**Business Auto Coverage Form - CA 00 01 03 10**

Policy Amendment(s) Commercial 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 boldface 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 follow- ing 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.**

1. **Description of Covered Auto Designation Symbols Symbol Description of Covered Auto Desig-**

**nation Symbols**

1. = ANY **AUTO.**

2. = OWNED **AUTOS** ONLY. Only those **autos** you own (and for 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 pol- icy begins.

3. = OWNED PRIVATE PASSENGER **AUTOS** ONLY. Only the private passenger **autos** you own. This includes those private passenger **autos** you acquire ownership of af- ter the policy begins.

4. = OWNED **AUTOS** OTHER THAN PRI- VATE PASSENGER **AUTOS** ONLY. Only those **autos** you own that are not of the

private passenger type (and for Liability Cov- erage any **trailers** you don’t own while at- tached to power units you own). This includes those **autos** not of the private pas- senger 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 ac- quire 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 MOTOR- ISTS 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 ac- quire 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 Liability Coverage any **trailers** you don’t own while attached to any power unit described in Item Three).

8. = HIRED **AUTOS** ONLY. Only those **au- tos** 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 but only while used in your business or your personal affairs.

This Form must be attached to Change Endorsement when issued after the policy is written. One of the **Fireman’s Fund Insurance Companies** as named in the policy

Secretary President

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 part- nership), members (if you are a limited liabil- ity 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 RE- SPONSIBILITY 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 in- surance law where they are licensed or princi- pally garaged.

1. **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 Decla- rations, then you have coverage for **autos** that you acquire of the type described for the re- mainder 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 cover- age only if:
      1. We already cover all **autos** that you own for that coverage or it replaces an **auto** you previously owned that had that cov- erage; and
      2. You tell us within 30 days after you ac- quire it that you want us to cover it for that coverage.
2. **Certain Trailers, Mobile Equipment and Tempo- rary Substitute Autos**

If Liability Coverage is provided by this coverage form, the following types of vehicles are also cov- ered **autos** for 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 sub- stitute for a covered **auto** you own that is out of service because of its:
     1. Breakdown;
     2. Repair;
     3. Servicing;
     4. **Loss**; or
     5. Destruction.

**Section II - Liability Coverage**

1. **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 ei- ther **bodily injury** or **property damage** to which this insurance applies that is caused by the same **acci- dent**.

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 in- surance 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 Li- ability Coverage Limit of Insurance has been ex- hausted by payment of judgments or settlements.

* 1. Who Is an Insured

The following are **insureds**:

* + 1. You for any covered **auto.**
    2. Anyone else while using with your per- mission 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** con- nected to a covered **auto** you own.

* + - 1. Your **employee** if the covered **auto** is owned by that **employee** or a member of his or her household.
      2. Someone using a covered **auto** while he or she is working in a business of selling, servicing, repairing, park- ing or storing **autos** unless that bu- siness is yours.
      3. Anyone other than your **employees**, partners (if you are a partnership), members (if you are a limited liabil- ity company) or a lessee or borrower or any of their **employees**, while moving property to or from a cov- ered **auto.**
      4. A partner (if you are a partnership) or a member (if you are a limited li- ability company) for a covered **auto** owned by him or her or a member of his or her household.
    1. Anyone liable for the conduct of an **in- sured** described above but only to the extent of that liability.
  1. Coverage Extensions
     1. 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 attach- ments in any **suit** against the **insured** we defend, but only for bond amounts within our Limit of Insur- ance.
        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 **in- sured** in any **suit** against the **insured** we defend. However, these pay- ments 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 en- try 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 de- posited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

* + 1. 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 Liability Coverage to meet the limits specified by a compulsory or finan- cial responsibility law of the juris- diction 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 ve- hicles 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.

1. **Exclusions**

This insurance does not apply to any of the fol- lowing:

* 1. Expected or Intended Injury

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

* 1. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

* + 1. Assumed in a contract or agreement that is an **insured contract** provided the **bodily injury** or **property damage** occurs subse- quent to the execution of the contract or agreement; or
    2. That the **insured** would have in the ab- sence of the contract or agreement.
  1. 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 si- milar law.

* 1. Employee Indemnification and Employer’s Liability

**Bodily injury** to:

* + 1. 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
    2. The spouse, child, parent, brother or sis- ter 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 ca- pacity; 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 con- tract**. For the purposes of the coverage form, a domestic **employee** is a person engaged in

household or domestic work performed prin- cipally in connection with a residence prem- ises.

* 1. Fellow Employee

**Bodily injury** to:

* + 1. Any fellow **employee** of the **insured** aris- ing out of and in the course of the fellow **employee’s** employment or while per- forming duties related to the conduct of your business; or
    2. The spouse, child, parent, brother or sis- ter of that fellow **employee** as a conse- quence of Paragraph a. above.
  1. 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.

* 1. Handling of Property

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

* + 1. Before it is moved from the place where it is accepted by the **insured** for move- ment into or onto the covered **auto**; or
    2. After it is moved from the covered **auto** to the place where it is finally delivered by the **insured.**
  1. Movement of Property by Mechanical Device

**Bodily injury** or **property damage** resulting from the movement of property by a me- chanical device (other than a hand truck) un- less the device is attached to the covered **auto**.

* 1. Operations

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

* + 1. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of **mobile equipment**; or
    2. Machinery or equipment that is on, at- tached 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.

* 1. Completed Operations

**Bodily injury** or **property damage** arising out of your work after that work has been com- pleted or abandoned.

In this exclusion, your work means:

* + 1. Work or operations performed by you or on your behalf; and
    2. Materials, parts or equipment furnished in connection with such work or oper- ations.

Your work includes warranties or representa- tions 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.
3. When that part of the work done at a job site has been put to its intended use by any person or or- ganization other than another con- tractor or subcontractor working on the same project.

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

* 1. Pollution

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

* + 1. 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**;
    2. Before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are ac- cepted by the **insured** for movement into or onto the covered **auto**; or
    3. 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 simi- lar **pollutants** that are needed for or result from the normal electrical, hydraulic or me- chanical functioning of the covered **auto** or its parts, if:

* + - 1. The **pollutants** escape, seep, migrate or are discharged, dispersed or re- leased directly from an **auto** part de- signed 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 Para- graphs 6.b. and 6.c. of the definition of **mobile equipment**.

Paragraphs b. and c. above of this exclu- sion 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:

* + - * 1. The **pollutants** or any property in which the **pollutants** are contained are upset, overturned
  1. War

or damaged as a result of the maintenance or use of a covered **auto**; and

* + - * 1. The discharge, dispersal, seep- age, migration, release or escape of the **pollutants** is caused di- rectly by such upset, overturn or damage.

endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

**Section III - Physical Damage Coverage**

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

**Bodily injury** or **property damage** arising di- rectly or indirectly out of:

1. War, including undeclared or civil war;
2. Warlike action by a military force, in- cluding action in hindering or defending against an actual or expected attack, by any government, sovereign or other au- thority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usu- rped power or action taken by govern- mental 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.

1. **Limit of Insurance**

Regardless of the number of covered **autos**, **in- sureds**, 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 **acci- dent** is the Limit of Insurance for Liability Cover- age 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 pay- ments for the same elements of **loss** under this coverage form and any Medical Payments Cover- age endorsement, Uninsured Motorists Coverage

From any cause except:

1. The covered **auto’s** collision with another object; or
2. The covered **auto’s** overturn.
3. 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 trans- porting the covered **auto**.
4. Collision Coverage Caused by:
   1. The covered **auto’s** collision with another object; or
   2. The covered **auto’s** overturn.
   3. Towing

We will pay up to the limit shown in the Declarations for towing and labor costs in- curred each time a covered **auto** of the private passenger type is disabled. However, the la- bor must be performed at the place of disa- blement.

* 1. 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:

* + 1. Glass breakage;
    2. **Loss** caused by hitting a bird or animal; and
    3. **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.

* 1. Coverage Extensions
     1. Transportation Expenses

We will pay up to $20 per day to a max- imum of $600 for temporary transporta- tion 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, regard- less of the policy’s expiration, when the covered **auto** is returned to use or we pay for its **loss**.

* + 1. Loss of Use Expenses

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

* + - 1. Other than collision only if the Declarations indicate that Compre- hensive Coverage is provided for any covered **auto**;
      2. Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is pro- vided for any covered **auto**; or
      3. Collision only if the Declarations indicate 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.

1. **Exclusions**
   1. We will not pay for **loss** caused by or resulting from any of the following. Such **loss** is ex- cluded regardless of any other cause or event that contributes concurrently or in any se- quence to the **loss.**
      1. Nuclear Hazard
         1. The explosion of any weapon em- ploying atomic fission or fusion; or
         2. Nuclear reaction or radiation, or ra- dioactive contamination, however caused.
      2. War or Military Action
         1. War, including undeclared or civil war;
         2. Warlike action by a military force, including action in hindering or de- fending against an actual or expected attack, by any government, sover- eign or other authority using mili- tary 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 ac- tivity, 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:
      1. Wear and tear, freezing, mechanical or electrical breakdown.
      2. Blowouts, punctures or other road dam- age to tires.

This exclusion does not apply to such **loss** resulting from the total theft of a covered **auto**.

* 1. We will not pay for **loss** to any of the follow- ing:
     1. Tapes, records, discs or other similar au- dio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
     2. Any device designed or used to detect speed-measuring equipment such as ra- dar or laser detectors and any jamming apparatus intended to elude or disrupt speed-measurement equipment.
     3. Any electronic equipment, without re- gard to whether this equipment is per- manently installed, that reproduces, receives or transmits audio, visual or data signals.
     4. Any accessories used with the electronic equipment described in Paragraph c. above.
  2. 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:
     1. Permanently installed in or upon the covered **auto**;
     2. Removable from a housing unit which is permanently installed in or upon the covered **auto**;
     3. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
     4. Necessary for the normal operation of the covered **auto** or the monitoring of the covered **auto’s** operating system.
  3. We will not pay for **loss** to a covered **auto** due to **diminution in value**.

1. **Limit of Insurance**
   1. The most we will pay for **loss** in any one **ac- cident** 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.
   2. $1,000 is the most we will pay for **loss** in any one **accident** to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of **loss**, 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 instal- lation of such equipment;
      2. Removable from a permanently installed housing unit as described in Paragraph

2.a. above or is an integral part of that equipment; or

* + 1. An integral part of such equipment.
  1. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total **loss**.
  2. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

1. **Deductible**

For each covered **auto**, our obligation to pay for, repair, return or replace damaged or stolen prop- erty 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:

1. **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 um- pire. A decision agreed to by any two will be binding. Each party will:

* + 1. Pay its chosen appraiser; and
    2. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still re- tain our right to deny the claim.

* 1. 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 compli- ance with the following duties:

* + 1. In the event of **accident**, claim, **suit** or **loss**, you must give us or our authorized representative prompt notice of the **acci- dent** or **loss**. Include:
       1. How, when and where the **accident**

or **loss** occurred;

* + - 1. The **insured’s** name and address; and
      2. To the extent possible, the names and addresses of any injured persons and witnesses.
    1. Additionally, you and any other involved

**insured** must:

* + - 1. Assume no obligation, make no payment or incur no expense with- out our consent, except at the **in- sured’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 investi- gation or settlement of the claim or defense against the **suit**.
      4. Authorize us to obtain medical re- cords or other pertinent information.
      5. Submit to examination, at our ex- pense, by physicians of our choice, as often as we reasonably require.
    1. If there is **loss** to a covered **auto** or its equipment you must also do the follow- ing:
       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 dam- age. 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.
  1. Legal Action Against Us

No one may bring a legal action against us under this coverage form until:

* + 1. There has been full compliance with all the terms of this coverage form; and
    2. Under Liability Coverage, we agree in writing that the **insured** has an obligation to pay or until the amount of that obli- gation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an ac- tion to determine the **insured’s** liability.
  1. Loss Payment - Physical Damage Coverages At our option we may:
     1. Pay for, repair or replace damaged or stolen property;
     2. Return the stolen property, at our ex- pense. We will pay for any damage that results to the **auto** from the theft; or
     3. 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 in- clude the applicable sales tax for the damaged or stolen property.

* 1. Transfer of Rights of Recovery Against Oth- ers 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.

1. **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.

* 1. 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 con- ceal or misrepresent a material fact concern- ing:

* + 1. This coverage form;
    2. The covered **auto**;
    3. Your interest in the covered **auto**; or
    4. A claim under this coverage form.
  1. 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 re- vision is effective in your state.

* 1. 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 pro- vision of this coverage form.

* 1. Other Insurance
     1. For any covered **auto** you own, this coverage form provides primary insur- ance. For any covered **auto** you don’t own, the insurance provided by this cov- erage form is excess over any other col- lectible insurance. However, while a covered **auto** which is a **trailer** is con- nected to another vehicle, the Liability Coverage this coverage form provides for the **trailer** is:

1. Excess while it is connected to a motor vehicle you do not own.
2. Primary while it is connected to a covered **auto** you own.
   * 1. For Hired Auto Physical Damage Cov- erage, 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**.
     2. Regardless of the provisions of Paragraph

a. above, this coverage form’s Liability Coverage is primary for any liability as- sumed under an **insured contract** .

* + 1. 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.
  1. Premium Audit
     1. The estimated premium for this coverage form is based on the exposures you told us you would have when this policy be- gan. We will compute the final premium due when we determine your actual ex- posures. 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 retrospec- tive premium is the date shown as the due date on the bill. If the estimated to- tal premium exceeds the final premium due, the first Named Insured will get a refund.
     2. 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 begin- ning of each year of the policy.
  2. Policy Period, Coverage Territory

Under this coverage form, we cover **accidents**

and **losses** occurring:

* + 1. During the policy period shown in the Declarations; and
    2. 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:
          1. 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; and
          2. The **insured’s** responsibility to pay damages is determined in a **suit** on the merits, in the United States of America, the territo- ries 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 be- tween any of these places.

* 1. Two or More Coverage Forms or Policies Is- sued 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**

1. **Accident** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage.**
2. **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.**

1. **Bodily injury** means bodily injury, sickness or dis- ease sustained by a person including death result- ing from any of these.
2. **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, **pol- lutants** ; or
   2. Any claim or **suit** by or on behalf of a gov- ernmental authority for damages because of testing for, monitoring, cleaning up, remov- ing, containing, treating, detoxifying or neu- tralizing, 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, al- leged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

* + 1. That are, or that are contained in any prop- erty 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 pro- cessed in or upon the covered **auto**;
    2. 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 cov- ered **auto**; or
    3. 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, lubri- cants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical func- tioning of the covered **auto** or its parts, if:

* + - 1. The **pollutants** escape, seep, migrate or are discharged, dispersed or released di- rectly 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:

* + - * 1. 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
        2. The discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

1. **Diminution in value** means the actual or perceived loss in market value or resale value which results from a direct and accidental **loss**.
2. **Employee** includes a **leased worker. Employee** does not include a **temporary worker**.
3. **Insured** means any person or organization quali- fying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage af- forded applies separately to each insured who is seeking coverage or against whom a claim or **suit** is brought.
4. **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 con- nection with work for a municipality;
   5. That part of any other contract or agreement pertaining to your business (including an in- demnification of a municipality in connection with work performed for a municipality) un- der which you assume the tort liability of an- other to pay for **bodily injury** or **property damage** to a third party or organization. Tort liability means a liability that would be im- posed by law in the absence of any contract or agreement.
   6. That part of any contract or agreement en- tered into, as part of your business, pertaining to the rental or lease, by you or any of your **employees**, of any **auto**. However, such con- tract 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:

* + 1. 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 tres- tle, tracks, roadbeds, tunnel, underpass or crossing;
    2. That pertains to the loan, lease or rental of an **auto** to you or any of your **em- ployees,** if the **auto** is loaned, leased or rented with a driver; or
    3. That holds a person or organization en- gaged 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.

1. **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**.

1. **Loss** means direct and accidental loss or damage.
2. **Mobile equipment** means any of the following types of land vehicles, including any attached ma- chinery 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:
      1. Power cranes, shovels, loaders, diggers or drills; or
      2. Road construction or resurfacing equip- ment 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 fol- lowing types:
      1. Air compressors, pumps and generators, including spraying, welding, building cle- aning, geophysical exploration, lighting and well-servicing equipment; or
      2. 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**:
      1. Equipment designed primarily for:
         1. Snow removal;
         2. Road maintenance, but not con- struction or resurfacing; or
         3. Street cleaning;
      2. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
      3. Air compressors, pumps and generators, including spraying, welding, building cle- aning, geophysical exploration, lighting or well-servicing equipment.

However, **mobile equipment** does not include land vehicles that are subject to a compulsory or finan- cial responsibility law or other motor vehicle in- surance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor ve- hicle insurance law are considered **autos**.

1. **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.
2. **Property damage** means damage to or loss of use of tangible property.
3. **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:

* + 1. 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
    2. Any other alternative dispute resolution pro- ceeding in which such damages or **covered pollution costs or expenses** are claimed and to which the insured submits with our consent.

1. **Temporary worker** means a person who is fur- nished to you to substitute for a permanent **em- ployee** on leave or to meet seasonal or short-term workload conditions.
2. **Trailer** includes semitrailer.