

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE COSTS WITHIN THE POLICY LIMIT ENDORSEMENT

This endorsement modifies insurance provided under the following Coverage Form:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM
OWNERS & CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

NOTICE: THIS COVERAGE IS PROVIDED ON A DEFENSE WITHIN THE LIMITS BASIS. COSTS INCURRED BY THE COMPANY IN DEFENDING CLAIMS WILL REDUCE THE LIMITS OF LIABILITY. PLEASE REVIEW THIS ENDORSEMENT CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. DEFENSE OF CLAIMS OR SUITS - COVERAGES A AND B

Subparagraphs a (2) of SECTION I COVERAGES, COVERAGE A. 1. And SECTION I COVERAGES, COVERAGE B.1.; are deleted in their entirety and replaced by the following:

2. Our right and duty to defend such claims or "suits" end when we have exhausted the limits available, as provided under SECTION III - LIMITS OF INSURANCE for either payments of judgments or settlements or defense costs, as such costs are described in Section B of this endorsement, entitled DEFENSE COSTS, under Coverage's A or B or Medical Expenses under Coverage C. This applies both to claims and "suits" pending at that time and those filed thereafter.
3. When we control the defense of a claim or "suit", we will pay for Defense Costs as such costs are described in Section B of this endorsement, entitled DEFENSE COSTS. If by mutual agreement or court order you assume control before the applicable Limit of Insurance available is exhausted, we will reimburse you for reasonable Defense Costs. In either case, however, the amounts we pay will reduce the Limit of Insurance available, as provided under SECTION III - LIMITS OF INSURANCE.
4. As soon as practicable after we become aware that a limit of Insurance available is exhausted:
 - a. We will notify you of any outstanding claims and "suits" subject to that limit; and
 - b. You will then arrange to assume control of the defense of all such claims and "suits" against you or any other insured when our right and duty to defend them ends.

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5. We will assist you in the transfer of control of defense of claims and "suits under 3. or 4. Above. Until such arrangements are completed, we will take on your behalf those steps that we deem Appropriate:
 - a. To avoid a default in any claim or "suit", or
 - b. To the continued defense of a claim or "suit".

You agree that if we take such steps:

1. We do not waive or give up any of our rights under this insurance; and
2. You will reimburse us for any defense costs that arise out of such steps if the applicable limit of Insurance available has been exhausted.

B. DEFENSE COSTS

It is further agreed that the section of the policy headed SUPPLEMENTARY PAYMENTS - COVERAGES A AND B is deleted in its entirety and replaced by the following Section:

DEFENSE COSTS

We will pay, as part of the limit of insurance, as described in Section C. - **Limits of Insurance Revision** (below), with respect to any claim or "suit" the following defense costs:

1. Attorney fees and all other litigation expenses.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation of defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

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Defense Costs do not include:

- a. Salaries and expenses of our employees or your employees other than:
 1. That portion of our employed attorney's fees, salaries and expenses allocated to a specific claim or "suit", and
 2. The expense described in B. 4. above.
- b. Fees and expenses of independent adjusters we hire.

C. LIMITS OF INSURANCE REVISION

It is further Agreed SECTION III - LIMITS OF INSURANCE is deleted in its entirety and replaced by the following:

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insured's;
 - b. Claims made or "suits" brought, or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C.;
 - b. Damages under Coverage A. and Coverage B., except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Defense Costs as described in Section B of this endorsement, headed DEFENSE COSTS for claims and "suits" seeking damages included in 2 a. and b. above.
3. The Products - Completed Operations Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A because of "bodily injury" and "property damage" included in the "products-completed operations hazard"; and
 - b. Defense Costs as described in the Section B. headed DEFENSE COSTS for
 - c. claims and "suits" seeking damages included under the "products-completed operations hazard" of 3 a. above.
4. Subject to 2. above, Personal and Advertising Injury Limits is the most we will pay under Coverage B for the sum of:
 - a. all damages because of all "personal and advertising injury" sustained by any one person or organization; and

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- b. Defense costs as described in Section B of this endorsement, headed DEFENSE COSTS.
5. Subject to 2. and 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under Coverage A.;
 - b. Medical expenses under Coverage C. because of all "bodily injury" and "property damage" arising out of any one "occurrence"; and
 - c. Defense costs as described in Section B of this endorsement, headed DEFENSE COSTS.
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A. for damages because of "property damage" to premises rented to you or temporarily occupied by you with the permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C. for all medical expenses because of "bodily injury" sustained by any one person.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Insurance.

All other terms and conditions of this policy remain unchanged.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.