VIRGINIA MOTOR CARRIER ENDORSEMENT

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This endorsement modifies insurance provided under the following:

BUSINESS AUTO 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

For those covered "autos" used in your motor carrier operations as a "motor carrier", the liability "cost of hire" provisions in the Declarations of the Policy are replaced by the following:

Schedule Of Hired Or Borrowed Covered "Auto" Coverage And Premiums – Covered "Autos" Liability Coverage

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Covered Autos Liability Coverage – "Cost Of Hire" Rating Basis For "Autos" Used In Your  Motor Carrier Operations (Other Than Mobile Or Farm Equipment)** | | | | | | |
| **Covered Autos  Liability Coverage** | | | **Estimated Annual  Cost Of Hire For All States** | | **Premium** | |
|  | **Primary Coverage** | | **$** |  | **$** |  |
|  | **Excess Coverage** | | **$** |  | **$** |  |
| **Total Hired Auto Premium** | | | | | **$** |  |
| For "autos" used in your motor carrier operations, "cost of hire" means: | | | | | | |
| **1.** | | The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers) and, if not included therein, | | | | |
| **2.** | | The total remunerations of all operators and drivers' helpers of hired automobiles, whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and | | | | |
| **3.** | | The total dollar amount of any other costs (e.g., repair, maintenance, fuel) directly associated with operating the hired automobiles, whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others. | | | | |

The following provisions apply to those covered "autos" used in your operations as a "motor carrier" if "gross receipts" is used as a premium basis:

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| **Schedule For "Gross Receipts" Or Mileage Rating Basis** | | | | | | | | |
|  | | | | | | | | |
| **Rating Basis (Check one):** |  |  | **Gross Receipts (Per $100)** | | |  |  | **Mileage (Per Mile)** |
|  | | | | | |  | | |
| **Estimated Yearly (Gross Receipts Or Mileage):** | | | | | |  | | |
|  | | | |  | **Premiums** | | | |
| **Covered Autos Liability Coverage** | | | | **$** |  | | | |
| **Virginia Medical Expense Benefits** | | | | **$** |  | | | |
| **Total Premiums** | | | | **$** |  | | | |
| **Minimum Premiums** | | | | **$** |  | | | |

"Gross receipts" means the total amount earned by the named insured for shipping or transporting property regardless of whether you or any other carrier originates the shipment or transportation. "Gross receipts" includes the total amount received from renting equipment, with or without drivers, to any person or organization not engaged in the business of transporting property for hire by "auto" and 15% of the total amount received from renting any equipment, with or without drivers, to any person or organization engaged in the business of transporting property for hire by "auto". "Gross receipts" does not include:

1. Amounts you paid to air, sea or land carriers operating under their own permits.

2. Advertising revenue.

3. Taxes collected as a separate item and paid directly to the government.

4. C.O.D. collections for cost of merchandise including collection fees.

5. Warehouse storage fees.

This endorsement provides only those coverages where a charge is shown in the premium column below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Schedule Of Trailer Interchange Coverage** | | | | | |
| **Coverages** | **Limit Of Insurance And Deductible** | | | **Estimated Premium** | |
| **Comprehensive** | **Least Of Actual Cash Value, Cost Of Repair Or** | | | **$** |  |
| **$** |  | **Limit Of Insurance** |
| **$** |  | **Deductible For Each Covered Trailer** |
| **Specified Causes Of Loss** | **Least Of Actual Cash Value, Cost Of Repair Or** | | | **$** |  |
| **$** |  | **Limit Of Insurance** |
| **$** |  | **Deductible For Each Covered Trailer** |
| **Collision** | **Least Of Actual Cash Value, Cost Of Repair Or** | | | **$** |  |
| **$** |  | **Limit Of Insurance** |
| **$** |  | **Deductible For Each Covered Trailer** |
| **Total Trailer Interchange Premium** | | | | **$** |  |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. | | | | | |

Physical Damage Coverage

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The **Physical Damage Coverage** Exclusion in Paragraph **D.** of this endorsement is removed for each of the following coverages indicated by an "X" in the box:

|  |  |
| --- | --- |
|  | **Comprehensive** |
|  | **Specified Causes Of Loss** |
|  | **Collision** |

For any operations you engage in as a "motor carrier", the Policy is changed as follows:

A. Paragraph B.3. of Owned Autos under Section I – Covered Autos does not apply.

B. Paragraph A.1. Who Is An Insured under Section II – Covered Autos Liability Coverage is replaced by the following:

1. Who Is An Insured

The following are "insureds":

a. You for any covered "auto".

b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

(1) The owner, or any "employee", agent or driver of the owner, or anyone else from whom you hire or borrow a covered "auto".

(2) Your "employee" or agent if the covered "auto" is owned by that "employee" or agent or a member of his or her household.

(3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), a lessee or borrower of a covered "auto" or any of their "employees", while moving property to or from a covered "auto".

(5) A partner (if you are a partnership) or member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

(6) Another "motor carrier" or any "employee", agent or driver of that "motor carrier", while using a covered "auto" that is a "trailer", in that other "motor carrier's" business.

c. The owner or anyone else from whom you hire or borrow a covered "auto" that is a "trailer" while the "trailer" is being used:

(1) With another covered "auto" that is a power unit; or

(2) Exclusively in your business, if not being used with a covered "auto" that is a power unit.

d. The lessor of a covered "auto" that is not a "trailer" or any "employee", agent or driver of the lessor while the "auto" is leased to you under a written agreement, but only when the leased "auto" is used in your business as a "motor carrier" for hire.

However, such lessor or any "employee", agent or driver of the lessor is not an "insured" if a written hold harmless agreement between the lessor and you requires the lessor to hold you harmless, but only to the extent required by such hold harmless agreement.

e. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

However, none of the following is an "insured":

(1) Any "motor carrier" for hire or any agents or "employees" of the "motor carrier", other than you and your "employees":

(a) If the "motor carrier" is subject to motor carrier insurance requirements and meets them by a means other than "auto" liability insurance.

(b) If the "motor carrier" is not insured for hired "autos" under an "auto" liability insurance form that insures on a primary basis the owners of the "autos" and their agents and "employees" while the "autos" are leased to that "motor carrier" and used in their business.

However, Paragraph **(1)** above does not apply if you have leased an "auto" to the for-hire "motor carrier" under a written lease agreement in which you have held that "motor carrier" harmless.

(2) Any rail, water or air carrier or its "employees" or agents, other than you and your "employees", for a "trailer" if "bodily injury" or "property damage" occurs while the "trailer" is detached from a covered "auto" you are using and:

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(a) Is being transported by the carrier; or

(b) Is being loaded on or unloaded from any unit of transportation by the carrier.

C. The following Trailer Interchange Coverage provisions are added:

1. Coverage

a. We will pay all sums you legally must pay as damages because of "loss" to a "trailer" you don't own or its equipment. 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.

b. We will pay for "loss" to the "trailer" under:

(1) Comprehensive Coverage

From any cause except:

(a) The "trailer's" collision with another object; or

(b) The "trailer's" overturn.

(2) Specified Causes Of Loss Coverage

Caused by:

(a) Fire, lightning or explosion;

(b) Theft;

(c) Windstorm, hail or earthquake;

(d) Flood;

(e) Mischief or vandalism; or

(f) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".

(3) Collision Coverage

Caused by:

(a) The "trailer's" collision with another object; or

(b) The "trailer's" overturn.

c. We have the right and duty to defend any "insured" against a "suit" asking for these damages, even if the "suit" is groundless, false or fraudulent. However, we have no duty to defend any "insured" against a "suit" seeking damages for any "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

d. Coverage Extensions

The following applies as **Supplementary Payments.** We will pay for you:

(1) All expenses we incur.

(2) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance.

(3) All reasonable expenses incurred at our request, including actual loss of earnings up to $250 a day because of time off from work.

(4) All court costs taxed against the "insured" in any "suit" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

(5) All interest on the full amount of any judgment that accrues after entry of the judgment, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

(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.

These payments will not reduce the Limit of Insurance.

2. Exclusions

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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".

(1) Nuclear Hazard

(a) The explosion of any weapon employing atomic fission or fusion; or

(b) Nuclear reaction or radiation, or radioactive contamination, however caused.

(2) War Or Military Action

(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.

b. We will not pay for loss of use.

c. Other Exclusions

We will not pay for "loss" due and confined to:

(1) Wear and tear, freezing, mechanical or electrical breakdown.

(2) Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

3. Limit Of Insurance

The most we will pay for "loss" to any one "trailer" is the least of the following amounts:

a. The actual cash value of the damaged or stolen property at the time of the "loss";

b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or

c. The Limit Of Insurance shown in the Schedule.

4. Deductible

For each covered "trailer", our obligation to pay:

a. The actual cash value of the damaged or stolen property at the time of the "loss" will be reduced by the applicable deductible shown in the Schedule;

b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality will be reduced by the applicable deductible shown in the Schedule; or

c. The damages for "loss" that would otherwise be payable will be reduced by the applicable deductible shown in the Schedule prior to the application of the Limit Of Insurance shown in the Schedule.

D. The following exclusion is added to Physical Damage Coverage:

We will not pay for "loss" to:

Any covered "auto" while in anyone else's possession under a written "trailer" interchange agreement. But this exclusion does not apply to a loss payee; however, if we pay the loss payee, you must reimburse us for our payment.

E. The Other Insurance Condition is replaced by the following:

5. Other Insurance – Primary And Excess Insurance Provisions

a. While any covered "auto" is hired or borrowed from you by another "motor carrier", this Coverage Form's Covered Autos Liability Coverage is:

(1) Excess over any other collectible insurance unless Paragraph (2) applies.

(2) Primary if a written agreement between you and the lessee requires you to hold the lessee harmless.

b. While any covered "auto" is hired or borrowed by you from another "motor carrier", this Coverage Form's Covered Autos Liability Coverage is:

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(1) Primary unless Paragraph (2) applies, and then only while the covered "auto" is used exclusively in your business.

(2) Excess over any other collectible insurance if a written agreement between the lessor and you requires the lessor to hold you harmless.

c. While a covered "auto" which is a "trailer" is used with a power unit, this Coverage Form's Covered Autos Liability Coverage is:

(1) Provided on the same basis, either primary or excess, as the Covered Autos Liability Coverage provided for the power unit if the power unit is a covered "auto".

(2) Excess if the power unit is not a covered "auto".

d. Any Trailer Interchange Coverage provided by this Coverage Form is primary for any covered "auto".

e. Except as provided in Paragraphs a., b., c. and d. above, this Coverage Form provides primary insurance for any covered "auto" you own and excess insurance for any covered "auto" you don't own.

f. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is deemed to be a covered "auto" you don't own.

g. Regardless of the provisions of Paragraphs a., b., c., d. and e. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

h. When this Coverage Form and any other Coverage Form or policy cover on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

F. Additional Definitions

As used in this endorsement:

1. "Motor carrier" means a person or organization providing transportation by "auto" in the furtherance of a commercial enterprise.

2. "Trailer" includes a semitrailer or a dolly used to convert a semitrailer into a trailer. But for Trailer Interchange Coverage only, "trailer" also includes a container.