

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXPLANATION OF PREMIUM BASIS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM

When used as a premium basis:

A. Cost of Hire

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.

B. For Public Autos

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

1. Amounts you pay to railroads, steamship lines, airlines and other motor carriers operating under their own ICC or PUC permits,
2. Advertising Revenue.
3. Taxes which you collect as a separate item and remit directly to a governmental division.
4. 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.

C. 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 autos you leased or rented to other during the policy period.