

FORMS – APPROVED

JUNE 12, 2019

COMMERCIAL AUTOMOBILE

LI-CA-2019-122

NORTH DAKOTA INTRODUCTION OF STOP GAP – EMPLOYERS LIABILITY COVERAGE ENDORSEMENT FILED AND APPROVED

KEY MESSAGE

Forms filing CA-2019-OSG1 has been filed and approved in North Dakota.

BACKGROUND

In North Dakota, employers liability insurance is not available through the workers compensation state fund. Since this may create a coverage gap for insureds, we are providing an endorsement for use with the Commercial Auto (CA) Program in order that employers liability coverage would be available in North Dakota.

ISO ACTION

We are introducing new endorsement CA 04 78 – Stop Gap – Employers Liability Coverage Endorsement – North Dakota. When attached to the Commercial Auto Dealers Coverage Form, this endorsement provides coverage for situations in which an employer can be held liable for injuries to employees.

Refer to the attached explanatory material for complete details about the filing.

INSURANCE DEPARTMENT ACTION

The Insurance Department has approved forms filing CA-2019-OSG1 as filed.

EFFECTIVE DATE

The ISO revision is subject to the following rule of application:

These changes are applicable to all policies written on or after September 1, 2019.

COMPANY ACTION

If you have authorized us to file on your behalf and decide:

- To use our revision and effective date, you are not required to file anything with the Insurance Department.
- To use our revision with a different effective date, to use our revision with modification, or to not use our revision, you must make an appropriate submission with the Insurance Department.

For guidance on submission requirements, consult the ISO State Filing Handbook.

In all correspondence with the Insurance Department on this revision, you should refer to ISO Filing Designation Number CA-2019-OSG1, NOT this circular number. Communications with the regulator concerning a filing affecting multiple lines of business (i.e., CL, PL, AL filing designation) should specify the line(s) of business that you are addressing.

RATING SOFTWARE IMPACT

New attributes being introduced with this revision:

- A new form is being introduced.
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POLICYHOLDER NOTIFICATION

If you decide to implement this revision, you should check all applicable laws for the state(s) to which this revision applies, to determine whether or not a specific policyholder notice requirement may apply. Please note that circular [LI-CL-2018-044](#) contains the ISO Guide To Renewals With Changed Conditions For Commercial Lines, which is available only as a guide to assist participating companies in complying with various conditional renewal statutes or regulations, for the major commercial lines of insurance serviced by ISO. The information in the Guide does not necessarily reflect all requirements or exceptions that may apply, and it is not intended as a substitute for your review of all applicable statutes and regulations concerning policyholder notification.

REVISION DISTRIBUTION

We will issue a Notice to Portfolioholders with an edition date of 9-19 (or the earliest possible subsequent date), along with any new and/or revised forms.

RELATED RULES REVISION

We are announcing in circular [LI-CA-2019-123](#) the implementation of a corresponding rules revision.

REFERENCE(S)

- [LI-CA-2019-123](#) (06/12/2019) North Dakota Introduction Of Additional Rule To Reference Stop Gap – Employers Liability Coverage Endorsement To Be Implemented
 - [LI-CL-2018-044](#) (11/27/2018) Revised Lead Time Requirements Listing
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ATTACHMENT(S)

- Filing [CA-2019-OSG1](#)
- Final copy of [CA 04 78 09 19](#)

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Introduction Of Stop Gap - Employers Liability Coverage Endorsement In North Dakota

About This Filing

Currently, employers liability insurance is not available through the workers compensation state fund in North Dakota. This filing introduces a stop gap coverage endorsement which can be used to avoid a gap in liability coverage, for insureds under the Commercial Auto Dealers Coverage Form.

New Form

We are introducing CA 04 78, Stop Gap - Employers Liability Coverage Endorsement - North Dakota.

Related Filing

Rules Filing CA-2019-RSG1.

Background

In North Dakota, it is mandatory that employers acquire workers compensation insurance through the state fund, as opposed to obtaining it through private insurance. Private insurers offer employers liability insurance as part of their workers compensation coverage. The state fund does not furnish employers liability coverage with its workers compensation insurance.

Since this may create a coverage gap for insureds, we are providing an endorsement for use with the Commercial Auto (CA) Program in order that employers liability coverage would be available.

Explanation of Changes

We are introducing new endorsement CA 04 78 - Stop Gap - Employers Liability Coverage Endorsement - North Dakota.

When attached to the Commercial Auto Dealers Coverage Form, this endorsement provides coverage for situations in which an employer can be held

liable for injuries to employees. The following is a detailed explanation of the endorsement.

Coverage

The Coverage Provision is similar to the coverage provided under Section II - General Liability Coverages of the underlying Auto Dealers Coverage form and includes a duty to defend. Coverage is provided for damages because of "bodily injury by accident" or "bodily injury by disease" to the employee.

Covered damages include claims by a third party for damages that resulted from injury to the named insured's employee, damages for care and loss of services, damages for consequential injury to the members of an injured employee's family, as well as damages for bodily injury to the employee claimed against the employer in a capacity other than employer.

Exclusions

The exclusions in this endorsement are described below:

- ◆ Intentional Injury - Coverage is excluded for injuries intentionally caused or aggravated by the insured or for injuries resulting from an act committed by the insured if it is reasonable to believe that an injury is substantially certain to occur.
- ◆ Fines Or Penalties - The insurance provided by this endorsement does not apply to any assessment, penalty or fine levied by a regulatory authority.
- ◆ Statutory Obligations - Any obligation of the insured under a workers compensation, disability or unemployment law is not covered.
- ◆ Contractual Liability - This paragraph excludes coverage for liability assumed under a contract.
- ◆ Violation of Law - Excludes coverage for injury suffered or caused by an employee that is knowingly employed in violation of law.
- ◆ Termination, Coercion Or Discrimination - This exclusion precludes coverage for damages arising out of employment or personnel decisions, including coercion, discrimination, harassment or termination.
- ◆ Failure to Comply with Workers Compensation Law - This paragraph excludes coverage for injury to an employee when you are deprived of common law defenses or subject to penalty because of failure to secure your obligations or other failure to comply with any workers compensation law.
- ◆ Violation of Age Laws Or Employment of Minors - Excludes coverage for injury suffered or caused by any person knowingly employed in violation of any age law or under the age of 14 years.

- ◆ Federal Laws - This paragraph excludes coverage for any premium, assessment, penalty, fine, benefit, liability or other obligation imposed by various federal laws.
- ◆ Punitive Damages - Excludes coverage for multiple, exemplary or punitive damages.
- ◆ Crew Members - Coverage is excluded for injury to a master or member of the crew of a vessel or aircraft.

Supplementary Payments - Supplementary Payments provisions apply to the coverage provided by this endorsement.

Who Is An Insured

The following may be designated as insureds under this endorsement:

- ◆ an individual and his or her spouse;
- ◆ a partnership or joint venture;
- ◆ a limited liability company; and
- ◆ an organization other than a partnership, joint venture or limited liability company.

Limits Of Insurance

The endorsement provides for separate limits for:

- ◆ bodily injury by accident for each accident;
- ◆ bodily injury by disease--aggregate limit; and
- ◆ bodily injury by disease for each employee.

Conditions

The endorsement replaces the CA policy's Duties In the Event of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions and Policy Period, Coverage Territory Conditions to make it applicable to the coverage provided by the stop gap endorsement.

Definitions

The following definitions have been added:

- ◆ "Workers Compensation Law" means the Workers' Compensation Law and any Occupational Disease Law of North Dakota. This does not include provisions of any law providing non-occupational disability benefits.
- ◆ "Bodily injury by accident" means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease is not "bodily injury by accident" unless it results directly from "bodily injury by accident".

- ◆ "Bodily injury by disease" means a disease sustained by a person, including death. "Bodily injury by disease" does not include a disease that results directly from an accident.

The endorsement replaces the CA Auto Dealers Coverage Form's definition of "suit" with the following definition for the purposes of the stop gap endorsement:

- ◆ "Suit" means a civil proceeding in which damages because of "bodily injury by accident" or "bodily injury by disease" to which this insurance applies are claimed. "Suit" includes:
 - An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
 - Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.

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Important Note

Insurance Services Office, Inc. (ISO) makes available advisory services to property/casualty insurers. ISO has no adherence requirements. ISO policy forms and explanatory materials are intended solely for the information and use of ISO's participating insurers and their representatives, and insurance regulators. Neither ISO's general explanations of policy intent nor opinions expressed by ISO's staff necessarily reflect every insurer's view or control any insurer's determination of coverage for a specific claim. ISO does not intercede in coverage disputes arising from insurance policies. If there is any conflict between a form and any other part of the attached material, the provisions of the form apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

STOP GAP – EMPLOYERS LIABILITY COVERAGE ENDORSEMENT – NORTH DAKOTA

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limits Of Insurance		
Bodily Injury By Accident	\$	Each Accident
Bodily Injury By Disease	\$	Aggregate Limit
Bodily Injury By Disease	\$	Each Employee

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Section II – General Liability Coverages:

Coverage – Stop Gap – Employers Liability

1. Coverage

a. We will pay those sums that the "insured" becomes legally obligated by North Dakota Law to pay as damages because of "bodily injury by accident" or "bodily injury by disease" to your "employee" 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 to which this insurance does not apply. We may, at our discretion, investigate any accident and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Paragraph F. Limits Of Insurance – General Liability Coverages; and

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.

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

b. This insurance applies to "bodily injury by accident" or "bodily injury by disease" only if:

(1) The:

(a) "Bodily injury by accident" or "bodily injury by disease" takes place in the coverage territory;

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- (b) "Bodily injury by accident" or "bodily injury by disease" arises out of and in the course of the injured "employee's" employment by you; and
 - (c) "Employee", at the time of the injury, was covered under a workers' compensation policy and subject to a "workers' compensation law" of North Dakota; and
- (2) The:
- (a) "Bodily injury by accident" is caused by an accident that occurs during the policy period; or
 - (b) "Bodily injury by disease" is caused by or aggravated by conditions of employment by you, and the injured "employee's" last day of last exposure to the conditions causing or aggravating such "bodily injury by disease" occurs during the policy period.
- c. The damages we will pay, where recovery is permitted by law, include damages:
- (1) For:
- (a) Which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover the damages claimed against such third party as a result of injury to your "employee";
 - (b) Care and loss of services; and
 - (c) Consequential "bodily injury by accident" or "bodily injury by disease" to a spouse, child, parent, brother or sister of the injured "employee";
- provided that these damages are the direct consequence of "bodily injury by accident" or "bodily injury by disease" that arises out of and in the course of the injured "employee's" employment by you; and
- (2) Because of "bodily injury by accident" or "bodily injury by disease" to your "employee" that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

2. Exclusions

This insurance does not apply to:

a. Intentional Injury

"Bodily injury by accident" or "bodily injury by disease" intentionally caused or aggravated by you, or "bodily injury by accident" or "bodily injury by disease" resulting from an act which is determined to have been committed by you if it was reasonable to believe that an injury is substantially certain to occur.

b. Fines Or Penalties

Any assessment, penalty or fine levied by any regulatory inspection agency or authority.

c. Statutory Obligations

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

d. Contractual Liability

Liability assumed by you under any contract or agreement.

e. Violation Of Law

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any "employee" while employed in violation of law with your actual knowledge or the actual knowledge of any of your "executive officers".

f. Termination, Coercion Or Discrimination

Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any "employee", or arising out of other employment or personnel decisions concerning the "insured".

g. Failure To Comply With "Workers' Compensation Law"

"Bodily injury by accident" or "bodily injury by disease" to an "employee" when you are:

(1) Deprived of common law defenses; or

(2) Otherwise subject to penalty;

because of your failure to secure your obligations or other failure to comply with any "workers' compensation law".

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h. Violation Of Age Laws Or Employment Of Minors

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any person:

- (1) Knowingly employed by you in violation of any law as to age; or
- (2) Under the age of 14 years, regardless of any such law.

i. Federal Laws

Any premium, assessment, penalty, fine, benefit, liability or other obligation imposed by or granted pursuant to:

- (1) The Federal Employer's Liability Act (45 USC Sections 51-60);
- (2) The Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173);
- (3) The Longshore and Harbor Workers' Compensation Act (33 USC Sections 910-950);
- (4) The Outer Continental Shelf Lands Act (43 USC Sections 1331-1356);
- (5) The Defense Base Act (42 USC Sections 1651-1654);
- (6) The Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942);
- (7) The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872);
- (8) Any other workers' compensation, unemployment compensation or disability laws or any similar law; or
- (9) Any subsequent amendments to the laws listed above.

j. Punitive Damages

Multiple, exemplary or punitive damages.

k. Crew Members

"Bodily injury by accident" or "bodily injury by disease" to a master or member of the crew of any vessel or any member of the flying crew of an aircraft.

B. Paragraph E. Supplementary Payments in Section II – General Liability Coverages applies to Stop Gap Employers Liability Coverage.

C. For the purposes of this endorsement:

1. Section II – General Liability Coverages – Who Is An Insured is replaced by the following:

If you are designated in the Declarations as:

- a. You.
- b. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
- c. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insureds", but only with respect to their duties as your managers.
- d. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, 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.

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

2. Section II – General Liability Coverages, Paragraph F. Limits Of Insurance – General Liability Coverages is replaced by the following:

- a. The Limits Of Insurance shown in the Schedule of this endorsement is the most we will pay regardless of the number of:
 - (1) "Insureds";
 - (2) Claims made or "suits" brought; or
 - (3) Persons or organizations making claims or bringing "suits".
- b. The "Bodily Injury By Accident" – Each Accident Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance because of "bodily injury by accident" to one or more "employees" in any one "accident".
- c. The "Bodily Injury By Disease" – Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance and arising out of "bodily injury by disease", regardless of the number of "employees" who sustain "bodily injury by disease".

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d. Subject to Paragraph **C.3.** of this endorsement, the "Bodily Injury By Disease" – Each "Employee" Limit shown in the Schedule of this endorsement is the most we will pay for all damages because of "bodily injury by disease" to any one "employee".

The limits of the coverage 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.

3. Condition **2. Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** under **Section IV – Conditions** is replaced by the following:

2. Duties In The Event Of Injury, Claim Or Suit

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

a. You must see to it that we or our agent is notified as soon as practicable of a "bodily injury by accident" or "bodily injury by disease" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "bodily injury by accident" or "bodily injury by disease" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury.

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

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

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

c. 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 injury, claim, proceeding or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us and assist us, as we may request, in the investigation or settlement of the claim or defense against the "suit";

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury to which this insurance may also apply; and

(5) Do nothing after an injury occurs that would interfere with our right to recover from others.

d. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

4. Condition **7. Policy Period, Coverage Territory** of **Section IV – Conditions** is replaced by the following:

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "bodily injury by disease" and "bodily injury by accident" occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere else in the world if "bodily injury by accident" or "bodily injury by disease" to your "employee" is caused by an "insured" who permanently lives within the United States of America, its territories or possessions, Puerto Rico or Canada while the "insured" is temporarily outside of one of those places;

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

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5. **Section V – Definitions** is amended as follows:

1. Definition **V.** in **Section V** is replaced by the following:

V. "Suit" means a civil proceeding in which damages because of "bodily injury by accident" or "bodily injury by disease" to which this insurance applies are claimed.

"Suit" includes:

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

2. The following is added to the **Definitions** section:

a. "Workers' Compensation Law" means the Workers' Compensation Law and any Occupational Disease Law of North Dakota. This does not include provisions of any law providing nonoccupational disability benefits.

- b. "Bodily injury by accident" means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease is not "bodily injury by accident" unless it results directly from "bodily injury by accident".
 - c. "Bodily injury by disease" means a disease sustained by a person, including death. "Bodily injury by disease" does not include a disease that results directly from an accident.
3. The definition of "bodily injury" does not apply.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**STOP GAP – EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT – NORTH DAKOTA**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

Named Insured:
Endorsement Effective Date:

SCHEDULE

Limits Of Insurance		
Bodily Injury By Accident	\$	Each Accident
Bodily Injury By Disease	\$	Aggregate Limit
Bodily Injury By Disease	\$	Each Employee

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to Section II – General Liability Coverages:

Coverage – Stop Gap – Employers Liability

1. Coverage

a. We will pay those sums that the "insured" becomes legally obligated by North Dakota Law to pay as damages because of "bodily injury by accident" or "bodily injury by disease" to your "employee" 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 to which this insurance does not apply. We may, at our discretion, investigate any accident and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Paragraph F. Limits Of Insurance – General Liability Coverages; and

(2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this coverage.

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

b. This insurance applies to "bodily injury by accident" or "bodily injury by disease" only if:

(1) The:

(a) "Bodily injury by accident" or "bodily injury by disease" takes place in the coverage territory;

- (b) "Bodily injury by accident" or "bodily injury by disease" arises out of and in the course of the injured "employee's" employment by you; and
 - (c) "Employee", at the time of the injury, was covered under a workers' compensation policy and subject to a "workers' compensation law" of North Dakota; and
- (2) The:
- (a) "Bodily injury by accident" is caused by an accident that occurs during the policy period; or
 - (b) "Bodily injury by disease" is caused by or aggravated by conditions of employment by you, and the injured "employee's" last day of last exposure to the conditions causing or aggravating such "bodily injury by disease" occurs during the policy period.
- c. The damages we will pay, where recovery is permitted by law, include damages:
- (1) For:
- (a) Which you are liable to a third party by reason of a claim or "suit" against you by that third party to recover the damages claimed against such third party as a result of injury to your "employee";
 - (b) Care and loss of services; and
 - (c) Consequential "bodily injury by accident" or "bodily injury by disease" to a spouse, child, parent, brother or sister of the injured "employee";
- provided that these damages are the direct consequence of "bodily injury by accident" or "bodily injury by disease" that arises out of and in the course of the injured "employee's" employment by you; and
- (2) Because of "bodily injury by accident" or "bodily injury by disease" to your "employee" that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

2. Exclusions

This insurance does not apply to:

a. Intentional Injury

"Bodily injury by accident" or "bodily injury by disease" intentionally caused or aggravated by you, or "bodily injury by accident" or "bodily injury by disease" resulting from an act which is determined to have been committed by you if it was reasonable to believe that an injury is substantially certain to occur.

b. Fines Or Penalties

Any assessment, penalty or fine levied by any regulatory inspection agency or authority.

c. Statutory Obligations

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

d. Contractual Liability

Liability assumed by you under any contract or agreement.

e. Violation Of Law

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any "employee" while employed in violation of law with your actual knowledge or the actual knowledge of any of your "executive officers".

f. Termination, Coercion Or Discrimination

Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any "employee", or arising out of other employment or personnel decisions concerning the "insured".

g. Failure To Comply With "Workers' Compensation Law"

"Bodily injury by accident" or "bodily injury by disease" to an "employee" when you are:

- (1) Deprived of common law defenses; or
- (2) Otherwise subject to penalty; because of your failure to secure your obligations or other failure to comply with any "workers' compensation law".

h. Violation Of Age Laws Or Employment Of Minors

"Bodily injury by accident" or "bodily injury by disease" suffered or caused by any person:

- (1) Knowingly employed by you in violation of any law as to age; or
- (2) Under the age of 14 years, regardless of any such law.

i. Federal Laws

Any premium, assessment, penalty, fine, benefit, liability or other obligation imposed by or granted pursuant to:

- (1) The Federal Employer's Liability Act (45 USC Sections 51-60);
- (2) The Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173);
- (3) The Longshore and Harbor Workers' Compensation Act (33 USC Sections 910-950);
- (4) The Outer Continental Shelf Lands Act (43 USC Sections 1331-1356);
- (5) The Defense Base Act (42 USC Sections 1651-1654);
- (6) The Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942);
- (7) The Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872);
- (8) Any other workers' compensation, unemployment compensation or disability laws or any similar law; or
- (9) Any subsequent amendments to the laws listed above.

j. Punitive Damages

Multiple, exemplary or punitive damages.

k. Crew Members

"Bodily injury by accident" or "bodily injury by disease" to a master or member of the crew of any vessel or any member of the flying crew of an aircraft.

B. Paragraph E. Supplementary Payments in Section II – General Liability Coverages applies to Stop Gap Employers Liability Coverage.

C. For the purposes of this endorsement:

1. Section II – General Liability Coverages – Who Is An Insured is replaced by the following:

If you are designated in the Declarations as:

- a. You.
- b. Your partners and their spouses, if you are a partnership, but only with respect to the conduct of your "auto dealer operations".
- c. Your members, if you are a limited liability company, but only with respect to the conduct of your "auto dealer operations". Your managers are also "insureds", but only with respect to their duties as your managers.
- d. Your "executive officers" and directors, if you are an organization other than a partnership or limited liability company, 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.

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

2. Section II – General Liability Coverages, Paragraph F. Limits Of Insurance – General Liability Coverages is replaced by the following:

- a. The Limits Of Insurance shown in the Schedule of this endorsement is the most we will pay regardless of the number of:
 - (1) "Insureds";
 - (2) Claims made or "suits" brought; or
 - (3) Persons or organizations making claims or bringing "suits".
- b. The "Bodily Injury By Accident" – Each Accident Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance because of "bodily injury by accident" to one or more "employees" in any one "accident".
- c. The "Bodily Injury By Disease" – Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all damages covered by this insurance and arising out of "bodily injury by disease", regardless of the number of "employees" who sustain "bodily injury by disease".

- d. Subject to Paragraph **C.3.** of this endorsement, the "Bodily Injury By Disease" – Each "Employee" Limit shown in the Schedule of this endorsement is the most we will pay for all damages because of "bodily injury by disease" to any one "employee".

The limits of the coverage 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.

- 3. Condition **2. Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** under **Section IV – Conditions** is replaced by the following:

- 2. **Duties In The Event Of Injury, Claim Or Suit**

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a. You must see to it that we or our agent is notified as soon as practicable of a "bodily injury by accident" or "bodily injury by disease" which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "bodily injury by accident" or "bodily injury by disease" took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury.

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

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

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

- c. 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 injury, claim, proceeding or "suit";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us and assist us, as we may request, in the investigation or settlement of the claim or defense against the "suit";

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury to which this insurance may also apply; and

- (5) Do nothing after an injury occurs that would interfere with our right to recover from others.

- d. No "insured" will, except at that "insured's" own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.

- 4. Condition **7. Policy Period, Coverage Territory** of **Section IV – Conditions** is replaced by the following:

- 7. **Policy Period, Coverage Territory**

Under this Coverage Form, we cover "bodily injury by disease" and "bodily injury by accident" occurring during the policy period shown in the Declarations and within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere else in the world if "bodily injury by accident" or "bodily injury by disease" to your "employee" is caused by an "insured" who permanently lives within the United States of America, its territories or possessions, Puerto Rico or Canada while the "insured" is temporarily outside of one of those places;

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

5. **Section V – Definitions** is amended as follows:

1. Definition **V.** in Section **V** is replaced by the following:

V. "Suit" means a civil proceeding in which damages because of "bodily injury by accident" or "bodily injury by disease" to which this insurance applies are claimed.

"Suit" includes:

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

2. The following is added to the **Definitions** section:

a. "Workers' Compensation Law" means the Workers' Compensation Law and any Occupational Disease Law of North Dakota. This does not include provisions of any law providing nonoccupational disability benefits.

- b. "Bodily injury by accident" means bodily injury, sickness or disease sustained by a person, including death, resulting from an accident. A disease is not "bodily injury by accident" unless it results directly from "bodily injury by accident".
 - c. "Bodily injury by disease" means a disease sustained by a person, including death. "Bodily injury by disease" does not include a disease that results directly from an accident.
3. The definition of "bodily injury" does not apply.