**ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective at 12:01 A.M. forms a part of

Policy No. Issued to:

By:

**BUSINESS AUTO BROAD FORM ENDORSEMENT – FORM A**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

**I. SUBSIDIARIES AND NEWLY ACQUIRED OR FORMED ORGANIZATIONS**

Subparagraph **1. Who is an Insured** of Paragraph **A. Coverage** (**SECTION II – COVERED AUTOS LIABILITY COVERAGE**) is amended to include the following:

The following will qualify as a Named Insured if there is no similar insurance available to that organization, regardless of whether the limits of such insurance are exhausted:

**a.** Any incorporated subsidiary in which you maintain ownership or majority interest on the effective date of the policy.

**b.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest. However:

**(1)** 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

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

No person or organization will qualify as a Named 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.

**II.** **LESSORS AS INSUREDS**

Subparagraph **1. Who is an Insured** of Paragraph **A. Coverage** (**SECTION II – COVERED AUTOS LIABILITY COVERAGE**) is amended to include the following:

The lessor of a covered “auto” while the “auto” is leased to you under a written agreement if:

**(1)** The agreement requires you to provide direct primary insurance for the lessor and

**(2)** The “auto” is leased without a driver.

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

**III. EMPLOYEES AS INSUREDS**

Subparagraph **1. Who is an Insured** of Paragraph **A. Coverage** (**SECTION II – COVERED AUTOS LIABILITY COVERAGE**) is amended to include the following:

Any "employee" of yours while using a covered "auto" you do not own, hire or borrow, in your business or your personal affairs.

**IV. EMPLOYEE HIRED AUTOS**

**A.** Subparagraph **1. Who is an Insured** of Paragraph **A. Coverage** (**SECTION II – COVERED AUTOS LIABILITY COVERAGE**) is amended to include the following:

An "employee" of yours while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

**B.** Subparagraph **b.** of Subparagraph **5. Other Insurance** of Paragraph **B. General Conditions** (**SECTION IV – BUSINESS AUTO CONDITIONS**) is deleted in its entirety and replaced with the following:

**b.** For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and

2. Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

**V. AMENDED FELLOW EMPLOYEE EXCLUSION**

Subparagraph **5.** of Paragraph **B. Exclusions** (**SECTION II – COVERED AUTOS LIABILITY COVERAGE**) is deleted in its entirety and replaced with the following:

5. Fellow Employee

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

But this exclusion does not apply if you have workers' compensation insurance in-force covering all of your “employees”. Coverage provided under this exception is excess over any other collectible insurance.

**VI. ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE**

Subparagraph **a.** **Transportation Expenses** of Paragraph **4. Coverage Extensions** of Paragraph **A. Coverage** (**SECTION III – PHYSICAL DAMAGE COVERAGE**) is deleted in it entirety and replaced with the following:

a. Transportation Expenses

We will pay up to $50 per day to a maximum of $1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

**VII. HIRED AUTO PHYSICAL DAMAGE**

Subparagraph **b. Loss of Use Expenses** of Subparagraph **4. Coverage Extensions** of Paragraph **A. Coverage** (**SECTION III – PHYSICAL DAMAGE COVERAGE**) is deleted in its entirety and replaced with the following:

* 1. **Hired Auto Physical Damage Coverage**
     1. **Loss of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver, under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

(a) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";

(b) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

(c) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is $30 per day, to a maximum of $1000 per accident.

* + 1. **Loss to Hired Auto**

For Hired Auto Physical Damage, we will pay for “loss” to an “auto” you rented or hired without a driver, under a written rental contract or agreement. We will pay for “loss” if caused by:

**(a)** Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered “auto”;

**(b)** Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

**(c)** Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

We will provide coverage equal to the broadest coverage applicable to any covered “auto” you own that is covered by this policy. However, the most we will pay for "loss" to any hired "auto" is:

**(a)** $25,000;

**(b)** The actual cash value of the damaged or stolen property at the time of the "loss"; or

**(c)** The cost of repairing or replacing the damaged or stolen property;

whichever is smallest, minus the deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning.

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

1. **EXPENSE FOR STOLEN AUTO RETURN**

Subparagraph **4. Coverage Extensions** of Paragraph **A. Coverage** (**SECTION III – PHYSICAL DAMAGE COVERAGE)** is amended to include the following:

**Expense for Stolen Auto Return**

We will pay for the expense incurred returning a stolen covered "auto" to you because of the total theft of such covered “auto”.

**IX. EXCEPTION TO MECHANICAL BREAKDOWN EXCLUSION FOR AIRBAGS**

Subparagraph **3.** of Paragraph **B. Exclusions** (**SECTION III - PHYSICAL DAMAGE COVERAGE**) is deleted in its entirety and replaced with the following:

3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

a. Wear and tear, freezing, mechanical or electrical breakdown. But this exclusion does not apply to accidental discharge of an airbag.

b. Blowouts, punctures or other road damage to tires.

X. AMENDED DEDUCTIBLE PROVISION – GLASS BREAKAGE AND MULTIPLE DEDUCTIBLES

Paragraph **D. Deductible** of **SECTION III – PHYSICAL DAMAGE COVERAGE** is deleted in its entirety and replaced with the following:

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. However, no deductible applies to glass breakage if the glass is repaired rather than replaced.

Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

If another policy or coverage form issued by us or any company that controls, is controlled by, or is under common control with us, applies to the same “accident”, the following applies:

**1.** If the deductible under this policy is the smaller (or smallest) deductible, it will be waived; or

**2.** If the deductible under this policy is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

**XI. AUTO LEASE GAP COVERAGE**

**SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to include the following:

If a long-term leased “auto” is a covered “auto” and the lessor is named in the policy as a loss payee, we will pay in the event of a total "loss" the unpaid amounts due on the lease for the covered “auto” at the time of the “loss”, less:

**1.** Overdue lease payments at the time of the "loss";

2. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage.

3. Security deposits not returned by the lessor;

4. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the lease; and

5. Carry-over balances from previous leases.

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

Subparagraph **2.a.** of Paragraph **A. Loss Conditions** (**SECTION IV – BUSINESS AUTO CONDITIONS**) is deleted in its entirety and replaced with the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:

(1) How, when and where the "accident" or "loss" occurred;

(2) The "insured's" name and address; and

(3) To the extent possible, the names and addresses of any injured persons and witnesses.

This condition applies only when the "accident" is known to:

**(1)** You, if you are an individual;

**(2)** A partner, if you are a partnership;

**(3)** A member, if you are a limited liability company; or

**(4)** An officer or insurance manager, if you are a corporation.

Your failure to give first report of a claim to us shall not invalidate coverage under this policy if the loss was inadvertently reported to another insurer. However, you shall report any such “accident”, claim, “suit” or “loss” to us within a reasonable time once you become aware of such error.

**XIII. LIMITED WAIVER OF RIGHTS OF RECOVERY AGAINST OTHERS**

Subparagraph **5.** of Paragraph **A. Loss Conditions** (**SECTION IV – BUSINESS AUTO CONDITIONS**)is deleted in its entirety and replaced with the following:

5. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

However, we waive any right of recovery we may have against any person or organization with whom you have a written contract executed prior to the “loss” that requires a waiver of recovery for payments made for damages arising out of your operations done under contract with such person or organization.

**XIV. UNINTENTIONAL FAILURE TO PROVIDE ACCURATE AND COMPLETE REPRESENTATIONS**

Subparagraph **2.** of Paragraph **B. General Conditions** (**SECTION IV – BUSINESS AUTO CONDITIONS**) is deleted in its entirety and replaced with the following:

2. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

a. This Coverage Form;

b. The covered "auto";

c. Your interest in the covered "auto"; or

d. A claim under this Coverage Form.

Any unintentional failure by you or any “insured” to provide accurate and complete representations as of the inception of the policy will not prejudice the coverages afforded by this policy. However, you must report such error or omission to us as soon as practicable after its discovery.

1. **AMENDED BODILY INJURY DEFINITION**

Paragraph **C.** of **SECTION V – DEFINITIONS** is deleted in its entirety and replaced with the following:

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

All other terms and conditions of the policy remain the same.

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Authorized Representative