

ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Policy No.:<Policy Number> <Endorsement Number>
Effective 12:01 a.m. <Policy or Endorsement Effective Date>

BUSINESS AUTO BROAD FORM ENDORSEMENT

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** of **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:

- (1) Any incorporated subsidiary in which you maintain ownership or majority interest on the effective date of the policy.
- (2) 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:
 - (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 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 INSURED

Subparagraph 1. **Who Is An Insured** of Paragraph A. **Coverage** of **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.

However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:

- (a) You;

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- (b) Any of your "employees" or agents; or
- (c) Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.

III. ADDITIONAL INSURED – WHERE REQUIRED UNDER CONTRACT OR AGREEMENT

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

Any person or organization to whom you become obligated to include as an additional "insured" under this policy, as a result of any contract or agreement you enter into which requires you to furnish insurance to that person or organization of the type provided by this policy, but only with respect to liability covered by the terms of this policy, arising out of the use of a covered "auto" you own, hire or borrow.

However, the insurance provided herein will not exceed the lesser of:

- (1) The coverage and/or limits of this policy; or
- (2) The coverage and/or limits required by such contract or agreement.

IV. EMPLOYEES AS INSUREDS

Subparagraph 1. **Who Is An Insured** of Paragraph A. **Coverage** of **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.

V. DRIVE OTHER CAR LIABILITY COVERAGE – EXECUTIVE OFFICERS

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

Any of your executive officers or his or her spouse, while a resident of the same household using a covered "auto" described below.

For the purposes of this paragraph, a covered "auto" for Covered Autos Liability Coverage is any "auto" you do not own, hire or borrow while being used by your executive officer or by his or her spouse while a resident of the same household except:

- (1) Any "auto" owned by that executive officer or a member of that person's household; or
- (2) Any "auto" used by that executive officer or his or her spouse while working in a business of selling, servicing, or repairing or parking "autos".

We will provide coverage to this "insured" equal to the broadest coverage applicable to any covered "auto" you own that is covered by this policy. Any coverage provided to this "insured" is excess over any other valid and collectible insurance.

VI. SUPPLEMENTARY PAYMENTS – BAIL BONDS AND LOSS OF EARNINGS

Subparagraph a. of Paragraph 2. **Coverage Extensions** of Paragraph A. **Coverage** of **SECTION II – COVERED AUTOS LIABILITY COVERAGE** is deleted in its entirety and replaced with the following:

a. Supplementary Payments

We will pay for the "insured":

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1. All expenses we incur.
2. Up to \$2,500 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
3. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
4. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$300 a day because of time off from work.
5. All 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".
6. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, 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.

These payments will not reduce the Limit of Insurance.

VII. AMENDED FELLOW EMPLOYEE EXCLUSION

Subparagraph 5. of Paragraph B. **Exclusions** of **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.

VIII. GLASS BREAKAGE

The following is added to Subparagraph 3. **Glass Breakage - Hitting A Bird or Animal - Falling Objects or Missiles** of Paragraph A. **Coverage** of **SECTION III – PHYSICAL DAMAGE COVERAGE**:

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles

No deductible applies to "loss" to glass used in the windshield or windows for a covered "auto" of the private passenger type or the light truck type described or designated in the Declarations.

All other Physical Damage Coverage provisions apply.

IX. ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE

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

a. Transportation Expenses

We will pay up to \$60 per day, to a maximum of \$2,000 for temporary transportation expense

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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".

X. EXPENSE FOR STOLEN AUTO RETURN

Subparagraph **4. Coverage Extensions** of Paragraph **A. Coverage** of **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".

XI. EXCEPTION TO MECHANICAL BREAKDOWN EXCLUSION FOR AIRBAGS

Subparagraph **3.** of Paragraph **B. Exclusions** of **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.

XII. 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.

XIII. 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.

XIV. VEHICLE WRAP COVERAGE

Paragraph **A. Coverage** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended to include the following additional paragraph:

Vehicle Wrap

In the event of a "loss" to a covered "auto", we will provide the following coverage if such "loss" is caused by:

- a. Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for the covered "auto";
- b. Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for the covered "auto"; or
- c. Collision only if the Declarations indicates that Collision Coverage is provided for the covered "auto".

We will pay for "loss" to a "vehicle wrap" that is installed on the covered "auto". The most we will pay for "loss" is \$1,000 for each covered "auto" up to \$5,000 per policy period.

We will not pay for "loss" due to and confined to wear and tear; or damage to paint or the vehicle caused by faulty installation of a "vehicle wrap".

The "vehicle wrap" is subject to the Comprehensive deductible for the covered "auto", except in the event of a "loss" to a covered "auto" for which such vehicle is involved in a collision and there is both:

- (1) collision damage to the vehicle; and
- (2) damage to the "vehicle wrap"

Then the collision deductible will apply.

If the "vehicle wrap" is damaged in a collision, the lesser of replacement cost or original purchase cost of the "vehicle wrap" will apply.

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

Subparagraph **2.a.** of Paragraph **A. Loss Conditions** of **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:

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- (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:

- (a) You, if you are an individual;
- (b) A partner, if you are a partnership;
- (c) A member, if you are a limited liability company; or
- (d) 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.

XVI. LIMITED WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

Subparagraph 5. of Paragraph A. **Loss Conditions** of **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 against any person or organization, because of any payment we make under this Coverage Part, to whom the "insured" has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the "insured" has waived its right of recovery against such person or organization prior to the "accident" or "loss".

XVII. UNINTENTIONAL FAILURE TO PROVIDE ACCURATE AND COMPLETE REPRESENTATIONS

Subparagraph 2. **Concealment, Misrepresentation Or Fraud** of Paragraph B. **General Conditions** of **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to include the following:

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.

XVIII. AMENDED DEFINITIONS

- A. 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.

B. The following definition is added to **SECTION V. - DEFINITIONS:**

“Vehicle Wrap” means self-adhesive vinyl decals or sheets applied to the exterior body or window of a covered “auto”. Signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.

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

Authorized Representative