natural person:
 - (i) you or a relative;
 - (ii) any person occupying your Insured auto or a temporary substitute auto; and
 - (iii) any person who is entitled to recover damages covered by this endorsement because of bodily injury sustained by a person described in (i) or (ii) above; or
 - b. If the named Insured shown on the Declarations Page is a corporation, partnership, organization or any other entity that is not a natural person:

- (i) any person occupying your insured auto or a temporary substitute auto; and
 - (ii) any person who is entitled to recover damages covered by this endorsement because of bodily injury sustained by a person described in (i) above.
2. "Non-owned auto" means any auto that is not owned by you or furnished for your regular use and, if the named insured is a natural person, not owned by or furnished for the regular use of the named insured's spouse or relative.
 3. "Owned" means the person or organization:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person or organization under a written agreement for a continuous period of six (6) months or more.
 4. "Owner" means the person or organization who, with respect to a vehicle:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person or organization under a written agreement for a continuous period of six (6) months or more.
 5. "Underinsured auto" means an auto or trailer to which a bodily injury liability bond, policy, cash deposit, or self-insurance certificate applies at the time of the accident, but the sum of all such bonds, policies, deposits or self-insurance is less than the coverage limit for Uninsured/Underinsured Motorist Coverage shown on the Declarations Page.

An "underinsured auto" does not include any motorized auto or equipment:

- a. owned by you or, if the named insured is a natural person, a relative. However, this does not apply if an auto owned by you or a relative causes bodily injury to an insured while being operated, or caused to be operated, by a person without the consent of the injured insured and in connection with criminal activity, if that criminal activity is documented in a police report and the injured insured is not a party to the criminal activity;
 - b. owned by any governmental unit or agency;
 - c. designed mainly for use off public roads, while not on public roads;
 - d. while used as a residence or premises; or
 - e. expressly identified by make, model and serial number on the Declarations Page of this policy.
6. "Uninsured auto" means an auto or trailer of any type:
 - a. to which no bodily injury liability bond or policy applies at the time of the accident;
 - b. to which a bodily injury liability bond or policy applies at the time of the accident, but the bonding or insuring company:
 - (i) denies coverage;

- (ii) refuses to admit coverage except conditionally or under a reservation of rights; or
 - (iii) is insolvent, or becomes so within one year of the accident;
 - c. that is a hit-and-run vehicle whose operator or owner cannot be identified and which causes bodily injury by striking:
 - (i) an insured auto or temporary substitute auto; or
 - (ii) if the named insured is a natural person:
 - (a) you or a relative; or
 - (b) a motor vehicle that an insured is occupying;
- provided that the insured or someone on his or her behalf:
- (i) reports the accident to the police or civil authority within twenty-four (24) hours or as soon as practicable after the accident; and
 - (ii) provides us, within thirty (30) days of the accident, a statement under oath that the insured or his or her legal representative has a cause of action against the owner or operator of an auto who cannot be identified. The statement must set forth facts supporting the claim; or
- d. that is used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof.

An "uninsured auto" does not include any motorized auto or equipment:

- a. owned or operated by you or, if the named insured is a natural person, a relative. However, this does not apply if an auto owned by you or, if the named insured is a natural person, a relative, causes bodily injury to an insured while being operated, or caused to be operated, by a person without the consent of the injured insured and in connection with criminal activity, if that criminal activity is documented in a police report and the injured insured is not a party to the criminal activity;
- b. owned or operated by a self-insurer under any applicable vehicle law, except a self-insurer that is or becomes insolvent;
- c. owned by any governmental unit or agency;
- d. designed mainly for use off public roads, while not on public roads;
- e. while being used as a residence or premises; or
- f. that is an insured auto expressly identified by make, model and serial number on the Declarations Page of this policy.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS ENDORSEMENT.

- 1. Coverage under this endorsement is not provided for bodily injury sustained by any person while using or occupying:
 - a. an insured auto without the express or implied permission of you or, if the named insured is a natural person, a relative;
 - b. a non-owned auto without the express or implied permission of the owner; or

- c. an auto or device of any type designed to be operated on the public roads that is owned by, furnished to, or available for the regular use of you or, if the named insured is a natural person, a relative, other than an insured auto or temporary substitute auto.
2. Coverage under this endorsement will not apply directly or indirectly to benefit any insurer or self-insurer under any of the following or similar laws:
 - a. workers' compensation law; or
 - b. disability benefits law.
3. A motor vehicle operated by a person excluded from coverage under this policy under a Named Driver Exclusion Election.
4. A motor vehicle, other than an insured auto, if the owner has insurance similar to that provided under this endorsement.

LIMITS OF LIABILITY

Regardless of the number of premiums paid, or the number of insured autos or trailers shown on the Declarations Page, or the number of policies issued by us, or the number of vehicles or insureds involved in an accident, or the number of claims or lawsuits arising out of an accident, we will pay no more than the Limit of Liability shown for Uninsured/Underinsured Motorist Coverage on the Declarations Page.

If the Declarations Page shows that "combined single limit" or "CSL" applies, the amount shown is the most we will pay for the total of all damages resulting from any one accident. However, without changing this total "each accident" limit of liability, we will comply with any law that requires us to provide any separate limits.

If your Declarations Page shows a split limit:

1. the amount shown for "each person" is the most we will pay for all damages due to bodily injury to one person; and
2. subject to the "each person" limit, the amount shown for "each accident" is the most we will pay for all damages due to bodily injury sustained by two or more persons in any one accident.

The "each person" limit of liability includes the total of all claims made for bodily injury to an insured and all claims of others derived from such bodily injury, including, but not limited to, emotional injury or mental anguish resulting from the bodily injury of another or from witnessing the bodily injury to another, loss of society, loss of companionship, loss of services, loss of consortium, and wrongful death.

The Limits of Liability under this endorsement shall be reduced by all sums:

1. paid because of bodily injury by or on behalf of any persons or organizations that may be legally responsible, including, but not limited to, all sums paid under Part 1 - Liability To Others; and
2. paid, and the present value of all amounts payable, because of bodily injury under workers' compensation law.

The damages that an insured is entitled to recover under this endorsement shall be reduced by all sums paid or payable under any valid and collectible automobile medical payment insurance available to the Insured including, but not limited to, all sums paid or payable under any Medical Payments Coverage endorsement available under this policy.

Any payment made to a person under this endorsement shall reduce any amount that the person is entitled to recover under Part I - Liability To Others.

No one will be entitled to duplicate payments for the same elements of damages.

Any judgment or settlement for damages against an operator or owner of an uninsured auto that arises out of a lawsuit brought without our written consent is not binding on us.

OTHER INSURANCE

When the named insured is a natural person, if there is other applicable uninsured or underinsured motorist coverage, the damages that an insured is entitled to recover under this endorsement shall be deemed not to exceed the highest limit of any applicable coverage. We will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits. However, any insurance we provide shall be excess over any other uninsured or underinsured motorist coverage, except for bodily injury to you or a relative when occupying an insured auto.

When the named insured is a corporation, partnership, organization or any other entity that is not a natural person, if there is other applicable uninsured or underinsured motorist coverage, the damages that an insured is entitled to recover under this endorsement shall be deemed not to exceed the highest limit of any applicable coverage. We will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits. However, any insurance we provide for the occupant of an insured auto shall be excess over any other uninsured or underinsured motorist coverage.

We will not pay for any damages that would duplicate any payment made for damages under other insurance.

ARBITRATION

If we and an insured cannot agree on:

1. the legal liability of the operator or owner of an uninsured auto; or
 2. the amount of the damages sustained by the insured;
- this will be determined by arbitration. If the accident involves an uninsured auto, any demand for arbitration must be made within two (2) years of the date of the accident. If the accident involves an underinsured auto, the demand must be made within two (2)

years after all applicable bodily injury liability bonds or policies have been exhausted by payment of judgments or settlements and prior to the expiration of the bodily injury statute of limitations in the state in which the accident occurred. An Insured demanding arbitration must send written notice to us, or our agent for process, by certified mail, return receipt requested.

Arbitration shall be conducted by a single neutral arbitrator.

The costs and fees of the arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the Insured resides. Local rules of procedure and evidence will apply.

A decision by the arbitrator will be binding with respect to a determination of:

1. the legal liability of the operator or owner of an uninsured auto; and
 2. the amount of the damages sustained by the Insured.
- The arbitrator shall have no authority to award an amount in excess of the limit of liability.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 4717 (02/11)

TRAILER INTERCHANGE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Commercial Auto Policy. All terms and conditions of the policy apply unless modified by this endorsement.

Subject to the Limits of Liability, if you pay the premium for Trailer Interchange Coverage, we will pay damages for property damage for which you become legally responsible because of loss to a trailer not owned by you, and its equipment, while in your possession. The trailer must be in your possession under a written trailer or equipment interchange agreement in which you assume liability for loss to the trailer while in your possession.

We will pay for a loss to the trailer and its equipment under the coverages described below, as reflected on your declarations page:

- a. Collision coverage. For loss caused by:
 - (i) The trailer's collision with another object; or
 - (ii) The trailer's overturn.
- b. Comprehensive coverage. From any loss except:
 - (i) The trailer's collision with another object; or
 - (ii) The trailer's overturn.

We will settle or defend, at our option, any claim or lawsuit for damages covered by this endorsement. We have no duty to settle or defend any lawsuit, or make any additional payments, after the Limit of Liability for this coverage has been exhausted by payment or judgments or settlements.

ADDITIONAL DEFINITION

"Trailer," when used in this endorsement, includes a shipping container.

ADDITIONAL PAYMENTS

In addition to our Limit of Liability, we will pay for an Insured:

- a. all expenses we incur in the settlement of any claim or defense of any lawsuit;
- b. interest accruing after entry of judgment on that part of the judgment that does not exceed our Limit of Liability. This payment does not apply if we have not been given notice of suit or the opportunity to defend an Insured.

Our payment, offer in writing, or deposit in court of that part of the judgment which does not exceed our Limit of Liability ends our duty to pay interest that accrues after the date of our payment, written offer, or deposit.

- c. the premiums on any appeal bond or attachment bond required in any lawsuit we defend. We have no duty to purchase a bond in a principal amount exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds; and
- d. reasonable expenses, including loss of earnings up to \$250 a day, incurred at our request.

EXCLUSIONS

- a. We will not pay for loss caused by or resulting from any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - (i) Nuclear Hazard.
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - (ii) War or Military Action
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by a governmental authority in hindering or defending against any of these.
- b. We will not pay for loss of use.
- c. We will not pay for loss caused by, or resulting from, any of the following unless caused by another loss that is covered by this insurance:
 - (i) Wear and tear, freezing, mechanical or electrical breakdown; or
 - (ii) Blowouts, punctures, or other road damage to tires.

LIMIT OF INSURANCE AND DEDUCTIBLE

The most we will pay for loss to any one trailer is the least of the following amounts minus any applicable deductible shown on the declarations page:

- a. The actual cash value of the damaged or stolen property at the time of the loss;
- b. The amount necessary to replace the stolen or damaged property with other of like kind and quality;
- c. The amount necessary to repair the damaged property to its pre-loss condition; or
- d. The applicable Limit of Liability for the property as shown on the declarations page.

A single deductible will be applied to any loss. In the event there are different deductible amounts applicable to the loss, the higher deductible will be applied. In all events, the deductible will be applied against the limit of liability. If a loss involves another coverage added by endorsement to the policy, only one deductible will apply to the entire loss event.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 4757 (03/05)

MEDICAL PAYMENTS COVERAGE ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

INSURING AGREEMENT

Subject to the Limits of Liability, if you pay the premium for Medical Payments Coverage, we will pay the usual and customary charge for reasonable and necessary expenses, incurred within three (3) years from the date of an accident, for medical and funeral services because of bodily injury:

1. sustained by an Insured;
2. caused by an accident; and
3. arising out of the ownership, maintenance or use of a motor vehicle or trailer.

Any dispute as to the usual and customary charge will be resolved between the service provider and us.

ADDITIONAL DEFINITIONS

When used in this endorsement, whether in the singular, plural, or possessive:

1. "Insured" means:
 - a. If the named insured shown on the Declarations Page is a natural person:
 - (i) you while occupying any auto, other than an auto owned by you which is not an insured auto;
 - (ii) a relative while occupying an insured auto, temporary substitute auto, or non-owned auto;
 - (iii) you or any relative when struck by a land motor vehicle of any type, or a trailer, while not occupying a motor vehicle; and
 - (iv) any other person while occupying an insured auto, temporary substitute auto, or a trailer while attached to an insured auto; or
 - b. If the named insured shown on the Declarations Page is a corporation, partnership, organization, or any other entity that is not a natural person, any person occupying your insured auto, temporary substitute auto, or a trailer while attached to an insured auto.
2. "Non-owned auto" means any auto that is not owned by you or furnished for your regular use and, if the named insured is a natural person, not owned by or furnished for the regular use of the named insured's non-resident spouse or a relative.
3. "Owned" means the person or organization:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person or organization under a written agreement for a continuous period of six (6) months or more.
4. "Owner" means the person or organization who, with respect to a vehicle:
 - a. holds legal title to the vehicle;
 - b. has legal possession of the vehicle that is subject to a written security agreement with an original term of six (6) months or more; or
 - c. has legal possession of the vehicle that is leased to that person or organization under a written agreement for a continuous period of six (6) months or more.
5. "Usual and customary charge" means an amount that we determine represents a customary charge for services in the geographical area in which the service is rendered. We shall determine the usual and customary charge through the use of independent sources of our choice.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS ENDORSEMENT.

Coverage under this endorsement does not apply to bodily injury:

1. sustained while occupying any auto or trailer while being used as a residence or premises;

2. occurring during the course of employment if workers' compensation coverage should apply;
3. arising out of an accident involving an auto or trailer while being used by a person while employed or engaged in the business of selling, leasing, repairing, parking, storing, servicing, delivering, or testing vehicles, unless that business is yours;
4. resulting from any pre-arranged or organized racing, speed or demolition contest, stunting activity, or in practice or preparation for any such contest or activity;
5. due to a nuclear reaction or radiation;
6. for which insurance is afforded under a nuclear energy liability insurance contract;
7. for which the United States Government is liable under the Federal Tort Claims Act;
8. sustained by any person while occupying an insured auto, temporary substitute auto, or trailer without the express or implied permission of you or, if the named insured is a natural person, a relative;
9. sustained by any person while occupying a non-owned vehicle without the express or implied permission of the owner;
10. that is intentionally inflicted on an insured at that person's request or self-inflicted; or
11. sustained while occupying any vehicle that has less than four wheels or is not designed for operation principally upon public roads.

LIMITS OF LIABILITY

Regardless of the number of premiums paid, or the number of insured autos or trailers shown on the Declarations Page, or the number of policies issued by us, or the number of vehicles or insureds involved in an accident, or the number of claims or lawsuits arising out of an accident, we will pay no more than the limit of liability shown for Medical Payments Coverage on the Declarations Page.

Any amount payable to an insured under this endorsement will be reduced by any amount paid or payable for the same expense under Part 1 - Liability To Others or any applicable Uninsured/Underinsured Motorist Coverage Endorsement.

No one will be entitled to duplicate payments under this policy for the same elements of damages.

OTHER INSURANCE

If there is other applicable auto medical payments insurance, we will pay only our share of the medical and funeral services. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide for an insured occupying:

1. an auto, other than an insured auto or temporary substitute auto; or

2. a trailer, other than a trailer while connected to an insured auto; will be excess over any other auto or trailer insurance providing payments for medical or funeral expenses.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 4759 CA (09/06)

**UNINSURED MOTORIST
PROPERTY DAMAGE COVERAGE ENDORSEMENT**

INSURING AGREEMENT

If you pay the premium for this coverage, we will pay for property damage caused by the owner or operator of an uninsured auto that:

1. is caused by an accident; and
2. arises out of the ownership, maintenance or use of an uninsured auto.

The owner or operator of the uninsured auto must be identified or the uninsured auto must be identified by its license number. You or someone on your behalf must notify us, or one of our agents or brokers, of any accident resulting in property damage within 10 business days from the date of the accident.

Any judgment or settlement for damages against an owner or operator of an uninsured auto that arises out of a lawsuit brought without our written consent is not binding on us.

ADDITIONAL DEFINITIONS

When used in this endorsement:

1. "Property damage" means physical damage to, or destruction of, an insured auto caused by actual, direct physical contact with an uninsured auto. It does not include loss of use of the insured auto.
2. "Uninsured auto" means a land motor vehicle or trailer of any type:
 - a. to which no property damage liability bond or policy applies at the time of the accident;
 - b. to which a property damage liability bond or policy applies at the time of the accident, but the bonding or insuring company:
 - (i) denies coverage;
 - (ii) refuses to admit coverage except conditionally or under a reservation of rights; or
 - (iii) is insolvent, or becomes so within one year of the accident; or

- c. that is used without the owner's permission if there is no property damage liability insurance or bond applicable at the time of the accident with respect to the owner or operator of the vehicle.

An "uninsured auto" does not include any vehicle or equipment:

- a. owned or operated by you or, if the named insured is a natural person, a relative, or furnished or available for the regular use of you or a relative;
- b. owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer that is or becomes insolvent;
- c. owned by any governmental unit or agency;
- d. operated on rails or crawler treads;
- e. designed mainly for use off public roads, while not on public roads;
- f. while located for use as a residence or premises;
- g. expressly identified by make, model and serial number on the declarations page of this policy; or
- h. that has at least the minimum property damage liability limits required by Vehicle Code § 16056, even if the property damage liability limits are not sufficient to compensate for all property damage caused by the owner or operator of the vehicle.

EXCLUSIONS - READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS ENDORSEMENT.

Coverage under this endorsement will not apply:

1. to any punitive or exemplary damages;
2. to property damage to a motor vehicle operated by a person excluded from coverage under this policy under a Named Driver Exclusion Election;
3. to property damage to a trailer;
4. to property damage if there is no actual, direct physical contact between the uninsured auto and the insured auto; or
5. to property damage unless the owner or operator of the uninsured auto, or the license plate number of the uninsured auto, can be identified.

LIMITS OF LIABILITY

The limit of liability shown on the declarations page for Uninsured Motorist Property Damage Coverage is the most we will pay regardless of the number of:

1. claims made;
2. insured autos;
3. lawsuits brought;
4. vehicles involved in the accident; or
5. premiums paid.

The amount shown on the declarations page for "property damage" is the most we will pay for the aggregate of all property damage caused by any one accident.

Our Limit of Liability under this endorsement for property damage to an insured auto arising out of one accident is the lowest of:

1. the actual cash value of the insured auto at the time of the accident;
2. the amount necessary to replace the insured auto;
3. the amount necessary to repair the insured auto to its pre-loss condition;
4. any Limit of Liability shown on the declarations page for "property damage" under this endorsement; or
5. the amount of the deductible for Collision Coverage shown on the declarations page. This subpart only applies if you have paid the premium for Collision Coverage under Part II - Damage To Your Auto.

Payments for property damage under this endorsement are subject to an adjustment for depreciation and physical condition; such adjustment will be made in determining the Limit of Liability at the time of the accident.

No one will be entitled to duplicate payments for the same elements of damages.

OTHER INSURANCE

If there is other applicable uninsured motorist property damage coverage, we will pay only our share of the damages. Our share is the proportion that our limit of liability bears to the total of all available coverage limits.

ARBITRATION

If we and an insured cannot agree on:

1. the legal liability of the operator or owner of an uninsured auto or underinsured auto; or
 2. the amount of the property damage sustained by the insured;
- this will be determined by arbitration. Any demand for arbitration must be made within one year from the date of the accident.

Arbitration shall be conducted by a single neutral arbitrator. The costs and fees of the arbitrator will be shared equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the insured resides. Local rules of procedure and evidence will apply.

A decision by the arbitrator will be binding with respect to a determination of:

1. the legal liability of the operator or owner of an uninsured auto or underinsured auto; and
2. the amount of the property damage sustained by the insured.

The arbitrator will have no authority to award an amount in excess of the limit of liability.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

CANCELLATION AND NONRENEWAL ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

CANCELLATION

You may cancel this policy by calling or writing us and stating the future date that you wish the cancellation to be effective.

We may cancel this policy by mailing a notice of cancellation to the named Insured shown on the Declarations Page at the last known address appearing in our records. If this policy has been in effect for sixty (60) days or less and is not a renewal of a policy we issued, notice of cancellation will be mailed at least twenty (20) days before the effective date of cancellation if we cancel for:

- a. nonpayment of premium; or
- b. discovery of fraud or material misrepresentation by the insured or his or her agent when obtaining this insurance or when making and pursuing a claim under this policy.

Notice of cancellation due to any other reason will be mailed at least forty (40) days before the effective date of cancellation.

After this policy is in effect for more than sixty (60) days, or if this is a renewal or continuation policy, we may only cancel for one or more of the following reasons:

- 1. nonpayment of premium, including payment due on a prior policy we issued and due during the current policy period covering the same risks;
- 2. a judgment by a court or administrative tribunal that the insured has violated a California state law or law of the United States having as one of its necessary elements an act which materially increases any of the risks we insure against;
- 3. discovery of fraud or material misrepresentation by the insured or his or her agent when obtaining this insurance or making and pursuing a claim under this policy;
- 4. discovery of willful or grossly negligent acts or omissions, or any violations of state laws or regulations establishing safety standards, by the insured or his or her agent, which materially increase any of the risks we insure against;
- 5. failure by the insured or his or her agents to implement reasonable loss control requirements the insured agreed to as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks we insure against; or
- 6. a determination by the Commissioner of Insurance that loss of or changes to our reinsurance covering the risk would threaten our financial integrity or solvency, or that continuation of the policy would place us in violation of California law or the laws of the state where we are domiciled, or threaten our solvency.

We will mail or deliver advance written notice of cancellation to the insured named in the policy, at the mailing address shown on the policy at least twenty (20) days before the effective date of cancellation if we cancel for reasons (1) or (2) above, and forty (40) days before the effective date of cancellation for any of the other reasons (3 through 6) above.

With respect to cancellation, this policy is neither severable nor divisible. Any cancellation will be effective for all coverage for all persons and all autos.

If this policy is canceled, coverage will not be provided as of the effective date and time shown in the notice of cancellation.

CANCELLATION REFUND

Upon cancellation, you may be entitled to a premium refund. However, our making or offering of a refund is not a condition of cancellation.

If this policy is canceled, any refund due will be computed on a daily pro-rata basis.

NONRENEWAL

If we decide not to renew or continue this policy, we will mail notice of nonrenewal to the first named insured shown on the Declarations Page at the last known address appearing in our records. Notice will be mailed at least sixty (60) days but not more than one hundred twenty (120) days before the end of the policy period.

We are not required to send notice of nonrenewal if:

1. the transfer or renewal of a policy without any changes in terms, conditions or rates is between us and a member of our insurance group;
2. the policy has been extended for ninety (90) days or less provided that the notice has been given in accordance with the paragraph above;
3. the insured has obtained replacement coverage, or if the insured has agreed in writing, within sixty (60) days of the termination of the policy, to obtain that coverage;
4. the policy is for no more than sixty (60) days and the insured is notified at the time of the issuance that it will be renewed;
5. the insured requests a change in the terms or conditions of risk covered by the policy within sixty (60) days of the end of the policy period;
6. we have made a written offer to the insured to renew the policy under changed terms or conditions or at a premium which exceeds twenty-five percent of the existing premium.

PROOF OF NOTICE

Proof of mailing of any notice will be sufficient proof of notice.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 4881 CA (12/04)

CALIFORNIA AMENDATORY ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

GENERAL DEFINITIONS

The general definition of "relative" is deleted and replaced by the following:

13. "Relative" means, if the named insured is a natural person, any other person living in the household in which the named insured resides who is related to the named insured by blood, marriage or adoption, including a ward or foster child and including the registered domestic partner of the named insured.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 5701 (02/11)

INDIVIDUAL NAMED INSURED ENDORSEMENT

Not all customers are eligible for this coverage. This endorsement applies to your policy only if the form number appears on your declarations page. In no event will this coverage apply if the named insured is a corporation, partnership, organization or any other entity that is not a natural person.

This endorsement changes your policy. Please read it carefully.

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

ADDITIONAL DEFINITIONS USED IN THIS ENDORSEMENT

As used in this endorsement:

1. "You" and "yours" include your spouse, if a resident of the same household, except for notice of cancellation.
2. "Private passenger type" means a private passenger auto and includes any insured auto you own of the pickup or van type not used for business purposes, other than farming or ranching.

3. "Non-owned auto" means any private passenger type auto, pickup, van, or trailer not owned by or furnished or available for the regular use of you or any relative, while it is in the custody of or being operated by you or any relative.

CHANGES IN PART I - LIABILITY TO OTHERS

- A. If you are an individual, Exclusion 6 does not apply to bodily injury to your or any relative's fellow employees.
- B. If any auto you own of the private passenger type is an insured auto under Part I - Liability To Others:
1. Relatives are insureds for any insured auto you own of the private passenger type, and any other auto described in paragraph B.2. of this endorsement.
 2. Any auto you do not own is an insured auto while being used by you or by any relative except:
 - a. Any auto owned by any relative.
 - b. Any auto furnished or available for your or any relative's regular use, including any auto rented for a period of more than 30 days.
 - c. Any auto used by you or by any of your relatives while working in a business of selling, servicing, repairing, or parking autos.
 - d. Any auto other than an auto of the private passenger type used by you or any of your relatives while working in any business or occupation.
 3. Exclusion 10 does not apply to any insured auto of the private passenger type.

CHANGES IN PART II - DAMAGE TO YOUR AUTO

While any auto you own of the private passenger type is an insured auto under Part II - Damage To Your Auto, a non-owned auto will also be considered an insured auto. However, the most we will pay for loss to a non-owned auto that is a trailer is \$500.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

Form Z228 (01/11)

MOBILE EQUIPMENT AS INSURED AUTOS ENDORSEMENT

Except as specifically modified in this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

PART I - LIABILITY TO OTHERS

ADDITIONAL DEFINITIONS USED IN THIS PART ONLY is modified as follows:

- B. When used in PART I - LIABILITY TO OTHERS, Insured auto also includes:
1. Trailers, designed primarily for travel on public roads, while connected to your Insured auto that is a power unit;
 2. Mobile equipment while being carried or towed by an Insured auto;
 3. Any temporary substitute auto; and
 4. Any mobile equipment owned by you, or if you have purchased Hired Auto or Non-owned Auto coverage, leased or hired by you, when subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged. This does not change the effect of exclusion 13 concerning the operation of mobile equipment.

MEDICAL PAYMENTS COVERAGE

If you pay the premium for Medical Payments Coverage, that endorsement is modified as follows:

ADDITIONAL DEFINITIONS

The definition of "Insured" is deleted and replaced by:

"Insured" means:

- a. If the named Insured shown on the Declarations Page is a natural person:
 - (i) you while occupying any auto, other than an auto owned by you which is not an Insured auto;
 - (ii) a relative while occupying an Insured auto, temporary substitute auto, or non-owned auto;
 - (iii) you or any relative when struck by a land motor vehicle of any type, or a trailer, while not occupying a motor vehicle; and
 - (iv) any other person while occupying an Insured auto, temporary substitute auto, or a trailer while attached to an Insured auto; or
- b. If the named Insured shown on the Declarations Page is a corporation, partnership, organization or any other entity that is not a natural person, any person occupying your Insured auto, temporary substitute auto, or a trailer while attached to an Insured auto.

For purposes of this definition, Insured auto includes mobile equipment owned by you, or if you have purchased Hired Auto or Non-owned Auto coverage, leased or hired by you, when it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged.

UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGES

If you pay the premium for Uninsured Motorist Coverage and/or Underinsured Motorist Coverage, that endorsement is modified as follows:

ADDITIONAL DEFINITIONS

The definition of "Insured" is deleted and replaced by:

"Insured" means:

- a. if the named insured shown on the Declarations Page is a natural person:
 - (i) you or a relative;
 - (ii) any person occupying your insured auto or a temporary substitute auto; and
 - (iii) any person who is entitled to recover damages covered by this endorsement because of bodily injury sustained by a person described in (i) or (ii) above; or
- b. if the named insured shown on the Declarations Page is a corporation, partnership, organization or any other entity that is not a natural person:
 - (i) any person occupying your insured auto or a temporary substitute auto; and
 - (ii) any person who is entitled to recover damages covered by this endorsement because of bodily injury sustained by a person described in (i) above.

For purposes of this definition, insured auto includes mobile equipment owned by you, or if you have purchased Hired Auto or Non-owned Auto coverage, leased or hired by you, when it is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or province where it is licensed or principally garaged.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form Z438 (06/10)

GARAGE OPERATIONS PHYSICAL DAMAGE LEGAL LIABILITY COVERAGE ENDORSEMENT

This endorsement modifies your Commercial Auto Policy. Except as specifically modified by this endorsement, all provisions of the Commercial Auto Policy apply.

THIS ENDORSEMENT APPLIES ON A LEGAL LIABILITY BASIS UNLESS ONE OF THE DIRECT COVERAGE OPTIONS LISTED BELOW IS SHOWN ON YOUR DECLARATIONS PAGE.

DIRECT COVERAGE OPTIONS

Direct Excess Insurance. If this "Direct Excess" option is shown on your declarations page, the On-Hook Towing Physical Damage Legal Liability and Garagekeepers Storage Location Physical Damage Legal Liability coverages provided by this endorsement

are modified to apply without regard to your or any other insured's legal liability for loss to a customer's auto or towed property, and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other insured's interest or the interest of the owner of the customer's auto or towed property.

Direct Primary Insurance. If this "Direct Primary" option is shown on your declarations page, the On-Hook Towing Physical Damage Legal Liability and Garagekeepers Storage Location Physical Damage Legal Liability coverages provided by this endorsement are modified to apply without regard to your or any other insured's legal liability for loss to a customer's auto, or towed property, and is primary insurance.

INSURING AGREEMENT - ON-HOOK TOWING PHYSICAL DAMAGE LEGAL LIABILITY COVERAGE

If you pay the premium for this On-Hook Towing Physical Damage Legal Liability coverage and it is shown on your declarations page as "On-Hook Legal Liability", we will pay all sums for which an insured is legally liable to pay for property damage for loss to towed property. We will pay under this coverage only if a limit of liability and a premium is shown for this coverage on the declarations page.

We will have the right and duty to defend any Insured against a lawsuit asking for these damages. However, we have no duty to defend any Insured against a lawsuit seeking damages for loss to which this insurance does not apply. We may investigate and settle any claim or lawsuit as we consider appropriate. Our duty to defend or settle ends when the limit of liability for this coverage has been exhausted by payment of judgments or settlements.

INSURING AGREEMENT - GARAGEKEEPERS STORAGE LOCATION PHYSICAL DAMAGE LEGAL LIABILITY COVERAGE

If you pay the premium for this Garagekeepers Storage Location Physical Damage Legal Liability coverage and it is shown on your declarations page as "Garagekeepers Legal Liability", we will pay all sums for which an insured is legally liable to pay as property damage for loss to a customer's auto or customer's auto equipment left in the Insured's care while the Insured is attending, servicing, repairing, parking, or storing it in your garage operations under:

1. **Comprehensive Coverage.**
From any cause except:
 - a. Collision of the customer's auto with another object; or
 - b. Overturn of the customer's auto.
2. **Collision Coverage.**
Caused by:
 - a. Collision of the customer's auto with another object; or
 - b. Overturn of the customer's auto.

We will have the right and duty to defend any Insured against a lawsuit asking for these damages. However, we have no duty to defend any Insured against a lawsuit seeking damages for loss to which this Insurance does not apply. We may investigate and settle any claim or lawsuit as we consider appropriate. Our duty to defend or settle ends when the limit of liability for this coverage has been exhausted by payment of judgments or settlements.

We will pay under this coverage only if a limit of liability and a premium is shown for this coverage on the declarations page, and only for the locations listed on your declarations page.

ADDITIONAL DEFINITIONS

The following additional definitions apply throughout this Garage Operations Physical Damage Legal Liability Coverage endorsement whenever the defined term appears in boldface type, whether in the singular, plural, or possessive:

1. "Customer's auto" means a customer's land motor vehicle, trailer, or watercraft, including a customer's auto left with you for service, repair, storage, or safekeeping. Customers include your employees and their relatives who pay for services performed.
2. "Garage operations" means the ownership, maintenance, or use of the locations shown on your declarations page for the purpose of a business of selling, servicing, repairing, parking, or storing customers' autos, and that portion of the roads or other accesses that adjoin such locations. Garage operations also includes all operations necessary or incidental to the performance of garage operations.
3. "Insured" means:
 - a. you; and
 - b. your partners (if you are a partnership), members (if you are a limited liability company), employees, directors, or shareholders, but only while acting within the scope of their duties.
4. "Loaded in or on" means connected to.
5. "Towed property" means tangible property, not owned by or registered to you, in transit while loaded in or on, or conveyed by, an insured auto. Towed property also means property when it is moved from the place where you accept it for movement by or onto your insured auto and after it is moved from your insured auto to the place where it is finally delivered by you. Towed property includes a towed auto or watercraft.
6. "Watercraft" means any craft, boat, vessel, or ship designed to transport persons or property by water.

- n. Loss caused by the explosion of explosives; or
- c. Loss to computers and electronic goods, including, but not limited to, computer hardware and component parts, televisions, DVD players, stereo or other sound reproduction equipment, or any other electronic equipment, antennas, and other devices used exclusively to send or receive audio, visual, or data signals, or to store or play back recorded media.

LIMITS OF LIABILITY

1. On-Hook Towing Physical Damage Legal Liability Coverage.

Regardless of the number, amount, or units of towed property or insured autos, insureds, premiums paid, claims made or lawsuits brought, the most we will pay for each loss is the aggregate amount of damages to all towed property while being loaded in or on or conveyed by one insured auto, not to exceed the limit of liability shown on the declarations page for this "On-Hook Legal Liability" coverage.

The most we will pay for loss to any towed property is the least of the following amounts:

- a. The actual cash value of the damaged or stolen property at the time of loss;
- b. The cost of repairing or replacing the damaged or stolen property with other of like kind and quality to the extent practicable; or
- c. An agreed or appraised value for the property. We may keep all or part of the property at the agreed or appraised value, but there shall be no abandonment to us.

2. Garagekeepers Storage Location Physical Damage Legal Liability Coverage.

Regardless of the number of customer's autos or insured autos, insureds, premiums paid, claims made or lawsuits brought, the most we will pay for each loss at each location is the "Garagekeepers Legal Liability" coverage limit shown on the declarations page for that location.

The most we will pay for a loss to any one customer's auto or all customer's auto equipment is the least of the following amounts:

- a. The actual cash value of the damaged or stolen property at the time of loss;
- b. The cost of repairing or replacing the damaged or stolen property with other of like kind and quality to the extent practicable; or
- c. An agreed or appraised value for the property. We may keep all or part of the property at the agreed or appraised value, but there shall be no abandonment to us.

If the repair or replacement results in better than like kind and quality, we will not pay for the amount of the betterment.

An adjustment for depreciation or physical condition will be made in determining actual cash value in the event of a total loss.

In the event of payment of actual cash value for a total loss, we are entitled to all salvage, or credit for salvage, resulting from such loss.

3. Deductibles.

For each loss that qualifies for coverage under the On-Hook Towing Physical Damage Legal Liability Coverage or the Garagekeepers Storage Location Physical Damage Legal Liability Coverage, the deductible shown on the declarations page will be applied. The deductible will be deducted from the amount of the loss payable under that coverage or the limit of liability, whichever is less. No more than one deductible will apply to any single loss event regardless of the number of customer's autos or towed property involved in the loss.

If we pay all or any part of a deductible in the settlement of any claim or lawsuit, you must reimburse us for the deductible or the portion thereof that we paid.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form Z439 (02/11)

NON-OWNED TRAILER PHYSICAL DAMAGE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Commercial Auto Policy. All terms and conditions of the policy apply unless modified by this endorsement.

Subject to the Limits of Liability, if you pay the premium for Non-Owned Trailer Physical Damage Coverage, we will pay damages for property damage for which you become legally responsible because of loss to a trailer not owned by you, and its equipment, while in your possession.

We will pay for a loss to the non-owned trailer and its equipment under the coverages described below, as reflected on your declarations page:

- a. Collision Coverage. For loss caused by:
 - (i) The trailer's collision with another object; or
 - (ii) The trailer's overturn.
- b. Comprehensive Coverage. From any loss except:
 - (i) The trailer's collision with another object; or
 - (ii) The trailer's overturn.

We will settle or defend, at our option, any claim or lawsuit for damages covered by this endorsement. We have no duty to settle or defend any lawsuit, or make any additional payments, after the Limit of Liability for this coverage has been exhausted by payment of judgments or settlements.

ADDITIONAL PAYMENTS

In addition to our Limit of Liability, we will pay for an insured:

- a. all expenses we incur in the settlement of any claim or defense of any lawsuit;
- b. interest accruing after entry of judgment on that part of the judgment that does not exceed our Limit of Liability. This payment does not apply if we have not been given notice of suit or the opportunity to defend an insured.

Our payment, offer in writing, or deposit in court of that part of the judgment which does not exceed our Limit of Liability ends our duty to pay interest that accrues after the date of our payment, written offer, or deposit;

- c. the premium on any appeal bond or attachment bond required in any lawsuit we defend. We have no duty to purchase a bond in a principal amount exceeding our Limit of Liability, and we have no duty to apply for or furnish these bonds; or
- d. reasonable expenses, including loss of earnings up to \$250 a day, incurred at our request.

EXCLUSIONS

- a. We will not pay for loss caused by or resulting from any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
 - (i) Nuclear Hazard.
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - (ii) War or Military Action
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by a governmental authority in hindering or defending against any of these.
- b. We will not pay for loss of use.
- c. We will not pay for loss caused by, or resulting from, any of the following unless caused by another loss that is covered by this insurance:
 - (i) Wear and tear, freezing, mechanical or electrical breakdown.
 - (ii) Blowouts, punctures, or other road damage to tires.

LIMIT OF INSURANCE AND DEDUCTIBLE

The most we will pay for loss to any one trailer is the least of the following amounts minus any applicable deductible shown on the declarations page:

- a. The actual cash value of the damaged or stolen property at the time of the loss;
- b. The amount necessary to replace the stolen or damaged property with other of like kind and quality;

- c. The amount necessary to repair the damaged property to its pre-loss condition; or
d. The applicable Limit of Liability of the property as shown on the declarations page.

A single deductible will be applied to any loss. In the event there are different deductible amounts applicable to the loss, the higher deductible will be applied. In all events, the deductible will be applied against the limit of liability. If a loss involves another coverage added by endorsement to the policy, only one deductible will apply to the entire loss event.

OTHER INSURANCE

The insurance provided for a loss to a non-owned trailer is primary.

If coverage under more than one policy applies on the same basis, we will pay only our proportionate share. Our proportionate share is the proportion that the Limit of Liability of this policy bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form Z442 (01/08)

ANY AUTOMOBILE LEGAL LIABILITY COVERAGE ENDORSEMENT

Except as specifically modified by this endorsement, all provisions of the Commercial Auto Policy apply.

We agree with you that the insurance provided under your Commercial Auto Policy is modified as follows:

CHANGES TO PART I - LIABILITY TO OTHERS

A. The following section is added to the Insuring Agreement:

If you pay the premium for this Any Automobile Legal Liability Coverage, then the definition of "Insured auto" includes:

1. any auto, if you are a partnership, corporation, or any other entity that is not a natural person; or
2. any auto while used in your business, if you are a natural person or sole-proprietorship.

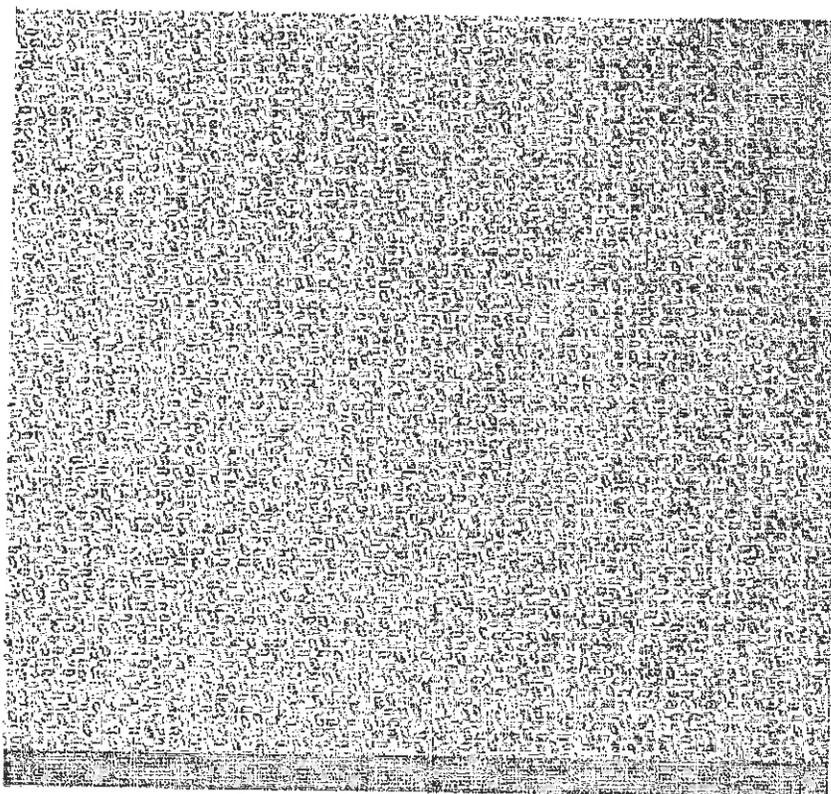
For any type of auto that you acquire during the current policy period, coverage will be extended to that auto during the remainder of the policy period.

~~B. The first paragraph under the Limit Of Liability section is deleted and replaced by the following:~~

Regardless of the number of premiums paid, or the number of insured autos or trailers, or the number of policies issued by us, or the number of vehicles or insureds involved in an accident, or the number of claims or lawsuits arising out of an accident, we will pay no more than the limit of liability shown on the declarations page for the coverage provided by this endorsement.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THIS POLICY REMAIN UNCHANGED.

PROGRESSIVE



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