

IMPORTANT MESSAGE: POLICYHOLDER SERVICE

We certainly appreciate your good business, and we will be happy to discuss over the telephone with you any questions, etc., that you may have about your insurance.

HOWEVER ALL CHANGES AND CANCELLATIONS MUST BE WRITTEN REQUESTS WITH YOUR SIGNATURE MAILED TO THE OFFICE OF SNEED, ROBINSON & GERBER, INC., P.O. BOX 34698, MEMPHIS, TN 38184-0698. We are unable to act on telephone requests.

- I. ALL QUOTATIONS AND POLICIES ISSUED EXCLUDE COVERAGE FOR ANY VEHICLE NOT SCHEDULED IN YOUR POLICY. THERE IS ABSOLUTELY NO COVERAGE PROVIDED FOR OTHER AUTOS (NOT SCHEDULED IN YOUR POLICY), MOTORCYCLES, DUNE BUGGIES, GO CARTS, JET SKIS, BICYCLES,

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II.

III. CHANGES IN YOUR POLICY:

- A. Adding a vehicle -- Please provide a complete description, the value, the Vehicle I.D. or serial number, current color pictures showing all 4 sides, a minimum \$100.00 deposit, and a current appraisal if the vehicle's value exceeds \$25,000
- B. Deleting a vehicle -- Please advise which vehicle is to be deleted and the date it should be deleted.
- C. Increasing coverage -- Please advise which vehicle you wish to increase coverage on, the amount of increase you desire, the reason for the increase, a description of the changes which have been made to the vehicle, current color pictures, and a current appraisal if the vehicle's value exceeds \$25,000

- IV. CANCELLATION: In the event it is necessary to cancel your policy, please return the policy (current policy year) to Sneed, Robinson & Gerber, Inc., along with your request for cancellation and the date you wish the coverage terminated. PLEASE INDICATE THE REASON FOR CANCELLATION.

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UNTIL OUR
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IS EXTENDED
AND YOUR

Notification of Pending Changes Foreign Terrorism/TRIA

Pursuant to the requirements of the Terrorism Risk Insurance Act of 2002 (TRIA), this proposal includes disclosure of the rate or premium charged for exposure to "insured loss" as defined under TRIA. TRIA is set to expire as of 12/31/05. If TRIA expires and is not extended or reenacted, the rate or premium disclosed for exposure to "insured loss" shall instead be applicable to exposure to loss caused by "act(s) of foreign terrorism", defined as follows:

- a Any act that is violent or dangerous to human life, property or infrastructure; and
- b The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence coercion

Any coverage provided for loss terms, definitions, exclusions, state laws, rules or regulation

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for

Terrorism Risk Insurance Act of 2002 Disclosure

On November 26, 2002, the President of the United States signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of "Insured Losses" caused by certain "Acts of Terrorism" (each as defined in the Act).

In the event of an *Insured Loss*, each "Insurer" (as defined in the Act) is responsible for a deductible of one percent (1%) of its *Direct Earned Premium* (as used in the Act) for the calendar year 2001 for *Insured Losses* occurring from November 26, 2002 through December 31, 2002; seven percent (7%) of its *Direct Earned Premium* for the calendar year 2002 for *Insured Losses* occurring during calendar year 2003; ten percent (10%) of its *Direct Earned Premium* for the calendar year 2003 for *Insured Losses* occurring during calendar year 2004; or fifteen percent (15%) of its *Direct Earned Premium* for the calendar year 2004 for *Insured Losses* occurring during calendar year 2005. The Federal Government's share of the payment of the *Insured Losses* in excess of the deductible of the Insurer or any Insurer bearing the payment of the *Insured Losses* in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible.

As a requirement of the Act, *Insurers* must make available "Property and Casualty Insurance" (as defined in the Act) coverage for *Insured Losses* that does not differ materially from the terms, amounts and other coverage limitations that apply to losses arising from events other than *Acts of Terrorism*. In other words, a loss will not be excluded just because it was caused by an *Act of Terrorism*; conversely, a loss will not be covered just because it was caused by an *Act of Terrorism*. The Act also requires *Insurers* to disclose to policyholders the premium charge for providing such terrorism coverage.

Please note that the coverages contained in this proposal do not contain an exclusion that specifically excludes coverage for *Insured Losses*. The charge for this exposure is included in the total premium for each Coverage indicated in the Premium Schedule. The charge that has been included is 1% of your total Commercial Automobile Coverage premium.

NOTE: TERRORISM PREMIUM CHARGES ARE SUBJECT TO CHANGE AT ANY TIME BASED ON STATE REGULATORY ACTION

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 Part by Named Insured 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. This policy's terms can be amended or waived only by endorsement issued by us and made a part

C. Examination Of Your Books.

We may examine and audit your records as they relate to this policy 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 or recommendations we do undertake relate to the health and 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 to your legal representative without your consent except for the first named insured. The first named insured 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 policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, Travelers agrees with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part

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EXPLANATION OF CERTAIN ENTRIES OR THE ABSENCE THEREOF ON CA TO O2

THE ABSENCE OF AN ENTRY IN PREMIUM SPACES FOR A COVERAGE SHALL MEAN THAT INSURANCE IS NOT AFFORDED FOR THE DESIGNATED AUTO.

THE ABBREVIATION 'ACV' IN THE 'LIMIT OF LIABILITY' SPACE SHALL MEAN 'ACTUAL CASH VALUE'.

THE ABBREVIATION 'BI' SHALL MEAN 'BODILY INJURY'.

THE ABBREVIATION 'V' SHALL MEAN 'VEHICLE DAMAGE'.

THE ABBREVIATION 'H' SHALL MEAN 'HIT'.

THE ABBREVIATION 'L' SHALL MEAN 'LIMIT INJURY PROTECTION' OR 'L'.

THE ABBREVIATION 'BASIC PIP' SHALL MEAN 'BASIC PERSONAL INJURY PROTECTION' OR 'EQUIVALENT NO-FAULT COVERAGE'.

THE ABBREVIATION 'NDA' SHALL MEAN 'NO DEDUCTIBLE APPLIES'.

THE ABBREVIATION 'ME\$100' SHALL MEAN 'MEDICAL EXPENSE \$100'.

THE ABBREVIATION 'WL\$200' SHALL MEAN 'WORK LOSS \$200'.

THE ABBREVIATION 'CME&WL' SHALL MEAN 'COMBINED MEDICAL EXPENSE & WORK LOSS'.

THE ABBREVIATION 'I' SHALL MEAN 'DEDUCTIBLE APPLIES TO THE NAMED INSURED ONLY'.

THE ABBREVIATION 'I/R' SHALL MEAN 'DEDUCTIBLE APPLIES TO THE NAMED INSURED AND RELATIVES'.

THE ABBREVIATION 'PD' SHALL MEAN 'PROPERTY DAMAGE'.

THE ABBREVIATION 'SPEC CAUSES' SHALL MEAN 'SPECIFIED CAUSES OF LOSS COVERAGE' AS DEFINED IN THE POLICY.

OTHER ABBREVIATIONS DESIGNATED BELOW ARE DEFINED AS FOLLOWS

THE ABBREVIATION 'SP' SHALL MEAN 'SPECIFIED CAUSES OF LOSS COVERAGE'.

THE ABBREVIATION 'S' SHALL MEAN 'STORM COVERAGE'.

THE ABBREVIATION 'S' SHALL MEAN 'STORM COVERAGE'.

THE ABBREVIATION 'S' SHALL MEAN 'STORM COVERAGE'.

THE ABBREVIATION 'CC' SHALL MEAN 'CAUSES OF LOSS'.

THE ABBREVIATION 'MED PAY' SHALL MEAN 'MEDICAL PAYMENTS'.

THE ABBREVIATION 'NFRB CODE' SHALL MEAN 'NO FAULT RATING BASIS'.

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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" following numerical symbols may be covered "autos" a coverage on the "autos" that are covered

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A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols
1 =	Any "Auto"
2 =	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.
3 =	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.
4 =	Owned "Autos" Other Than Private Passenger "Autos" Only Only those "autos" of the private passenger type (if you are a partnership), members (if you are a limited liability company) or members of their households. Liability Coverage don't own while a you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5 =	Owned "Autos" Subject To No-Fault Only those "autos" you own that are required to have No-Fault benefits in the

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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.

6 = 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 are subject to the same uninsured motorists requirement.

7 = 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).

8 = 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.

9 = 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 those "autos" owned by your (if you are a partnership), members (if you are a limited liability company), or members of their households. Liability Coverage don't own while used in your business or your personal affairs.

B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5 or 6 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 or Temporary Substitute

If Liability 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.

SECTION II – LIABILITY COVERAGE

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" while you have ownership, maintenance or use of a covered "auto".

We will also pay all sums you 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

"insureds":
covered "auto".
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), of a covered "auto" owned by you or a member of his or her household.

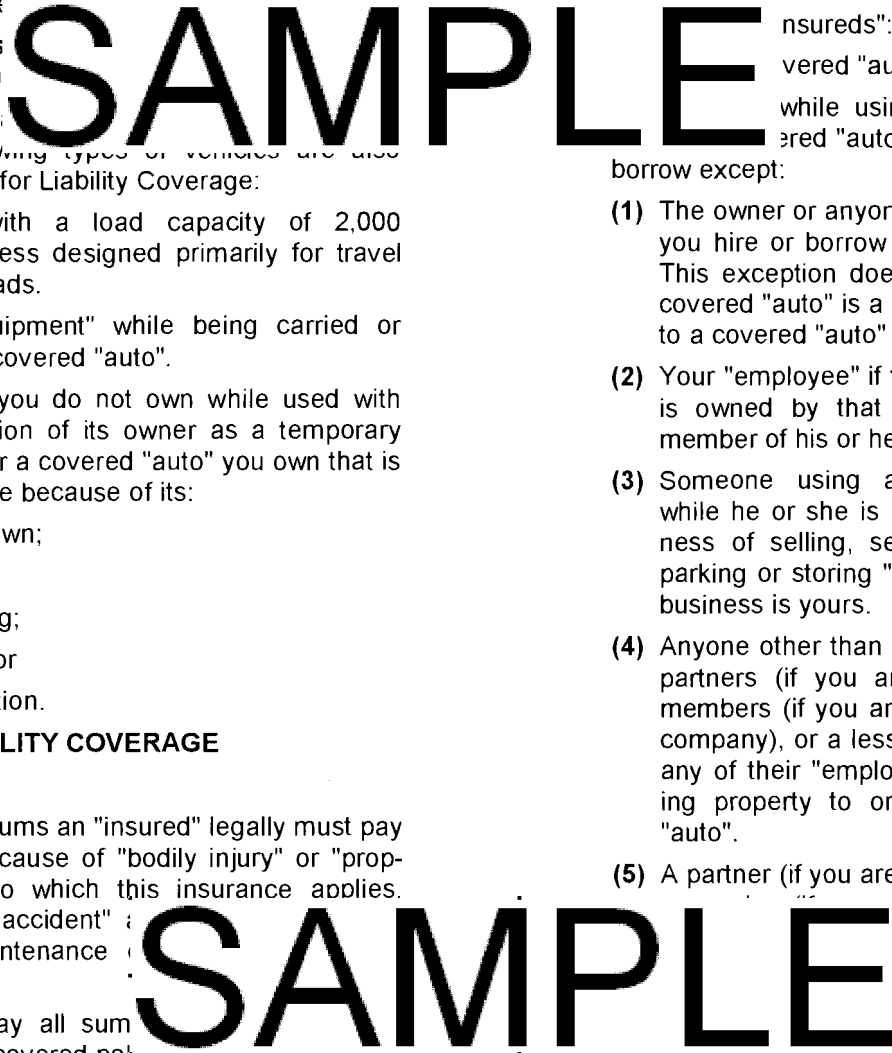
product of an "insured" described above but only to the extent of that liability.

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 day because
- (5) All costs to in any "suit" 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.

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. To the liability law governing the state of origin.
- (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.

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:

"insured" may be liable for or in any other capacity 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

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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 for movement into or out of the covered "auto";
- b. After it is moved to the place where it is accepted for movement into or out of 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 any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

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 to be done at the site has been completed if your
- (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 release, escape, leakage, migration, or discharge of "pollutants":

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";

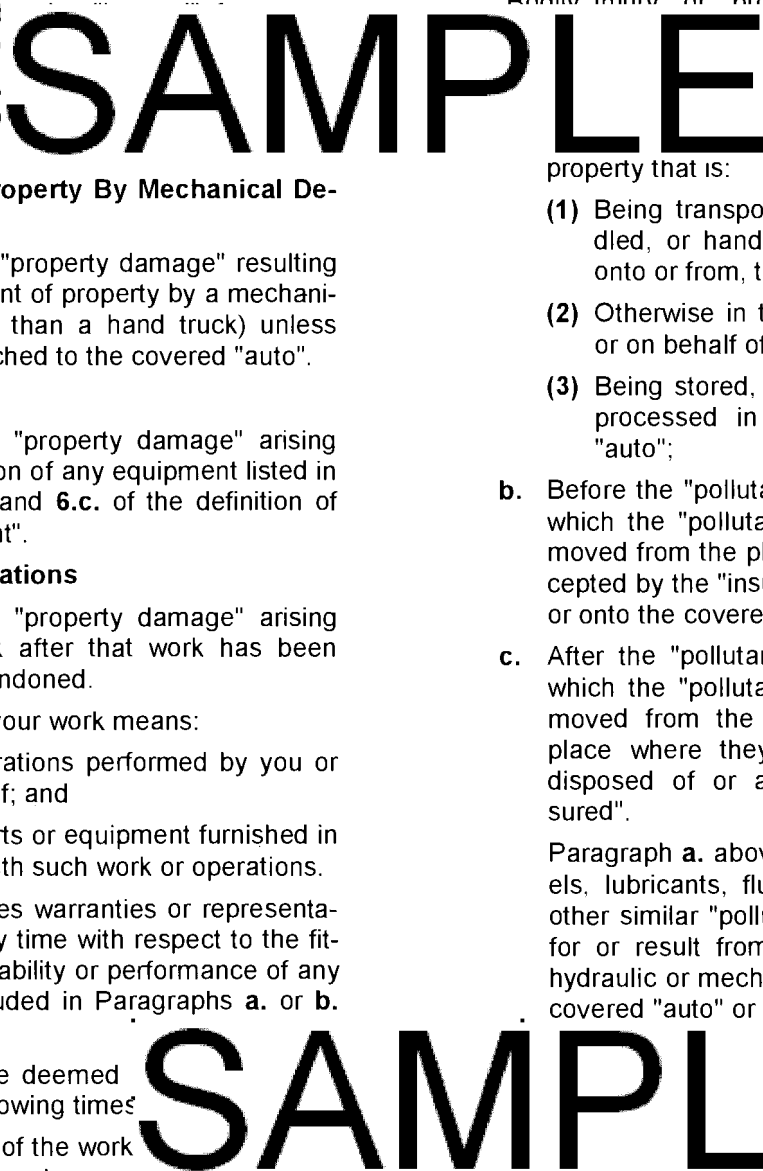
b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

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:

seep, misdispersed or otherwise released from the "auto" part in order to hold, store, receive or dispose of such "pollutants"; and

- (2) The "bodily injury", "property damage" or "covered pollution cost or ex-



pense" 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 "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

12. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

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 a 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 Declaration.

All "bodily injury", "property damage", "covered pollution cost or expense" continuous or repeated exposures occurring under 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.

SECTION III – PHYSICAL DAMAGE COVERAGE

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;

falling objects, hail or earthquake;

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 covered "auto", we will pay for the glass breakage caused by:

falling objects, 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

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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" pay for its "loss"

b. Loss Of Use Expense

For Hired Auto 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" from any of the following excluded regardless of event that contributes in 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 professional or organization contest or stunt-practicing for such will also not pay for loss to any covered "auto" while that covered "auto" is being prepared for such a 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:

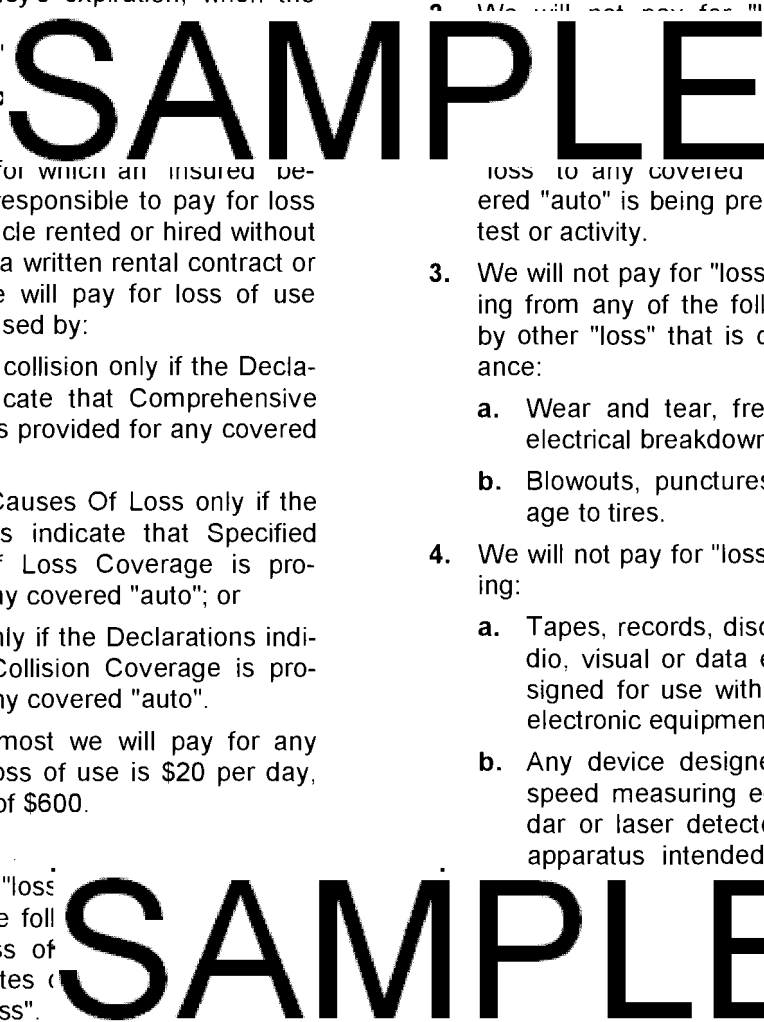
- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

- 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 equipment.
- c. Any equipment, without regard to whether it is permanently attached to 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 a piece of equipment permanently installed in the dashboard of the dash "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.

SECTION IV – BUSINESS AUTO

The following conditions apply to the Business Auto 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 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 "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.

SAMPLE

f Accident, Claim,

to provide coverage under this policy as long as you have 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.

information, at our expense or at the expense of our choice, and we may reasonably require.

SAMPLE



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" or any of its equipment before its repair or replacement.
- (4) Agree to our request for a sworn statement.

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 To Us

If any person or organization 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 a material fact concern-

SAMPLE

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:

connected to a motor vehicle that you do not own.

connected to a motor vehicle that you do 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 Form is based on the information you would give us. We will bill you when the premium is due. 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 maximum Limit of Coverage Forms or the highest applicable under any one Coverage Form, 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.

SECTION V – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semitrailer designed for travel on public roads but 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; or
 - 2. Any claim or "suit" by or on behalf of a governmental authority demanding that the "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" that does not include the cost of the actual dispersal, removal or "pollutants" that are, or that are contained in any property that is:

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- (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 or onto

c. After the "pollutants" or any property in which they 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 a covered "auto".

(1) The "pollutants" or any property in which they are contained are upset 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

SAMPLE means:

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".

SAMPLE does not include that agreement:

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 "em-

ployees", 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 between you and the lab duties related to the "Leased worker" does 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 permanently mounted of the following type:
 - a. Air conditioning units, 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 per-

sons 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;

including similar devices used on mobile or truck chassis over workers; and pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

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. Alternative dispute resolution 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 CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

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. SECTION IV – BUSINESS AUTO CONDITIONS
is changed as follows:

1. Under **A. Loss Conditions, 2. Duties in the Event Of Accident, Claim, Suit Or Loss**, subparagraph **b. (3)** is deleted and replaced by the following:
 - (3) Cooperate with us in the investigation or settlement of the claim and defense against the "suit".
2. Under **B. General Conditions, 7. Policy Period, Coverage Territory**, subparagraph **e. (2)** is deleted and replaced by the following:

(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.

B. SECTION V - DEFINITIONS, Definition **F. ("Employee")** is deleted and replaced by the following definition:

F. "Employee" includes a "leased worker" and a "temporary worker".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON CHANGES

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

A. Changes In Liability Coverage

1. Paragraph a.2.(d) of the **Who Is An Insured** provision in **Section II – Liability Coverage** of the Garage Coverage Form is replaced by the following:

(d) Your customers, i
shown in the De
"auto" dealership.
tomer of yours:

- (i) Has no other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the following minimum limits specified by the Oregon financial responsibility law:

(A) \$60,000 for each "accident", which is the minimum combined single limit of liability; or

(B) \$25,000/50,000/10,000 for each "accident", which is the minimum split limits of liability.

- (ii) Has other available insurance (whether primary, excess or contingent), they are an "insured" but only up to the following minimum limits specified by the Oregon financial responsibility law, the amount by which such limits exceed the limit of their other insurance:

(A) \$60,000 for each "accident", which is the minimum combined single limit of liability; or

(B) \$25,000/50,000 for each "accident", which is the minimum split limits of liability.

2. Paragraph b.(1) of the **Out-Of-State Coverage Extensions in Section II – Liability**

Garage, Mo-
ige Forms is

urance for Li-
ability Coverage to meet the minimum limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used, but this does not apply to any law governing motor carriers of passengers or property.

B. Changes In Conditions

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

If you and we disagree on the amount of "loss", both parties may agree to an appraisal of the "loss" and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent appraiser.

The two appraisers will select a competent appraiser. The appraisers will state their value and amount. If they agree, they will submit to an umpire. A decision 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.

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2. The **Concealment, Misrepresentation Or Fraud** General Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

1. Subject to Paragraphs 2. and 3. below, this entire policy will be void if, whether before or after a loss, you have willfully concealed or misrepresented any material fact or circumstance relating to the insurance or the interest in it, or in swearing by you
2. All statements made by you or on your behalf, in the absence of fraud, will be

deemed representations and not warranties. No such statements that arise from an error in the application will be used in defense of a claim under this policy unless:

- a. The statements are contained in a written application; and
- b. A copy of the application is endorsed upon or attached to this policy when

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representation made half in defense of a ; we must show that the representations are material and that we relied on them.

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OREGON UNINSURED MOTORISTS COVERAGE – BODILY INJURY

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Oregon, this endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

This endorsement is effective on the date shown below, unless another date is indicated below.

SAMPLE

LIMIT OF INSURANCE

\$ 100,000 Each "Accident"

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", we will pay under this coverage only if **a.** or **b.** below applies:
 - a. The limit of any applicable liability policies have been exhausted by payment of judgments or settlements; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" and we:
 - (1) Have been given notice of such tentative settlement within 30 days after receipt of notification.
 - (2) Advance payment to the "insured" in an amount equal to the tentative settlement.

3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone else "occupying" an "auto" the Named Insured is operating.
 - d. Anyone for damages he or she is entitled to recover for "bodily injury" sustained by him or her while occupying the "auto" if the following are insureds:
 - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto".

SAMPLE



The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

- 1. Any claim settled without our consent.

However, the settlement or payment described in "uninsured motorist" coverage will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

- 2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
- 3. "Bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by an individual Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
- 4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- 5. Punitive or exemplary damages.

D. Limit Of Insurance

- 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 all one "accident" is Uninsured Motorist Schedule or Declaration Limit.
- 2. The limit of insurance under this coverage shall be reduced by:
 - a. All sums paid or payable under any workers' compensation, disability benefits or similar law, and

- b. All sums paid by or for anyone who is legally responsible, including all sums paid under this Coverage Form's Liability Coverage.

- 3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, Medical Payments Coverage Endorsement or Personal Injury Protection Coverage Endorsement attached to this Coverage Part.

a duplicate payment under any element of "loss" for which a duplicate payment has been made by or for anyone who is legally responsible.

we will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

E. Changes In Conditions

The Conditions are changed for Uninsured Motorists Coverage as follows:

- 1. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance – Primary And Excess Insurance** Provisions in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy providing coverage on either a primary or excess basis.

- b. Any insurance we provide with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorists insurance on a primary basis.

Under this coverage form

on a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable

limits of liability for coverage on a primary basis.

- (2) On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

2. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:

- a. If a hit-and-run or phantom vehicle is involved, the Named Insured or someone on that Named Insured's behalf shall report the "accident" to the appropriate law enforcement agency within 72 hours of the "accident".
- b. Promptly send us copies of the legal papers if a "suit"
- c. A person see cle described nition of "unil also promptly tative settlement between the "insured" and the insurer of the vehicle described in Paragraph b. of the definition of "uninsured motor vehicle" and allow advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of such vehicle described in Paragraph b. of the definition of "uninsured motor vehicle".

3. Legal Action Against Us is replaced by the following:

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. No cause of action shall accrue to an "insured" under this coverage unless within two years from the date of the "accident":
 - (1) Agreement as to thr...der this Coverage concluded;
 - (2) We or the "insured" stituted arbitration p.

- (3) The "insured" has filed an action against us in a court of competent jurisdiction; or

- (4) An action for "bodily injury" has been filed against the uninsured motorist in a court of competent jurisdiction and, within 2 years from the "date of settlement" or "final judgment" against the uninsured motorist, the "insured" has:

- (a) Formally instituted arbitration proceedings against us; or
- (b) Filed an action against us in a court of competent jurisdiction.

4. Transfer Of Rights Of Recovery Against Others To Us is replaced by the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

y under this provision s caused by an "acci-cribed in Paragraph b. insured motor vehicle" if

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of a vehicle described in Paragraph b. of the definition of "uninsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of this coverage; and
- b. We also have a right to recover the advance payment.

5. The following Condition is added:

ARBITRATION

SAMPLE ee whether d to recover driver of an lo not agree us 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. Both parties must agree to an arbitration and to be bound by the results of that arbitration. If both parties so agree, then 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. 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 either of the following, at the election of the "insured":

- (1) The driver of the "insured motor vehicle" is the driver of the "uninsured motor vehicle" arose.
- (2) The driver of the "uninsured motor vehicle" arose.

Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

c. We will pay all arbitration costs to an "insured" in excess of \$100. Arbitration costs to an "insured" shall not include attorney's fees or any expenses incurred in producing evidence or witnesses or making transcripts of the arbitration proceedings.

F. Additional Definitions

As used in this endorsement:

- 1. "Date of settlement" means the date on which a written settlement agreement or release is signed by an "insured" or, in the absence of such documents, the date on which the "insured" or the attorney for the "insured" receives payment of any sum required by the settlement agreement.
- 2. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household or foster child.
- 3. "Final judgment" means become final by lapse of entry in an appellate court of an appellate judgment.
- 4. "Occupancy" means in, upon, getting in, on, out or off.

5. "Uninsured motor vehicle" means a land motor vehicle or "trailer":

- a. For which no liability policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;
- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a land motor vehicle or "trailer" for which a liability policy applies at the time of an "accident", but its limit for "bodily injury" liability is either:

- (1) Less than the limit of liability for this accident; or
- (2) Less than the limit of liability for this accident by payments to others in addition to the amount payable to the insured or the insured's family member which is less than the limit of liability for this accident.

- c. For which an insuring company, within 2 years of the date of the "accident", becomes voluntarily or involuntarily bankrupt or is placed in receivership; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying". However, in the event that a hit-and-run vehicle causes "bodily injury" to an "insured" without hitting the "insured", a covered "auto" or a vehicle the "insured" is "occupying", the facts of the "accident" must be corroborated by competent evidence other than the testimony of any person having an uninsured motorists claim resulting from the accident.

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under an applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Used on a highway, street, or other public road.

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OREGON PERSONAL INJURY PROTECTION

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Oregon, this endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

SCHEDULE

Benefits	Limit Per Person
"Medical And Hosp	eductible, if any
"Income Continual	onth
"Loss Of Services	ly
"Funeral Expenses	
"Child Care Expenses"	\$ 15 per day

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Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Coverage for medical and hospital expenses is subject to a deductible of \$ _____ applicable to:

- You
- You and each "family member"
- You or "family member(s)" named below

We agree with you, subject to all of the provisions of this endorsement and to all of the provisions of the policy except as modified herein, as follows:

A. Coverage

We will pay Personal Injury Protection benefits to an "insured" who sustains "bodily injury" in an "accident" arising out of the ownership, maintenance or use of an _____ the limits shown in _____ Injury Protection be

1. Medical And H

All reasonable and necessary expenses incurred within one year from the date of the "accident" for medical, hospital, dental, surgical, ambulance and prosthetic services.

2. Income Continuation Expenses

70% of the "insured's" loss of income from work during a period of disability caused by "bodily injury" sustained by such person in the "accident"; provided that:

- a. Such person was usually engaged in a _____ having occupation at the time of the "ac-

sh disability continues for and

tion expenses shall include only expenses for loss of income incurred from the date such disability commenced to the date on which such person is able to return to his usual occu-

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pation and is subject to a maximum payment period in the aggregate of 52 weeks.

3. Loss Of Services Expenses

Expenses reasonably incurred during a period of disability caused by "bodily injury" sustained by an "insured" in the "accident" for essential services in lieu of those such person would have performed without income; provided that:

- a. Such person was not usually engaged in a paying occupation at the time of the "accident";
- b. The period of such disability continues for at least 14 days; and
- c. Loss of services expenses shall include only expense for such services actually rendered from the date such services commenced until the date such services are no longer necessary. The maximum payment period shall be 52 weeks.

However, loss of services expenses shall not include child care expenses.

4. Funeral Expenses

Reasonable and necessary expenses for professional funeral services incurred within one year after the date of the "accident".

5. Child Care Expenses

Expenses reasonably incurred for the care of a minor child of an "insured" who has sustained "bodily injury" in the "accident", provided:

- a. The "insured" is the parent of the minor child and is required to be hospitalized for a minimum of 24 hours;
- b. Payments begin after the initial 24 hours of hospitalization and are made for as long as the "insured" is unable to return to work if he or she is usually engaged in a paying occupation. If such person was not usually engaged in a paying occupation at the time of the "accident", payment will continue for as long as he or she is unable to perform services that he or she would have performed without income; and
- c. The child care expenses are subject to a maximum payment period in the aggregate of 30 days.

B. Who Is An Insured

- 1. You, if you sustain "bodily injury" while "occupying" a "private passenger auto" or, while a "pedestrian", through being struck by an "auto".
- 2. If you are an individual, any "family member" who sustains "bodily injury" while "occupying" a "private passenger auto" or, while a "pedestrian", through being struck by an "auto".
- 3. Any other person who sustains "bodily injury" while "occupying" or using the "covered auto" with your permission, or while a "pedestrian" through being struck by a "covered auto".

C. Exclusions

We will not pay Personal Injury Protection benefits for "bodily injury":

- 1. Sustained by any person:
 - a. Caused by the insured while he or she is engaged in any prearranged or organized racing or speed contest or in practice or preparation for any such contest.
- 2. That results in the application of income continuation expenses and loss of service expenses, sustained by any "pedestrian" other than you or a "family member" in an "accident" which occurs outside the State of Oregon.
- 3. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.
- 4. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
- 5. Sustained by you or any "family member" while "occupying" any "auto" you own or furnished or available for your regular use that is not a "covered auto", including a motorcycle or moped as defined in Oregon Statutes.

D. Limit Of Insurance

- 1. Regardless of the number of "insureds", policies or bonds applicable, claims made, pre-

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miums paid or "covered autos" to which this coverage applies, the most we will pay for Personal Injury Protection benefits for "bodily injury" sustained by any one "insured" in any one "auto" "accident" is the Limit Per Person amount shown in the Schedule.

- 2. Any amount paid under this coverage will be reduced by any amount paid or payable by any workers' compensation or any other similar medical or disability benefits law (excluding Medicare).
- 3. Any amount payable under this coverage to you or a "family member" will reduce any amount payable for damages under this Coverage Form's Uninsured Motorists Coverage.
- 4. Any amount paid under this coverage to you or a "family member" will reduce any amount payable for damages under this Coverage Form's Uninsured Motorists Coverage.
- 5. Any amount payable for medical and hospital expenses shall be reduced by the amount of the deductible you may elect. If you elect a deductible, it will be shown in the Schedule. The deductible applies only to you and/or any "family member".

E. Changes In Conditions

The **Conditions** are changed for **Personal Injury Protection** as follows:

- 1. The following is added to **Duties In The Event Of Accident, Claim, Suit Or Loss**:
 - a. 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.
 - b. The "insured" or someone on his or her behalf must promptly give us written proof of claim, under oath if required, including:
 - (1) Full particulars of the nature and extent of the "bodily injury", treatment and rehabilitation received and contemplated; and
 - (2) Such other information as we determine to be necessary to determine the amount of benefits payable.
 - c. The "insured" or his or her legal representative shall give us authorization, each time we request it, to obtain medical re-

ports, copies of records and information with respect to loss of income.

- d. We may require that the "insured", as a condition for receiving income continuation expenses, cooperate in furnishing us reasonable medical proof of his or her inability to work.

- 2. The **Other Insurance** Condition in the Business Auto and Garage Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Truckers and Motor Carrier Coverage Forms are replaced by the following:

The coverage provided in this endorsement is excess for:

"bodily injury" sustained by any "pedestrian" other than you or any "family member". This coverage is excess to the extent that amounts are paid or payable to or for such "pedestrian" under any collateral benefits, including but not limited to:

- (1) Insurance benefits under another policy issued by us or another company;
- (2) Governmental benefits (except Medicare benefits);
- (3) Gratuitous benefits; or
- (4) Oregon Personal Injury Protection benefits.

- b. "Bodily injury" sustained by you or any "family member" while "occupying" any "auto", other than the "covered auto", with respect to which Oregon Personal Injury Protection benefits are in effect.

- 3. The following Conditions are added:

a. Reimbursement And Trust

In the event of payment to any person of any benefits under this endorsement:

- (1) We shall be entitled to reimbursement or subrogation in accordance with the provisions of ORS 743.825, ORS 743.830 or Section 8 of Chapter 784 Laws 1975.

the proceeds of payment that may result from the settlement of any rights of the "insured" against the "at-fault" party or parties legally responsible for the "accident", to the extent that benefits were paid, less our



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share of expenses, costs and attorney's fees incurred by the "insured" in connection with such recovery.

(3) The "insured" shall hold in trust for our benefit all his or her rights of recovery to the extent of benefits furnished.

(4) The "insured" shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights.

(5) If we request in writing, the "insured" shall not interfere with our recovery of damages from the person or organization legally responsible, such action to be taken in the name of the "insured", but only to the extent of benefits furnished by us. In the event of recovery we shall also be reimbursed out of such recovery, for the "insured's" share of expenses, costs and attorney's fees incurred by us in connection with the recovery.

(6) The "insured" shall execute and deliver to us such instructions and papers as may be appropriate to secure the rights and obligations of the "insured" and us as established by this provision.

b. Arbitration

(1) If we and an "insured" disagree whether the "insured" is entitled to recover Personal Injury Protection benefits, or do not agree as to the amount payable under this coverage, then if both parties agree at the time of the dispute the matter shall be arbitrated.

In the event of arbitration, each party will select an arbitrator. If the parties do not agree on an arbitrator, either party may request the judge of a court of record in the county and state in which such arbitration is pending. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally. Costs to the "insured" of the

arbitration proceedings shall not exceed \$100, and all other costs of arbitration shall be borne by us. However, attorney's fees and fees paid to medical or other expert witnesses are not arbitration expenses, and are to be paid by the party incurring them.

(2) Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration and evidence will apply. Arbitration shall be binding.

And Nonduplication

Any automobile medical payments coverage afforded under this Coverage Part is excess over any medical expense benefits paid or payable under this endorsement or any other automobile insurance policy covering "bodily injury" to an "insured".

F. Additional Definitions

As used in this endorsement:

1. "Covered auto" means a "private passenger auto" to which the "bodily injury" liability coverage of the policy applies and for which a specific premium is charged.

2. "Family member" means a spouse and any other person related to you by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as you.

3. "Occupying" means in or upon or entering into or alighting from.

4. "Pedestrian" means any person while not "occupying" a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person who has a medical necessity for a wheelchair or low-powered vehicle.

"Auto" means a four-wheel motor vehicle of any type "auto" not used as a public or livery conveyance and includes any other four-wheel "auto" of the utility, pick-up body, sedan delivery or panel truck type not used for wholesale or retail delivery other than farming, a self-propelled mobile home and a farm truck.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIVIDUAL NAMED INSURED

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

If you are an individual, the policy is changed as follows:

A. Changes In Liability

1. The Fellow Employee Exclusion applies to "bodily injury" to "family member's" fellow employees.
2. **Personal Auto Coverage**

If any "auto" you own of the "private passenger type" is a covered "auto" under Liability Coverage:

a. The following is added to **Who Is An Insured:**

"Family members" are "insureds" for any covered "auto" you own of the "private passenger type" and any other "auto" described in Paragraph 2.b. of this endorsement.

b. Any "auto" you don't own is a covered "auto" while being used by you or by any "family member" except:

- (1) Any "auto" owned by any "family members".
- (2) Any "auto" furnished or available for your or any "family member's" regular use.
- (3) Any "auto" used in a business or other occupation while in a business pairing or parking.
- (4) Any "auto" other than an "auto" of the "private passenger type" used by you or any of your "family members" while working in any other business or occupation.

c. The Pollution Exclusion and, if forming a part of the policy, the Nuclear Energy Liability Exclusion (Broad Form), does not apply to covered "auto" of the "private passenger type".

The following exclusion is added and applies only to "private passenger type" covered "autos":

This insurance does not apply to:

"Bodily injury" or "property damage" for which an "insured" under the policy is also an "insured" under a nuclear energy liability policy or would be an "insured" but for its termination upon its exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or any of their successors. This exclusion does not apply to "autos" registered or principally garaged in New York.

B. Changes In Physical Damage

PERSONAL AUTO COVERAGE

If any "auto" you own of the "private passenger type" is a covered "auto" under Physical Damage Coverage, the most we will also be covered for "ad auto" which is

As used in this endorsement:

1. "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.

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2. The words "you" and "your" include your spouse if a resident of the same household except for notice of cancellation.
3. When the phrase "private passenger type" appears in quotation marks it includes any covered "auto" you own of the pick-up or van type not used for business purposes, other than farming or ranching.
4. "Non-owned auto" means any "private passenger type" "auto", pick-up, van or "trailer" not owned by or furnished or available for the regular use of you or any "family member", while it is in the custody of or being operated by you or any "family member".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLLECTORS CHOICESM SPECIAL VEHICLE COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO COVERAGE PART DECLARATIONS

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

A. CHANGES IN BUSINESS AUTO COVERAGE PART DECLARATIONS

1. **ITEM TWO: COVERAGE AND LIMITS OF INSURANCE – PHYSICAL DAMAGE COMPREHENSIVE COVERAGE and PHYSICAL DAMAGE COLLISION COVERAGE** are deleted and replaced by the following:

COVERAGE	SAMPLE	NCE
PHYSICAL DAMAGE COMPREHENSIVE COVERAGE	7	The LIMIT OF LIABILITY applicable to Comprehensive Coverage shown in the SCHEDULE OF COVERED AUTOS YOU OWN, or the cost of repair, whichever is less, minus the deductible shown in the SCHEDULE OF COVERED AUTOS YOU OWN for each covered "auto". No Deductible applies to "loss" caused by fire or lighting.
PHYSICAL DAMAGE COLLISION COVERAGE	7	The LIMIT OF LIABILITY applicable to Collision Coverage shown in the SCHEDULE OF COVERED AUTOS YOU OWN, or the cost of repair, whichever is less, minus the deductible shown in the SCHEDULE OF COVERED AUTOS YOU OWN for each covered "auto".

B. CHANGES IN SECTION I – COVERED AUTOS

1. As respects physical damage coverage only, Paragraph B. – **Owned Autos You Acquire After The Policy Begins** is deleted and replaced by the following:

B. Additional Or Replacement Motor Vehicles

1. If you acquire additional or replacement motor vehicles within a 30 day period of this policy's effective date, Physical Damage Collision Coverage for up to 30 days from the date acquired.
2. You must report additional or replacement motor vehicles within 30 days of the date acquired and pay any additional premium due. If you do

- not report additional or replacement motor vehicles we will not pay for "loss" to them.
3. An additional or replacement motor vehicle does not include any "auto" acquired only for one or more of its parts.
4. The most we will pay under Physical Damage Comprehensive or Collision Coverage shall be the lesser of:
 - (1) the actual cash value of the additional or replacement motor vehicles; or
 - (2) the actual cash value of the replacement motor vehicles; or
 - (3) \$25,000.
5. A \$500 Comprehensive or Collision Deductible applies to "loss" to any

SAMPLE



Additional or Replacement Motor Vehicle under this Coverage Provision.

- 2. Paragraph C. – Certain Trailers, Mobile Equipment And Temporary Substitute Autos is deleted.

C. CHANGES IN SECTION III – PHYSICAL DAMAGE COVERAGES

- 1. Paragraph A. – Coverage, 4. Coverage Extensions is deleted and replaced by the following:

4. Coverage Extensions

a. Reward

We will
pense y

- (1) The age... enforcement agency; or
(2) The arrest and conviction of any person(s) who have damaged or stolen any of your covered property.

We will pay up to 25% of the LIMIT OF LIABILITY applicable to Comprehensive or Collision Coverage for the stolen property shown in the SCHEDULE OF COVERED "AUTOS" YOU OWN in any one "loss" for the actual reward payments you make. These reward payments must be documented. The amount payable is in addition to the LIMIT OF LIABILITY applicable to Comprehensive or Collision Coverage shown in the SCHEDULE OF COVERED "AUTOS" YOU OWN.

No deductible applies to this Coverage Extension.

b. Other Property

- (1) Spare Parts: We will pay for "loss" to spare parts... replacement for an... a part of your... which is not current... your covered "auto". Spare parts does not include parts held for sale by you or property of others in your care, custody or control.
(2) This Coverage Extension applies only to Spare Parts that are (a) in or on your covered "auto" or (b)

at a garage location shown in the Declarations.

- (3) Books and Manuals: We will pay your costs to research, replace, or restore lost or damaged papers, records, books and manuals relating to your covered "auto".

- (4) Equipment: We will pay for loss to tools and equipment stored in your covered "auto" and used for maintenance of your covered "auto". But we will not pay for theft unless at the time of theft, all the vehicle's windows and compartments are locked and there are visible signs of forced entry.

The most we will pay for any one "loss" under this Coverage Extension is \$1,000. A deductible of \$100 applies to this Coverage Extension.

- 2. The following is added to B. – Exclusions:

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. Dampness, overheating, gradual deterioration or any quality in the property that causes it to damage or destroy itself.
b. Any repair process or work on covered property.

- 3. Paragraph C. – Limit Of Insurance is deleted and replaced by the following:

C. Limit of Insurance

The most we will pay in any one "loss" is the lesser of:

- a. The LIMIT OF LIABILITY applicable to Comprehensive or Collision Coverage of the SCHEDULE OF COVERED "AUTOS" YOU OWN; or
b. The actual cash value of the property being the lesser of the actual cash value of the property without

- 4. Paragraph D. – Deductible is changed by adding the following:

If two or more covered "autos" are involved in the same "loss", we will not deduct more than the largest Deductible applicable to any one covered "auto" involved in the same "loss".

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D. CHANGES TO SECTION IV – BUSINESS AUTO CONDITIONS

1. Paragraph **B. – General Conditions** is changed by adding the following:

Pairs, Sets Or Parts

- a. Pair or Set. In case of "loss" to any part of a pair or set we may:
- (1) Repair or replace any part to restore the pair or set to its value before the "loss"; or
 - (2) Pay the difference between the value of the pair or set before and after the "loss".

- b. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

E. CHANGES TO SECTION V – DEFINITIONS

1. The definition of "trailer" is replaced by the following:

"Trailer" means a conveyance:

- a. Shown in the Declarations used primarily to transport covered "autos" and their equipment; and
- b. Pulled by your motor vehicle.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY
TRUCKERS COVERAGE FORM

With respect to coverage Form apply unless modified by the endorsement

SAMPLE

A. With respect to any one or more certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":

1. The act resulted in aggregate losses in excess of \$5 million; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, such as losses excluded by a Nuclear Hazard Exclusion or a War Or Military Action Exclusion.

SAMPLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED TITLE – AUTO COVERAGE PARTS

This endorsement modifies all endorsements in this policy.

Whenever the term "COMMERCIAL AUTO COVERAGE PART" is used to indicate a type of insurance an endorsement modifies, it is changed to:

COMMERCIAL AUTO – ALL COVERAGE PARTS

SAMPLE

SAMPLE



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement applies to the insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

On November 26, 2002, the President of the United States signed into law the Federal Terrorism Risk Insurance Act of 2002 (the "Act") which created a temporary term program under which the Federal Government will share in the payment of *Insured Losses* by certain "Acts of Terrorism" (each as defined in the Act).

In the event of an *Insured Loss*, each "Insurer" (as defined in the Act) is responsible for a deductible of one percent (1%) of its "Direct Earned Premium" (as used in the Act) for the calendar year 2001 for *Insured Losses* occurring from November 26, 2002 through December 31, 2002; seven percent (7%) of its *Direct Earned Premium* for the calendar year 2002 for *Insured Losses* occurring during calendar year 2003; ten percent (10%) of its *Direct Earned Premium* for the calendar year 2003 for *Insured Losses* occurring during calendar year 2004; or fifteen percent (15%) of its *Direct Earned Premium* for the calendar year 2004 for *Insured Losses* occurring during calendar year 2005. The Federal Government's share of compensation for *Insured Losses* in each year is 90% of the amount of *Insured Losses* in excess of each *Insurer's* deductible for that year. The *Insurer* is responsible for the payment of the remaining 10% of *Insured Losses*. In no event, however, will the

any *Insurer* be required to pay any portion of the *Insured Losses* occurring in any calendar year up to \$500,000,000, provided the *Insured Losses* are not deductible.

Under the Act, *Insurers* must make available "Property and Casualty Insurance" (as defined in the Act) coverage for *Insured Losses* that does not differ materially from the terms, amounts and other coverage limitations that apply to losses arising from events other than *Acts of Terrorism*. In other words, a loss will not be excluded just because it was caused by an *Act of Terrorism*; conversely, a loss will not be covered just because it was caused by an *Act of Terrorism*. The Act also requires *Insurers* to disclose to policyholders the premium charge for providing such terrorism coverage.

Please note that this Coverage Form does not contain an exclusion that specifically excludes coverage for *Insured Losses*. The charge for this exposure is included in the Coverage Form premium indicated in your policy. The charge that has been included for this Coverage Form is 1% of your total Commercial Automobile Coverage premium.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMM FARM LIQUOR OWNERS POLLUTORS LIABILITY COVERAGE PART
SAMPLE E PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 PROFESSIONAL LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK POLICY

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 a contract 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)

SAMPLE

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OREGON CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART – Legal Liability Coverage Form
- COMMERCIAL PROPERTY COVERAGE PART – Errors And Omissions Practices Liability Coverage Form
- CRIME AND EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
- EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
- FARM COVERAGE PART – Farm Liability Coverage Form
- LIQUOR LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- PROFESSIONAL LIABILITY COVERAGE PART

SAMPLE

A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. If this policy has been in effect for:
 - a. Fewer than 60 days and is not a renewal policy, we may cancel for any reason.
 - b. 60 days or more or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) Substantial increase in the risk of loss after insurance coverage has been issued or renewed, including but not limited to an increase in exposure due to rules, legislation or court decision;
 - (4) Failure to maintain loss control program;
 - (5) Substantial changes in operations, ties, conditions or warranties;
 - (6) Determination by the commissioner that the continuation of a line of insurance or class of business to which the policy belongs will jeopardize our solvency or will place us in violation

of the insurance laws of Oregon or any other state; or

- (7) Loss or decrease in reinsurance covering the risk.
- c. 60 days or more or is a renewal policy, we may cancel for any other reason approved by the commissioner by rule, but only with respect to insurance provided under the following:
 - (1) A package policy that includes commercial property and commercial liability insurance;
 - (2) Commercial Automobile Coverage Part;
 - (3) Commercial General Liability Coverage Part;
 - (4) Commercial Property Coverage Part – Legal Liability Coverage Form;
 - (5) Commercial Property Coverage Part – Errors And Omissions Practices Liability Coverage Form;
 - (6) Commercial Property Coverage Part – Farm Liability Coverage Form;
 - (7) Farm Coverage Part – Farm Liability Coverage Form;
 - (8) Liquor Liability Coverage Part;
 - (9) Products/Completed Operations Liability Coverage Part; or
 - (10) Professional Liability Coverage Part.

SAMPLE



B. Paragraph 3. of the **Cancellation** Common Policy Condition is amended by the addition of the following:

3. We will mail or deliver to the first Named Insured written notice of cancellation, stating the reason for cancellation.

C. The following is added to the **Cancellation** Common Policy Condition:

7. Number Of Days' Notice Of Cancellation:

a. With respect to insurance provided under 2.c.(1) through (10) above, cancellation will not be effective until at least 10 working days after the first Named Insured receives our notice.

b. With respect to insurance other than that provided under 2.c.(1) through (10) above, cancellation will not be effective until at least:

(1) 10 days after the first Named Insured receives our notice, nonpayment of premium

(2) 30 days after the first Named Insured receives our notice, any other reason.

D. Paragraph 6. of the **Cancellation** Common Policy Condition does not apply.

E. The following are added and supersede any provision to the contrary:

1. Nonrenewal

We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal before the:

a. Expiration date of the policy; or

b. Anniversary date of the policy if the policy is written for a term of more than one year or without a fixed expiration date.

However, if this policy is issued for a term of more than one year and for additional consideration the premium is guaranteed, we may not refuse to renew the policy at its anniversary date.

Nonrenewal will not be effective until at least 30 days after the first Named Insured receives our notice.

SAMPLE renewal is mailing will Named Insured received the notice on the third calendar day after the date of the certificate of mailing.

SAMPLE

IMPORTANT NOTICE TO OREGON POLICYHOLDERS
OREGON INSURANCE GUARANTY ASSOCIATION SURCHARGE

Most insurers doing business in Oregon participate in the Oregon Insurance Guaranty Association. In the event an insurer fails, the Association settles unpaid claims on behalf of consumers. Oregon law requires that policies be surcharged directly to recover the costs of handling those claims.

If your policy is surcharged, the term "OIGA Surcharge" along with an indicated dollar amount will be displayed with the statement of your surcharge.

SAMPLE



BUSINESS AUTO INSURANCE REVISIONS TO THE BUSINESS AUTO COVERAGE FORM

IMPORTANT NOTICE TO POLICYHOLDERS

This is a summary of the major changes in your Business Auto Coverage Form. It contains a brief synopsis of the significant broadenings, clarifications, and restrictions that were made in the Business Auto Coverage Form and significant broadenings and restrictions that were made in the Coverage Endorsements referenced below. It does not attempt to include every clarification or editorial change made in the Business Auto Coverage Form or the referenced endorsements. The summary is organized by individual Coverage Form and Coverage Endorsements, however, **not all Coverage Endorsements are included in a particular policy.**

NO COVERAGE IS PROVIDED BY THIS SUMMARY, NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR ENTIRE POLICY CAREFULLY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGE CHANGES. DEFINE YOUR RIGHTS AND DUTIES. IF YOU HAVE ANY QUESTIONS ABOUT THIS SUMMARY, THE PROVISIONS OF YOUR POLICY, CONTACT YOUR AGENT.

SAMPLE

CONTACT YOUR AGENT WITH ANY QUESTIONS ABOUT THE NEW COVERAGE FORM. YOUR AGENT CAN ALSO HELP YOU IF YOU DESIRE ANY CHANGES TO YOUR POLICY.

BUSINESS AUTO COVERAGE FORM

BROADENED FEATURES OF THE BUSINESS AUTO COVERAGE FORM (CA 00 01 10 01)

1. Under Liability Coverage Extensions, Supplementary Payments, your limit for cost of bail bonds has been increased from \$250 to \$2000.
2. Under Liability Coverage Extensions, Supplementary Payments, the limit for payments for reasonable expenses incurred by the "insured" at our request has been increased from \$100 a day to \$250 a day.
3. Under Physical Damage Coverage Extensions, Transportation Expenses, the limits have been increased from \$15 per day and a \$450 maximum to up to \$20 per day and a \$600 maximum.
4. Under Physical Damage Coverage Extensions, a new coverage, Loss Of Use Expenses, has been added. This coverage provides up to \$20 per day (subject to a maximum of \$600) for expenses an "insured" becomes legally responsible to pay for loss of use of a vehicle rented without a driver.
5. Business Auto Conditionally provides for a "loss", the payment shall be made in the territory where the property is located.
6. Under Business Auto Coverage Extensions, the coverage has been expanded to anywhere in the United States for a period of 30 days or less, subject to certain requirements regarding where a "suit" is brought and settlement agreed to.
7. The Definition of an "Insured Contract" has been modified to limit the application of the railroad exception of an "insured contract" to that part of any contract or agreement that indemnifies a railroad (rather than any person or organization) for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property.

SAMPLE

CLARIFICATION FEATURES OF THE BUSINESS AUTO COVERAGE FORM (CA 00 01 10 01)

1. Under Liability Coverage, the provisions dealing with Who Is An Insured have been modified to address partners (who are part of a partnership) or members (who are part of a limited liability company).
2. Under Liability Exclusion 4. Employee Indemnification And Employer's Liability, the description of domestic "employee" has been expanded.
3. The Conditions dealing with Duties In The Event Of Accident, Claim, Suit Or Loss have been expanded to state the Company has no duty to provide coverage unless there has been full compliance with the listed duties.
4. The following Definitions have been added to the policy: "diminution in value", "employee", "leased worker", and "temporary worker".
5. The Definitions of "employee", "leased worker", and "temporary worker" include any statutory or regulatory requirements.

SAMPLE

RESTRICTIVE FEATURES OF THE BUSINESS AUTO COVERAGE FORM (CA 00 01 10 01)

1. The Physical Damage Specified Causes of Loss Deductible applicable to Mischief or Vandalism has been increased from \$25 to \$250.
2. Liability Exclusion 4., Employee Indemnification And Employer's Liability, has been modified to exclude injury to an "employee" while performing duties related to the conduct of the "insured's" business.
3. Liability Exclusion 5., Fellow Employee, has been expanded to exclude "bodily injury" to any fellow "employee" of the "insured" while performing duties related to the conduct of the "insured's" business.
4. Physical Damage Exclusion 4.b. has been expanded to exclude coverage for speed measuring equipment, laser detectors, and any jamming apparatus intended to elude or disrupt speed measurement equipment.
5. Physical Damage Exclusion 5. has been added. This new exclusion states that we will not pay for "loss" to a covered "auto" due to "diminution in value".
6. Physical Damage Limit Of Insurance has been modified to address adjustment for depreciation and physical condition and to state our intent not to pay for betterment.

AMENDATORY ENDORSEMENT

BROADENED FEATURES OF AMENDATORY ENDORSEMENT (CA T4 00 01 04)

1. Physical Damage Exclusion 5. dealing with "diminution in value" is deleted.
2. The Definition of "employee" has been expanded to include a "temporary worker".

RESTRICTIVE FEATURES OF

1. The Physical Damage Exclusion 5. dealing with "diminution in value" is deleted.

SAMPLE

BUSINESS AUTO COVERAGE EXTENSION FORM

BROADENED FEATURES OF BUSINESS AUTO COVERAGE EXTENSION FORM (CA T3 53 01 04)

1. Under Liability Coverage Extensions, Supplementary Payments, the limit for cost of bail bonds has been increased from \$2,000 to \$3,000. In addition, the limit for all reasonable expenses incurred by the "insured" at the Company request has been increased from \$250 per day to \$500 per day.

RESTRICTIVE FEATURES OF BUSINESS AUTO COVERAGE EXTENSION FORM (CA T3 53 01 04)

1. The Broadened Named Insured provision has been amended not to apply to persons or organizations for which coverage is excluded by endorsement.
2. The Employee As Insured provision has been modified to apply only when an "employee" is using, in the course and scope of your business at the time of an accident, a covered "auto" the insured does not own, hire or borrow. If you are a sole proprietor this provision also includes an "employee" acting in your personal affairs at the time of an accident.
3. Under Hired Car – Worldwide Coverage, reimbursement for expenses will be part of the Limit of Liability Coverage shown in ITEM TWO of the Business Auto Coverage Part Declarations, and not in addition to such limits.
4. Under Hired Car – Worldwide Coverage, you must maintain the greater of (a) the compulsory admitted liability insurance limit required by the jurisdiction where an "accident" occurs, (b) liability insurance limits required by law, or (c) \$300,000 Combined Single Limit or \$100,000 per person/\$300,000 per accident Bodily Injury, \$100,000 Property Damage.

SAMPLE

