COMMERCIAL AUTO

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO ESSENTIAL EXTENSION

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The BUSINESS AUTO COVERAGE FORM is amended to include the following clarifications and extensions of coverage. With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. BLANKET ADDITIONAL INSURED

Section II – Covered Autos Liability Coverage, A.1. Who Is An Insured is amended by adding the following:

Any person or organization who is a party to a written agreement or contract with you in which you agree to provide the type of insurance afforded under this Business Auto coverage Form.

This provision applies to claims for “bodily injury” or “property damage” which occur after the execution of any written agreement or contract.

B. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Section II – Covered Autos Liability Coverage, A.1. Who Is An Insured is amended by adding the following:

e. Any organization which you acquire or form after the effective date of this policy in which you maintain ownership or majority interest. However:

1. Coverage under this provision is afforded only up to 180 days after you acquire or form the organization, or to the end of the policy period, whichever is earlier.

2. Any organization you acquire or form will not be considered an “insured” if:
   a. The organization is a partnership or a joint venture; or
   b. That organization is covered under other similar insurance.

3. Coverage under this provision does not apply to any claim for “bodily injury” or “property damage” resulting from an “accident” that occurred before you formed or acquired the organization.

C. SUBSIDIARIES AS INSUREDS

Section II – Covered Autos Liability Coverage, A.1. Who Is An Insured is amended by adding the following:

Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of this policy. However, “insured” does not include any subsidiary that is an “insured” under any other automobile liability policy or was an “insured” under such a policy but for termination of that policy or the exhaustion of the policy’s limits of liability.

D. SUPPLEMENTARY PAYMENTS

Section II – Covered Autos Liability Coverage, A.2.a. Coverage Extensions, Supplementary Payments (2) and (4) are replaced by the following:

(2) Up to $3,000 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.

(4) All reasonable expenses incurred by the “insured” at our request, including actual loss of earnings up to $350 a day because of time off from work.

E. TOWING

Section III – Physical Damage Coverage, A.2. Towing is replaced with the following:

We will pay for towing and labor costs incurred, subject to the following:

a. Up to $100 each time a covered “auto” of the private passenger type is disabled; or
b. Up to $500 each time a covered “auto” other than the private passenger type is disabled.

However, the labor must be performed at the place of disablement.

F. LOCKSMITH SERVICES

Section III – Physical Damage Coverage, A.4. Coverage Extensions is amended by adding the following:

We will pay up to $50 per occurrence for necessary locksmith services for keys locked inside a covered private passenger “auto” for which Comprehensive coverage is provided. The deductible is waived for these services.

G. TRANSPORTATION EXPENSES

Section III – Physical Damage Coverage, A.4. Coverage Extensions Subparagraph a. Transportation Expenses is replaced by the following:

(1) We will pay up to $75 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 Cause 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".

(2) If the temporary transportation expenses you incur arise from your rental of an "auto" of the private passenger type, the most we will pay is the amount it costs to rent an "auto" of the private passenger type which is of the same like kind and quality as the stolen covered "auto".

H. AUDIO, VISUAL, AND DATA ELECTRONIC EQUIPMENT COVERAGE ADDED LIMITS
Audio, Visual, And Data Electronic Equipment Coverage Added Limits of $1,000 Per "Loss" are in addition to the sublimit in Paragraph C.1.b. of the Limits Of Insurance Provision under Section III – Physical Damage Coverage.

I. HIRED AUTO PHYSICAL DAMAGE

Section III – Physical Damage Coverage, A.4. Coverage Extensions is amended by adding the following:

If hired “autos” are covered “autos” for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverage is provided for any “auto” you own, then the Physical Damage coverages provided are extended to “autos” you hire, subject to the following limit and deductible:

1. The most we will pay for loss to any hired “auto” is the lesser of Actual Cash Value, $75,000, or Cost of Repair, minus the deductible.

2. 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. Subject to the above limit and deductible provisions, we will provide coverage equal to the broadest coverage applicable to any covered “auto” you own.

J. PERSONAL PROPERTY OF OTHERS

Section III – Physical Damage Coverage, A.4. Coverage Extensions is amended by adding the following:

We will pay up to $500 for loss to personal property of others in or on your covered “auto”.

This coverage applies only in the event of “loss” to your covered “auto” caused by fire, lightning, explosion, theft, mischief or vandalism, the covered “auto”’s collision with another object, or the covered “auto”’s overturn.

No deductibles apply to this coverage.

K. RENTAL REIMBURSEMENT

Section III – Physical Damage Coverage, A.4. Coverage Extensions is amended by adding the following:

1. This coverage applies only to a covered "auto" for which Physical Damage Coverage is provided on this policy.

2. We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered "auto". No deductibles apply to this coverage.

3. We will pay only for those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
   a. The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you; or
   b. 30 days.

4. Our payment is limited to the lesser of the following amounts:
   a. Necessary and actual expenses incurred; or
   b. $50 per day, subject to a $1,500 limit.

5. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.

6. 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 for under the Physical Damage – Transportation Expense coverage extension included in this endorsement.

7. Coverage provided by this extension is excess over any other collectible insurance and/or endorsement to this policy.

L. AIRBAG COVERAGE

Section III – Physical Damage Coverage, B.3.a. Exclusions is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

M. LOSS TO TWO OR MORE COVERED AUTOS FROM ONE ACCIDENT

Section III – Physical Damage Coverage, D. Deductible is amended by adding the following:

If a Comprehensive, Specified Causes of Loss or Collision Coverage "loss" from one "accident" involves two or more covered "autos", only the highest deductible applicable to those coverages will be applied to the "accident".

If the application of the highest deductible is less favorable or more restrictive to the insured than the separate deductibles as applied in the standard form, the standard deductibles will apply.
This provision only applies if you carry Comprehensive, Collision or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any covered “autos” for which you do not carry such coverage.

N. WAIVER OF DEDUCTIBLE – GLASS REPAIR OR REPLACEMENT

Section III – Physical Damage Coverage, D. Deductible is amended by adding the following:

If a Comprehensive Coverage deductible is shown in the Declarations it does not apply to the cost of repairing or replacing damaged glass.

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

Section IV – Business Auto Conditions, A.2. Duties In The Event Of Accident, Claim, Suit Or Loss is amended by adding the following:

d. Your obligation to notify us promptly of an “accident”, claim, “suit” or “loss” is satisfied if you send us the required notice as soon as practicable after your Insurance Administrator or anyone else designated by you to be responsible for insurance matters is notified, or in any manner made aware, of an “accident”, claim, “suit” or “loss”.

P. UNINTENTIONAL FAILURE TO DISCLOSE EXPOSURES

Section IV – Business Auto Conditions, B.2. Concealment, Misrepresentation, Or Fraud is amended by adding the following:

If you unintentionally fail to disclose any exposures existing at the inception date of this policy, we will not deny coverage under this Coverage Part solely because of such failure to disclose. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

Q. MENTAL ANGUISH

Section V – Definitions, C. is replaced by the following:

“Bodily injury” means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from bodily injury, sickness or disease.

R. LIBERALIZATION

Paragraph B.3. Liberalization is amended for this endorsement as follows:

If we revise this endorsement to provide greater coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.