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This endorsement, effective: November 24, 2023  
 (at 12:01 A.M. standard time at the address of the Named Insured as shown in Item 1. of the Declarations)

forms a part of Policy No: 0314-0764

Issued to: Herrera Environmental Consultants, Inc.

by: Allied World Assurance Company (Non-Admitted)

ADDITIONAL INSURED - OWNERS, LESSEES, OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s)
Any owner, lessee, or contractor whom you have agreed to include as an additional insured under a fully executed written contract or written agreement, provided that such was executed prior to an "occurrence", loss, injury or damage.	All locations of the Named Insured

Solely with respect to the insurance afforded under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, and COVERAGE D – GENERAL POLLUTION LIABILITY 1. Insuring Agreements, a. (3) Transported Cargo Pollution Liability** and a. (4) **Contractors Pollution Liability**, it is agreed that the following changes are made to the policy:

1. **SECTION II – WHO IS AN INSURED** of the policy is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for **bodily injury, property damage, environmental damage or personal and advertising injury** caused, in whole or in part, by:
  - a. Your acts or omissions; or
  - b. The acts or omissions of those acting on your behalf;
 in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.
 

However:

  - (1) The insurance afforded to such additional insured only applies to the extent permitted by law;
  - (2) The insurance afforded to such additional insured does not apply to a **claim, suit, damages, loss bodily injury, property damage, personal and advertising injury, environmental damage**, or any other injury, damage, loss, cost, or expense for which insurance is afforded under this policy that arises out of the negligence or willful misconduct of the additional insured; and
  - (3) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide to such additional insured.
2. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to **bodily injury, property damage, environmental damage, or personal and advertising injury** occurring after:

- a. All work, including materials, parts, or equipment furnished in connection with such work, on the project (other than service, maintenance, or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or

- b. That portion of **your work** out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
3. With respect to the insurance afforded to these additional insureds, the following is added to **SECTION III – LIMITS OF INSURANCE:**

The most we will pay on behalf of the additional insured is the amount of insurance:

  1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;whichever is less.

All other terms and conditions of the Policy remain unchanged.

(2) Comply with laws, regulations, codes, or standards.

This applies not only to us but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports, or recommendations.

- c. We may modify, amend or delete any of the terms and conditions of this Policy, including the right to charge additional premium and the right to cancel, rescind or void this Policy, if any inspection or survey reveals any material risk, hazard or condition that was not previously disclosed by you in the Application or supplemental materials, or which deviates from the information disclosed in the Application or supplemental materials.

## 12. Multiple Coverages

A **claim** or **suit**, or part thereof, for which we have accepted coverage or coverage has been alleged or held to apply under one insuring agreement in this policy shall not be covered under any other insuring agreement in this policy.

## 13. Legal Action Against Us

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a **suit** asking for damages or **loss** from an insured; or  
b. To sue us on this Policy unless there has been full compliance with all of its terms.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages or loss that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

## 14. Notice of Possible Claim Under SECTION I – COVERAGES, COVERAGE F – SCHEDULED LOCATION POLLUTION LIABILITY, AND COVERAGE G – PROFESSIONAL LIABILITY

- a. If during the **policy period**, the **responsible manager** first becomes aware of a **possible claim** under **SECTION I – COVERAGES, COVERAGE F– SCHEDULED LOCATION POLLUTION LIABILITY**, and **COVERAGE G – PROFESSIONAL LIABILITY**, the **responsible manager** must provide written notice to us during the **policy period** containing all the information required under paragraph b. below. Any **possible claim** that subsequently becomes a **claim** made against you and reported to us within five (5) years after the end of the **policy period** of this Policy or any continuous, uninterrupted renewal thereof shall be deemed to have been first made and reported during the **policy period** of this policy. Such **claim** shall be subject to the terms, conditions, and limits of coverage of the policy under which the **possible claim** was reported.
- b. It is a condition precedent to the coverage afforded by this Policy that written notice under paragraph a. above, contains all of the following information:
- (1) The cause of the **pollution incident** or act, error, or omission in the performance of **professional services**;
  - (2) The **scheduled location** where the **pollution incident** took place or the location where the act, error, or omission took place;
  - (3) The **bodily injury, property damage, environmental damage, emergency response expense, professional damages, or mitigation expense** which has resulted or may result from such **pollution incident** or act, error or omission in the rendering or failure to render **professional services**;
  - (4) The insured(s) which may be subject to the **claim** and any potential claimant(s);
  - (5) All engineering information available on the **pollution incident** or act, error, or omission in the rendering or failure to render **professional services**, and any other information that we deem reasonably necessary; and
  - (6) The date and circumstances by which the insured first became aware of the **possible claim**.

## 15. Other Insurance

If other valid and collectible insurance is available to the insured for any injury, damage, loss, cost, or expense we cover under this Policy, our obligations are limited as follows:

a. **Primary Insurance**

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below. However, in the event that a written contract, agreement, or permit requires this insurance to be primary for any person or organization with whom you agreed to insure in an **insured contract**, we will not seek contribution from any other insurance issued to such person or organization.

b. **Excess Insurance**

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builders' Risk, Installation Risk, or similar coverage for **your work**;
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the damages or **loss** arises out of the maintenance or use of aircraft, **autos**, train, railcar or watercraft to the extent not subject to Exclusion g. of **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**; or
- (v) With respect to **SECTION I – COVERAGES, COVERAGE G – PROFESSIONAL LIABILITY**; or
- (vi) That is a project-specific insurance policy, contractor-controlled insurance program, owner-controlled insurance program, consolidated (wrap-up) insurance program, or any other similar insurance or program.

(b) Any other primary insurance available to you covering liability for damages or **loss** arising out of the premises or operations, or the **products-completed operations hazard**, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under **SECTION I – COVERAGES, COVERAGES A, B, D, E, F, or G** to defend the insured against any **claim** or **suit** if any other insurer has a duty to defend the insured against that **claim** or **suit**. If no other insurer defends, we will undertake to do so under **COVERAGES A or B**, but we will be entitled to the insured's rights against all other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the damages, **loss**, or **professional damages** or any other amounts provided insurance under the policy, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the damages, **loss**, **professional damages**, or any other amounts provided insurance under the policy in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all the other insurance.

(4) We will share the remaining damages, **loss**, **professional damages** or any other amounts provided insurance under the policy, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limit of Insurance shown in the Declarations.

c. **Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the damages or **loss** remains or the full amount of the damages has been paid, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

16. **Premiums and Deductible**

The first Named Insured shown in Item 1. of the Declarations:

- a. Is responsible for the payment of all premiums;
- b. Will be the payee for any return premiums we pay; and
- c. Is responsible for the payment of all Deductibles.

**17. Representations**

- a. By accepting this policy, you agree:
  - (1) The statements and information in the Application and other supplemental materials submitted to us are accurate and complete and are material to our underwriting of this policy;
  - (2) The statements and information provided are based upon representations you made to us; and
  - (3) We have issued this policy in reliance upon your representations.
- b. Misrepresentation, concealment, breach of a term or condition, or violation of any duty under this Policy by one insured shall not prejudice the interest of coverage for another insured under this Policy. Provided, however, that this condition shall not apply to any insured who is a parent, subsidiary, or affiliate of the first Named Insured.
- c. The unintentional failure by you or any insured to provide accurate and complete representations as of the inception of the policy will not prejudice the coverages afforded by this Policy.

**18. Separation of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom **claim** is made or **suit** is brought.

**19. Service of Suit**

In the event of our failure to pay any amount claimed to be due hereunder, we, at the request of the insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon counsel, Legal Department, Allied World Assurance Company (U.S.) Inc., 199 Water Street, 24<sup>th</sup> Floor, New York, New York 10038 or his or her representative, and that in any suit instituted against us upon this Policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision, therefore, we hereby designate the Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office as its true and lawful agent upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this Policy of insurance.

**20. Transfer of Rights of Recovery Against Others to Us**

If the insured has the right to recover all or part of any payment we have made under this Policy, those rights are transferred to us. At our request, the insured will bring a suit or transfer those rights to us and help us enforce them. However, if the insured has waived rights of recovery against any person or organization in a written contract or agreement prior to the **occurrence, pollution incident, or act, error or omission in the rendering of or failure to render professional services that are the subject of the claim or suit against the insured, we waive any right of recovery we may have under this Policy against such person or organization.**

**21. Transfer of Your Rights and Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our prior written consent, which shall not be unreasonably withheld or delayed, except in the case of the death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having

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

**BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

If the policy to which this endorsement is attached also contains a Business Auto Coverage Enhancement Endorsement with a specific state named in the title, this endorsement does not apply to vehicles garaged in that specified state.

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**SECTION I - COVERED AUTOS** is amended as follows:

**1. TRAILERS - INCREASED LOAD CAPACITY**

The following replaces Paragraph **C.1. Certain Trailers, Mobile Equipment And Temporary Substitute Autos** of **SECTION I - COVERED AUTOS**:

"Trailers" with a load capacity of 3,000 pounds or less designed primarily for travel on public roads.

**SECTION II - LIABILITY COVERAGE** is amended as follows:

**2. NEWLY FORMED OR ACQUIRED SUBSIDIARIES**

**SECTION II - LIABILITY COVERAGE, Paragraph A.1. - Who Is An Insured** is amended to include the following as an "insured":

d. Any legally incorporated subsidiary of which you own more than 50 percent interest during the policy period. Coverage is afforded only for 90 days from the date of acquisition or formation. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an "insured" under any other automobile policy except a policy written specifically to apply in excess of this policy; or
- (3) Has exhausted its Limit of Insurance or had its policy terminated under any other automobile policy.

Coverage under this provision d. does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

**3. EMPLOYEES AS INSURED**

**SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured** is amended to include the following as an "insured":

e. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".

f. Any "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

**4. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT**

**SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured** is amended to include the following as an "insured":

g. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, written agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or written agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit.

The "insured" is required to submit a claim to any other insurer to which coverage could apply for defense and indemnity. Unless the "insured" has agreed in writing to primary noncontributory wording per enhancement number 24, this policy is excess over any other collectible insurance.

**5. SUPPLEMENTARY PAYMENTS**

**SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, Paragraphs (2) and (4)** are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations ) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

## 6. AMENDED FELLOW EMPLOYEE EXCLUSION

In those jurisdictions where, by law, fellow "employees" are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

**SECTION II - LIABILITY, Exclusion B.5. Fellow Employee** does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire if you have workers compensation insurance in force for all of your "employees" at the time of "loss".

This coverage is excess over any other collectible insurance.

**SECTION III - PHYSICAL DAMAGE COVERAGE** is amended as follows:

## 7. HIRED AUTO PHYSICAL DAMAGE

Paragraph **A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE**, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or
- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business, subject to the following limit and deductible:
  - a. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:
    - (1) \$50,000; or
    - (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
    - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.
  - b. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.
  - c. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.
  - d. Subject to a maximum of \$1,000 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.
  - e. This coverage extension does not apply to:
    - (1) Any "auto" that is hired, rented or borrowed with a driver; or
    - (2) Any "auto" that is hired, rented or borrowed from your "employee" or any member of your "employee's" household.

Coverage provided under this extension is excess over any other collectible insurance available at the time of "loss".

## 8. TOWING AND LABOR

**SECTION III - PHYSICAL DAMAGE COVERAGE**, Paragraph **A.2. Towing**, is amended by the addition of the following:

We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$75 per disablement.
- b. For "light trucks", we will pay up to \$75 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 - 20,000 pounds.

However, the labor must be performed at the place of disablement.

## 9. PHYSICAL DAMAGE - ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

Paragraph **A.4.a. Coverage Extensions, Transportation Expenses** of **SECTION III - PHYSICAL DAMAGE COVERAGE**, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500.

## 10. RENTAL REIMBURSEMENT

**SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement requires the rental of a comparable or lessor vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto". This limit is excess over any other collectible insurance.
- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph **4. Coverage Extension**.
- f. No deductible applies to this coverage.
- g. The insurance provided under this extension is excess over any other collectible insurance.

If this policy also provides Rental Reimbursement Coverage you purchased, the coverage provided by this Enhancement Endorsement is in addition to the coverage you purchased.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision **12.B**.

## 11. EXTRA EXPENSE - BROADENED COVERAGE

Under **SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

## 12. PERSONAL EFFECTS COVERAGE

**A. SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage**, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

**B. SECTION V - DEFINITIONS** is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an "insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

## 13. ACCIDENTAL AIRBAG DEPLOYMENT

**SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions** is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

#### 14. PHYSICAL DAMAGE DEDUCTIBLE - VEHICLE TRACKING SYSTEM

**SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible**, is amended by adding the following:

Any Comprehensive Deductible shown in the Declarations will be reduced by 50% for any "loss" caused by theft if the vehicle is equipped with a vehicle tracking device such as a radio tracking device or a global position device and that device was the method of recovery of the vehicle.

#### 15. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE

**SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions**, Paragraph **a.** of the exception to exclusions **4.c.** and **4.d.** is deleted and replaced with the following:

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

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is:
  - (1) Permanently installed in the covered "auto" at the time of the "loss" or removable from a housing unit that is permanently installed in the covered "auto"; and
  - (2) Designed to be solely operated by use from the power from the "auto's" electrical system; and
  - (3) Physical damage coverages are provided for the covered "auto".

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

#### 16. LOAN / LEASE GAP COVERAGE (Not Applicable In New York)

**A. Paragraph C. Limit Of Insurance of SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
  - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss";
  - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear;
  - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease;
  - d. Transfer or rollover balances from previous loans or leases;
  - e. Final payment due under a "Balloon Loan";
  - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto";
  - g. Security deposits not refunded by a lessor;
  - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto";
  - i. Any amount representing taxes;
  - j. Loan or lease termination fees; or
2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

#### **B. Additional Conditions**

This coverage applies only to the original loan for which the covered "auto" that incurred the "loss" serves as collateral, or lease written on the covered "auto" that incurred the "loss".

**C. SECTION V - DEFINITIONS** is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.

**17. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Paragraph **D. Deductible** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by the addition of the following:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**18. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)**

Paragraph **D. Deductible** of **SECTION III - PHYSICAL DAMAGE COVERAGE** is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

**19. TWO OR MORE DEDUCTIBLES**

Under **SECTION III - PHYSICAL DAMAGE COVERAGE**, if two or more company policies or coverage forms apply to the same "accident", the following applies to Paragraph **D. Deductible**:

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible, it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the "loss" involves two or more Business Auto coverage forms or policies, the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement, company means any company that is part of the Liberty Mutual Group.

**SECTION IV - BUSINESS AUTO CONDITIONS** is amended as follows:

**20. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

**SECTION IV- BUSINESS AUTO CONDITIONS**, Paragraph **B.2.** is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

**21. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **A.2.a.** is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
- (1) You, if you are an individual;
  - (2) A partner, if you are a partnership;
  - (3) Member, if you are a limited liability company;
  - (4) An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

To the extent possible, notice to us should include:

- (a) How, when and where the "accident" or "loss" took place;
- (b) The "insureds" name and address; and
- (c) The names and addresses of any injured persons and witnesses.

**22. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **A.5. Transfer Of Rights Of Recovery Against Others To Us**, is amended by the addition of the following:

If the person or organization has in a written agreement waived those rights before an "accident" or "loss", our rights are waived also.

**23. HIRED AUTO COVERAGE TERRITORY**

**SECTION IV - BUSINESS AUTO CONDITIONS**, Paragraph **B.7. Policy Period, Coverage Territory**, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the "insured's" responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

**24. PRIMARY AND NON-CONTRIBUTING IF REQUIRED BY WRITTEN CONTRACT OR WRITTEN AGREEMENT**

The following is added to **SECTION IV - BUSINESS AUTO CONDITIONS, General Conditions, B.5. Other Insurance** and supersedes any provision to the contrary:

This Coverage Form's Covered Autos Liability Coverage is primary to and will not seek contribution from any other insurance available to an "insured" under your policy provided that:

1. Such "insured" is a Named Insured under such other insurance; and
2. You have agreed in a written contract or written agreement that this insurance would be primary and would not seek contribution from any other insurance available to such "insured".

**SECTION V - DEFINITIONS** is amended as follows:

**25. BODILY INJURY REDEFINED**

Under **SECTION V - DEFINITIONS**, Definition **C.** is replaced by the following:

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

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