

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTO COVERAGE FORM

SECTION I – LIABILITY COVERAGE

A. COVERAGE

1. WHO IS AN INSURED

The following is added:

- d. Any organization, other than a partnership or joint venture, over which you maintain ownership or a majority interest on the effective date of this Coverage Form, if there is no similar insurance available to that organization.
- e. Any organization you newly acquire or form other than a partnership or joint venture, and over which you maintain ownership of a majority interest. However, coverage under this provision does not apply:
 - (1) If there is similar insurance or a self-insured retention plan available to that organization; or
 - (2) To “bodily injury” or “property damage” that occurred before you acquired or formed the organization.
- f. Any person, organization, trustee, estate or governmental entity with respect to the operation, maintenance or use of a covered “auto” by an insured, if:
 - (1) You are obligated to add that person, organization, trustee, estate or governmental entity as an additional insured to this policy by:
 - (a) an expressed provision of an “insured contract”, or written agreement; or
 - (b) an expressed condition of a written permit issued to you by a governmental or public authority.

(2) The “bodily injury” or “property damage” is caused by an “accident” which takes place after:

(a) You executed the “insured contract” or written agreement; or

(b) the permit has been issued to you.

2. COVERAGE EXTENSIONS

a. Supplementary Payments.

Paragraph a. 4 is amended as follows.

(4) We will pay all reasonable expenses incurred by the “insured” at our request, including actual loss of earning up to \$250 a day because of time off from work.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. COVERAGE

The following is added:

5. Hired Auto Physical Damage

- a. Any “auto” you lease, hire, rent or borrow from someone other than your employees or partners or members of their household is a covered “auto” for each of you physical damage coverages.
- b. The most we will pay for “loss” in any one “accident” is the smallest of:
 - (1) \$35,000
 - (2) The actual cash value of the damaged or stolen property as of the time of the “loss”; or
 - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

If you are liable for the “accident”, we will also pay up to \$500 per “accident”

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for the actual loss of use to the owner of the covered "auto."

- c. Our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by an amount that is equal to the amount of the largest deductible shown for any owned "auto" for that coverage. However, any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.
- d. For this coverage, the insurance provided is primary for any covered "auto" you hire without a driver and excess over any other collectible insurance for any covered "auto" that you hire with a driver.

6. Rental Reimbursement Coverage

We will pay up to \$50 per day for up to 30 days, for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto." We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your materials and equipment for the covered "auto."

If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph 4. **Coverage Extension.**

7. Customized Furnishings Coverage

We will pay with respect to a covered "auto" for "loss" to custom furnishings including, but not limited to:

- a. Special carpeting and insulation;
- b. Height-extending roofs;
- c. Custom murals, paintings, or other decals or graphics.

Our limit of liability for loss to custom furnishings shall be the least of:

- a. Actual cash value of the stolen or damaged property as of the time of the loss; or
- b. The amount necessary to repair or replace the property; or
- c. \$500

This coverage does not apply to electronic equipment.

8. Lease Gap Coverage

If a long-term leased "auto" is a covered "auto" and the lessor is named as an Additional Insured – Lessor, In the event of a total loss, we will pay your additional legal obligation to the lessor for any difference between the actual cash value of the "auto" at the time of the loss and the "outstanding balance" of the lease.

"Outstanding balance" means the amount you own on the lease at the time of loss less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; and lease termination fees.

B. Exclusions

The following is added to **Paragraph 3**:

The exclusion for "loss" caused by or resulting from mechanical or electrical breakdown does not apply to the accidental discharge of an airbag.

Paragraph 4 is replaced with the following:

- 4. We will not pay for "loss" to any of the following:
 - a. Tapes, records, disks or other small audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - b. Equipment designed or used for the detection or location of radar.
 - c. Any electronic equipment that receives or transmits audio, visual or data signals.

Exclusion 4. c does not apply to:

- 1) Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is permanently installed in the covered "auto" at the time of the "loss" and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or

- 2) Any other electronic equipment that is:
- (a) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (b) An integral part of the same unit housing any sound reproducing equipment described in (1) above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

C. DEDUCTIBLE

The following is added: No deductible applies to glass damage if the glass is repaired rather than replaced.

SECTION IV. BUSINESS AUTO CONDITIONS

A. LOSS CONDITIONS

Items 2.a. and b. are replaced with:

2. **Duties in The Event of Accident, Claim, Suit, or Loss**
- a. You must promptly notify us. Your duty to promptly notify us is effective when any of your executive officers, partners, members, or legal representatives is aware of the accident, claim, "suit", or loss. Knowledge of an accident, claim, "suit", or loss, by other employee(s) does not imply you also have such knowledge.

- b. To the extent possible, notice to us should include:
 - (1) How, when, and where the accident or loss 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 accident or loss.

The following is added to 5.:

We waive any right of recovery we may have against any additional insured under **Coverage A. 1. Who Is An Insured f.**, but only as respects loss arising out of the operation, maintenance or use of a covered "auto" pursuant to the provisions of the "insured contract", written agreement, or permit.