

Business Auto Coverage Expansion Summary



AmTrust's Business Auto Coverage Expansion is a comprehensive coverage enhancement designed for small businesses. For minimal cost, your insureds can have business auto coverages second to none. Please see a few highlights of this coverage below.

- Certain newly acquired or formed organizations covered up to 180 days
- Your employees are defined as an insured for autos rented in their own name (with your permission) in the conduct of your business
- Blanket additional insured status when required by a covered contract or agreement
- Increased supplementary payments for expenses incurred by you at our request
- Fellow employee exclusion removed
- Towing and labor cost covered if labor is performed at the place of disablement; limit \$500 per disablement with no deductible
- Increased temporary transportation expenses for covered theft of a private passenger auto (limits \$50 per day / \$1,000 maximum with 48-hour wait period)
- Accidental airbag discharge recovery cost
- Loss payee/lessee loan gap coverage for a covered total loss of an auto
- Single deductible applies on multi-unit claims
- Narrowed requirements for knowledge of loss
- Blanket waiver of subrogation granted for an insured contract
- Failure to disclose wording broadened for unintentional acts
- Hired car physical damage coverage amendment of other insurance provisions as to covered autos and autos rented by individual employees in your business; you must have hired and non-owned auto coverage for this physical damage enhancement to apply
- Deductible waived for covered auto on glass if "repaired"
- Limited personal effects coverage in covered auto up to \$2,500 per loss with no deductible
- Downtime loss coverage up to a maximum of \$100 per day / 30 days
- Rental Reimbursement coverage up to a maximum of \$100 per day / 30 days
- Diminishing deductible with loss-free policy periods
- Insurance is primary and noncontributory

This coverage highlight of AmTrust North America's Business Automobile Expansion Coverage Endorsement CA990187 does not grant any coverage, nor form a part of your policy. For the actual coverage wording, please refer to the applicable form CA990187. \$250 flat charge per policy.



AmTrust North America
An AmTrust Financial Company

Your Success is Our Policy.®

This Endorsement Changes The Policy. Please Read It Carefully

BUSINESS AUTO COVERAGE EXPANSION ENDORSEMENT

This endorsement modifies insurance provided by the following:

BUSINESS AUTO COVERAGE FORM

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

A. Newly Acquired or Formed Organizations, Employee Hired Car Liability and Blanket Additional Named Insured Status for Certain Entities.

Item 1. **Who is an Insured** of Paragraph A. **Coverage** under **SECTION II – COVERED AUTOS LIABILITY COVERAGE** is amended to add:

- d.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership of a majority interest (greater than 50%), will qualify as a Named Insured; however,
- (1)** coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - (2)** coverage does not apply to "bodily injury", "property damage" or "covered pollution cost or expense" that results from an "accident" which occurred before you acquired or formed the organization; and
 - (3)** coverage does not apply if there is other similar insurance available to that organization, or if similar insurance would have been available but for its termination or the exhaustion of its limits of insurance.

This insurance does not apply if coverage for the newly acquired or formed organization is excluded either by the provisions of this coverage form or by endorsement.

- e.** An "employee" of yours is an "insured" while operating an "auto" hired or rented

under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

- f.** Any person or organization you are required by written contract or agreement to name as an additional "insured", but only with respects to liability created in whole or in part by such agreement.

B. Increase Of Loss Earnings Payment

Subpart **(4)** of **a. Supplementary Payments** of Item 2. **Coverage Extensions** of Paragraph A. **Coverage** under **SECTION II – COVERED AUTOS LIABILITY COVERAGE** is amended to read:

- (4)** We will pay reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$1,000 per day because of time off from work.

C. Fellow Employee Injured By Covered Auto You Own Or Hire

Item 5. **Fellow Employee** of Paragraph B. **Exclusions** under **SECTION II – COVERED AUTOS LIABILITY COVERAGE** is amended to add:

This exclusion does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire. Such coverage as is afforded by this provision is excess over any other collectible insurance.

D. Limited Automatic Towing Coverage

Item 2. **Towing**, of Paragraph A. **Coverage**, under **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to read:

2. Towing

We will pay for towing and labor costs each time that a covered "auto" is disabled. All labor must be performed at the place of disablement of the covered "auto".

- a. The limit for towing and labor for each disablement \$500;
- b. No deductible applies to this coverage.

- E. Item 3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects or Missiles of Paragraph A. Coverage under SECTION III – PHYSICAL DAMAGE COVERAGE, is amended to add:**

Glass Repair Coverage

We will waive the Comprehensive deductible for Glass, if one is indicated on your covered "auto", for glass repairs. We will repair at no cost to you, any glass that can be repaired without replacement, provided the "loss" arises from a covered Comprehensive "loss" to your "auto".

- F. Increase Of Transportation Expense Coverage**

Subpart a. **Transportation Expenses of Item 4. Coverage Extensions of Paragraph A. Coverage under SECTION III – PHYSICAL DAMAGE COVERAGE is amended to read:**

a. Transportation Expenses

We will pay up to \$50 per day to a maximum of \$1,000 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 or Theft Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

- G. "Personal Effects" Coverage**

Item 4. Coverage Extensions of Paragraph A. Coverage, under SECTION III - PHYSICAL DAMAGE COVERAGE, is amended to add:

"Personal Effects" Coverage

We will pay actual cash value for "loss" to "personal effects" of the "insured" while in a covered "auto" subject to a maximum limit of \$2,500 per "loss", for that covered

"auto" caused by the same "accident". No deductible will apply to this coverage.

- H. "Downtime Loss" Coverage**

Item 4. Coverage Extensions, of Paragraph A. Coverage, under SECTION III. PHYSICAL DAMAGE COVERAGE, is amended to add:

"Downtime Loss" Coverage

We will pay any resulting "downtime loss" expenses you sustain as a result of a covered physical damage "loss" to a covered "auto" up to a maximum of \$100 per day, for a maximum of 30 days for the same physical damage "loss", subject to the following conditions:

- a. We will provide "downtime loss beginning on the 5th day after we have given you our agreement to pay for repairs to a covered "auto" and you have given the repair facility your authorization to make repairs;
- b. Coverage for "downtime loss" expenses will end when any of the following occur:
 - (1) You have a spare or reserve "auto" available to you to continue your operations.
 - (2) You purchase a replacement "auto".
 - (3) Repairs to your covered "auto" have been completed by the repair facility and they determine the covered "auto" is road-worthy.
 - (4) You reach the 30 day maximum coverage.

- I. Item 4. Coverage Extensions, of Paragraph A. Coverage, under SECTION III. PHYSICAL DAMAGE COVERAGE, is amended to add:**

We will pay any resulting rental reimbursement expenses incurred by you for a rental of an "auto" because of "loss" to a covered "auto" up to a maximum of \$100 per day, for a maximum of 30 days for the same physical damage "loss", subject to the following conditions:

- a. We will provide rental reimbursement incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy expiration, with the number of days reasonably required to repair or replace the covered "auto". If the "loss" is caused by theft, this number of days is the number of days it takes to locate the covered "auto" and return it to you or the

number of days it takes for the claim to be settled, whichever comes first.

- b. Our payment is limited to necessary and actual expenses incurred.
- c. This coverage does not apply while there are spare or reserve "autos" available to you for your operations.
- d. If a "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the Physical Damage Coverage Extension.

J. "Personal Effects" Exclusion

Paragraph **B. Exclusions** under **SECTION III – PHYSICAL DAMAGE COVERAGE**, is amended to add:

"Personal Effects" Exclusion

We will not pay for "loss" to "personal effects" of any of the following:

- a. Accounts, bills, currency, deeds, evidence of debt, money, notes, securities or commercial paper or other documents of value.
- b. Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry; watches; precious or semi-precious stones.
- c. Paintings, statuary and other works of art.
- d. Contraband or property in the course of illegal transportation or trade.
- e. "Loss" caused by theft, unless there is evidence of forced entry into the covered "auto" and a police report is filed.

K. Accidental Airbag Discharge Coverage

Item **3.a.** of Paragraph **B. Exclusions** under **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to read:

- a. Wear and tear, freezing, mechanical or electrical breakdown. The exclusion relating to mechanical break-down does not apply to the accidental discharge of an air bag.

L. Loan or Lease Gap Coverage

Paragraph **C. Limit Of Insurance** under **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to add:

If a covered "auto" is owned or leased and if we provide Physical Damage Coverage

on it, we will pay, in the event of a covered total "loss", any unpaid amount due on the lease or loan for a covered "auto", less:

- a. The amount paid under the Physical Damage Coverage Section of the policy; and
- b. Any:
 - (1) Overdue lease or loan payments including penalties, interest or other charges resulting from overdue payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease;
 - (4) Security deposits not refunded by the lessor; and
 - (5) Carry-over balances from previous loans or leases

M. Aggregate Deductible

Paragraph **D. Deductible** under **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to add:

Regardless of the number of covered "autos" involved in the same "loss", only one deductible will apply to that "loss". If the deductible amounts vary by "autos", then only the highest applicable deductible will apply to that "loss".

N. Diminishing Deductible

Paragraph **D. Deductible** under **SECTION III – PHYSICAL DAMAGE COVERAGE** is amended to add:

Any deductible will be reduced by the percentage indicated below on the first "loss" reported during the corresponding policy period:

Loss Free Policy Periods With the Expansion Endorsement	Deductible Reduction on the first "loss"
1	0%
2	25%
3	50%
4	75%
5	100%

If we pay a Physical Damage "loss" during the policy period under any BUSINESS AUTO COVERAGE FORM you have with us, your deductible stated in the Declaration's page of each such COVERAGE FORM will not be reduced on any subsequent claims during the remainder of your policy period and your deductible reduction will revert back to 0% for each such COVERAGE FORM if coverage is renewed.

O. Knowledge of Loss and Notice To Us

Subsection a. of Item 2. **Duties In the Event of Accident, Claim, Suit or Loss** of Paragraph A. **Loss Conditions** under **SECTION IV -- BUSINESS AUTO CONDITIONS** is amended to add:

However, prompt notice of the "accident", claim, "suit" or "loss" to us or our authorized representative only applies after the "accident", claim, "suit" or "loss" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) An "executive officer" or director, if you are a corporation;
- (4) A manager or member, if you are a limited liability company;
- (5) Your insurance manager; or
- (6) Your legal representative.

P. Waiver Of Subrogation For Auto Liability Losses Assumed Under Insured Contract

Item 5. **Transfer Of Rights Of Recovery Against Others To Us** of Paragraph A. **Loss Conditions** under **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to read:

5. Transfer of Rights of Recovery Against Others To Us

If any person or organization to or for whom we make payments under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after an "accident" or "loss" to impair them. However, if the insured has waived those rights to recover through a written contract, we will waive any right to recovery we may have under this Coverage Form.

Q. Insurance is Primary and Noncontributory

Subpart a. of Item 5. **Other Insurance** of Paragraph B. **General Conditions** under **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to read:

- a. This insurance is primary and noncontributory, as respects any other insurance.

R. Other Insurance – Hired Auto Physical Damage

Subpart b. of Item 5. **Other Insurance** of Paragraph B. **General Conditions** under **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to read:

- b. For **Hired Auto Physical Damage Coverage**, the following are deemed to be covered "autos" you own:
 - (1) Any covered "auto" you lease, hire, rent or borrow; and
 - (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

S. Unintentional Failure To Disclose Hazards

Paragraph B. **General Conditions** under **SECTION IV – BUSINESS AUTO CONDITIONS** is amended to add:

9. Your failure to disclose all hazards existing as of the inception date of this policy shall not prejudice the coverage afforded by this policy, provided that such failure to disclose all hazards is not intentional. However, you must report such previously undisclosed hazards to us as soon as practicable after its discovery.

T. Additional Definition

SECTION V – DEFINITIONS is amended to add:

"Personal effects" means personal property owned by the "insured".

"Downtime loss" means actual loss of "business income" for the period of time that a covered "auto":

1. Is out of service for repair or replacement as a result of a covered physical damage "loss" and
2. Is in the custody of a repair facility if not a total "loss".

"Business Income" means:

1. Net income (Net profit of loss before income taxes that would have been earned or incurred; and
2. Continuing normal operating expenses incurred, including payroll.

In this endorsement, Headings and Titles are inserted solely for the convenience and ease of reference. They do not affect the coverage provided by this endorsement, nor do they constitute any part of the terms and conditions of this endorsement. All other policy wording not specifically changed, modified, or replaced by this endorsement wording remains in effect.