

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Arkansas, 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

Paragraph **2.b.(4)** of the **Who Is An Insured** Provision of the Auto Dealers Coverage Form does not apply.

B. Changes In Physical Damage Coverage

If collision coverage, comprehensive coverage or specified causes of loss coverage is provided by this Coverage Form on at least one covered "auto", then a temporary substitute vehicle is also a covered "auto". A temporary substitute vehicle means any "auto" you do not own which is provided for your use with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:

1. Breakdown;
2. Repair; or
3. Servicing.

C. Changes In Conditions

1. The **Appraisal For Physical Damage Loss** Condition is replaced by the following:

Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either party may make a written request for an appraisal of the "loss". However, an appraisal will be made only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, 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. 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.

An appraisal decision will not be binding on either party.

2. The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We will be entitled to recovery only after the "insured" has been fully compensated for the "loss" or damage sustained.

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

When the following applies:

- a. This Coverage Form and any other Coverage Form or policy providing liability, physical damage, uninsured and underinsured motorists coverage apply to an "auto" in a given "accident"; and
- b. This Coverage Form provides coverage to an "insured" who:
 - (1) Is engaged in the business of providing primarily private passenger vehicles to the public under a rental agreement for a period not to exceed 90 days and rents or leases the "auto" to an individual;

- (2) Is a duly licensed automobile dealer loaning an "auto" as a temporary replacement to a person whose "auto" is out of use because of its breakdown, repair or servicing; or
 - (3) Is a duly licensed automobile dealer and loans the "auto" out for use as a demonstrator "auto"; and
- c. The other Coverage Form provides coverage to a person who is not working for, and not employed by, a business described in Paragraph **b.(1), b.(2) or b.(3)** above, and who, at the time of the "accident", is operating an "auto" provided by a business described in Paragraph **b.(1), b.(2) or b.(3)** above;