

**BROKER – MARSH USA, INC.**

**HALLMARK CARDS, INCORPORATED**

**POLICY NUMBER - 11CAB1005400 - MA AUTO**

**POLICY PERIOD - 10/01/2017 to 10/01/2018**



a member of Arch Insurance Group

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site — <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



Massachusetts Signature Page

IN WITNESS WHEREOF, Arch Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "John Mentz".

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John Mentz  
President

A handwritten signature in cursive script that reads "Patrick K. Nails".

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Patrick K. Nails  
Secretary

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**KNOWLEDGE OF OCCURRENCE ENDORSEMENT**

As respects any loss reporting requirements under this policy, it is understood and agreed that knowledge of any accident or incident by an agent, servant or employee of yours or any other person shall not in itself constitute knowledge by you, unless a corporate officer of yours, principal, partner, owner, or the person or persons responsible for insurance matters listed below shall have received notice from said agent, servant, employee or any other person.

Name: ANY CORPORATE OFFICER OF YOURS, PRINCIPAL, OWNER OR THE  
PERSON OR PERSONS RESPONSIBLE FOR INSURANCE MATTERS.

All other terms and conditions of this Policy remain unchanged.

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

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Authorized Representative

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**UNINTENTIONAL ERRORS AND OMISSIONS ENDORSEMENT**

It is hereby agreed that your failure to disclose all hazards existing as of the inception date of this policy shall not prejudice you with respect to the coverage afforded by this policy provided such failure or omission is not intentional or grossly negligent.

All other terms and conditions of this Policy remain unchanged.

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

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Authorized Representative

**Policy Number**  
**11CAB1005400**

**COMMON POLICY DECLARATIONS**

**ARCH INSURANCE COMPANY**

Named Insured HALLMARK CARDS, INCORPORATED

Effective Date: 10-01-17

12:01 A.M., Standard Time

Agent Name MARSH USA, INC

Agent No. 00357

<b>Item 1. Named Insured and Mailing Address</b>		<b>Agent Name and Address</b>	
HALLMARK CARDS, INCORPORATED (SEE NAMED INSURED ENDORSEMENT) 2501 MCGEE ST, DEPT 500 KANSAS CITY MO 64108-2615		MARSH USA, INC 1166 AVENUE OF THE AMERICAS 40TH FLOOR NEW YORK NY 10036	
		Agent No. 00357	
<b>Item 2. Policy Period</b>	From: 10-01-2017	To: 10-01-2018	
at 12:01 A.M., Standard Time at your mailing address shown above.			
<b>Item 3. Business Description:</b> Form of Business: CORP, LLC			
<b>Item 4.</b> In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.			
This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.			
<b>Coverage Part(s)</b>		<b>Premium</b>	
Commercial Property Coverage Part		NOT COVERED	
Commercial General Liability Coverage Part		NOT COVERED	
Commercial Crime Coverage Part		NOT COVERED	
Commercial Inland Marine Coverage Part		NOT COVERED	
Commercial Auto (Business or Truckers) Coverage Part		\$	2,292.00
Commercial Garage Coverage Part		NOT COVERED	
<b>Total Policy Premium</b>		\$	2,292.00
<b>Item 5. Forms and Endorsements</b>			
Forms(s) and Endorsement(s) made a part of this policy at time of issue:			
See Schedule of Forms and Endorsements			

Countersigned:

Date: 10-06-17 By: \_\_\_\_\_  
Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

**FAIC-SKLBUS-CPD (6/01)**

SCHEDULE OF FORMS AND ENDORSEMENTS

ARCH INSURANCE COMPANY

Named Insured HALLMARK CARDS, INCORPORATED

Effective Date: 10-01-17

12:01 A.M., Standard Time

Agent Name MARSH USA, INC

Agent No. 00357

COMMON POLICY FORMS AND ENDORSEMENTS

00 ML0065 00	06-07	U.S. TREASURY DEPARTMENT'S OFFICE
05 ML0002 22	06-13	MASSACHUSETTS SIGNATURE PAGE
00 ML0020 00	11-03	KNOWLEDGE OF OCCURRENCE ENDORSEMENT
00 ML0021 00	11-03	UNINTENTIONAL ERRORS & OMISSIONS ENDT
FAIC-SKLBUS-CPD	06-01	COMMON POLICY DECLARATIONS
FAIC-SKLBUS-FE	06-01	SCHEDULE OF FORMS AND ENDORSEMENTS
FAIC-SKLBUS-SNI	06-01	SCHEDULE OF NAMED INSURED(S)
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT

AUTOMOBILE FORMS AND ENDORSEMENTS

AU-DEC-MA	10-13	BUSINESS AUTO COVERAGE FORM DECLARATIONS
00 CA0142 00	10-13	COVERAGE FORM REFERENCES
00 CA0076 00	06-07	COMMERCIAL AUTOMOBILE DEDUCTIBLE ENDORSE
00 CA0080 00	04-08	WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
00 CA0081 00	04-08	EARLY NOTICE OF CANCEL PROVIDED BY US
00 CA0085 00	10-13	PREMIUM COMPUTATION ENDORSEMENT
00 CA0088 00	06-08	BROAD FORM NAMED INSURED ENDORSEMENT
00 CA0089 00	10-13	ANTI STACKING ENDORSEMENT
00 CA0112 00	10-13	BODILY INJURY DEFINITION EXTENSION ENDT
00 CA0115 00	10-13	ADDITIONAL INSURED-BLANKET
00 CA0116 00	04-10	PRIMARY AND NON-CONTRIBUTING INS ENDT-
00 CA0129 00	06-11	KNOWLEDGE OF OCCURRENCE ENDT
00 CA0131 00	06-11	UNINTENTIONAL ERRORS & OMISSIONS ENDT
CA 00 01	10-13	BUSINESS AUTO COVERAGE FORM
CA 01 21	10-13	LIMITED MEXICO COVERAGE
CA 20 54	10-13	EMPLOYEE HIRED AUTOS
CA 23 86	01-06	EXCLUSION OF TERRORISM/MIN STAT LIMITS
CA 23 94	10-13	SILICA/SILICA-RELATED EXCL FOR COVRD AU
CA 99 16	10-13	HIRED AUTO SPECIFIED AS COV AUTO YOU OWN
CA 99 33	10-13	EMPLOYEES AS INSUREDS
CA 99 47	10-13	EMPLOYEE AS LESSOR
MM 20 26	10-13	LESSOR-ADDL INSD AND LOSS PAYEE MA
MM 99 11	10-13	MA MAND.ENDT-BUS.AUTO AND MOT.CARRIER
MM 99 13	10-13	AUTO MEDICAL PAYMENTS COVG - MASS
MM 99 20	10-13	RESTRICTION OF PIP FOR EMP SUBJ TO MA WK
MM 99 22	10-13	DOC BROADENED COVG FOR NAMED INDIV-MA
MM 99 23	04-11	MA RATE MODIFICATION
MM 99 28	10-13	UNINSURED MOTORISTS COVG - MA
MM 99 35	04-11	PIP COVG - MASS
MM 99 67	10-13	MASSACHUSETTS CHANGES

**Policy Number**  
**11CAB1005400**

**SCHEDULE OF NAMED INSURED(S)**

**ARCH INSURANCE COMPANY**

**Named Insured** HALLMARK CARDS, INCORPORATED

**Effective Date:** 10-01-17  
12:01 A.M., Standard Time

**Agent Name** MARSH USA, INC

**Agent No.** 00357

FAIC-SKLBUS-CPD (cont.)

THE NAMED INSURED ON FORM FAIC-SKLBUS-CPD IS AMENDED TO READ:

HALLMARK CARDS, INCORPORATED  
CROWN CENTER REDEVELOPMENT  
CORP  
CROWN MEDIA HOLDINGS, INC.  
CROWN MEDIA UNITED STATES, LLC  
DAYSPRING CARDS, INC  
HALLMARK BUSINESS CONNECTIONS,  
INC.  
HALLMARK GLOBAL SERVICES, LLC  
HALLMARK LABS, LLC  
HALLMARK LICENSING, LLC  
HALLMARK MANAGEMENT SERVICES,  
LLC  
HALLMARK MARKETING COMPANY,  
LLC  
HALLMARK RETAIL, LLC  
HALLMARK RETAIL SERVICES INC  
HALLMARK.COM, LLC  
HALLMARK BUSINESS EXPRESSIONS,  
LLC  
HALLS LLC



## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

**2. As used in this endorsement:**

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

## ARCH INSURANCE COMPANY

## DECLARATIONS - MASSACHUSETTS BUSINESS AUTO COVERAGE FORM

**PRODUCER NAME**

MARSH USA, INC  
1166 AVENUE OF THE AMERICAS  
40TH FLOOR  
NEW YORK NY 10036  
(212) 345-5000

**ITEM ONE**

<b>Named Insured:</b>	HALLMARK CARDS, INCORPORATED		
<b>Mailing Address:</b>	2501 MCGEE ST, DEPT 500 KANSAS CITY, MO 64108-2615		
<b>Policy Period</b>			
<b>From:</b>	10-01-2017		
<b>To:</b>	10-01-2018	At 12:01 A.M. Standard Time at your mailing address.	
<b>Previous Policy Number:</b>	NEW		

**Form Of Business:**☐  
☐

Corporation  
Partnership

☐  
☒

Limited Liability Company  
Other: CORP, LLC

☐

Individual

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

<b>Premium shown is payable at inception:</b>	\$	2,292
<b>Audit Period (If Applicable):</b>	<input checked="" type="checkbox"/> Annually	<input type="checkbox"/> Semi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly

<b>Endorsements Attached To This Policy:</b>
IL 00 21 – Broad Form Nuclear Exclusion (Not applicable in New York)
<b>SEE SCHEDULE OF FORMS AND ENDORSEMENTS</b>

COUNTERSIGNED

(Date)

BY

(Authorized Representative)

**ITEM TWO**
**Schedule Of Coverages And Covered Autos**

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". **"Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.**

Coverages	Covered Autos	Limit	Premium
<b>Compulsory Bodily Injury</b>		\$ 20,000 each person \$ 40,000 each accident	SEE PREMIUM
<b>Personal Injury Protection</b>	5	\$ 8,000 each person	COMPUTATION
LIABILITY INSURANCE			
<b>Optional Bodily Injury</b>		each person each accident	ENDT FOR DETAILS
<b>Property Damage (Compulsory Limit \$5,000)</b>		each accident	
<b>Liability</b>	1	\$ 4,000,000 each accident	
<b>Medical Payments</b>	2	\$ 10,000 each person	
<b>Uninsured Motorists (Compulsory Limits – \$20,000/40,000)</b>		\$ 20,000 each person \$ 40,000 each accident	
<b>Underinsured Motorists</b>		each person each accident	
<b>Physical Damage Comprehensive Coverage</b>		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Ded. For Each Covered Auto	
<b>Physical Damage Specified Causes Of Loss Coverage</b>		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Ded. For Each Covered Auto	
<b>Physical Damage Collision Coverage</b>		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Ded. For Each Covered Auto.	
<b>Physical Damage Limited Collision Coverage</b>		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Ded. For Each Covered Auto.	
<b>Physical Damage Towing And Labor</b>		For Each Disablement Of A Private Passenger Auto.	
<b>Premium For Endorsements</b>			
<b>Estimated Total Premium*</b>			\$ 2,292
*This Policy May Be Subject To Final Audit.			

**ITEM THREE**

**Schedule Of Covered Autos You Own**

	Description					Purchase				Territory			
Covered Auto No.	Year, Trade Name, Model, Serial Number(s), Vehicle Identification Number (VIN)					Original Cost New		Actual Cost New (N) Used (U)		Town & State Where the Covered Auto will be principally garaged Terr/Zone Code			
Covered Auto No.	Classification									Except for towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss			
	Radius of Operation (in Miles)	Business Use S=Service R=Retail C=Commercial	Size GVW, GCW or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Class Code				
					Liab.	Phy. Dam.	Liab.	Phy. Dam.					
											See Schedule of Loss Payees If Applicable		

**ITEM THREE**
**Schedule Of Covered Auto You Own (Cont'd)**

<b>COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES</b>												
(Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)												
Covered Auto No.	Compulsory Bodily Injury \$20,000 ea. pers. \$40,000 ea. acc.	Personal Injury Protection \$8,000 ea. pers.	Liability Insurance				Auto Medical Payments		Uninsured Motorists (Compulsory Limit \$20,000 ea. pers. \$40,000 ea. acc.)		Underinsured Motorists	
			Optional Bodily Injury	Property Damage (Compulsory Limit \$5,000)								
	Premium	Premium	*Limits	Premium	*Limit	Premium	*Limit	Premium	*Limits	Premium	*Limits	Premium
<b>Total Premium</b>												
Covered Auto No	Physical Damage Specified Causes of Loss		Physical Damage Comprehensive		Physical Damage Collision		Physical Damage Limited Collision		Physical Damage Towing & Labor  For Each Disablement Of A Private Passenger "Auto".			
	Actual Cash Value Or Cost Of Repair, Whichever Is Less Minus Deductible Listed Below For Each Covered Auto		Actual Cash Value Or Cost Of Repair, Whichever Is Less Minus Deductible Listed Below For Each Covered Auto		Actual Cash Value Or Cost Of Repair, Whichever Is Less Minus Deductible Listed Below For Each Covered Auto		Actual Cash Value Or Cost Of Repair, Whichever Is Less Minus Deductible Listed Below For Each Covered Auto					
	Deductible	Premium	Deductible	Premium	Deductible	Premium	Deductible	Premium	Deductible	Premium	Limit	Premium
<b>Total Premium</b>												
* Limit(s) in thousands												

## ITEM FOUR

### Schedule Of Hired Or Borrowed Covered Auto Covered And Premiums

Liability Coverage – Rating Basis, Cost Of Hire				
State	Estimated Cost Of Hire For Each State	Rate Per Each \$100 Cost Of Hire	Factor (If Liability Coverage is Primary)	Premium
MA	IF ANY	BI \$ INCL PD \$ INCL		INCL INCL
Total Premium				INCL
Liability Coverage – Rating Basis, Number Of Days – (For Mobile Or Farm Equipment – Rental Period Basis)				
State	Estimate Number Of Days Equipment Will Be Rented	Base Premium	Factor	Premium

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or employees or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

### Physical Damage Coverage

Coverages	Limits Of Insurance		
Comprehensive	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible For Each Covered Auto.		
	Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium
Specified Causes Of Loss	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible For Each Covered Auto.		
	Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium
Collision	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus Deductible. For Each Covered Auto.		
	Estimated Annual Cost Of Hire	Rate Per Each \$100 Annual Cost Of Hire	Premium

Total Premium:	
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## ITEM FIVE

### Schedule For Non-Ownership Liability

Named Insured's Business	Rating Basis	Number	Premium
Other Than Garage Service Operations And Other Than Social Service Agencies	Number of Employees	IF ANY	INCL
	Number of Partners		
Garage Service Operation	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		
Social Service Agencies	Number of Employees		
	Number of Volunteers		
Total Premiums			INCL



## ITEM SIX

### Schedule For Gross Receipts Or Mileage Basis – Liability Coverage – Public Auto Or Leasing Rental Concerns

Estimated Yearly  <input type="checkbox"/> Gross Receipts  <input type="checkbox"/> Mileage	Rates				Premiums			
	Per \$100 Of Gross Receipts Per Mile							
	Liability	Auto Medical Payments	Medical Expense Benefits (VA. Only)	Income Loss Benefits (VA. Only)	Liability	Auto Medical Payments	Medical Expense Benefits (VA. Only)	Income Loss Benefits (VA. Only)
Total Premiums								
Minimum Premiums								

When used as a premium basis:

#### FOR PUBLIC AUTOS

Gross Receipts means the total amount to which you are entitled for transporting passengers, mail or merchandise during the policy period regardless of whether you or any other carrier originate the transportation. Gross Receipts does not include:

- A. Amounts you pay to railroads, steamship lines, airlines and other motor carriers operating under their own ICC or PUC permits.
- B. Advertising revenue.
- C. Taxes which you collect as a separate item and remit directly to a governmental division.
- D. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing units operated during the policy period.

#### FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount to which you are entitled for the leasing or rental of "autos" during the policy period and includes taxes except those taxes which you collect as a separate item and remit directly to a governmental division.

Mileage means the total of all live and dead mileage developed by all the "autos" you leased or rented to others during the policy period.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COVERAGE FORM REFERENCES**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIERS COVERAGE FORM

It is agreed the following coverage form references are amended as follows if appearing in any endorsements to this policy:

Reference to:

**BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM** is deleted.

**GARAGE COVERAGE FORM** is replaced with **AUTO DEALERS COVERAGE FORM**

**TRUCKERS COVERAGE FORM** is deleted.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10/1/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COMMERCIAL AUTOMOBILE DEDUCTIBLE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**Business Auto Coverage Form**  
**Garage Coverage Form**  
**Motor Carrier Coverage Form**  
**Truckers Coverage Form**

**Schedule**

The per "accident" **Deductible** of \$1,000,000 applies on a combined basis to all coverages indicated by an "X" in the table below, except for such coverages (if any) for which a separate **Deductible** is shown below.

Indicate below	Coverage	Per Accident Deductible
X	All Coverages (except Physical Damage coverage and Garagekeepers coverage)	\$1,000,000
	Liability Coverages ("bodily injury", "property damage", "covered pollution cost or expense" and medical payments combined)	
	Personal Injury Protection (or equivalent no-fault coverage)	
	Added Personal Injury Protection (or equivalent added no-fault coverage)	
	Uninsured Motorist (including "property damage", if applicable)	
	Underinsured Motorist	
	Other:	

**Deductible Aggregate:**

**A. DEDUCTIBLE**

Our obligation to pay damages, costs, expenses, benefits, or medical payments, subject to the Limit of Insurance as shown in the Declarations, will be reduced by the per "accident" **Deductible** shown in the Schedule. Our Limit of Insurance includes, and is not in addition to, the **Deductible**.

**B. DEDUCTIBLE AGGREGATE** (this provision applies only if an amount is shown as the **Deductible Aggregate** in the Schedule)

Subject to the applicable Limit of Insurance and related policy provisions, we will pay for all damages, costs, expenses, benefits, or medical payments payable under the policy without reduction by the per "accident" **Deductible** when, as a result of the application of the per "accident"

**Deductibles** to damages, costs, expenses, benefits, or medical payments payable under the policy, the sum of all per "accident" **Deductible** paid by you exceeds the amount shown in the Schedule as the **Deductible Aggregate**.

If the policy period is longer than one year, the **Deductible Aggregate** amount applies separately to each policy year. Each policy year begins with the inception or anniversary date of the policy and ends at the earlier of the next anniversary date or the expiration of the policy.

The **Deductible Aggregate** amount shown above is not subject to adjustment unless a basis of adjustment is shown below.

The **Deductible Aggregate** is adjustable at the rate of \_\_\_\_\_ per \_\_\_\_\_; however, the minimum amount of the aggregate deductible will be no less than the **Deductible Aggregate** amount shown above.

The adjustment basis is \_\_\_\_\_ and is estimated at the inception of this policy as the amount of \_\_\_\_\_.

If this policy and any other policy issued to you by us have Commercial Automobile Deductible Endorsements applying to the same occurrence, accident, claim, person or organization, the maximum deductible that will apply under all policies shall not exceed the highest applicable **Deductible** under any one of the policies. In addition, the sum of all per "accident" **Deductible** paid by you shall not exceed the highest applicable **Deductible Aggregate** under any one of the policies.

#### C. ALLOCATED LOSS ADJUSTMENT EXPENSES

You must reimburse us for "Allocated Loss Adjustment Expenses" incurred by us as part of Supplementary Payments in defending a claim or "suit" as indicated by one of the options below:

- ☒ 1. Option I - "Allocated Loss Adjustment Expenses" Are Included In The Per "Accident" **Deductible** Shown In The Schedule. Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" combined shall not exceed the per "accident" **Deductible** shown in the Schedule.
- ☐ 2. Option II - "Allocated Loss Adjustment Expenses" Are Payable In Addition To The Per "Accident" **Deductible** Shown In The Schedule On A Shared Basis. The portion of "Allocated Loss Adjustment Expenses" that you must pay will be calculated by dividing the smaller of the per "accident" **Deductible** shown in the Schedule or the damages, costs, expenses, benefits, and medical payments we pay by the damages, costs, expenses, benefits, and medical payments we pay. If we pay no damages, costs, expenses, benefits, and medical payment, you must reimburse us for all "Allocated Loss Adjustment Expenses" up to the per "accident" **Deductible** shown in the Schedule and \_\_\_\_\_ % (if no amount is shown, 50% will apply) of all remaining "Allocated Loss Adjustment Expenses." Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" under this option may exceed the per "accident" **Deductible** shown in the Schedule.
- ☐ 3. Option III - "Allocated Loss Adjustment Expenses" Are Payable In Addition To The Per "Accident" **Deductible** Shown In The Schedule And Are Your Full Responsibility. You must pay all "Allocated Loss Adjustment Expenses" attributed to all damages, costs, expenses, benefits, and medical payments paid by us. Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" under this option may exceed the per "accident" **Deductible** shown in the Schedule.

- ☐ 4. Option IV - "Allocated Loss Adjustment Expenses" Are Payable By Us. We will pay all "Allocated Loss Adjustment Expenses" attributed to all damages, costs, expenses, benefits, and medical payments paid by us.

Your obligation to reimburse us for "Allocated Loss Adjustment Expense" applies separately to each "accident".

"Allocated Loss Adjustment Expenses" means such claim adjustment expenses directly allocated by us to a particular claim. Such expenses shall include, but not be limited to, attorney's fees for claims in suit; court costs; pre- and post judgment interest; undercover operatives and detective services; employing experts; medical examination, medical cost containment expenses, laboratory, x-ray, and autopsy; stenographic, witnesses, summons, and copies of documents and transcripts; or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of any claim or "suit" against you or for the protection and perfection of your or our subrogation rights.

"Allocated Loss Adjustment Expenses" does not include our general overhead, the salary and benefits of any our employees, nor the fees of any attorney who is our employee or under our permanent retainer; nor the fees of any attorney we retain to provide counsel to us about our obligations, if any, under any policy issued by us with respect to a claim or "suit" against you.

#### D. OUR RIGHT TO REIMBURSEMENT

When we pay all or any part of any **Deductible** shown in the Schedule, you must promptly reimburse us for: a) the **Deductible** or the part of the **Deductible** paid by us, and b) all "Allocated Loss Adjustment Expenses" incurred by us in defending a claim or "suit" according to the option selected in Section C., above.

If we require collateral or other security to secure the **Deductible** and other obligations under this Commercial Automobile Deductible Endorsement, you shall provide such collateral or other security in an amount and form as we may determine.

Upon notification of payment by us, you will promptly reimburse us for any such amounts that we have paid. If you fail to reimburse us, or fail to provide us with any security or collateral in an amount or form as we may require, we may treat such failure as non-payment of premium and we may, at our option, cancel this policy by mailing or delivering to you advance written notice in accordance with the CANCELLATION Common Policy Condition. Any resulting return premium may be applied to the reimbursement amounts due.

We may mutually agree upon a final payment amount to satisfy your present and future payment obligations under this Commercial Automobile Deductible Endorsement. Payment by you of such amount will end your obligations to make payments to us under this endorsement.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10-01-17

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

**Section IV - Business Auto Conditions, A. - Loss Conditions, 5. - Transfer of Rights of Recovery Against Others to Us**, is amended by the addition of the following:

However, we will waive any right of recovery we have against any person or organization with whom you have entered into a contract or agreement because of payments we make under this Coverage Form arising out of an "accident" or "loss" if:

- (1) The "accident" or "loss" is due to operations undertaken in accordance with the contract existing between you and such person or organization; and
- (2) The contract or agreement was entered into prior to any "accident" or "loss".

No waiver of the right of recovery will directly or indirectly apply to your employees or employees of the person or organization, and we reserve our rights or lien to be reimbursed from any recovered funds obtained by any injured employee.

All other terms and conditions of the Policy remain unchanged

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10-01-17

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EARLY NOTICE OF CANCELLATION PROVIDED BY US**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
TRUCKERS COVERAGE FORM  
GARAGE COVERAGE FORM**

**Common Policy Conditions, A. Cancellation, 2.** is amended to read:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. ( 10 ) days before the effective date of cancellation if we cancel for nonpayment of premium;  
or
  - b. ( 90 ) days before the effective date of cancellation if we cancel for any other reason.

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

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10-01-17

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PREMIUM COMPUTATION**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

Your premium will be computed as follows:

1. Audit Period: 10/01/2017 through 10/01/2018

☒ Annual ☐ Semi-Annual ☐ Monthly ☐ Other

Deposit Premium: \$2,292

2. The deposit premium set forth above is adjustable, and is only an estimated premium for the Audit Period shown in 1. above. The final premium for the Audit Period will be determined as specified in Condition **6. Premium Audit** of **SECTION IV – BUSINESS AUTO CONDITIONS** or Condition **B. 6** of **SECTION V – MOTOR CARRIER CONDITIONS**, whichever applies. The final premium will be computed by taking the number of “autos” at the beginning of the Audit Period, adding the number of “autos” determined at the time of Audit and dividing by two to get an average number of “autos”. The average number of “autos” will then be applied against the Composite Rate(s) listed in the Premium Adjustment Table below. Such rates are prior to any applicable taxes, licenses or fees. Information from a prior audit completed by us will be used as the number of “autos” at the beginning of the Audit Period if available.

If **Covered Auto Liability Coverage** is applicable, you will not be required to report replacement “autos” or newly acquired “autos” within 30 days to us. Premium adjustments for these “autos” will be calculated as described in the preceding paragraph.

3. Premium Adjustment Table

LOB	Class Code	Class Description	Estimated Exposure	Exposure Reporting Basis	Composite Rate	Estimated Premium
AL	4594	COMPOSITE RATED	6	# POWER UNITS	382	\$2,292

All other terms and conditions of this Policy remain unchanged.



Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10/1/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BROAD FORM NAMED INSURED ENDORSEMENT**

This Endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM**

The Named Insured includes all subsidiaries, affiliated, associated, controlled or allied companies, corporations, or firms now or hereafter constituted in which there is common ownership of more than fifty percent (50%) and for which similar coverage is not separately provided.

The person or organization first named in Item 1 of the Declarations, by acceptance of this policy, is authorized to act and agrees to act on behalf of all persons or organizations insured under the policy with respect to all matters pertaining to the insurance afforded by the policy, including the giving or receipt of notice of cancellation, the payment of premiums and deductibles, and the receiving of return premiums, if any.

Nothing in this endorsement shall be construed to affect any of our rights to amend the policy premium during the policy period upon the acquisition of a new subsidiary or other entity by the Named Insured. The first Named Insured shall report to us, as soon as practicable, any acquisitions, dissolution, mergers or ownership changes that occur at any time throughout the policy period.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

Endorsement Effective Date: 10/01/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ANTI STACKING ENDORSEMENT**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

Under paragraph **B. General Conditions** in the Conditions Section, condition **8. Two Or More Coverage Forms Or Policies Issued By Us** is deleted and replaced by the following:

If any "accident" or "loss" covered under this policy is also covered in whole or in part under any other coverage form or policy issued to you by us (or by any of our related or affiliated companies) including but not limited to prior policies issued to you by us, (or by any of our related or affiliated companies), the most that will be paid under all such coverage forms and policies covering the "accident" or "loss" is the single highest applicable limit of liability of one of the policies which cover the "accident" or "loss". This provision does not apply to policies written by us (or by any of our related or affiliated companies) as insurance that specifically applies in excess of this insurance.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10/1/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BODILY INJURY DEFINITION EXTENSION**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

Under the Definition Section, the definition of "**Bodily injury**" is deleted and replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person including death resulting from any of these. "Bodily injury" includes mental anguish, shock, or emotional distress when accompanied by physical injury, sickness or disease.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10/1/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - BLANKET**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

Under **Covered Autos Liability Coverage**, the **Who is An Insured** provision is amended to include as an "insured" the person or organization who is required under a written contract to be included as an "insured" under this policy, but only with respect to their legal liability for your acts or omissions or the act or omissions of a person for whom **Covered Autos Liability Coverage** is afforded under this policy.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 10/1/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PRIMARY AND NON-CONTRIBUTING INSURANCE ENDORSEMENT -  
DESIGNATED CONTRACT(S)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM

**SCHEDULE**

**Designated**

**Contract(s):** ALL PARTIES WHERE REQUIRED IN A WRITTEN CONTRACT.

With respect to the contract(s) designated in the Schedule above, it is agreed that the following subparagraph **e.** is added to **SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **B. 5.** and **SECTION V – GARAGE CONDITIONS**, Paragraph **B. 5.**

**5. Other Insurance**

- e.** With respect to **SECTION II - LIABILITY COVERAGE**, where you are specifically required by a written contract designated in the Schedule above to provide insurance that is primary and non-contributory, and the written contract designated in the Schedule above so requiring is executed by you before any "accident", this insurance will be primary and the other insurance will not contribute with this insurance, but only to the extent required by that written contract.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

Endorsement Effective Date: 10/01/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**KNOWLEDGE OF OCCURRENCE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

**SECTION IV – BUSINESS AUTO CONDITIONS** is amended to include the following additional condition:

As respects any reporting requirements under this policy pertaining to “accident”, claim, “suit”, or “loss”, knowledge of an “accident”, claim, “suit”, or “loss” by an agent, servant or “employee” of yours or any other person shall not in itself constitute knowledge by you, unless an “executive officer” of yours, principal, partner, owner, or the person or persons responsible for insurance matters shall have received notice from said agent, servant, “employee” or any other person.

“Executive officer” means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

Endorsement Effective Date: 10/01/2017

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**UNINTENTIONAL ERRORS AND OMISSIONS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

**SECTION IV – BUSINESS AUTO CONDITIONS** is amended to include the following additional condition:

Your failure to disclose all hazards existing as of the beginning of the policy period of this policy shall not prejudice you with respect to the coverage afforded by this policy, provided such failure or omission is not intentional or grossly negligent.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: 11CAB1005400

Named Insured: HALLMARK CARDS, INCORPORATED

Endorsement Effective Date: 10/01/2017



# BUSINESS AUTO COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

### A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent 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.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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## B. Owned Autos You Acquire After The Policy Begins

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

## C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

## SECTION II – COVERED AUTOS LIABILITY COVERAGE

### A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" 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 when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

### 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 anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" 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) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
  - (5) A partner (if you are a partnership) or a 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.
- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## **2. Coverage Extensions**

### **a. Supplementary Payments**

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 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.
- (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 \$250 a day because of time off from work.
- (5) All court 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.

### **b. Out-of-state Coverage Extensions**

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## **B. Exclusions**

This insurance does not apply to any of the following:

### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### **2. Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

### **3. Workers' Compensation**

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

#### **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
  - (1) Employment by the "insured"; or
  - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **a.** above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

#### **5. Fellow Employee**

"Bodily injury" to:

- a. 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; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph **a.** above.

#### **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

#### **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

#### **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

#### **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### **10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

## **11. Pollution**

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a.** That are, or that are contained in any property that is:
  - (1)** Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2)** Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3)** Being stored, disposed of, treated or processed in or upon the covered "auto";
- b.** Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c.** After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1)** The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2)** The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a)** The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b)** The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## **12. War**

"Bodily injury" or "property damage" arising directly or indirectly out of:

- 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.

## **13. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

## **C. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

##### **a. Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

##### **b. Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

##### **c. Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

#### **2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

#### **3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

#### **4. Coverage Extensions**

##### **a. Transportation Expenses**

We will pay up to \$20 per day, to a maximum of \$600, 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".

##### **b. 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:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) 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 \$20 per day, to a maximum of \$600.

## **B. Exclusions**

1. 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".

### **a. Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

### **b. War Or Military Action**

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

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

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. 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".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

## **C. Limits Of Insurance**

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
  - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
  3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

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

### **SECTION IV – BUSINESS AUTO CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions:

#### **A. Loss Conditions**

##### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

##### **2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- 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.

#### **b. Additionally, you and any other involved "insured" must:**

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

#### **c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:**

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

#### **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.



#### **4. Loss Payment – Physical Damage Coverages**

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

#### **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.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

#### **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 conceals or misrepresents 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.

#### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

#### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

#### **5. Other Insurance**

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. 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 not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers 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.

#### **6. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

## 7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

## 8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

## SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
  1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
  - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
  - a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing; or
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
  1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.  
 "Suit" includes:
  - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- P. "Trailer" includes semitrailer.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## LIMITED MEXICO COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

### WARNING

AUTO ACCIDENTS IN MEXICO ARE SUBJECT TO THE LAWS OF MEXICO ONLY – **NOT** THE LAWS OF THE UNITED STATES OF AMERICA. THE REPUBLIC OF MEXICO CONSIDERS ANY AUTO ACCIDENT A **CRIMINAL OFFENSE** AS WELL AS A CIVIL MATTER.

IN SOME CASES THE COVERAGE PROVIDED UNDER **THIS ENDORSEMENT MAY NOT BE RECOGNIZED BY THE MEXICAN AUTHORITIES** AND WE MAY NOT BE ALLOWED TO IMPLEMENT THIS COVERAGE AT ALL IN MEXICO. YOU SHOULD CONSIDER PURCHASING AUTO COVERAGE FROM A LICENSED MEXICAN INSURANCE COMPANY BEFORE DRIVING INTO MEXICO.

THIS ENDORSEMENT DOES **NOT** APPLY TO ACCIDENTS OR LOSSES WHICH OCCUR OUTSIDE OF 25 MILES FROM THE BOUNDARY OF THE UNITED STATES OF AMERICA.

### SCHEDULE

Mexico Coverage	INCLUDED	Premium
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

#### A. Coverage

- Paragraph 7. **Policy Period, Coverage Territory** of the **General Conditions** is amended by the addition of the following:

The coverage territory is extended to include Mexico but only for:

- "Accidents" or "losses" occurring within 25 miles of the United States border; and
- Trips into Mexico of 10 days or less.

- The **Other Insurance** Condition in the Business Auto and Auto Dealers Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

The insurance provided by this endorsement will be excess over any other collectible insurance.

- Physical Damage Coverage** is amended by the addition of the following:

If a "loss" to a covered "auto" occurs in Mexico, we will pay for such "loss" in the United States. If the covered "auto" must be repaired in Mexico in order to be driven, we will not pay more than the actual cash value of such "loss" at the nearest United States point where the repairs can be made.

#### C. Additional Exclusions

For the purposes of this endorsement, the following additional exclusions are added:

This insurance does not apply:

- If the covered "auto" is not principally garaged and principally used in the United States.
- To any "insured" who is not a resident of the United States.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE HIRED AUTOS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The following is added to the **Who Is An Insured** Provision:

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

2. Any covered "auto" hired or rented by your "employee" under a contract in an "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".

### **B. Changes In General Conditions**

Paragraph **5.b.** of the **Other Insurance** Condition in the Business Auto and Auto Dealers Coverage Forms and Paragraph **5.f.** of the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF TERRORISM ABOVE MINIMUM STATUTORY LIMITS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A.** The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, are enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal injury", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

**B.** Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

### **EXCLUSION OF TERRORISM**

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded, regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or

2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **B.5.** and **B.6.** are exceeded.

With respect to this Exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

However, with respect to Liability and Personal Injury Protection Coverage, if applicable, this Exclusion applies only to the extent that the limit of such coverage exceeds the state compulsory or financial responsibility law minimum limits for each coverage.

With respect to Uninsured and/or Underinsured Motorists Coverage, if applicable, this Exclusion applies only to the extent that the limit of such coverage exceeds the minimum statutory permitted limits for Uninsured and/or Underinsured Motorists Coverage. Those limits are equal to the minimum limit permitted for Liability Coverage.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage — Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

#### **EXCLUSION OF TERRORISM**

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions.



Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold in Paragraph **C.5.** is exceeded.

With respect to this Exclusion, Paragraph **C.5.** describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

- D.** In the event of any incident of "terrorism" that is not subject to the Exclusion in Paragraphs **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS EXPOSURE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. The following exclusion is added to **Covered Autos Liability Coverage**:**

**Silica Or Silica-related Dust Exclusion For Covered Autos Exposure**

This insurance does not apply to:

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

3. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

**B. Additional Definitions**

As used in this endorsement:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **HIRED AUTOS SPECIFIED AS COVERED AUTOS YOU OWN**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER 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**

**Description Of Auto:**

AS PER WRITTEN CONTRACT PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO THE  
DATE OF THE LOSS.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** Any "auto" described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire, borrow or lease.

**B. Changes In Covered Autos Liability Coverage**

The following is added to the **Who Is An Insured** provision:

While any covered "auto" described in the Schedule is rented or leased to you and is being used by or for you, its owner or anyone else from whom you rent or lease it is an "insured" but only for that covered "auto".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEES AS INSURED**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Section II – Covered Autos Liability Coverage**, Paragraph **A.1. Who Is An Insured** provision:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE AS LESSOR**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER 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**

**Description Of "Auto":**

ANY AUTO LEASED TO YOU BY ONE OF YOUR EMPLOYEES FOR USE IN YOUR BUSINESS.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** Any "auto" described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire, borrow or lease.

**B.** While any covered "auto" described in the Schedule is leased to you by one of your "employees", the **Who Is An Insured** provision under **Covered Autos Liability Coverage** is changed to include that "employee" as an "insured".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **LESSOR - ADDITIONAL INSURED AND LOSS PAYEE**

### **MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER 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.

<b>Named Insured:</b>
<b>Endorsement Effective Date:</b>
<b>Countersignature Of Authorized Representative</b>
<b>Name:</b>
<b>Title:</b>
<b>Signature:</b>
<b>Date:</b>

**SCHEDULE**

<b>Insurance Company:</b> ARCH INSURANCE COMPANY	
<b>Policy Number:</b> 11CAB1005400	<b>Effective Date:</b> 10-01-2017
<b>Expiration Date:</b> 10-01-2018	
<b>Named Insured:</b> HALLMARK CARDS, INCORPORATED	
<b>Address:</b> 2501 MCGEE ST, DEPT 500 KANSAS CITY MO 64108-2615	
<b>Additional Insured (Lessor):</b> <b>Address:</b>	ANY PERSON OR ORGANIZATION WHERE REQUIRED IN A WRITTEN CONTRACT THAT SUCH PERSON OR ORGANIZATION IS AN ADDITIONAL INSURED ON THIS POLICY PROVIDED SUCH CONTRACT WAS EXECUTED PRIOR TO LOSS.
<b>Designation Or Description Of "Leased Autos":</b>	ANY LEASED AUTO AS DEFINED IN E. ADDITIONAL DEFINITION BELOW.

COVERAGES	LIMITS OF INSURANCE
COMPULSORY BODILY INJURY	\$20,000 EACH PERSON \$40,000 EACH ACCIDENT
LIABILITY INSURANCE	
OPTIONAL BODILY INJURY	EACH PERSON EACH ACCIDENT
PROPERTY DAMAGE (COMPULSORY LIMIT \$5,000)	EACH ACCIDENT
LIABILITY	\$ 4,000,000 EACH ACCIDENT
PHYSICAL DAMAGE INSURANCE	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS, MINUS
COMPREHENSIVE	Deductible FOR EACH COVERED AUTO
SPECIFIED CAUSES OF LOSS	Deductible FOR EACH COVERED AUTO
COLLISION	Deductible FOR EACH COVERED AUTO
LIMITED COLLISION	Deductible FOR EACH COVERED AUTO
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Coverage**

1. Any “leased auto” designated or described in the Schedule will be considered a covered “auto” you own and not a covered “auto” you hire or borrow.
2. For a “leased auto” designated or described in the Schedule, the **Who Is An Insured** provision under covered autos liability coverage is changed to include as an “insured” the lessor named in the Schedule. However, the lessor is an “insured” only for “bodily injury” or “property damage” resulting from the acts or omissions by:
  - a. You;
  - 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.
3. The coverages provided under this endorsement apply to any “leased auto” described in the Schedule until the expiration date shown in the Schedule, or when the lessor or his or her agent takes possession of the “leased auto,” whichever occurs first.

**B. Loss Payable Clause**

1. We will pay, as interest may appear, you and the lessor named in this endorsement for “loss” to a “leased auto.”
2. The insurance covers the interest of the lessor unless the “loss” results from fraudulent acts or omissions on your part or if the loss is the result of arson, theft or any other means of disposal committed by you or at your direction.
3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

**C. Cancellation**

1. If we cancel the policy, we will mail notice to the lessor in accordance with the Cancellation Condition.
2. If you cancel the policy, we will mail notice to the lessor.
3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

**E. Additional Definition**

As used in this endorsement:



“Leased auto” means an “auto” leased or rented to you, including any substitute, replacement or extra “auto” needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance.

THIS ENDORSEMENT CHANGES THE POLICY TO COMPLY  
WITH MASSACHUSETTS LAW. PLEASE READ IT CAREFULLY.

**MASSACHUSETTS MANDATORY ENDORSEMENT  
THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER  
THE FOLLOWING:  
BUSINESS AUTO COVERAGE FORM AND MOTOR CARRIER  
COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

Common Policy Conditions

Condition A., Cancellation, is replaced by the following:

**A. Cancellation**

You can cancel all or any part of the insurance at any time by giving us or your agent at least 20 days written notice.

We can cancel all or any part of the insurance if:

1. You have not paid your premium on this policy.
2. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
3. Your driver's license or auto registration has been under suspension or revocation during the policy period.

If the driver's license or auto registration of anyone residing in your household who usually operates a covered "auto" has been under suspension or revocation during the policy period, we may suspend coverage for that person for all coverages under this policy except those coverages and limits required under Massachusetts law to register a motor vehicle.

We can cancel any coverage we are not required by Massachusetts law to sell you if we do so within the first 90 days of the policy period. Also, we can cancel in the same manner coverage limits which are higher than the limits we are required by law to sell you and any coverages designed to reduce the deductibles set by law.

Massachusetts law provides that your policy automatically terminates when:

1. You return the registration plates for a covered "auto" to the Registry of Motor Vehicles.

2. You purchase a new policy with another company covering a covered “auto” and you file a new Certificate of Insurance with the Registry of Motor Vehicles.
3. If you transfer title to a covered “auto” and you do not register another auto, this policy will terminate 30 days from the date of transfer of title.

However, if more than one covered “auto” is described on the Declarations, the termination of coverage applies only to the “auto” involved in one of the situations described above.

Any notice of cancellation will be sent to you at your last address shown on the Declarations at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order to cancel the rights of any loss payee shown in the policy, a notice of cancellation must also be sent to the loss payee in a similar manner.

If we cancel the insurance provided under this policy for Massachusetts registered vehicles, the cancellation is not effective unless we send the required notice to the Massachusetts Registry of Motor Vehicles.

Refunds of any premium will be sent to you as soon as possible. If we cancel, the amount of your refund will be determined by a pro rata table based on the number of days the insurance was in effect. If the policy is cancelled by you or by law, you will get a refund which is less than proportional to the time involved. It will be based instead on a “short rate” table and procedures which compensate us for our expenses in servicing your policy.

If you think that we have cancelled the insurance for a covered auto illegally, you can appeal to the Board of Appeals on Motor Vehicle Liability Policies and Bonds. Your cancellation notice will explain how to appeal.

Condition C., Examination of Your Books and Records, is replaced by the following:

Common Policy Conditions

**C. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to premium for this policy at any time during the policy period and up to three years afterward.

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**COMPULSORY BODILY INJURY TO OTHERS COVERAGE**

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**A. Coverage**

We will pay all sums an insured legally must pay as damages because of “bodily injury” caused by a covered “auto” in Massachusetts “accidents.” The damages we will pay are the amounts the injured person is entitled to collect for “bodily injury” through a court judgment or settlement.

We have the right to defend any lawsuit brought against anyone covered under this coverage for damages which might be payable under this coverage. We also have a duty to defend any lawsuit, even if it is without merit. Our duty to defend ends, however, when we tender, or pay to any claimant, or to a court of competent jurisdiction, with the court’s permission, the maximum limits provided under this coverage. We may end our duty to defend at any time during the course of the lawsuit by tendering or paying the maximum limits provided under this coverage, without the need for a judgment or settlement of the lawsuit or a release by the claimant.

We have the right to settle any claim or lawsuit as we see fit. If any person covered under this policy settles a claim without our consent, we will not be bound by that settlement.

1. Who is an insured:

- a. You.
- b. Anyone else using a covered “auto” with your consent.

2. Coverage Extension

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the “insured”:

- (1) All expenses we incur.
- (2) Up to \$2,000 for the 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 \$250 a day because of time off from work.
- (5) All costs taxed against the “insured” in any “suit” against the “insured” we defend.

- (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 or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments are included in and not in addition to any payment otherwise payable under any Coverage Extension agreement of the policy.

## **B. Exclusions**

This insurance does not apply to:

1. “Bodily injury” to guest occupants of a covered “auto.”
2. “Accidents” outside of Massachusetts or in places in Massachusetts where the public has no right of access.
3. “Bodily injury” to any “employee” of the insured if entitled to Massachusetts workers’ compensation benefits.

## **C. Limits Of Insurance**

The most we will pay for injuries to one or more persons as a result of “bodily injury” to any one person in any one “accident” is \$20,000. Subject to this \$20,000 limit, the most we will pay for injuries to two or more people as the result of “bodily injury” to two or more people in any one “accident” is \$40,000. This is the most we will pay as the result of a single “accident” no matter how many covered autos or premiums are shown on the Declarations. The limits shown on the Declarations for this coverage are included in and not in addition to the limits shown for Liability Coverage on the Declarations.

## **D. Additional Conditions**

1. The law provides a special protection for anyone entitled to damages under this coverage. We must pay their claims even if false statements were made when applying for this policy or the registration for a covered “auto.” We must also pay even if you or the legally responsible person fails to cooperate with us after the “accident.” We will, however, be entitled to reimbursement from the person who did not cooperate or who made false statements.
2. If a claim is covered by us and also by another company authorized to sell auto insurance in Massachusetts, we will pay only our proportionate share. If an insured is using a covered “auto” you do not own at the time of the “accident,” the owner’s auto

insurance pays up to its limits before we pay. Then, we will pay up to the limits for Compulsory Bodily Injury to Others Insurance shown on the Declarations for any damages not covered by that insurance.

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## **PERSONAL INJURY PROTECTION COVERAGE**

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The benefits under this coverage are commonly known as “PIP” or “No-Fault” benefits. It makes no difference who is legally responsible for the “accident.”

### **A. Coverage**

We will pay the benefits described below to an insured injured or killed in an auto “accident.” Benefits are paid only for expenses or losses actually incurred within two years after the “accident.”

We will pay three kinds of benefits:

#### **1. Medical Expenses**

We will pay all reasonable expenses incurred as a result of the “accident” for necessary medical, surgical, X-ray and dental services. This includes prosthetic devices. It also includes ambulance, hospital, professional nursing and funeral expenses.

#### **2. Lost Wages**

If an injured person is out of work because of the “accident,” we will pay lost wages up to 75% of his or her average weekly gross wage or equivalent for the year ending on the day immediately before the “accident.” We will not pay for the loss of any other type of income. If the injured person was unemployed at the time of the “accident,” we will pay up to 75% of the amount he or she actually lost in earning power as a result of the “accident.” Some people have a wage continuation program at work. If so, we will pay them only the difference between the total we would ordinarily pay under this insurance and the amount of the program payments. We will, however, reimburse the program if it allows benefits to be converted into cash or additional retirement credit. Sometimes program benefits are reduced or used up because of payments to the person injured in an “accident.” In that case, we will pay for lost wages resulting from any other illness or injury that person has within one year of our last payment. The exact amount of our payment under this paragraph will be determined by Massachusetts law.

#### **3. Replacement Services**

We will reimburse the injured person for reasonable payments made to anyone outside his or her household for necessary services that he or she would have performed without pay for the benefit of the household, had he or she not been injured.

## **B. Who Is An Insured**

1. You and, if the form of your business under Item One of the Declarations is shown as an individual, anyone living in your household while:
  - a. “occupying” a covered “auto;”
  - b. “occupying” an auto which does not have Massachusetts Compulsory Auto Insurance; or
  - c. a “pedestrian” struck by an auto which does not have Massachusetts Compulsory Auto Insurance.
2. Any other person while:
  - a. “occupying” a covered “auto” with your consent;
  - b. a pedestrian injured by a covered “auto” in Massachusetts or any Massachusetts resident who, while a pedestrian, is struck by a covered “auto” outside of Massachusetts.

## **C. Exclusions**

This coverage does not apply to:

1. Anyone who, at the time of the “accident,” was operating or “occupying” a motorcycle or any motor vehicle not subject to motor vehicle registration.
2. Anyone who contributed to his or her injury by operating an auto:
  - a. While under the influence of alcohol, marijuana, or a narcotic drug.
  - b. While committing a felony or seeking to avoid arrest by a police officer.
  - c. With the specific intent of causing injury to himself, herself or others.
3. Anyone who is entitled to workers’ compensation benefits for the same injury.

## **D. Limit Of Insurance**

For any one “accident,” we will pay as many people as are injured, but the most we will pay for all benefits to any one person is \$8,000. This is the most we will pay as the result of a single “accident” no matter how many covered “autos” or premiums are shown on the Declarations. Some people have a policy of health, sickness, or disability insurance or a

contract or agreement with a group, organization, partnership or corporation to provide, pay for, or reimburse the cost of medical expenses (“health plan”). If so, we will pay up to \$2,000 of medical expenses for any injured person. We will also pay medical expenses in excess of \$2,000 for such injured person which will not be paid by a health plan. Medical expenses must be submitted to the health plan to determine what the health plan will pay before we pay benefits in excess of \$2,000 under this coverage. We will not pay for medical expenses in excess of \$2,000 that the health plan would have paid had the injured person sought treatment in accordance with the requirements of the health plan. In any case, our total payment for medical expenses, lost wages and replacement services will not exceed \$8,000.

#### **E. Additional Conditions**

The Conditions of the Policy are Changed for Personal Injury Protection Insurance by adding:

1. If the “accident” is in Massachusetts or if it is outside Massachusetts and the injured person does not sue for damages, we will pay benefits within a reasonable time - usually 30 days. If the “accident” is outside of Massachusetts and the injured person does sue, then we can wait for a settlement or judgment before paying benefits.
2. If anyone is entitled to Personal Injury Protection benefits and also to benefits under any other insurance provided by this policy, we will pay from this insurance first.
3. We will not pay Personal Injury Protection benefits to or for an injured person, to the extent those benefits would duplicate expenses or losses recovered by that person in a settlement or court judgment.
4. If anyone covered under this policy is also entitled to Personal Injury Protection benefits from any other auto policy, the total benefits payable will not be more than the highest amount payable under whichever one of the policies would have paid the most.

In that case, each insurer will pay only its proportionate share. We will not pay benefits under this insurance which duplicate payments made under the No-Fault coverage of any other auto policy.

5. We must be authorized to obtain medical reports and other records pertinent to the claim.
6. Within two years after an “accident,” we may, at our option, pay the cost of renewing or continuing in force a policy of health, sickness or disability insurance for anyone under this coverage who is unwilling or unable to pay such cost. Our payment will not exceed the cost of renewing or continuing such policy for a period of two years after the “accident.” Also, our payment will not operate to reduce the benefits otherwise payable under this coverage.



## F. Definitions

The following definitions are added for Personal Injury Protection Coverage:

1. "Occupying" means in, upon, getting in, on, out or off.
2. "Pedestrian" includes anyone incurring injury as a result of being struck by an auto in an accident and who is not occupying an auto at the time of the accident.

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## UNINSURED MOTORISTS COVERAGE

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### A. Coverage

We will pay all sums an insured is legally entitled to recover as damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the insured caused by an "accident." The owner's or operator's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle."

The most we will pay for damages to or for anyone injured in the following situations is \$35,000 for each person and \$80,000 for each "accident" or the limits you purchased, whichever is less:

1. Anyone injured while using an "auto" without the consent of the owner.
2. Anyone injured while an "auto" is being operated in a prearranged or organized racing, speed or demolition contest or in practice or preparation for any such contest.

This coverage does not apply to the direct or indirect benefit of any insurer or self-insurer under any workers' compensation or similar law.

#### 1. Who is an Insured

- a. You, while "occupying" a covered "auto," while "occupying" an "auto" you do not own, or if injured as a pedestrian.
- b. If the form of your business under Item One of the Declarations is shown as an individual, any "household member," while "occupying" a covered "auto," while "occupying" an "auto" not owned by you, or if injured as a "pedestrian."

If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for any

“household member” who has a Massachusetts auto policy of his or her own or who is covered by any Massachusetts auto policy of another “household member” providing uninsured auto insurance with higher limits.

- c. Anyone else while “occupying” a covered “auto.” We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own, or who is covered by any Massachusetts auto policy of another “household member” providing uninsured auto insurance.
- d. Anyone else for damages he or she is entitled to recover because of injury to a person under this coverage.

If you are injured while “occupying” a covered “auto” and you have two or more “autos” insured with us with different limits, we will only pay up to the limits shown on the Declarations for the “auto” you are “occupying” when injured.

If you are injured as a “pedestrian” or while “occupying” an “auto” you do not own and you have two or more Massachusetts auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay damages to or for you if struck by, or while “occupying” an “auto” you own and which does not have Massachusetts compulsory auto insurance.

Likewise, we will not pay damages to or for any “household member” if struck by, or while “occupying” an “auto” owned by that “household member” which does not have Massachusetts compulsory auto insurance.

## **B. Limits Of Insurance**

1. The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one “accident” is shown on the Declarations as the “each person” limit. Subject to this limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one “accident” is shown on the Declarations as the “each accident” limit. This is the most we will pay as the result of a single “accident.”
2. The limits of two or more “autos” or policies shall not be added together, combined, or stacked, to determine the limits of coverage available to anyone covered under this insurance, regardless of the number of “autos” involved, persons covered, claims made, or premiums shown on the Declarations.
3. We will not make payments under this coverage which duplicate payments under the Uninsured Motorists Coverage of any other auto policy.

4. We will reduce the damages an injured person is entitled to recover by:
  - a. The amount recovered from any legally responsible person provided the injured person is fully compensated for his or her damage for bodily injury.
  - b. The amount paid under a workers' compensation law or similar law.

We will pay the balance of the damages up to the limits shown for this coverage on the Declarations.

**C. Changes In Conditions**

The conditions are changed for Uninsured Motorists Coverage as follows:

1. Other Insurance is deleted.
2. Two or More Coverage Forms or Policies Issued By Us is deleted.

**D. Additional Conditions**

The following conditions are added for Uninsured Motorists Coverage:

1. Arbitration

If we and an insured disagree whether the insured is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages, either party may make a written demand for arbitration. However, in no event may a demand for arbitration constitute first notice of claim. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be used.

2. Settlement or Judgment

If an insured person settles a claim as a result of an "accident" covered under this coverage, we will pay that person only if the claim was settled with our consent.

We will not be bound under this coverage by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.

**E. Definitions**

The following definitions are added for Uninsured Motorists Coverage:

1. “Household member” means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
2. “Occupying” means in, upon, getting in, on, out or off.
3. “Uninsured motor vehicle” means a land motor vehicle or trailer:
  - a. To which no “bodily injury” liability policy or bond applies at the time of the “accident,” or
  - b. To which a “bodily injury” liability policy or bond applies at the time of the “accident,” but the insuring or bonding company denies coverage or becomes insolvent.
  - c. Which is a hit-and-run vehicle and neither the operator nor owner can be identified.

However, “uninsured motor vehicle” does not include any vehicle:

- a. Owned by a governmental unit or someone who is legally self-insured.
- b. Owned or regularly used by you.
- c. Designed for use mainly off public roads while not on public roads.
- d. Operated on rails or crawler treads.
- e. While located for use as a residence or premises.

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## SECTION II - LIABILITY COVERAGE

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### A. Coverage

The third paragraph is replaced by the following:

We have the right and duty to defend any “insured” against a “suit” asking for such damages or a “covered pollution cost or expense,” even if it is without merit. However, we have no duty to defend any “insured” against a “suit” seeking damages for “bodily injury” or “property damage” or a “covered pollution cost or expense” to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. If an “insured” settles a claim without our consent, we will not be bound by that settlement. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court’s permission, the maximum amount of the Liability Coverage Limit of Insurance. We may end our duty to defend at any time during the course of the “suit” by tendering, or paying the maximum amount of the Liability Coverage Limit of

Insurance, without the need for a judgment or settlement of the “suit” or a release by the claimant.

## **B. Exclusions**

The Pollution Exclusion is changed by the following:

Paragraph a.(1)(2) only applies to damages payable for “bodily injury” or “property damage” that exceed the limits of insurance we are required to sell you under Massachusetts law. Those limits are \$35,000 each person and \$80,000 each “accident” for “bodily injury” and \$5,000 each “accident” for “property damage.” This change, however, does not apply to liability assumed under a contract or agreement.

## **C. Limit Of Insurance**

The Limit of Insurance is changed by adding the following:

If the limits of insurance for any vehicle or coverage are shown separately for “bodily injury” and “property damage,” the following applies:

Regardless of the number of covered “autos,” insureds, premiums paid, claims made or vehicles involved in the “accident,” our limit of liability is as follows:

1. The most we will pay for the total of all damages and “covered pollution cost or expense” combined for injuries to one or more persons as a result of “bodily injury” to any one person in any one “accident” is the limit of Bodily Injury Liability shown on the Declarations for “each person.”
2. Subject to the limit for “each person,” the most we will pay for the total of all damages and “covered pollution cost or expense” combined for injuries resulting from “bodily injury” for two or more people caused by any one “accident” is the limit of Bodily Injury Liability shown on the Declarations for “each accident.”
3. The most we will pay for the total of all damages and “covered pollution cost or expense” combined resulting from “property damage” caused by any one “accident” is the limit of Property Damage Liability shown on the Declarations.

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## **PHYSICAL DAMAGE COVERAGE**

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## **A. Coverage**

(3) Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles is replaced by the following:

If you purchased Comprehensive Coverage for the damaged covered “auto,” we will pay for the following under Comprehensive Coverage:

- a. “Loss” caused by contact with a bird or animal;
- b. “Loss” caused by falling objects or missiles; and
- c. Glass breakage.

However, glass breakage, when involving other collision “loss,” shall be considered a “loss” under Collision Coverage.

## **B. Exclusions**

Exclusion 4.c. of the Business Auto Coverage Form and Exclusion 2.e. of the Motor Carrier Coverage Form are replaced by the following:

Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals. This exclusion does not apply to electronic equipment designed solely for:

1. the reproduction of sound,
2. vehicle recovery and anti-theft device systems, or
3. safety warning systems.

## **C. Limits Of Insurance**

Limit of Insurance is changed by adding the following:

If the repair of a damaged part will impair the operational safety of the covered “auto,” we will replace the part.

## **D. Deductible**

Deductible is replaced by the following:

1. 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 on the Declarations.
2. Any deductible under Comprehensive or Specified Causes of Loss Coverage does not apply to glass breakage or to our obligation to pay for transportation expenses incurred following a theft of a covered auto of the private passenger type.

3. Regardless of anything to the contrary, any Comprehensive Coverage deductible shown on the Declarations does apply to loss caused by fire or lightning.

**E. Additional Conditions**

The following Conditions are added for Physical Damage Coverage:

**1. Claims Handling**

You must allow us to have the “auto” appraised after a collision or loss. If we have a direct payment plan approved by the Commissioner of Insurance, we will pay you in accordance with the appraisal and allow you to select a repair shop of your choice. If you choose not to have the covered “auto” repaired, or if we do not receive your Repair Certification Form, or, when requested, you do not make your “auto” available for reinspection within a reasonable period of time following repair, our payments automatically reduce the actual cash value of the covered “auto” if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased.

If you choose not to accept payment under our direct payment plan or we do not have such a plan, and you have the covered “auto” repaired in accordance with the appraisal, you must send us a Completed Work Claim Form. We must pay you within seven days after receiving the form. If we fail to pay you within seven days after receipt of the Completed Work Claim Form, you have the right to sue us. If a court decides that we were unreasonable in refusing to pay you on time, you are entitled to double the amount of damage, plus costs and reasonable attorneys’ fees. If you request us to, we will pay the repair shop directly; however, the repair shop must certify that it meets certain requirements. If you choose not to have the covered “auto” repaired, or if we do not receive your Completed Work Claim Form, we will determine the amount of decrease in the actual cash value of the covered “auto” and pay you that amount less your deductible. Our payment automatically reduces the actual cash value of the covered “auto” if you have further claims. If you later give us proof of proper repair, the actual cash value will be increased. We have a right to inspect all repairs.

**2. Total Loss**

If we pay for the total “loss” of a covered “auto:”

- a. We will suspend Collision or Limited Collision coverage for the damaged covered “auto” until the covered “auto” passes a Motor Vehicle Safety Inspection Test.
- b. We may suspend coverage for a fire or theft “loss” under Comprehensive or Specified Causes of Loss Coverage for any replacement “auto” unless it is made reasonably available for our inspection within two Registry of Motor Vehicle business days following the day you acquired it.

- c. We have the right, if we so choose, to take title to the “auto.” We also have the right, if we so choose, to take any damaged part for which we pay.

### **3. Sales Tax**

If we pay for a loss to a covered “auto” under Physical Damage Coverage, we will also pay, subject to your deductible, all sales taxes applicable to the loss of an auto.

### **4. Loss Payee**

When the Declarations shows that a loss payee has a secured interest in a covered “auto,” we will make payments under Physical Damage Coverage according to the legal interest of each party.

The loss payee’s right of payment will not be invalidated by your acts or neglect except that we will not pay if the “loss” to a covered “auto” is the result of conversion, embezzlement, or secretion by you or any household member. Also, we will not pay the loss payee if the “loss” to a covered “auto” is the result of arson, theft, or any other means of disposal committed by you or at your direction.

When we pay any loss payee we shall, to the extent of our payment, have the right to exercise any of the loss payee’s legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so within 30 days after the “loss” becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

### **5. Pre-Insurance Inspection**

Massachusetts law requires that we inspect certain motor vehicles before providing Physical Damage Coverage. In some cases, we may defer the required inspection of the covered “auto” for ten calendar days (not including legal holidays/and Sundays) following the effective date of coverage. If you do not have the covered “auto” inspected within the time allowed, coverage for that “auto” will be automatically suspended. Your premium will be adjusted if the suspension lasts for more than ten days.

### **6. Actual Cash Value**

Whenever the appraised cost of repair of an auto plus the probable salvage value of the auto may be reasonably expected to exceed the actual cash value of the auto, we shall determine the auto’s actual cash value. Our determination shall be based on a consideration of all of the following factors:



- 1.) the retail book value for an auto of like kind and quality, but for the damage incurred;
- 2.) the price paid for the auto plus the value of prior improvements to the auto at the time of the accident, less appropriate depreciation;
- 3.) the decrease in value of the auto resulting from prior unrelated damage which is detected by the appraiser; and
- 4.) the actual cost of purchase of an available auto of like kind and quality but for the damage sustained.

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## **BUSINESS AUTO AND MOTOR CARRIER CONDITIONS**

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### **A.2. Duties In The Event Of Accident, Claim, Suit Or Loss** is changed as follows:

1. Paragraph a. is changed by adding after (3) the following:

We may have to pay for “property damage” under Liability Coverage even if you or the legally responsible person fails to give us prompt notice of the accident. In that case, we may be entitled to reimbursement from that person.

2. Paragraph b.(4) is replaced by the following:

(4) Authorize us to obtain medical reports and other records pertinent to the claim.

3. Paragraph c. is replaced by the following:

c. If there is a “loss” to a covered “auto” or its equipment, you must also do the following:

(1) Promptly notify the police if the covered “auto” or any of its equipment is stolen. You must also report a fire loss to the fire department. The notice to the police or fire department must be on the form required by law.

(2) Do whatever is reasonable to protect the covered “auto” from further damage or “loss.” We will pay for any reasonable expenses incurred in doing this.

(3) Permit us to inspect the covered “auto” and records proving the “loss” before its repair or disposition.

4. Paragraph d. is added as follows:

d. We may also require you and any person seeking payment under any coverage provided by this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim.

3. **Legal Action Against Us** is replaced by the following:

No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Liability Coverage, no legal action may be brought against us until we agree in writing that the insured has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization, other than an insured, has any right under this policy to bring us into any action to determine the liability of the insured.

5. **Transfer Of Rights Of Recovery Against Others To Us** is replaced by the following:

Sometimes we may make a payment under this policy to you or to someone else who has a separate legal right to recover damages from others. In that case, those legal rights may be exercised by us. Anyone receiving payment under those circumstances must do nothing to interfere with those rights. He or she must also do whatever is necessary to help us recover for ourselves up to the amount we have paid. If we then recover more than we paid, we will pay that person the excess, less his or her proportionate share of the recovery, including reasonable attorneys' fees.

Any amount recovered because of a payment we make under Uninsured Motorists Coverage or Underinsured Motorists Coverage of this policy, shall first be applied to any unpaid damages due that person. Such unpaid damages must be a part of a claim settled with our consent or a part of a judgment resulting from a lawsuit brought with our written consent. Any balance then remaining shall be applied to the amounts we have paid under Uninsured Motorists Coverage or Underinsured Motorists Coverage. We will reduce the amount we will pay that person by his or her proportionate share of the costs of recovery including reasonable attorneys' fees.

Sometimes you or someone else may recover money from the person legally responsible for an "accident" and also receive money from us for the same "accident." If so, the amount we paid must be repaid to us to the extent that you or someone else recovers.

If you or someone else recover money from the person legally responsible for the accident and also receive money from us for the same accident as a payment under Uninsured Motorists Coverage or Underinsured Motorists Coverage of this policy, we must be repaid for any amounts so paid, but only to the extent that such recovery exceeds any unpaid damages due that person under a claim settled with our consent or judgment resulting from a lawsuit brought with our written consent.

Whenever we are entitled to repayment from anyone, the amount owed us can be reduced by our proportionate share of the costs of recovering the money, including reasonable attorneys' fees.

**B.2 Concealment, Misrepresentation Or Fraud** is replaced by the following:

Except with respect to the coverages you are required to purchase in order to register your auto in Massachusetts, we may refuse to pay claims if any oral or written misrepresentation or warranty made in the negotiation of this policy by you, or on your behalf, was made with an actual intent to deceive or if the matter misrepresented or warranted increased the risk of loss.

**B.9 Premium - Changes**

All premiums for this policy and any renewal or extension thereof shall be computed in accordance with the applicable rules, rates, rating plans, premiums and minimum premiums for the coverage afforded.

If a change requires a premium adjustment, we will adjust the premium as of the effective date of change.

**B.10 Renewal**

If we decide not to renew this policy or any of its coverages, we must mail our notice to your agent or to you at your last address shown on the Declarations at least 45 days before your policy runs out. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice. If we require a renewal application, and you fail to complete and return it to us within the specified time, we then have the right to cancel the renewal policy.

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## **DEFINITIONS**

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The Definition of "property damage" is changed as follows:

"Property damage" means damage to tangible property including any applicable sales tax and the costs resulting from loss of use of the damaged property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **AUTO MEDICAL PAYMENTS COVERAGE - MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Coverage**

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an “insured” who sustains “bodily injury” caused by “accident.” We will pay only those expenses incurred within two years from the date of the “accident.”

### **B. Who Is An Insured**

1. You while “occupying” or while a pedestrian, when struck by an “auto.”
2. If the form of your business under item one of the Declarations is shown as an individual, any “household member” while “occupying” or while a pedestrian, when struck by any “auto.”
3. Anyone else “occupying” a covered “auto” or a temporary substitute for a covered “auto.” The covered “auto” must be out of service because of its breakdown, repair, servicing, loss or destruction.

### **C. Exclusions**

This insurance does not apply to any of the following:

1. “Bodily injury” sustained by an “insured” while “occupying” a vehicle located for use as a premises or residence.
2. “Bodily injury” sustained by you or any “household member” while “occupying” or struck by any vehicle (other than a covered “auto”) owned by you or furnished or available for your regular use.

3. "Bodily injury" sustained by any "household member" while "occupying " or struck by any vehicle (other than a covered "auto") owned by or furnished or available for the regular use of any "household member."
4. "Bodily injury" to your "employee" arising out of and in the course of employment by you. However, we will cover "bodily injury" to your domestic "employees" if not entitled to workers' compensation benefits. For the purpose of the endorsement, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.
5. "Bodily injury" to an "insured" while working in a business of selling, servicing, repairing or parking "autos" unless that business is yours.
6. "Bodily injury" arising directly or indirectly out of:
  - 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.
7. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
8. "Bodily injury" sustained by an "insured" "occupying" a covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity. This exclusion only applies to expenses that exceed the \$5,000 limit of insurance we are required to offer you under Massachusetts law.

#### **D. Limit Of Insurance**

1. Regardless of the number of covered "autos," "insured," premiums paid, claims made or vehicles involved in the "accident," the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit of Insurance for Medical Payments Coverage shown in the Declarations.
2. "We" will not pay under this Coverage for any expenses that are payable or would have been payable except for a deductible under the Personal Injury Protection coverage of this policy or any other Massachusetts "auto" policy.

#### **E. Changes In Conditions**

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer of Rights of Recovery Against Others to Us Condition does not apply.
2. Our Right to be Repaid as it appears on the Massachusetts Mandatory Endorsement also does not apply.
3. The reference in Other Insurance to “other collectible insurance” applies only to other collectible auto medical payments insurance.

**F. Additional Definitions**

As used in this endorsement:

1. “Household member” means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
2. “Occupying” means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RESTRICTION OF PERSONAL INJURY PROTECTION  
FOR EMPLOYERS SUBJECT TO THE  
MASSACHUSETTS WORKERS' COMPENSATION ACT  
MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
AUTO DEALERS COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

You paid a reduced premium for Personal Injury Protection Coverage because you certified that your covered "auto" would be used only in your business and only to carry your "employees" and that you have and will continue to have a Massachusetts Workers' Compensation Policy during the period of this policy.

You must reimburse us for any payment we make under this policy for any accident, claim, or lawsuit because of the failure to comply with the terms of your certification.

Accepted on \_\_\_\_\_

By \_\_\_\_\_

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DRIVE OTHER CAR COVERAGE  
BROADENED COVERAGE FOR NAMED INDIVIDUALS -  
MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER 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.

Endorsement Effective Date:	
Named Insured	

This endorsement changes only those coverages listed below for which a charge is shown below. Each of those coverages is changed as follows:

Name of Individual	Premium						
	BI	PD	MED	UM	UIM	COMP \$      Ded.	COLL \$      Ded.
ANY EMPLOYEE ASSIGNED A COMPANY AUTO WHO HAS BEEN NOTIFIED IN WRITING PRIOR TO DATE OF LOSS OF DRIVE OTHER CAR STATUS AND IS NOT COVERED UNDER ANY AVAILABLE PERSONAL AUTO LIABILITY POLICY	INCL	INCL					

**A. Changes In Liability Coverage**



1. Any “auto” you hire, borrow or don’t own is a covered “auto” for Liability Coverage while being used by any individual named in this endorsement or by his or her spouse while a resident of the same household except:
  - a. Any “auto” owned by that individual or by any “household member” of that individual.
  - b. Any “auto” used by that individual or his or her spouse while working in a business of selling, servicing, repairing or parking “autos.”

2. The following is added to Who Is An Insured:

Any individual named in this endorsement and his or her spouse, while a resident of the same household, are “insureds” while using any covered “auto” described in paragraph A.1 of this endorsement.

#### **B. Changes In Auto Medical Payments**

The following is added to Who Is An Insured:

Any individual named in this endorsement and his or her “family members” are “insureds” while “occupying” or while a pedestrian when being struck by any “auto” you hire, borrow or don’t own except:

Any “auto” owned by that individual or by any “family member.”

#### **C. Changes In Physical Damage Insurance**

Any private passenger-type “auto” you hire, borrow or don’t own is a covered “auto” while in the care, custody or control of any individual named in this endorsement or his or her spouse while a resident of the same household except:

1. Any “auto” owned by that individual or by any “family member.”
2. Any “auto” used by that individual or his or her spouse while working in a business of selling, servicing, repairing or parking “autos.”

#### **D. Changes In Uninsured And Underinsured Motorists Insurance**

The following is added to Who Is An Insured:

Any individual named in this endorsement and “family members” are “insured” while occupying or while a pedestrian when being struck by any “auto” you, such named individual and “family members” hire, borrow or don’t own, unless such named individual, or “family member,” has a Massachusetts auto policy of his or her own providing similar coverage or is covered by a Massachusetts auto policy of another “family member” providing similar coverage.

#### **E. Additional Definitions**

As used in this endorsement:

“Family member” means a person related to the individual named in this endorsement by blood, marriage or adoption who is a resident of the individual’s household, including a ward or foster child.

“Occupying” means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RATE MODIFICATION - MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The premiums for any coverage eligible for rate modification may be adjusted by any modifications from Rating Plans promulgated by or filed with the Commissioner of Insurance. Premium adjustment will be made from the effective date of the modifications.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **UNINSURED MOTORISTS COVERAGE - MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Coverage**

We will pay all sums an insured is legally entitled to recover as damages from the owner or operator of an "uninsured motor vehicle." The damages must result from "bodily injury" sustained by the insured caused by an "accident." The owner's or operator's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle."

The most we will pay for damages to or for anyone injured in the following situations is \$35,000 for each person and \$80,000 for each "accident" or the limits you purchased, whichever is less:

1. Anyone injured while using a covered "auto" without the consent of the owner.
2. Anyone injured while a covered "auto" is being operated in a prearranged or organized racing, speed or demolition contest or in practice or preparation for any such contest.

This coverage does not apply to the direct or indirect benefit of any insurer or self-insurer under any workers' compensation or similar law.

1. Who is an Insured:
  - a. You, while "occupying" a covered "auto," while "occupying" an "auto" you do not own, or if injured as a "pedestrian."
  - b. If the form of your business under Item One of the Declarations is shown as an individual, any "household member," while "occupying" a covered "auto," while "occupying" an "auto" not owned by you, or if injured as a "pedestrian."

If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share. We will not pay damages to or for any

“household member” who has a Massachusetts auto policy of his or her own or who is covered by any Massachusetts auto policy of another “household member” providing uninsured auto insurance with higher limits.

- c. Anyone else while “occupying” a covered “auto.” We will not pay damages to or for anyone else who has a Massachusetts auto policy of his or her own, or who is covered by any Massachusetts auto policy of another “household member” providing uninsured auto insurance.
- d. Anyone else for damages he or she is entitled to recover because of injury to a person under this coverage.

If you are injured while “occupying” a covered “auto” and you have two or more “autos” insured with us with different limits, we only pay up to the limits shown on the Declarations for the “auto” you are “occupying” when injured.

If you are injured as a “pedestrian” or while “occupying” an “auto” you do not own and you have two or more Massachusetts auto policies which provide coverage at different limits, the policy with the higher limits will pay. If there are two or more policies which provide coverage at the same limits, we will only pay our proportionate share.

We will not pay damages to or for you if struck by, or while “occupying” an “auto” you own and which does not have Massachusetts compulsory auto insurance.

Likewise, we will not pay damages to or for any “household member” if struck by, or while “occupying” an “auto” owned by that “household member” which does not have Massachusetts compulsory auto insurance.

## **B. Limits Of Insurance**

1. The most we will pay for injuries to one or more persons as a result of bodily injury to any one person in any one “accident” is shown on the Declarations as the “each person” limit. Subject to this limit, the most we will pay for injuries to two or more people as the result of bodily injury to two or more people in any one “accident” is shown on the Declarations as the “each accident” limit. This is the most we will pay as the result of a single “accident.”
2. The limits of two or more “autos” or policies shall not be added together, combined, or stacked, to determine the limits of coverage available to anyone covered under this insurance, regardless of the number of “autos” involved, persons covered, claims made, or premiums shown on the Declarations.
3. We will not make payments under this coverage which duplicate payments provided under uninsured auto insurance of any other auto policy.

4. We will reduce the damages an injured person is entitled to recover by:

- a. The amount recovered from any legally responsible person provided the injured person is fully compensated for his or her damage for bodily injury.
- b. The amount paid under a workers' compensation law or similar law.

We will pay the balance of the damages up to the limits shown for this coverage on the Declarations.

**C. Changes In Conditions**

The conditions are changed for Uninsured Motorists Coverage as follows:

1. Other Insurance is deleted.
2. Two or More Coverage Forms or Policies Issued By Us is deleted.

**D. Additional Conditions**

The following conditions are added for Uninsured Motorists Coverage:

1. Arbitration

If we and an insured disagree whether the insured is legally entitled to recover damages from the owner or operator of an "uninsured motor vehicle" or do not agree as to the amount of damages, either party may make a written demand for arbitration. However, in no event may a demand for arbitration constitute first notice of claim. We must be given sufficient notice of claim to conduct a reasonable investigation and attempt settlement before arbitration can be used.

2. Settlement or Judgment

If an insured person settles a claim as a result of an "accident" covered under this coverage, we will pay that person only if the claim was settled with our consent.

We will not be bound under this coverage by any judgment resulting from a lawsuit brought without our written consent. We will not, however, unreasonably withhold our consent.

**E. Additional Definitions**

As used in this endorsement:

1. "Household member" means anyone living in your household who is related to you by blood, marriage or adoption. This includes wards, step-children or foster children.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
  - a. To which no "bodily injury" liability policy or bond applies at the time of the "accident," or
  - b. To which a "bodily injury" liability policy or bond applies at the time of the "accident," but the insuring or bonding company denies coverage or becomes insolvent.
  - c. Which is a hit-and-run vehicle and neither the operator nor owner can be identified.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned by a governmental unit or someone who is legally self-insured;
- b. Owned or regularly used by you;
- c. Designed for use mainly off public roads while not on public roads;
- d. Operated on rails or crawler treads;
- e. While located for use as a residence or premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PERSONAL INJURY PROTECTION COVERAGE - MASSACHUSETTS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The benefits under this coverage are commonly known as "PIP" or "No-Fault" benefits. It makes no difference who is legally responsible for the "accident."

**A. Coverage**

We will pay the benefits described below to an insured injured or killed in an auto "accident." Benefits are paid only for expenses or losses actually incurred within two years after the "accident."

We will pay three kinds of benefits:

**1. Medical Expenses**

We will pay all reasonable expenses incurred as a result of the "accident" for necessary medical, surgical, X-ray and dental services. This includes prosthetic devices. It also includes ambulance, hospital, professional nursing and funeral expenses.

**2. Lost Wages**

If an injured person is out of work because of the "accident," we will pay lost wages up to 75% of his or her average weekly gross wage or equivalent for the year ending on the day immediately before the "accident." We will not pay for the loss of any other type of income. If the injured person was unemployed at the time of the "accident," we will pay up to 75% of the amount he or she actually lost in earning power as a result of the "accident." Some people have a wage continuation program at work. If so, we will pay them only the difference between the total we would ordinarily pay under this insurance and the amount of the program payments. We will, however, reimburse the program if it allows benefits to be converted into cash or additional retirement credit. Sometimes program benefits are reduced or used up because of payments to the person injured in an "accident." In that case, we will pay for lost wages resulting from any other illness or injury that person has within one year of our last payment. The exact amount of our payment under this paragraph will be determined by Massachusetts law.



### 3. Replacement Services

We will reimburse the injured person for reasonable payments made to anyone outside his or her household for necessary services that he or she would have performed without pay for the benefit of the household, had he or she not been injured.

## B. Who Is An Insured

1. You, and, if the form of your business under Item One of the Declarations is shown as an individual, anyone living in your household while:
  - a. "Occupying" a covered "auto;"
  - b. "Occupying" an auto which does not have Massachusetts Compulsory Auto Insurance; or
  - c. A "pedestrian" struck by an auto which does not have Massachusetts Compulsory Auto Insurance.
2. Any other person while:
  - a. "Occupying" a covered "auto" with your consent;
  - b. A pedestrian injured by a covered "auto" in Massachusetts or any Massachusetts resident who, while a pedestrian, is struck by a covered "auto" outside of Massachusetts.

## C. Exclusions

This coverage does not apply to:

1. Anyone who, at the time of the "accident," was operating or "occupying" a motorcycle or any motor vehicle not subject to motor vehicle registration.
2. Anyone who contributed to his or her injury by operating an auto:
  - a. While under the influence of alcohol, marijuana, or a narcotic drug.
  - b. While committing a felony or seeking to avoid arrest by a police officer.
  - c. With the specific intent of causing injury to himself, herself or others.
3. Anyone who is entitled to workers' compensation benefits for the same injury.

## D. Limit Of Insurance

For any one "accident," we will pay as many people as are injured, but the most we will pay for all benefits to any one person is \$8,000. This is the most we will pay as the result of a single "accident" no matter how many covered "autos" or premiums are shown on the Declarations. Some people have a policy of health, sickness, or disability insurance or a contract or agreement with a group, organization, partnership or corporation to provide, pay for, or reimburse the cost of medical expenses. If so, we will pay up to \$2,000 of medical expenses for any injured person. We will also pay medical expenses in excess of \$2,000 for such injured person which will not be paid by a medical expense provider. In either case, our total payment for medical expenses, lost wages and replacement services will not exceed \$8,000.

**E. Additional Conditions**

The Conditions of the Policy are Changed for Personal Injury Protection Insurance by adding:

1. If the "accident" is in Massachusetts, or if it is outside Massachusetts and the injured person does not sue for damages, we will pay benefits within a reasonable time - usually 30 days. If the "accident" is outside of Massachusetts and the injured person does sue, then we can wait for a settlement or judgment before paying benefits.
2. If anyone is entitled to Personal Injury Protection benefits and also to benefits under any other insurance provided by this policy, we will pay from this insurance first.
3. We will not pay Personal Injury Protection benefits to or for an injured person, to the extent those benefits would duplicate expenses or losses recovered by that person in a settlement or court judgment.
4. If anyone covered under this policy is also entitled to Personal Injury Protection benefits from any other auto policy, the total benefits payable will not be more than the highest amount payable under whichever one of the policies would have paid the most. In that case, each insurer will pay only its proportionate share. We will not pay benefits under this insurance which duplicate payments made under the No-Fault coverage of any other auto policy.
5. We must be authorized to obtain medical reports and other records pertinent to the claim.
6. Within two years after an "accident," we may, at our option, pay the cost of renewing or continuing in force a policy of health, sickness or disability insurance for anyone under this coverage who is unwilling or unable to pay such cost. Our payment will not

exceed the cost of renewing or continuing such policy for a period of two years after the "accident." Also, our payment will not operate to reduce the benefits otherwise payable under this coverage.

**F. Definitions**

The following definitions are added for Personal Injury Protection Coverage:

1. "Occupying" means in, upon, getting in, on, out or off.
2. "Pedestrian" includes anyone incurring bodily injury as a result of being struck by an auto in an accident and who is not occupying an auto at the time of the accident.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **MASSACHUSETTS CHANGES**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM**

This Endorsement applies to risks not subject to the Massachusetts Compulsory Automobile Insurance Law

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

#### **COVERAGE**

The third paragraph is replaced by the following:

We have the right and duty to defend any “insured” against a “suit” asking for such damages or a “covered pollution cost or expense,” even if it is without merit. However, we have no duty to defend any “insured” against a “suit” seeking damages for “bodily injury” or “property damage” or a “covered pollution cost or expense” to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. If an “insured” settles a claim without our consent, we will not be bound by that settlement. Our duty to defend ends when we tender, or pay to any claimant or to a court of competent jurisdiction, with the court’s permission, the maximum amount of the Liability Coverage Limit of Insurance, without the need for a judgment or settlement of the “suit” or a release by the claimant.

### **B. Changes In Physical Damage Coverage**

#### **1. COVERAGE**

3. Glass Breakage - Hitting a Bird or Animal - Falling Objects or Missiles is replaced by the following:

If you purchased Comprehensive Coverage for the damaged covered “auto,” we will pay for the following under Comprehensive Coverage:

- a. “Loss” caused by contact with a bird or animal;

- b. "Loss" caused by falling objects or missiles; and
- c. Glass breakage.

However, glass breakage, when involving other collision "loss," shall be considered a "loss" under Collision Coverage.

D. DEDUCTIBLE is replaced by the following:

1. 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 on the Declarations.
  2. Any deductible under Comprehensive or Specified Causes of Loss Coverage does not apply to glass breakage or to our obligation to pay for transportation expenses incurred following a theft of a covered auto of the private passenger type.
  3. Regardless of anything to the contrary, any Comprehensive Coverage deductible shown on the Declarations does apply to loss caused by fire or lightning.
3. The following Condition is added to Physical Damage Coverage.

LOSS PAYEE

When the Declarations shows that a loss payee has secured interest in a covered "auto," we will make payments under Physical Damage Coverage according to the legal interest of each party.

The loss payee's right of payment will not be invalidated by your acts or neglect except that we will not pay if the "loss" to a covered "auto" is the result of conversion, embezzlement, or secretion by you or any household member. Also, we will not pay the loss payee if the "loss" to a covered "auto" is the result of arson, theft or any other means of disposal committed by you or at your direction.

When we pay any loss payee, we shall, to the extent of our payment, have the right to exercise any of the loss payee's legal rights of recovery. If you do not file a proof of loss as provided in this policy, the loss payee must do so within 30 days after the "loss" becomes known to the loss payee.

In order for us to cancel the rights of any loss payee shown on the Declarations, a notice of cancellation must be sent to the loss payee as provided in this policy.

**C. The Cancellation Common Policy Condition is replaced by the following:**

You can cancel all or any part of the insurance at any time by giving us or your agent at least twenty days written notice.

We can cancel all or any part of the insurance if:

1. You have not paid your premium on this policy.
2. We find that you were responsible for fraud or material misrepresentation when you applied for this policy or any extension or renewal of it.
3. Your driver's license or auto registration has been under suspension or revocation during the policy period.

Any notice of cancellation will be sent to you at your last address shown on the Declarations at least 20 days prior to the effective date. A notice sent by regular mail, for which a certificate of mailing receipt has been obtained from the United States Postal Service, will be considered sufficient notice.

In order for us to cancel the rights of any loss payee shown in the policy, a notice of cancellation must also be sent to the loss payee in a similar manner.

Refunds of any premium will be sent to you as soon as possible. If we cancel, the amount of your refund will be determined by a pro rata table based on the number of days the insurance was in effect. If the policy is cancelled by you or by law, you will get a refund which is less than proportional to the time involved. It will be based instead on a "short rate" table and procedures which compensate us for our expenses in servicing your policy.