

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following is a summary of the Limits of Insurance and additional coverage provided by this endorsement. For complete details on specific coverage, please refer to policy language in this endorsement and the underlying Business Auto Coverage Form.

Coverage Applicable	Enhancement
Subsidiaries As Insureds	Broadened
Newly Acquired Organizations As Insureds	Broadened
Blanket Additional Insureds	Broadened
Employees As Insureds (Non-Ownership)	Broadened
Supplementary Payments – Bail Bonds	\$3,000 Limit
Supplementary Payments – Loss Of Earnings	\$1,000 per day
Fellow Employee Bodily Injury	Broadened
Towing Coverage – All Covered Autos	Broadened
Glass Breakage Coverage – Waiver of Deductible	Broadened
Loss of Use Expenses	\$50 per day \$1,000 Limit
Stolen Vehicle Extra Expense	Broadened
Airbag Discharge	Broadened
Electronic Equipment (Permanently Installed)	Broadened
Single Deductible Provision	Broadened
Notice To Company	Broadened
Blanket Waiver Of Subrogation	Broadened
Unintentional Failure To Disclose Hazards	Broadened
Bodily Injury Includes Mental Anguish	Broadened
Coverage Territory Extension - Mexico	Broadened

A. Who Is An Insured

The following is added to Paragraph **A.1.** of **Section II – Liability Coverage**:

d. Any:

- (1) Subsidiary which is a legally incorporated entity of which you own greater than 50% interest in the voting stock on the effective date of this Coverage Form. However, the insurance afforded by this provision does not apply to any subsidiary that is an "insured" under any other automobile liability policy, or would be an "insured" under such policy but for the termination of such policy or the exhaustion of such policy's limits of insurance.
- (2) Organization you newly acquire or form, and over which you maintain majority interest.

The coverage afforded by this provision:

- (a) Is effective on the acquisition date, and is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- (b) Does not apply to "bodily injury" or "property damage" resulting from an "accident" that occurred before you acquired or formed the organization; and
- (c) Does not include any newly acquired or formed organization that is:
 - (i) A joint venture or partnership; or
 - (ii) An "insured" under any other automobile liability policy or would be an "insured" under such policy but for the termination of such policy or the exhaustion of such policy's limits of insurance.

e. Any person, organization or governmental entity with respect to the operation, maintenance, or use of a covered "auto" if you are required to add such person, organization or governmental entity to this policy as an additional insured in order to comply with the terms of a written "insured contract" or written agreement. This does not apply when such contract or agreement:

- (1) Involves the owner or anyone else from whom you hire or borrow a covered "auto" unless it is a "trailer" connected to a covered "auto" you own; or

(2) Is executed after the date of loss.

Paragraph e.(2) does not apply if:

- (1) The terms and conditions of the written "insured contract" had been agreed upon prior to the "accident" or "loss"; and
 - (2) You can definitively establish that the terms and conditions of the written "insured contract" ultimately executed are the same as those which had been agreed upon prior to the "accident" or "loss".
- f. Any of your "employees" while using a covered "auto" in your business or your personal affairs, provided you do not own, hire or borrow that "auto".

B. Coverage Extensions - Supplementary Payments

Paragraphs **A.2.a.(2)** and **A.2.a.(4)** of **Section II – Liability Coverage** are replaced by the following:

- (2) Up to \$3,000 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.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$1,000 a day because of time off from work.

C. Fellow Employee

The following exception is added to exclusion **5. Fellow Employee** under paragraph **B. Exclusions of Section II – Liability Coverage**:

This exclusion does not apply if the "bodily injury" results from the use of a "covered auto" you own or hire. The coverage provided under this exception is excess over any other collectible insurance.

D. Towing

Paragraph **A.2.** of **Section III – Physical Damage Coverage** is replaced by the following:

2. We will pay for towing and labor costs each time that a covered "auto" is disabled. All labor must be performed at the place of disablement of the covered "auto". If the auto is not a private passenger type, a \$250 deductible will apply to this coverage but it will not reduce the available limit of insurance. For all types of "auto", the most we will pay under this coverage is \$1,000 per disablement. "Autos" which are disabled do not include stolen vehicles.

E. Glass Breakage – Hitting A Bird Or Animal – Falling Objects or Missiles

The following is added to Paragraph **A.3.** of **Section III – Physical Damage Coverage**:

Any deductible shown in the Declarations will not apply to glass breakage if such glass is repaired, in a manner acceptable to us, rather than replaced. If the glass must be replaced and there is no other damage associated with the "loss", the deductible will be \$100 unless a lower deductible is shown in the Declarations applicable to this coverage.

F. Loss Of Use Expenses

Paragraph **A.4.b.** of **Section III – Physical Damage Coverage** is replaced by the following:

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 \$50 per day, to a maximum of \$1,000.

G. Extra Expense – Stolen Vehicle

The following is added to Paragraph **A.4.** of **Section III – Physical Damage Coverage**:

c. Stolen Vehicle

We will pay for all reasonable and necessary expenses to return a stolen covered "auto" to you.

H. Airbag Coverage

The following exception is added to Paragraph **B.3.a.** of **Section III – Physical Damage Coverage**:

The accidental discharge of an airbag shall not be considered mechanical breakdown if it occurs in a covered "auto" for which Comprehensive coverage is purchased. This provision does not apply to "autos" you hire with a driver and is excess over any warranty specifically designed to provide this coverage.

I. Electronic Equipment Coverage

Section III – Physical Damage Coverage is amended as follows:

1. The sublimit in Paragraph **C.2.** of the Limit Of Insurance Provision is increased to \$3,000.
2. No Physical Damage Coverage deductible applies to the first \$3,000 of "loss" to electronic equipment described in Paragraph **C.2.** of the Limit Of Insurance Provision.

J. Single Deductible Provision

The following is added to Paragraph **D.** of **Section III – Physical Damage Coverage**:

If a Comprehensive or Specified Causes of Loss Coverage "loss" from "accident" involves two or more covered "autos", only the highest deductible applicable to those coverages will be applied to the "accident", if the cause of the loss is covered for those vehicles.

This provision only applies if you carry Comprehensive or Specified Causes of Loss Coverage for those vehicles, and does not extend coverage to any covered "autos" for which you do not carry such coverage.

If a "loss" covered under this Coverage Part also involves a "loss" to other property from the same "accident", which is covered under a Commercial Property or Inland Marine Coverage Part issued by us to you, only the highest deductible applicable to those coverages will be applied to the "accident".

K. Notice To Company

Paragraph **A.2.** of **Section IV – Business Auto Conditions** is amended as follows:

1. With respect to notification requirements, your obligation under Paragraph **A.2.a.** applies only when the "accident" or "loss" is known to:
 - a. You, if you are an individual;
 - b. A partner, if you are a partnership;
 - c. A member, if you are a joint venture or limited liability company; or
 - d. An executive officer or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.
2. With respect to the requirements pertaining to you providing us with document concerning a claim or "suit", your obligation under Paragraph **A.2.b.** will not be considered breached unless the breach occurs after such claim or "suit" is known to:
 - a. You, if you are an individual;
 - b. A partner, if you are a partnership;
 - c. A member, if you are a joint venture or limited liability company; or

- d. An executive officer or insurance manager, if you are an organization other than a partnership, joint venture or limited liability company.

L. Blanket Waiver Of Subrogation

The following is added to Paragraph **A.5.** of **Section IV – Business Auto Conditions:**

- a. However, we waive any right of recovery we may have against a person, organization or government entity when you have waived such right of recovery under a written "insured contract" that is:
 - (1) Currently in effect or becoming effective during the term of this policy; and
 - (2) Executed prior to the "accident" or "loss", or executed after the "accident" or "loss" if:
 - (a) The terms and conditions of the written "insured contract" had been agreed upon prior to the "accident" or "loss"; and
 - (b) You can definitively establish that the terms and conditions of the written "insured contract" ultimately executed are the same as those which had been agreed upon prior to the "accident" or "loss".
- b. We hereby waive any right of subrogation against any of your officers, directors or employees which might arise by reason of any payment under the insurance afforded by the policy for the operation, maintenance, use, loading or unloading of a non-owned "auto". This waiver extends only to payments in excess of other valid and collectible insurance available to the officer, director or employee.

M. Unintentional Failure To Disclose Hazards

The following is added to Paragraph **B.2.** of **Section IV – Business Auto Conditions:**

If you unintentionally fail to disclose any hazards existing on the effective date of this Coverage Form, we will not deny coverage under this Coverage Form because of such failure. However, this provision does not affect our right to collect additional premium due to us as a result of these undisclosed hazards in accordance with our filed rating plans.

N. Bodily Injury – Including Mental Anguish

Paragraph **C.** of **Section V – Definitions** is replaced by the following:

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including "mental anguish" or death resulting from any of these at any time.

For the purpose of this provision, the term "mental anguish" shall mean any type of mental or emotional illness or distress.

O. Mexico Coverage

The coverage provided by this policy for covered "autos" you own or lease on a long term basis without drivers are extended to "accidents" or "losses" occurring in Mexico if:

- 1. The covered "auto" is in Mexico for a period not exceeding 10 days; and
- 2. The covered "auto" is principally garaged and used in the United States; and
- 3. The driver of the covered "auto" does not reside in Mexico;

For Liability Coverage to apply to "accidents" occurring in Mexico, the following must also apply:

- 1. Valid and collectible auto liability insurance for the covered "auto" has been purchased from a licensed Mexican Insurance Company and is in force at the time of the "accident"; and
- 2. The original "suit" for damages is brought within the United States.

For "losses" payable under Physical Damage Coverage this additional restriction applies:

We will pay "losses" under Physical Damage Coverage in the United States, not in Mexico. If the covered "auto" must be repaired in Mexico in order to be driven, then the most we will pay for "loss" is the lesser of the following:

- 1. The cost of repairing the "auto" or replacing its parts in Mexico; or
- 2. The cost of repair or replacement at the nearest point in the United States where the repairs or replacement could be made.

Other Insurance:

The insurance provided by this section will be excess over any other collectible insurance.

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PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.