

# Integon National Insurance Company

This Endorsement Applies Only If

Form Number 11108 (06012013) Appears in the Declarations

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

## COMMERCIAL AUTO BROADENED COVERAGE

Coverage is provided under this endorsement only when noted in the Declarations of this policy.

All the provisions of this policy apply to the coverage provided by this endorsement except as modified herein.

This endorsement modifies insurance provided under your Commercial Auto Policy. The following provisions apply only with respect to the coverage provided by this endorsement.

### 1. CANCELLATION EXTENSION

Paragraph **A. CANCELLATION 2.b.** of the **COMMON POLICY CONDITIONS** is replaced with the following:

- b. 60 days before the effective date of cancellation if we cancel for any other reason.

### SECTION I – COVERED AUTOS

#### 2. EMPLOYEE HIRED “AUTOS”

##### Description of Covered Auto Designation

**Symbols:** **Symbol 8** is replaced by the following:

8 = Hired “Autos” Only – Only those “autos” you lease, hire, rent or borrow; including “autos” your employee hires at your direction, for the purpose of conducting your business. This does not include any “auto” you lease, hire, rent or borrow from any of your “employees” or partners of members of their households.

### SECTION II – LIABILITY COVERAGE

#### 3. BROADENED NAMED INSURED

The following is added to **SECTION II – LIABILITY COVERAGE**, Paragraph 1. **Who Is An Insured** provision:

- d. Any business entity for which you have a financial interest greater than 50% of the voting stock or otherwise have a controlling interest after the effective date of this policy

or that is newly acquired or formed by you during the term of this policy.

The coverage provided by this provision is afforded until the expiration or termination of this policy, whichever occurs first.

The coverage provided by this provision does not apply to any business entity described in d. above that qualifies as an insured under any other automobile liability policy issued to that business entity as a named insured or would have been insured except for the exhaustion of the policy limits or the insolvency of the insurer.

The coverage provided by this provision does not apply to “bodily injury” nor “property damage” arising from an accident that occurred prior to the acquiring or forming the business entity described in d. above.

#### 4. EMPLOYEES AS INSURED

The following is added to **SECTION II – LIABILITY COVERAGE**, paragraph 1. **Who Is An Insured** provision:

- e. Any employee of yours is an “insured” while using a covered “auto” you do not own, hire or borrow in your business of your personal affairs.

#### 5. SUPPLEMENTAL PAYMENTS

The following is added to **SECTION II – LIABILITY COVERAGE**, Paragraph 2. **Coverage Extensions** provision:

Paragraph (2) is replaced by the following:

- (2) Up to \$2500 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.

Paragraph (4) is replaced by the following:

- (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**

The following is added to **SECTION II – LIABILITY COVERAGE, B. Exclusions**, Paragraph 5. **Fellow Employee** exclusion:

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

#### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### 7. **EXPENSE OF RETURNING A STOLEN "AUTO" AND SIGN COVERAGE**

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, A.1. COVERAGE:**

d. **Expense Of Returning A Stolen "Auto"**

We will pay for the expense of returning a covered "auto" to you.

e. **Sign Coverage**

We will pay for loss to signs, murals, paintings or graphics, as part of equipment, which are displayed on a covered "auto".

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

1. The actual cash value of the property as of the time of the "loss", or
2. The cost of repairing or replacing the damaged or stolen property with

the other property with other property of like kind and quality; or

3. \$2,000.

#### 8. **GLASS BREAKAGE DEDUCTIBLE**

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE A. COVERAGE**, paragraph 3. **Glass Breakage – Hitting a Bird or Animal – Falling Objects or Missiles:**

Any deductible shown on the Declarations as applicable to the covered "auto" will not apply to glass, breakage if such glass is repaired, rather than replaced.

#### 9. **TRANSPORTATION EXPENSE**

Paragraph 4, **Coverage Extension of SECTION III – PHYSICAL DAMAGE COVERAGE A. COVERAGE** is replaced with the following:

a. **Transportation Expenses**

We will pay up to \$50 per day to a maximum of \$1500 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 24 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

#### 10. **HIRED AUTO PHYSICAL DAMAGE**

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE**

#### 5. **Hired Auto Physical Damage**

If hired "autos" are covered "autos" for Liability Coverage and if Physical Damage Coverage of Comprehensive, Specified Causes of Loss, or Collision is provided under this Coverage Form for any "auto" you own, then the Physical Damage

Coverage(s) provided is extended to "autos" you hire without a driver or your employee hires, without a driver, at your direction, for the purpose of conducting your business, for a period of 30 days or less, of like kind and use as the "autos" you own, subject to the following:

The most we will pay for any one loss is the lesser of the following:

- i. \$50,000 per accident, or
- ii. cash value, or
- iii. the cost of repair.

Minus the deductible equal to the lowest deductible applicable to any owned "auto" for the coverage. Any deductible shown on the Declarations does not apply to "loss" caused by fire or lightning. Subject to the limit and deductible stated above, we will provide coverage equal to the broadest coverage provided to any covered "auto" you own, that is applicable to the loss.

If the loss arises from an accident for which you are legally liable and the lessor incurs an actual financial loss from that accident, we will cover the lessor's actual financial loss of use of the hired "auto" for a period of up to seven consecutive days from the date of the accident, subject to a limit of \$1,000 per accident.

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

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE:**

##### 6. Audio, Visual and Data Electronic Equipment Coverage

We will pay for "loss" to any electronic equipment that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound. This coverage applies only if the equipment 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 power from the "auto's" electrical system, in or upon the covered "auto", including its antennas and other accessories.

However, this does not include tapes records or discs.

The exclusions that apply to **PHYSICAL DAMAGE COVERAGE**, except for the exclusion relating to Audio, Visual and Data Equipment, also apply to coverage provided herein. In addition, the following exclusion apply:

We will not pay, under this coverage, for either any electronic equipment or accessories used with such 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. Both:
  - a. An integral part of the same unit housing any sound reproducing equipment designed solely for the reproduction of sound if the sound reproducing equipment is permanently installed in the covered "auto" and
  - b. Permanently installed in the opening of the dash or console normally used by the manufacturer for the installation of a radio.

With respect to coverage herein, the **LIMIT OF INSURANCE** provision of **PHYSICAL DAMAGE COVERAGE** is replaced with the following:

1. The most we will pay for all "loss" to audio, visual or data electronic equipment and any accessories used with this equipment as a result of 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; or
  - c. \$500.

If there is other coverage provided by this policy for audio, visual and data electronic equipment, the coverage provided herein is excess. However, you may elect to apply

the limit or any portion thereof of coverage provided herein to pay any deductible that is applicable under the provisions of the other coverage.

## 12. RENTAL REIMBURSEMENT and MATERIAL TRANSFER EXPENSE

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, A. COVERAGE:**

### 7. Rental Reimbursement and Material Transfer Expense

This coverage provides only those Physical Damage Coverages where a premium is shown in the Declarations. It applies only to a covered “auto” described or designated to which the Physical Damage Coverages apply.

We will pay for the auto rental expenses and the expense, incurred by you because of “loss” to covered “auto”, to remove and transfer your materials and equipment from the covered “auto”. Payment applies in addition to the otherwise applicable amount of each coverage you have on a covered “auto”. No deductibles apply to this coverage.

We will pay only for those auto rental expenses incurred during the policy period beginning 24 hours after the “loss” and ending, regardless of the policy’s expiration, with the lesser of the following number of days:

1. The number of days reasonably required to repair or replace the covered “auto”. If “loss” is caused by theft, this number of days is added to the number of days it takes to locate the covered “auto” and transport it to a repair shop.
2. 60 days.

Our payment is limited to the lesser of the following amounts:

1. Necessary and actual expenses incurred, including loss of use.
2. \$3,000.

This auto rental expense coverage does not apply while there are spare or reserve “autos” available to you for your operations.

If “loss” results from the total theft of a covered “auto” of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the **SECTION III – PHYSICAL DAMAGE COVERAGE, A. 4. Coverage Extension.**

## 13. AIRBAG COVERAGE

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions**, paragraph 3.

The portion of this exclusion relating to mechanical or electrical breakdown does not apply to the accidental discharge of an airbag. This coverage is excess of other collectible insurance or warranty. No deductible applies to this Airbag Coverage.

## 14. AUTO LOAN PHYSICAL DAMAGE EXTENSION

The following is added **SECTION III – PHYSICAL DAMAGE COVERAGE, c. Limit Of Insurance** provision:

5. When a “loss” results in a total loss to a covered “auto” you own for which a Loss Payee is designated in this policy, the most we will pay for “loss” in any one “accident” is the greater of:
  - a. The actual cash value of the damaged or stolen property as of the time of the “loss”; or
  - b. The outstanding balance of the initial loan, less any amounts for taxes, overdue payments, overdue charges, penalties, interest, any charges for early termination of the loan, costs for Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan, and carry-over balances from previous loans.

## 15. AUTO LEASE PHYSICAL DAMAGE EXTENSION

The following is added to **SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit Of Insurance** provision:

6. If, because of damage, destruction or theft of a covered “auto”, which is a long-term leased “auto”, the lease agreement between you and the lessor is terminated, “we” will pay the difference between the amount paid under paragraph **C. LIMIT OF INSURANCE 1. or 2.** and the amount due at the time of “loss” under the terms of the lease agreement applicable to the leased “auto” which you are required to pay: less any fees to dispose of the auto; any overdue payments; financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage; security deposits not refunded by the lessor; cost for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan; and carry over balances from previous leases.

This coverage applies only to the initial lease for the covered “auto” which has not previously been leased. This coverage is excess over all other collectible insurance.

## SECTION IV – BUSINESS AUTO CONDITIONS

### 16. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The following is added to **SECTION IV – BUSINESS AUTO CONDITION, A. Loss Conditions, 2. Duties In The Event Of Accident, Claim, Suit Or Loss:**

- d. Knowledge of any “accident”, claim, “suit” or “loss” will be deemed knowledge by you when notice of such “accident”, claim, “suit” or “loss” has been received by:
  - (1) You, if you are an individual;
  - (2) Any partner or insurance manager if you are a partnership; or
  - (3) An executive office or insurance manager if you are a corporation.

## 17. BLANKET WAIVER OF SUBROGATION

Paragraph **5. Transfer Of Rights Of Recovery Against Others To Us, SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions** is replaced by the following:

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

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, which have not been waived through the execution of an “insured contract”, written agreement, or permit, prior to the “accident” or “loss” giving rise to the payment, those rights to recover damages from another are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after the “accident” or “loss” to impair them.

### 18. UNINTENTIONAL FAILURE TO DISCLOSE INFORMATION

The following is added to **SECTION IV BUSINESS AUTO CONDITIONS. B. General Conditions, paragraph 2. Concealment, Misrepresentation Or Fraud:**

Your unintentional error in disclosing, or failure to disclose, any material fact existing after the effective date of this Coverage Form shall not prejudice your rights under this Coverage Form. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal.

## SECTION V – DEFINITIONS

### 19. MENTAL ANGUISH

Paragraph **C. “Bodily Injury”, SECTION V – DEFINITIONS** is replaced by the following:

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