



# Virginia Business Auto Policy

We know how important it is for you to stay on the move.

500 W 5th Street • Winston-Salem NC 27102-3199

Integon National Insurance Company  
New South Insurance Company



**THESE POLICY PROVISIONS WITH THE DECLARATIONS PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.**

Please read your contract carefully. Provisions of this contract and its endorsements (if any) restrict coverage. Be certain you understand all of the coverage terms, the exclusions, and your rights and duties. Any person who, with intent to defraud or knowing that he is facilitating fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

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**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**

<b>Symbol</b>	<b>Description Of Covered Auto Designation Symbols</b>	
<b>1</b>	Any “Auto”	
<b>2</b>	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 policy begins.
<b>3</b>	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.
<b>4</b>	Owned “Autos” Other Than Private Passenger “Autos” Only	Only those “autos” you own that are not of the private passenger type (and for 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.
<b>5</b>	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.
<b>6</b>	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.
<b>7</b>	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).
<b>8</b>	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.
<b>9</b>	Nonowned “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.
<b>19</b>	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.

## 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 Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered “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 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.

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## SECTION II – LIABILITY COVERAGE

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### 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 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

In addition to the Limit of Insurance, 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 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, 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 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 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.

**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 Paragraphs **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 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”;
- 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:

- (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.

## 12. War

“Bodily injury” or “property damage” arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by 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 government 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 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 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.

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## SECTION III – PHYSICAL DAMAGE COVERAGE

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### 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 indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicate that Specified Causes of Loss Coverage is provided 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.

## 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 contest or activity.
3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
  - a. Wear and tear, freezing, mechanical or electrical breakdown.
  - b. Blowouts, punctures or other road damage to tires.
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 measurement equipment.
  - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
  - d. Any accessories used with the electronic equipment described in Paragraph c. above.

Exclusions 4.c. and 4.d. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
  - b. Any other electronic equipment that is:
    - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
    - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.
5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

## C. Limit Of Insurance

1. The most we will pay for "loss" in any one "accident" is the lesser of:
  - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
  - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
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.

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## SECTION IV – BUSINESS AUTO CONDITIONS

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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

the 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 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 conceal or misrepresent 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 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.
- 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 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:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. 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 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 apply 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.

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## SECTION V - DEFINITIONS

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- 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";
- (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.** 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.

**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.
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; or
  - 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 Paragraphs 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.
  - 6. Vehicles not described in Paragraphs 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.

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This Endorsement Applies Only If Form Number  
IL 0017 1198  
Appears On The Declarations Page.

**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. The 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.

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This Endorsement Applies Only If Form Number  
CA 0116 0808  
Appears On The Declarations Page.

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

**VIRGINIA CHANGES – BUSINESS  
AUTO COVERAGE FORM**

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

**A. Paragraph A. Coverage of Section II – Liability Coverage** is replaced by the following:

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 have the right and duty to defend any “suit” for such damages, even if the “suit” is groundless, false or fraudulent. However, we have no duty to defend “suits” for “bodily injury” or “property damage” 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 Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

**B. Paragraph A.1.b. of Section II – Liability Coverage** is amended by the addition of the following:

**1. Who Is An Insured**

The following are “insureds”:

**b.** Anyone else while using with your permission a covered “auto” you own, hire or borrow except:

**(6)** Your customers, if you are in the motor vehicle business. However, if a customer of yours:

**(a)** Has no other valid and collectible insurance applicable to the same “accident”, they are an “insured” but only up to the financial responsibility limits specified in Section 46.2-472 of the Code of Virginia.

**(b)** Has other valid and collectible insurance applicable to the same “accident” less than the financial responsibility limits specified in Section 46.2-472, they are an “insured” only for the amount by which the financial responsibility law limits exceed the limits of their other insurance.

Motor vehicle business means the business of selling, leasing, repairing, servicing, storing or parking motor vehicles which are:

**(a)** Used for demonstration purposes by a prospective purchaser;

**(b)** Loaned or leased to another as a temporary substitute while such person’s “auto” is being repaired or serviced; or

**(c)** Leased to another for a period of six months or more.

**C. Paragraph A.2. Coverage Extensions of Section II - Liability Coverage** is amended as follows:

**1. Paragraphs a.(3), a.(5) and a.(6) of Supplementary Payments** are replaced by the following:

**a. Supplementary Payments**

We will pay for the “insured”:

**(3)** The cost of bonds to release attachments in any “suit” we defend, but only for bond amounts within our Limit of Insurance.

**(5)** All costs taxed against the “insured” in any “suit” we defend.

**(6)** All interest on the full amount of any judgment that accrues after entry of judgment in any “suit” 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.

**2. Paragraph a. Supplementary Payments** is amended by the addition of the following:

**a. Supplementary Payments**

We will pay for the “insured”:

**(7)** Prejudgment 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 prejudgment interest based on that period of time after the offer.

**D. Paragraph A.2.b.(1) of Section II – Liability Coverage** is replaced by the following:

**2. Coverage Extensions**

**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 Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered “auto” is being used.

**E. Paragraph B. Exclusions of Section II – Liability Coverage** is amended as follows:

**1. Paragraph B.4. Employee Indemnification And Employer’s Liability Exclusion** is replaced by the following:

“Bodily Injury” to:

**a.** An “employee” of the “insured” arising out of and in the course of employment by the “insured”; 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 “employees” not entitled to workers’ compensation benefits or to liability assumed by the “insured” under an “insured contract”.

2. Paragraph **B.5. Fellow Employee** Exclusion is deleted.
3. Paragraph **B.6. Care, Custody Or Control** Exclusion is replaced by the following:  
“Property damage” to 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.
4. Paragraph **B.11. Pollution** Exclusion is replaced by the following:  
“Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”. This exclusion does not apply if the discharge is sudden and accidental.
5. Paragraph **B.12. War** Exclusion is replaced by the following:  
“Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”. This exclusion does not apply if the discharge is sudden and accidental.

- F. Paragraph **C. Limit of Insurance** of Section II is replaced by the following:
1. 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 resulting from any one “accident” is the Limit of Insurance for Liability Coverage shown in the Declarations.  
All “bodily injury” and “property damage” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident”.
  2. We will apply the limit shown in the Declarations to first provide the separate limits required by Virginia law as follows:
    - (a) \$25,000 for “bodily injury” to any one person caused by any one “accident”; and
    - (b) Subject to 2.(a) above, \$50,000 for “bodily injury” to two or more persons caused by any one “accident”; and

- (c) \$20,000 for “property damage” caused by any one “accident”.

This provision will not change the Limit of Insurance.

- G. The **Business Auto Conditions** of Section IV are amended as follows:
1. Paragraph **A.1. Appraisal For Physical Damage Loss** is replaced by the following:  
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 the “loss”. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party. 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. Paragraph A.2.b.(3) of the Duties In The Event Of Accident, Claim Or Loss Condition is replaced by the following:
    - b. Additionally, you and any other involved “insured” must:
      - (3) Cooperate with us in the investigation, settlement or defense of the claim or “suit”. The “insured” will be deemed not to have cooperated with us only if his or her failure or refusal to do so harms our defense of an action for damages.
  3. Paragraph **A.2.c of the Duties In The Event Of Accident, Claim Or Loss** Condition is replaced by the following:
    - c. If there is a “loss” to a covered “auto” or its equipment, you must also do the following, but only with respect to a Physical Damage claim:
      - (1) Promptly notify the police if the covered “auto” or any of its equipment is stolen.
      - (2) Do what is reasonably necessary to protect the covered “auto” from further damage. Also keep a record of your expenses for payment in the settlement claim.
      - (3) Permit us to inspect the covered “auto” and records proving the “loss” before its repair or disposition.
      - (4) Agree to examination under oath at our request and give us a signed statement of your answers.

4. Paragraph **A.4. of the Loss Payment – Physical Damage Coverages** Condition is replaced by the following:

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:

- (1) The applicable sales and use tax for the damaged or stolen property.
- (2) Any applicable titling and license transfer fees incurred in obtaining a replacement vehicle in the event of a total “loss” to a covered “auto”, and
- (3) Any applicable general average, salvage or disposal charges.

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

Coverage for your claim under this Coverage Form is void in any case of fraud by you at any time as it relates to the Coverage Form. It is also void if you, at any time, intentionally conceal or misrepresent 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.

6. Paragraph **B.5.b. of the Other Insurance** Condition is replaced by the following:

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 deemed to be a covered “auto” you don’t own.

7. Paragraph **B.6. Premium Audit** Condition is replaced by the following:

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.

8. Paragraph **B.8. of the Two Or More Coverage Forms Or Policies Issued By Us** Condition is deleted.

- H. **Section V – Definitions** is amended as follows:

1. The “covered pollution cost or expense” definition is deleted.
2. Exceptions **b.** and **c.** to the “insured contract” definition are deleted.
3. The definition of “suit” is replaced by the following:

“Suit” means a civil proceeding in which damages because of “bodily injury” or “property damage”, to which this insurance applies, are alleged.

“Suit” includes:

- a. An arbitration proceeding in which such damages 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 are claimed and to which the “insured” submits with our consent.

- I. **Changes In Endorsements**

1. All references to Auto Medical Payments are replaced in the endorsements by Medical Expense Benefits.
2. All references to personal injury protection (no-fault) and “covered pollution cost or expense” in any endorsement do not apply.

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This Endorsement Applies Only If Form Number  
CA 0268 1205

Appears On The Declarations Page.

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

**VIRGINIA CHANGES IN POLICY –  
CANCELLATION AND NONRENEWAL**

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

- A. If you are an individual and a covered “auto” you own is of the private passenger type and not used in your occupation, profession or business, other than farming, and is not used as a public or livery conveyance; and your business shown in the Declarations is not a garage, sales agency, repair shop, service station or public parking place, then the **Cancellation** Common Policy Condition does not apply. The following Conditions apply instead:

1. **Cancellation**

- a. You or your attorney-in-fact may cancel the policy by returning to us or by mailing to us advance written notice of the date cancellation is to take effect.
- b. We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
  - (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 45 days before the effective date of cancellation if we cancel for any other reason.
- c. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may only cancel for one or more of the following reasons:
  - (1) Nonpayment of premium.
  - (2) Your driver's license or that of a driver who lives with you or customarily uses the covered "auto" has been suspended or revoked during the policy period or, if the policy is a renewal, during its policy period or the 90 days immediately preceding the last effective date.
  - (3) You or your attorney-in-fact have notified us that you have changed your legal residence to a state other than Virginia and your covered "auto" will be principally garaged in your new state.
  - (4) We replace this policy with another one providing similar coverages and the same limits for the covered "auto". The replacement policy will take effect when this policy is cancelled and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation. If you or your attorney-in-fact cancel, the refund, if any, will be computed in accordance with the procedure described in Paragraph **C.** of this endorsement.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

## 2. Nonrenewal

- a. If we decide not to renew or continue this policy, we will mail you notice at least 45 days before the end of the policy period. If the policy is written for a period of less than one year or without a fixed expiration date, we will have the right not to renew or continue a particular coverage only at the end of any six month period following its original effective date.
- b. If we or our agent offer to renew or continue this policy and you or your attorney-in-fact do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you or your attorney-in-fact have not accepted our offer.

## 3. Mailing Of Notices

- a. Any notice of cancellation or nonrenewal will be mailed to your last known address by certificate of mailing, provided we retain a copy of said notice, or by registered or certified mail, pursuant to Sections 38.2-231 and 38.2.2208 of the Code of Virginia. However, we may deliver any notice instead of mailing it.
  - b. The notice of cancellation or nonrenewal will state the specific reason(s) for cancellation or nonrenewal, except when a policy is being cancelled or nonrenewed for nonpayment of premium.
- B.** For all other risks not described in Paragraph **A.** above:
- 1. Paragraphs **1.** and **2.** of the **Cancellation** Common Policy Condition are replaced by the following:
    - a. You or your attorney-in-fact may cancel the policy by mailing or delivering to us advance written notice of the date cancellation is to take effect.
    - b. We may cancel the policy by mailing or delivering to you written notice of cancellation, stating the reason(s) for cancellation at least:
      - (1) 15 days before the effective date if we cancel for nonpayment of premium; or
      - (2) 45 days before the effective date of cancellation if we cancel for any other reason.
  - 2. Paragraph **3.** of the **Cancellation** Common Policy Condition does not apply.

3. Paragraph 5. of the Cancellation Common Policy Condition is replaced by the following:

If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation. If you or your attorney-in-fact cancel, the refund, if any, will be computed in accordance with the procedure described in Paragraph C. of this endorsement.

4. The following Conditions are added,

**a. Nonrenewal**

- (1) We may nonrenew the policy by mailing or delivering to you written notice of nonrenewal, stating the reason for nonrenewal, at least:

(a) 15 days before the expiration date of the policy if we nonrenew for nonpayment of premium; or

(b) 45 days before the expiration date of the policy if we nonrenew for any other reason.

- (2) If we or our agent offer to renew or continue this policy and you or your attorney-in-fact do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you or your attorney-in-fact have not accepted our offer.

**b. Mailing Of Notices**

Any notice of cancellation or nonrenewal will be mailed to your last known address by certificate of mailing, provided we retain a copy of said notice, or by registered or certified mail pursuant to Sections 38.2-231 and 38.2-2208 of the Code of Virginia. However, we may deliver any notice instead of mailing it.

- C. The following provisions govern the calculation of return premium for all risks:

1. We will compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:

- a. At our request;
- b. Because you no longer have financial or insurable interest in the property or business operation that is the subject of insurance;
- c. And rewritten by us or a member of our company group; or

- d. After the first year, if it is a prepaid policy written for a term of more than one year.

2. When this policy is cancelled at your request (except when Paragraph 1.b., 1.c. or 1.d. applies), we will return 90% of the pro rata unearned premium, rounded to the next higher whole dollar. However when such cancellation takes place during the first year of a multi-year prepaid policy, we will return the full annual premium for the subsequent years. In addition, earned premium will not be less than our policywriting minimum premium.

3. When this policy is cancelled at your request and is an auto dealers policy written on a reporting form basis, we will calculate the return or additional premium as follows:

a. Final annual premium will be determined on the basis of the average value reported during the period in which the policy was in effect.

b. Pro rata earned premium will be determined based on the final annual premium for the number of days the policy was in force as determined by Paragraph 3.a. rounded to the next higher whole dollar.

c. Pro rata unearned premium will be determined by subtracting Paragraph 3.b. from Paragraph 3.a.

d. The short rate surcharge will be determined by multiplying the unearned premium by 10% and rounding to the next higher whole dollar.

e. Calculate the short rate earned premium by adding Paragraphs 3.b. and 3.d.

f. If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.

g. If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.

However, earned premium will not be less than our policywriting minimum premium.

CA 0268 12 05

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This Endorsement Applies Only If Form Number  
CA 99 44 1293

Appears On The Declarations Page.

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

**LOSS PAYABLE CLAUSE**

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

- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto".
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.  
  
Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy, we will mail you and the loss payee the same advance notice.
- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

CA 99 44 12 93

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This Endorsement Applies Only If Form Number  
IL 00 21 0702

Appears On The Declarations Page.

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

**NUCLEAR ENERGY LIABILITY EXCLUSION  
ENDORSEMENT (Broad Form)**

- 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 or fissionable material.

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

IL 00 21 07 02

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This Endorsement Applies Only If Form Number  
CA 22 46 1102  
Appears On The Declarations Page.

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

**VIRGINIA MEDICAL EXPENSE AND INCOME LOSS  
BENEFITS ENDORSEMENT**

**SECTION I – MEDICAL EXPENSE BENEFITS**

**A. Coverage**

We will pay, in accordance with Section 38.2.2201 or 46.2-465 of the Virginia Code, to a covered injured person, "medical expense" benefits as a result of "bodily injury" caused by an "accident" and arising out of the ownership, maintenance or use of a "motor vehicle" as a "motor vehicle".

**B. Exclusions**

This insurance does not apply to "bodily injury":

1. Sustained by any person who intentionally injures himself or herself;
2. Sustained by any person to the extent that benefits for that injury are in whole or in part payable under any workers' compensation or similar law;
3. Sustained by the "named insured" or any "family member" while "occupying" any motor vehicle owned by or furnished or available for regular

use by such "named insured" or any "family member" and that is not a "covered auto"; or

4. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or any act or condition incident to war.

**C. Limit Of Insurance**

1. Regardless of the number of claims made or "covered autos" to which this insurance applies, the most we will pay for "medical expense" benefits to "insured" who sustains "bodily injury" in any one "accident" is the Limit of Insurance for "medical expense" benefits shown in the Schedule or Declarations.
2. No "insured" will be entitled to collect under "medical expense" Coverage, more than his or her actual "medical expenses" incurred within three years after the date of the "accident", from this or any other automobile insurance policy or combination of those policies providing "medical expense" insurance applicable to that "accident".

**SECTION II – INCOME LOSS BENEFITS**

**A. Coverage**

We will pay, in accordance with Section 38.2-2201 or 46.2-465 of the Virginia Code, to a covered injured person, "income loss" benefits as a result of "bodily injury" caused by an "accident" and arising out of the ownership, maintenance or use of a motor vehicle.

**B. Exclusions**

Exclusions 1., 2., 3. and 4. under Section I of this endorsement apply to Section II.

**C. Limit Of Insurance**

1. Regardless of the number of claims made or "covered autos" to which this insurance applies, the most we will pay for "Income Loss" Benefits to any "insured" who sustains "bodily injury" to any one "accident" is the Limit of Insurance shown in the Schedule or Declarations from the first work day lost as a result of the "accident" up to the date that the "insured" is able to return to his or her usual occupation or the date of death of that "insured", whichever occurs first.
2. No "insured" will be entitled to collect more than his or her actual "income loss" sustained within one year after the date of the "accident", from this or any other automobile insurance policy or combination of those policies providing "income loss" benefits insurance applicable to that "accident".

**SECTION III – CONDITIONS**

The following conditions are applicable to both Sections I and II, except as noted:

**1. Notice**

In the event of an “accident”, written notice containing particulars sufficient to identify the “insured”, and also reasonably obtainable information respecting the time, place and circumstances of the “accident” must be given by or on behalf of the “insured” to us or our legal representatives as soon as possible.

If an “insured” or his or her legal representative institutes legal action for damages for “bodily injury”, he or she must promptly give us a copy of the summons and complaint or other process served in connection with the legal action.

## 2. Legal Action Against Us

No one may bring a legal action against us until there has been full compliance with all the terms of this endorsement.

## 3. Medical Reports; Proof Of Claim

As soon as practicable, the “insured” or someone on his or her behalf must give us written proof of claim, under oath if required, including full particulars of the nature and extent of injuries and treatment received or contemplated. He or she must also furnish us with any other information that may assist us in determining the amount due and payable. The “insured” must submit to physical examinations, at our expense, by physicians we select when and as often as we may require.

The “insured” or in the event of his or her incapacity or death, his or her legal representative, shall upon each of our requests, execute authorization to enable us to obtain medical reports, copies of records and information with respect to loss of income. We may require that the “insured”, as a condition for receiving “income loss” benefits, cooperate in furnishing us reasonable medical proof of his or her inability to work.

## 4. Transfer Of Rights Of Recovery Against Others To Us

With respect to Section II only, if any person or organization to or for whom we make payment for “income loss” benefits 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.

## SECTION IV – DEFINITIONS

As used in this endorsement:

1. “Covered auto” means a motor vehicle with respect to which:
  - a. The “named insured” is the owner;
  - b. The “bodily injury” liability or “property damage” liability coverage of the Coverage Form applies; and

- c. The insurance provided under this endorsement applies and for which a specific premium has been charged.
2. “Family member” means a person related to the “named insured” by blood, marriage or adoption who is a resident of the “named insured’s” household, including a ward or foster child.
3. “Income loss” means an amount equal to the loss of income incurred by an “insured”, usually engaged in a remunerative occupation, within one year after the date of the “accident”, and as a result of disability caused by the “accident”.
4. “Insured” means:
  - a. The “named insured” or any “family member” who sustains “bodily injury” while “occupying” a motor vehicle, or if struck by a motor vehicle while not “occupying” a motor vehicle; or
  - b. Any other person who sustains “bodily injury” while “occupying” a covered “auto”.
5. “Medical expense” means all reasonable and necessary expenses for medical, chiropractic, hospital, x-ray, professional nursing, dental, surgical, ambulance, prosthetic and rehabilitation services, and funeral expenses, incurred within three years after the date of the “accident”.
6. “Named insured” means the individual or organization designated in the Schedule or this endorsement and if not designated therein, means the individual or organization named in Item 1. of the Declarations of the policy.
7. “Occupying” means in, upon, getting in, on, out of, off or using.

## SECTION V – MEDICAL EXPENSE AND INCOME LOSS BENEFITS – INDIVIDUAL NAMED INSURED

If “you” are an individual and a “covered auto” “you” own is of the “private passenger type”, the provisions of this endorsement apply, except that Paragraph C. **Limit of Insurance** of Section I and II of this endorsement are replaced by the following:

### C. Limit Of Insurance

Regardless of the number of “covered autos”, “insureds” or claims made, the most we will pay for “bodily injury” for each “insured” injured in any one “accident” shall be determined as follows:

1. If there is only one “covered auto” of the “private passenger type”, the most we will pay is the limit of Medical Expenses and “Income Loss” Benefits shown in the Schedule or Declarations.
2. If there is more than one “covered auto” of the “private passenger type”, our limit of liability is the sum of the highest limits applicable to “covered autos” of the “private passenger type”, subject to a maximum of four such “autos”.

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This Endorsement Applies Only If Form Number  
CA 3127 1205

Appears On The Declarations Page.

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

**VIRGINIA SPLIT UNINSURED MOTORISTS  
COVERAGE LIMITS**

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

Paragraph 1. of Our Limit Of Liability is replaced by the following:

1. Regardless of the number of "covered autos", "insureds", claims made or motor vehicles involved in the "accident", the Limit Of Insurance is as follows:
  - a. The most we will pay for all damages resulting from "bodily injury" to any one person caused by any one "accident" is the limit of "Bodily Injury" shown in the Schedule or Declarations for each person.
  - b. Subject to the limit for each person, the most we will pay for all damages resulting from "bodily injury" caused by any one "accident" is the limit of "Bodily Injury" shown in the Schedule or Declarations for each "accident".
  - c. The most we will pay for all damages resulting from "property damage" caused by any one "accident" is the limit of "Property Damage" shown in the Schedule or Declarations for each "accident".
  - d. If more than one "covered auto" is involved in the same "accident", the Limit Of Uninsured Motorists Insurance shown in the Schedule or Declarations will apply separately to each of these "covered autos". Such Limits Of Insurance shall first provide the separate limits required by the Virginia Motor Vehicle Safety Responsibility Act.

CA 3127 12 05

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This Endorsement Applies Only If Form Number  
CA 21 21 1102

Appears On The Declarations Page.

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

**UNINSURED MOTORISTS ENDORSEMENT (Virginia)**

**A. Words And Phrases With Special Meaning**

The following words and phrases have special meaning throughout this endorsement and appear in quotation marks when used:

1. "You" and "your" mean the person or organization shown as the named insured in ITEM ONE of the declarations.

2. "We", "us", and "our" mean the company providing insurance.
3. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage" the "insured" neither expected nor intended.
4. "Available for payment" means the amount of liability insurance coverage applicable to the claim of the injured person for "bodily injury" or "property damage" reduced by the payment of any other claims arising out of the same "accident".
5. "Bodily injury" means bodily injury, sickness or disease including death resulting from any of these.
6. "Covered auto" means a motor vehicle, or a "temporary substitute", with respect to which the "bodily injury" or "property damage" liability coverage of the policy applies.
7. "Family member" means a person related to "you" by blood, marriage or adoption who is a resident of "your" household including a ward or foster child.
8. "Insured" means any person or organization qualifying as an insured in the **Who Is An Insured** section of this endorsement, including the personal representative of any insured. Except with respect to "our" Limit of Liability, the insurance afforded applies separately to each insured who is seeking coverage under this endorsement.
9. "Loss" means direct and accidental damage or loss.
10. "Property damage" means damage to or loss of use of tangible property.
11. "Occupying" means in, upon, using, getting in, on, out of or off.
12. "Temporary substitute" means a motor vehicle that is being used in place of a "covered auto". The "covered auto" must be out of service because of its breakdown, repair, servicing, loss or destruction.
13. "Underinsured motor vehicle" means a motor vehicle, when and to the extent that, the total amount of "bodily injury" and "property damage" coverage applicable to the operation or use of the motor vehicle and "available for payment" for such "bodily injury" or "property damage", including all bonds or deposits of money or securities made pursuant to Article 15 (Section 46.2-435 et seq.) of Chapter 3 of Title 46.2 of the Code of Virginia, is less than the total amount of uninsured motorist coverage afforded any person injured as a result of the operation or use of the motor vehicle.



14. "Uninsured motor vehicle" means a motor vehicle:

a. For which:

1. There is no "bodily injury" liability insurance and "property damage" liability insurance in the amounts specified by Section 46.2-472 of the Code of Virginia.
2. There is such insurance but the insurer writing the insurance denies coverage for any reason whatsoever, including failure or refusal of the insured to cooperate with the insurer.
3. There is no bond or deposit of money or securities in lieu of such insurance.
4. The owner of the vehicle has not qualified as a self-insurer under the provisions of Section 46.2-368, or
5. The owner or operator of the motor vehicle is immune from liability for negligence under the laws of the Commonwealth or the United States. A motor vehicle shall be deemed uninsured if its owner or operator is unknown.

If the owner or operator of any motor vehicle that causes "bodily injury" or "property damage" to the "insured" is unknown, and if the damage or injury results from an "accident" where there has been no contact between that motor vehicle and the motor vehicle occupied by the "insured", or where there has been no contact with the person of the "insured" if the "insured" was not "occupying" a motor vehicle, then for the "insured" to recover under this endorsement pursuant to Paragraph a. of this definition, the "accident" shall be reported promptly to either:

1. The insurer or;
2. A law-enforcement officer having jurisdiction in the county or city in which the "accident" occurred. If it is not reasonably practicable to make the report promptly, the report shall be made as soon as reasonably practicable under the circumstances.

b. Which is an "underinsured motor vehicle".

## B. We Will Pay

"We" will pay in accordance with the Virginia Uninsured Motorists Law, all sums the "insured" is legally entitled to recover as damages from the owner or operator of an "uninsured motor vehicle".

## C. We Will Not Cover – Exclusions

This insurance does not apply to:

1. A "bodily injury" or "property damage" claim settled by the "insured" without "our" consent with anyone who may be legally liable.
2. The direct or indirect benefit of any insurer of property.
3. The first \$200 of the total amount of "property damage" as the result of any one "accident" involving an unidentifiable driver or owner of an "uninsured motor vehicle". This exclusion does not apply if the owner or operator of the "uninsured motor vehicle" causing the damage can be identified.
4. Anyone using the "covered auto" without a reasonable belief that the person is entitled to do so.

## D. Who Is Insured

1. "You" or any "family member".
2. Anyone else "occupying" a "covered auto".
3. Anyone for damages he or she is entitled to recover because of "bodily injury" to which this coverage applies, sustained by another "insured" under 1. or 2. above.

## E. Our Limit Of Liability

1. Regardless of the number of "covered autos", "insureds", claims made or motor vehicles involved in the "accident", the most "we" will pay for all damages resulting from any one "accident" is the limit of **Uninsured Motorists Insurance** shown in the Schedule or Declarations. However, if more than one "covered auto" is involved in the same "accident", the limit of Uninsured Motorists Insurance shown in the Schedule or Declarations will apply separately to each of these "covered autos". Such limit of insurance shall first provide the separate limits required by the Virginia Motor Vehicle Safety Responsibility Act.
2. Except with respect to an "underinsured motor vehicle", damages otherwise payable under this coverage:
  - a. Shall be reduced by all sums paid because of "bodily injury" or "property damage" by or on behalf of persons or organizations who may be legally responsible.
  - b. With respect to an employee of a self-insured employer, shall be reduced by all sums paid or payable because of "bodily injury" under a workers' compensation law.

## F. Conditions

The conditions applicable to this coverage are as follows:

### 1. Other Insurance

- a. For “bodily injury” to an “insured” while “occupying” a motor vehicle that is not a “covered auto”, this coverage shall apply only as excess insurance over any other similar insurance available to that “insured” and applicable to that motor vehicle as primary insurance. However, this paragraph does not apply to an “underinsured motor vehicle”.
- b. Except as provided in Paragraph a. above, if the “insured” has other similar “bodily injury” insurance available to him or her and applicable to the “accident”, “we” shall not be liable for a greater proportion of any “loss” to which this coverage applies than the limit of liability for this coverage bears to the sum of the applicable limits of liability of this insurance and such other insurance. However, this provision does not apply to an “underinsured motor vehicle”.
- c. For “property damage”, **Uninsured Motorists Insurance** is excess over all other collectible insurance of any kind applicable to the “property damage”.
- d. If the injured person is entitled to underinsured motorists coverage under more than one policy, the following order of priority applies and any amount “available for payment” shall be credited against such policies in the following order of priority:
  - (1) The policy covering a motor vehicle “occupied” by the injured person at the time of the “accident”.
  - (2) The policy covering a motor vehicle not involved in the “accident” under which the injured person is a named insured.
  - (3) The policy covering a motor vehicle not involved in the “accident” under which the injured person is other than a named insured.

If there is more than one insurer providing coverage under one of the payment priorities set forth in Paragraph d. above, we will pay only “our” share of the “loss”. “Our” share is the proportion that “our” limit of liability bears to the total of all limits applicable on the same level of priority.

### 2. Our Right To Recover From Others

If “we” make any payment, “we” are entitled to recover what “we” paid from other parties. Any person to or for whom “we” make payment must transfer to “us” his or her rights of recovery

against any other party. The person must do everything necessary to secure these rights and must do nothing that would jeopardize them.

### 3. Legal Action Against Us

No legal action may be brought against “us” until there has been full compliance with all the terms of the policy.

### 4. Changes

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

### 5. Transfer Of Rights And Duties

“Your” rights and duties under this endorsement may not be assigned without “our” written consent.

### 6. Bankruptcy

Bankruptcy or insolvency of the “insured” or the “insured’s” estate shall not relieve “us” of any obligations under this endorsement.

### 7. Policy Period, Coverage Territory

Under this endorsement, “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:

- a. The United States of America.
- b. The territories and possessions of the United States of America.
- c. Puerto Rico; and
- d. Canada

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

### 8. Concealment, Misrepresentation, Or Fraud

Coverage for “your” claim under this endorsement is void in any case of fraud by “you” at any time as it relates to this coverage. It is also void if “you”, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This endorsement;
- b. The “covered auto”;
- c. “Your” interest in the “covered auto”; or
- d. A claim under this coverage.

### 9. Premium Audit

- a. The estimated premium for this endorsement 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. 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 endorsement will be computed annually, based on “our” rates or premiums in effect at the beginning of each year of the policy.

#### 10. Arbitration

- a. If “we” and an “insured” disagree as to the amount of damages that are recoverable by that “insured”, then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated.

“You” are not required to arbitrate; however, if both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. “We” will pay all arbitration expenses if “we” request arbitration. If an “insured” requests the arbitration, each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the “insured” lives. Local rules of law as to arbitration procedure and evidence will apply. A decision can be reached by two of the arbitrators but will not be binding.

CA 21 21 11 02

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This Endorsement Applies Only If Form Number  
CA 99 23 1293  
Appears On The Declarations Page.

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

**RENTAL REIMBURSEMENT COVERAGE**

- A. This endorsement provides only those coverages where a premium is shown in the Schedule. It applies only to a covered “auto” described or designated in the Schedule.
- B. We will pay for rental reimbursement expenses incurred by you for the rental of an “auto” because of “loss” to a “covered auto”. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered “auto”. No deductibles apply to this coverage.

- C. We will pay only for those expenses incurred during the policy period beginning 24 hours after the “loss” and ending, regardless of the policy’s expiration, with the lesser of the following number of days:
  - 1. The number of days reasonably required to repair or replace the covered “auto”. If “loss” is caused by theft, this number of days is added to the number of days it takes to locate the covered “auto” and return it to you.
  - 2. The number of days shown in the Schedule.
- D. Our payment is limited to the lesser of the following amounts:
  - 1. Necessary and actual expenses incurred.
  - 2. The maximum payment stated in the Schedule applicable to “any one day” or “any one period”.
- E. This coverage does not apply while there are spare or reserve “autos” available to you for your operations.
- F. If “loss” results from the total theft of a covered “auto” of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the PHYSICAL DAMAGE COVERAGE Coverage Extension.

CA 99 23 12 93

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This Endorsement Applies Only If  
Form Number CA 9927 0605  
Appears On The Declarations Page.

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

**SPLIT LIABILITY LIMITS - VIRGINIA**

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

Paragraph **C. Limit of Insurance** of Section II is amended as follows:

- A. Regardless of the number of covered “autos”, premiums paid, claims made, or vehicles involved in the “accident”, the most we will pay for damages resulting from any one “accident” is as follows:
  - 1. The most we will pay for all damages resulting from “bodily injury” to any one person caused by any one “accident” is the limit of Bodily Injury Liability shown in this endorsement for “each person”. This limit applies separately to each “insured” liable for such damages.
  - 2. Subject to the limit for “each person”, and regardless of the number of “insureds” involved in the “accident,” the most we will pay for all damages resulting from “bodily injury” caused by any one “accident” is the limit of Bodily Injury Liability shown in this endorsement for “each accident”.

3. Regardless of the number of “insureds” involved in the “accident,” the most we will pay for all damages resulting from “property damage” caused by any one “accident” is the limit of Property Damage Liability shown in this endorsement.

- B.** All “bodily injury” and “property damage” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident”.

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This Endorsement Applies Only If Form Number  
CA 9971 0808  
Appears On The Declarations Page.

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

**VIRGINIA GARAGEKEEPERS COVERAGE**

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

**Garagekeepers Coverage** applies on a legal liability basis unless one of the Direct Coverage Options is indicated below by “X”.

**DIRECT COVERAGE OPTIONS**

**EXCESS INSURANCE.** If this box is checked, **GARAGEKEEPERS COVERAGE** is changed to apply without regard to your or any other “insured’s” legal liability for “loss” to a “customer’s auto” and is excess over any other collectible insurance regardless of whether the other insurance covers your or any other “insured’s” interest or the interest of the “customer’s auto’s” owner.

**PRIMARY INSURANCE.** If this box is checked, **GARAGEKEEPERS COVERAGE** is changed to apply without regard to your or any other “insured’s” legal liability for “loss” to a “customer’s auto” and is primary insurance.

- A.** This endorsement provided only those coverages:
1. Where a Limit Of Insurance and a premium are shown for that coverage in the Schedule; and
  2. For the location shown in the Schedule.

**B. Coverage**

1. We will pay all sums the “insured” legally must pay as damages for “loss” to a “customer’s auto” or “customer’s auto” equipment left in the “insured’s” care while the “insured” is attending, servicing, repairing, parking or storing it in your “garage operations” under:

**a. Comprehensive Coverage**

From any cause except:

- (1) The “customer’s auto’s” collision with another object; or

- (2) The “customer’s auto’s” overturn.

**b. Specified Causes of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

**c. Collision Coverage**

Caused by:

- (1) The “customer’s auto’s” collision with another object; or
- (2) The “customer’s auto’s” overturn.

2. We have the right and duty to defend any “suit” for these damages, even if the “suit” is groundless, false or fraudulent. However, we have no duty to defend “suits” for “loss” 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 for a coverage when the Limit Of Insurance for that coverage has been exhausted by payment of judgments or settlements.

**3. Who Is An Insured**

The following are “insureds” for “loss” to “customer’s autos” and “customer’s auto” equipment:

- a. You.
- b. Your partners, (if you are a partnership), or members (if you are a limited liability company), employees, directors or shareholders while acting within the scope of their duties as such.

**4. Coverage Extensions**

**SUPPLEMENTARY PAYMENTS**

We will pay for the “insured”:

- a. All expenses we incur.
- b. The costs of bonds to release attachments in any “suit” we defend, but only for bond amounts within our Limit Of Insurance.
- c. 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.
- d. All costs taxed against the “insured” in any “suit” we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any “suit” 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.

- f. Prejudgment 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 prejudgment interest based on that period of time after the offer.

These payments will not reduce the Limit of Insurance.

**C. Exclusions**

1. This insurance does not apply to any of the following:
  - a. **Contractual Obligations**  
 Liability resulting from any agreement by which the “insured” accepts responsibility for “loss”. But this exclusion does not apply to liability for “loss” that the “insured” would have in the absence of the contract or agreement.
  - b. **Theft**  
 “Loss” due to theft of conversion caused in any way by you, your “employees” or by your shareholders.
  - c. **Defective Parts**  
 Defective parts or materials.
  - d. **Faulty Work**  
 Faulty “work you performed”.
2. We will not pay for “loss” to any of the following:
  - a. Tape decks or other sound reproducing equipment unless permanently installed in a “customer’s auto”.
  - b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
  - c. Sound receiving equipment designed for use as a citizens’ band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the “customer’s auto” manufacturer for the installation of a radio.
  - d. Equipment designed or used for the detection or location of radar.

**D. Limits Of Insurance And Deductibles**

1. Regardless of the number of “customer’s autos”, “insureds”, premiums paid, claims made or “suits” brought, the most we will pay for each “loss” at each location is the Garagekeepers Coverage Limit Of Insurance shown in the Schedule for that location minus the applicable deductibles for “loss” caused by:

- a. Collision; or
- b. With respect to Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage:

- (1) Theft or mischief or vandalism; or
- (2) All perils.

2. The maximum deductible stated in the Schedule for Garagekeepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all “loss” in any one event caused by:

- a. Theft or mischief or vandalism; or
- b. All perils.

3. Sometimes to settle a claim or “suit”, we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

**E. Additional Definitions**

As used in this endorsement:

1. “Customer’s auto” means a customer’s land motor vehicle or trailer or semitrailer. This definition also includes any customer’s auto while left with you for service, repair, storage or safekeeping. Customers include your “employees”, and members of their households who pay for services performed.
2. “Loss” means direct and accidental loss or damage and includes any resulting loss of use.
3. “Garage operations” means the ownership, maintenance or use of locations for the purpose of a business of selling, servicing, repairing, parking or storing “customer’s autos” and that portion of the roads or other accessories that adjoin these locations. “Garage operations” also includes all operations necessary or incidental to the performance of garage operations.
4. “Work you performed” includes;
  - a. Work that someone performed on your behalf; and
  - b. The providing of or failure to provide warnings or instructions.

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