

# COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

*Italicised words have special meaning as defined below.*

## DEFINITIONS

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- a) The word ***automobile*** shall mean:  
Each unit in the Automobile Schedule, including equipment permanently attached thereto.
- b) The words ***any one occurrence*** shall mean:  
An incident or series of incidents during the *policy period* arising out of one event.
- c) The words ***combination of units*** shall mean:  
Units in the Automobile Schedule which are connected in tandem.
- d) The words ***critical violation(s)*** shall mean:
- i) Driving while intoxicated (DWI), implied consent, any suspension of the driver's license for failure to submit to alcohol testing,
  - ii) Driving under the influence (DUI), implied consent, any drug related violation or any suspension of the driver's license for failure to submit to drug testing
- that has/have occurred within the three (3) years prior to the inception date of this policy or to the date of hire of the driver, **whichever is the later**.
- e) The words ***major violation(s)*** shall mean:
- i) Manslaughter or negligent homicide,
  - ii) Felony involving a motor vehicle,
  - iii) Racing,
  - iv) Hit and Run,
  - v) Reckless driving,
  - vi) License suspension for points,
  - vii) Driving while license suspended,
  - viii) Fleeing/eluding arrest,
  - ix) Multiple driver licenses not reported to the Underwriters,
  - x) Accident other than while driving a private passenger vehicle,
  - xi) Driving in excess of 100 miles per hour / 160 kilometers per hour
- that has/have occurred within the three (3) years prior to the inception date of this policy or to the date of hire of the driver, **whichever is the later**.

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f) The words ***minor violation(s)*** shall mean:

Any moving violation(s) other than the *critical violations* and *major violations* listed above and the following non-moving violations:

- i) Defective brakes,
- ii) Defective equipment,
- iii) Oversize or overweight

that has/have occurred within the three (3) years prior to the inception date of this policy or to the date of hire of the driver, **whichever is the later**.

g) The words ***actual cash value*** shall mean:

The market value of the *automobile* in the State of domicile of the Insured's Head Office at the time of loss.

h) The words ***policy period*** shall mean:

From 00.01 A.M. on the first day stated in the Policy Schedule to 00.01 A.M. on the last day stated in the Policy Schedule, being Local Standard Time at the Insured's Head Office.



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THIS INSURANCE IS SUBJECT TO ALL OF THE TERMS, CONDITIONS, LIMITS, PROVISIONS, EXCLUSIONS AND DEFINITIONS CONTAINED IN THE FOLLOWING WORDING AND ANY OPTIONAL ENDORSEMENTS STIPULATED AS BEING INCLUDED IN THE OPTIONAL ENDORSEMENTS SCHEDULE OF THIS FORM.

### INSURING AGREEMENT

In consideration of the premium paid hereon and the particulars and statements contained in the written Proposal (a copy of which attaches hereto), which particulars and statements are warranted by the Insured to be true and are agreed by the Insured to be incorporated herein, the Underwriters agree to indemnify the Insured, named in the Policy Schedule on page 1 of this form, for **ALL RISKS OF DIRECT PHYSICAL LOSS OF OR DIRECT PHYSICAL DAMAGE TO ANY AUTOMOBILE IN THE ATTACHED AUTOMOBILE SCHEDULE** (hereinafter "loss or damage") occurring within the contiguous states of the USA, the District of Columbia and Canada.

### LIMITS OF LIABILITY

The liability of the Underwriters for claims for loss or damage arising out of *any one occurrence* to the unit(s) in the Automobile Schedule shall in no event exceed **the lesser of:**

- a) the sum set against the respective *automobile(s)* in the Automobile Schedule, or
- b) the *actual cash value* of such *automobile(s)*, or
- c) the sums set against Item 7 of the Policy Schedule,

less the applicable policy deductible(s).

**IT IS A CONDITION OF THIS POLICY THAT THE INSURED SHALL NOT CARRY INSURANCE OVER AND ABOVE THE LIMITS OF COVER PROVIDED BY THIS POLICY UNLESS AGREED IN WRITING BY THE UNDERWRITERS.**

### DEDUCTIBLE

In consideration of the reduced premium charged by the Underwriters, all claims for loss or damage arising out of *any one occurrence* shall be adjusted separately and, from the amount of each adjusted loss or from the applicable Limit of Liability **whichever is less**, the sum set against Item 8 of the Policy Schedule shall be deducted, applicable separately to each *automobile* involved in any claim and/or series of claims arising out of *any one occurrence*, such amount to be uninsured and retained at the Insured's own risk.

### EXCLUSIONS

This insurance shall not indemnify the Insured for:

- a) Loss of or damage to:
  - any radio transmitting or receiving set (other than permanently fixed satellite navigation or GPS systems including their antennae), tape recorders, radios, televisions, computers (including peripherals), modems, monitors, facsimile machines, telephones (including cellular), pagers, PDAs, VCRs, HI-FIs or stereos (including speakers/components), compact discs, MP3 players, DVDs, minidisks, digital players and/or recorders unless permanently attached to an *automobile*, robes, wearing apparel, personal effects, money or other property of the Insured or of others carried in or upon an *automobile*.

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- b) Loss of or damage to tarpaulins, ropes, sheets, chains, tie-downs, or other lashing equipment.
- c) Loss of or damage to tires or wheels unless damaged by fire or stolen, or unless lost or damaged in an accidental collision or overturn which also causes other damage to the *automobile*.
- d) Loss or damage to any *automobile* otherwise recoverable under this policy unless the *automobile* is operated by a driver who at inception of this policy or at the date of hire, **whichever is the later:**
- i) is aged between twenty two (22) and seventy (70) years inclusive, and
  - ii) has no *critical violations*, and
  - iii) has no more than two (2) *major violations* **OR** five (5) *minor violations*, and
  - iv) has no more than one (1) *major violation* **AND** three (3) *minor violations*, and
  - v) has held a valid driver license for the *automobile* involved for at least twelve (12) months immediately prior to operations for which cover is required under this policy, unless such driver has been accepted in writing by the Underwriters and endorsed on to this policy, with any additional premium paid as required by the Underwriters.
- e) Loss of or damage to any *automobile*:
- i) while operated, maintained or used by any person in violation of State law as to age.
  - ii) which is operated by a driver who is not licensed to operate the *automobile*.
- f) Loss of or damage to any *automobile*:
- i) while operated, maintained or used in any race or speed contest.
  - ii) while rented or used for livery purposes or to carry passengers for a consideration, express or implied, unless agreed in writing by the Underwriters.
  - iii) while subject to any bailment lease, conditional sale, mortgage or other encumbrance, not specifically declared and advised to the Underwriters in accordance with General Condition Number 3, Loss Payee(s), contained herein.
  - iv) while used in connection with any illicit trade or transportation.
  - vi) which is due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such loss or damage is the result of any other loss covered by this insurance.
- g) Loss or damage caused by or resulting from:
- i) the theft of any *automobile* by any person(s) in the Insured's household or in the Insured's service or employment, whether the loss or damage occurs during the hours of such service or employment or not.
  - ii) any voluntary act of the Insured in parting with title or possession of any *automobile*, whether or not induced so to do by any fraudulent scheme, trick, device or false pretence.
  - iii) the theft, robbery or pilferage of tools or repair equipment except in conjunction with the theft of an entire *automobile*.
  - iv) the wrongful conversion, embezzlement or secretion by a mortgagee, vendee, lessee, or other person in lawful possession of any *automobile(s)* under a mortgage, conditional sale, lease or other contract or agreement, whether written or verbal.

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- h) Motor Truck Cargo legal liability or any other third party legal liability whatsoever.
- i) Downtime, consequential loss, or loss in respect of business interruption.
- j) Loss of or damage to an *automobile* caused by the placement, therein or thereon, of hot ash and/or toxic waste.
- k) Loss or damage caused by or resulting from:
  - i) war, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual impending or expected attack by: a) any government or sovereign power (de jure or de facto); b) any authority maintaining or using military, naval or air forces; or c) an agent of any such government, power, authority or forces.
  - ii) any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
  - iii) insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such occurrence, seizure or destruction under any quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband, illegal transportation or illegal trade.
  - iv) any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. Also excluding loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism. If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.
- l) Loss or damage to an *automobile* caused by or resulting from nuclear radiation, nuclear reaction or radioactive contamination whether controlled or uncontrolled, and whether such loss is direct or indirect, proximate or remote or is in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against by this policy.

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## GENERAL CONDITIONS

- 1) **NOTICE TO THE UNDERWRITERS** - Upon the occurrence of loss or damage to any *automobile(s)*, the Insured, or someone on his behalf, shall give immediate notification to the Underwriters as soon as practicable. In any event the Insured shall also give, not later than fifteen (15) days after the date the Insured receives notification, written notice thereof to the Underwriters. In the event of theft, larceny, robbery, pilferage or vandalism the Insured shall additionally give, as soon as is reasonably possible, notice to the police. The Insured shall not, except at his own expense, offer or pay any reward for recovery of any *automobile(s)*.

Failure by the Insured to notify the Underwriters and where applicable the police in accordance with the provisions of this clause shall invalidate any claim under this policy for such loss or damage.

- 2) **IMPAIRMENT OF RECOVERY RIGHTS** - Any act or agreement by the Insured before or after the occurrence of loss or damage to an *automobile*, whereby any right of the Insured and/or the Underwriters to recover in whole or in part for loss or damage to an *automobile* against any other party is released or lost, shall invalidate any claim under this policy for such loss or damage. In any event, the right of the Underwriters to retain or recover the premium for such *automobile* shall not be affected. The Underwriters shall not be liable for any loss or damage to an *automobile* which, without their written agreement, has been compromised by the Insured.

- 3) **LOSS PAYEE(S)** - The Insured shall disclose to the Underwriters the interest of any mortgagor, lessor or any other party supplying an *automobile* to the Insured under any hiring, leasing or similar agreement (hereinafter "encumbrance"), which party shall be included as a Loss Payee under this policy, provided the disclosure is made to the Underwriters prior to the payment of any claim for loss or damage to the *automobile*.

Where coverage is afforded by this insurance under Optional Endorsement Number 10, Insurance for Newly Acquired Owned *Automobile(s)*, such cover shall only apply to any *automobile(s)* owned by the Insured. There shall be no coverage afforded by this insurance for loss or damage to any hired, leased or rented *automobile(s)* without the prior written agreement of the Underwriters.

- 4) **BASIS OF VALUATION AND CO-INSURANCE** - In the event of a claim under this policy, the basis of valuation shall be the amount stated in the Automobile Schedule or the *actual cash value* of the *automobile(s)*, whichever is the lesser. In the event that the amount stated in the Automobile Schedule is less than the *actual cash value* of the *automobile(s)* **by the greater of** USD 7,500 or 10% of the amount stated in the Automobile Schedule, the Insured shall only be entitled to recover hereunder such proportion of the claim as the amount stated in the Automobile Schedule bears to the *actual cash value* of the *automobile(s)*.

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<b>Example A:</b>	Loss	USD	20,000	
	<i>Actual Cash Value</i>	USD	35,000	(i.e. more than 10% above Automobile Schedule Value)
	Automobile Schedule Value	USD	30,000	(i.e. <u>less</u> than USD 7,500 below <i>Actual Cash Value</i> )
	Deductible	USD	1,000	
So	Automobile Schedule Value	USD	30,000	= 100%
	<i>Actual Cash Value</i> taken as	USD	30,000	
	Therefore	USD	20,000	Loss x 100% =
				Less deductible
				USD 1,000
				Underwriters will pay      USD 19,000

<b>Example B:</b>	Loss	USD	20,000	
	<i>Actual Cash Value</i>	USD	125,000	(i.e. less than 10% above Automobile Schedule Value)
	Automobile Schedule Value	USD	115,000	(i.e. more than USD 7,500 below <i>Actual Cash Value</i> )
	Deductible	USD	1,000	
So	Automobile Schedule Value	USD	115,000	= 92%
	<i>Actual Cash Value</i>	USD	125,000	
	Therefore	USD	20,000	Loss x 92% =
				Less deductible
				USD 1,000
				Underwriters will pay      USD 17,400

<b>Example C:</b>	Loss	USD	20,000	
	<i>Actual Cash Value</i>	USD	120,000	(i.e. more than 10% above Automobile Schedule Value)
	Automobile Schedule Value	USD	100,000	(i.e. more than USD 7,500 below <i>Actual Cash Value</i> )
	Deductible	USD	1,000	
So	Automobile Schedule Value	USD	100,000	= 83.33%
	<i>Actual Cash Value</i>	USD	120,000	
	Therefore	USD	20,000	Loss x 83.33% =
				Less deductible
				USD 1,000
				Underwriters will pay      USD 15,667

- 5) DRIVERS AND SECURITY** - It is a condition of this policy that the Insured:
- a) shall obtain satisfactory driver references at the time of hire, and Motor Vehicle Records from reliable sources at the time of hire and not less than annually thereafter; and
  - b) shall keep records thereof in respect of all drivers; and
  - c) shall take all reasonable precautions for the protection and safeguarding of the *automobile(s)* and use such security device(s) as may be specified in the Proposal; and
  - d) shall maintain the *automobile(s)* and security device(s) in good order. Such device(s) shall be set into effective operation at all times and shall not be varied or withdrawn without the prior written agreement of the Underwriters.

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- 6) **INSPECTION OF LOSS OR DAMAGE** - In the event of any loss or damage to an *automobile*, the Insured shall give the Underwriters or their authorized representative(s) reasonable time and opportunity to examine the *automobile* before any physical evidence of loss or damage is removed and before the commencement of any repairs.
- Failure by the Insured to give the Underwriters or their authorized representative(s) the reasonable time and opportunity in accordance with the provisions of this clause shall invalidate any claim under this policy for such loss or damage.
- 7) **PROOF OF LOSS** - The Insured shall forward to the Underwriters within sixty (60) days after the occurrence of loss or damage to an *automobile*, unless such time is extended in writing by the Underwriters, a proof of loss statement in the form supplied by the Underwriters, signed and sworn to by the Insured, stating:
- the place, time and cause of the loss or damage, and
  - the sound value of the *automobile* lost or damaged immediately prior to the loss or damage including all encumbrance thereon, and
  - the amount of loss or damage thereto, and
  - the details of all other insurance(s), whether valid or not, covering the *automobile*.
- Failure by the Insured to notify the Underwriters within the time allowed by the provisions of this clause shall invalidate any claim under this policy for such loss or damage.
- 8) **PAYMENT OF LOSS** - No loss shall in any event become payable by the Underwriters until such time that the proof of loss signed and sworn to by the Insured shall have been received and agreed by the Underwriters. In the event of payment by the Underwriters for the total loss of an *automobile*, the amount of the loss agreed by the Underwriters shall be payable to the Insured and/or any Loss Payee(s) notified to the Underwriters in accordance with General Condition Number 3, Loss Payee(s), contained herein, for their respective interests.
- 9) **DUTY TO CO-OPERATE** - The Insured shall co-operate with the Underwriters and their authorized representative(s) and respond expeditiously to any request for information or documentation relating to the investigation or settlement of any claim under this policy. The Insured shall also produce for interview the driver and any employee(s) involved in the claim. The interview(s) shall take place at any reasonable time and place requested by the Underwriters, for the purpose of enquiry as to the facts and circumstances of the loss. If the driver or any employee involved is unable to converse in English, then the Insured at his own expense shall provide a certified interpreter to facilitate the interview.
- Failure by the Insured to co-operate with the Underwriters and their authorized representative(s) and/or to produce for interview the driver and any involved employee(s) shall invalidate the claim under this policy.
- 10) **EXAMINATION UNDER OATH** - The Insured, as often as required, shall submit to examination under oath by any person designated by the Underwriters and in the event of an examination, the Insured's answers must be signed. As often as required, the Insured shall produce for examination all books of accounts, bills, invoices and other vouchers, or certified copies thereof if the originals are lost, at such reasonable place as may be designated by the Underwriters, and shall permit extracts and copies thereof to be made.
- 11) **PARTIAL LOSS** - If a claim is made under this policy for partial loss or damage to an *automobile*, the Underwriters shall be liable only for the actual cost of (and shall have the option of) repairing, rebuilding or, if necessary, replacing the part(s) damaged or destroyed.
- In the event of loss or damage to any *automobile(s)*, whether such loss or damage is covered by this insurance or not, the liability of the Underwriters shall be reduced by the amount of loss or damage until all repairs have been completed.



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- 12) **ABANDONMENT - RETURN OF STOLEN *AUTOMOBILE*** - If a stolen *automobile* is recovered prior to payment by the Underwriters for such loss, the Insured shall, at his own expense, take back the recovered *automobile* if so required by the Underwriters, who shall only be liable for any loss or damage done to such *automobile*, subject to the terms, limits, conditions and exclusions of this insurance. If a stolen *automobile* is recovered after payment by the Underwriters for such loss, at the sole option of the Underwriters ownership of the recovered *automobile* shall remain with the Insured and/or any Loss Payee(s), but the Underwriters shall have a lien on any salvageable value of the recovered *automobile* up to the amount of the claim paid by the Underwriters. Under no circumstances, however, shall there be an abandonment of the recovered *automobile* by the Insured and/or any Loss Payee(s) to the Underwriters.
- 13) **PROTECTION OF SALVAGE** - In the event of loss or damage to an *automobile*, the Insured shall protect the *automobile* from other or further loss or damage. Any such other or further loss or damage due directly or indirectly to the Insured's failure to protect the *automobile* shall not be recoverable under this policy. Any act of the Insured or of the Underwriters in recovering, saving or preserving the *automobile* shall be considered as done for the benefit of both parties and without prejudice to the rights of either party.
- If the loss or damage to the *automobile* is recoverable under this policy, all reasonable expenses (including towing and storage charges) thus incurred by the Insured shall also be recoverable under this policy, provided the total of such expenses **and** the claim for loss or damage to the *automobile* does not exceed **the lesser of**
- the sum set against the *automobile* in the Automobile Schedule plus USD 5,000 in respect of reasonable expenses (including towing and storage charges), or
  - the *actual cash value* of the *automobile* plus USD 5,000 in respect of reasonable expenses (including towing and storage charges), or
  - the Limit of Liability set against Item 7 (iii) of the Policy Schedule, less the applicable policy deductible(s).
- There shall be no coverage afforded by this insurance for the costs of recovering, saving, preserving or storing an *automobile* that has not sustained loss or damage which is covered by this insurance.
- 14) **SALVAGE** - In the event of a loss, the Underwriters may, at their sole option, pay the amount stated as the Limit of Liability in the Policy Schedule, less the Deductible stated therein, and such payment shall entitle the Underwriters, at their sole option, to any salvage resulting after the loss. The Underwriters shall allow the Insured first refusal of the bid for salvage.
- 15) **SUBROGATION** - In the event of any payment by the Underwriters of a claim under this policy for loss or damage, the Underwriters shall be subrogated to all of the Insured's rights of recovery against any person or organization. The Underwriters shall have the right to bring suit for such recovery, at the Underwriters' expense, in the name of the Insured for the amount of the Underwriters' payment plus any interest and expenses or, at the sole option of the Underwriters, bring an action in the name of the Insured to recover the amount of the entire loss including any deductible plus any interest and expenses. Any recovery after deduction of expenses shall be shared by the Underwriters and the Insured in the same proportion as they shall have shared the loss.
- The Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such subrogation rights, and shall render all reasonable assistance in the prosecution of all actions to recover the loss including, but not limited to, attendance of witnesses for discovery and at trial. The Insured shall do nothing after the occurrence of the loss or damage to prejudice the Underwriters' subrogation rights.

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- 16) **PREMIUMS** - All additional premiums and or returns of premium in respect of additions to, deletions from or alterations to the values or sums insured stated in the Automobile Schedule shall be calculated on a daily pro rata basis.
- If the Underwriters pay a claim for the total loss of any *automobile*, the annual premium paid in respect of such *automobile* shall be deemed to be fully earned by the Underwriters irrespective of the date of loss.
- 17) **OTHER INSURANCE** - If at the time of loss or damage to an *automobile* there is available to the Insured or any other interested party any other insurance which would apply in the absence of this insurance, the coverage afforded by this insurance shall apply only as excess insurance over such other insurance.
- 18) **APPRAISAL** - If the Insured and the Underwriters fail to agree as to the sound value and/or the amount of loss or damage to an *automobile*, each shall on the written demand of either, select a competent and disinterested appraiser. Before entering upon the reference, the appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Insured or the Underwriters such umpire shall be selected by a Judge of a Court of Record in the County and State in which the appraisal is pending. The appraisers shall then assess the sound value and appraise the loss or damage, stating separately the sound value and the amount of loss or damage and failing to agree, shall submit their differences only to the umpire. The award in writing of any two, when filed with the Underwriters, shall determine the sound value and the amount of loss or damage. Each appraiser shall be paid by the party selecting him and the expenses of the appraisal and of the umpire shall be paid equally by the Insured and the Underwriters.
- 19) **ASSIGNMENT OF INTEREST** - If an *automobile* is sold, transferred or assigned by the Insured, the coverage afforded by this insurance shall not extend to such purchaser, transferee or assignee.
- 20) **ASSIGNMENT OF POLICY** - This policy shall be void if assigned or transferred without the prior written agreement of the Underwriters. If the Insured dies during the *policy period* this insurance shall continue in force for the benefit of the legal representative of the Insured for up to sixty (60) days from the date of such death, but in no event shall the *policy period* thereby be extended.
- 21) **CONFLICTING STATUTORY PROVISIONS** - If any condition or agreement or any other part of this insurance is at variance with any specific Federal provision or statutory provision in the State having jurisdiction, such specific Federal or statutory provision shall be substituted for such condition, agreement or part.
- 22) **MISREPRESENTATION AND FRAUD** - This entire insurance shall be void if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject matter thereof, or, in case of any fraud, attempted fraud or false oath by the Insured, touching any matter relating to this insurance or the subject matter thereof, whether before or after any loss.

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- 23) **CANCELLATION** - This insurance may be cancelled by the Insured by surrender of this policy or by mailing to the Underwriters written notice stating when thereafter such cancellation shall be effective. This insurance may be cancelled by the Underwriters by mailing to the Insured at the address shown in this insurance written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. Such mailing of notice shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the *policy period*. Delivery of such written notice either by the Insured or by the Underwriters shall be equivalent to mailing.

If the Insured cancels this insurance in accordance with the provisions of this clause, earned premium shall be computed in accordance with the short rate cancellation table below. If the Underwriters cancel this insurance in accordance with the provisions of this clause, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Underwriters may retain the premium refund until such time as the Insured has paid all deductibles and all sums which the Underwriters determine the Insured may be required to pay but would not have been required to pay except for the attachment to this policy of any Federal or State endorsement or any other endorsement or certificate of insurance. The Underwriters' check or the check of their representative mailed or delivered in accordance with the provisions of this clause shall be a sufficient tender of any refund of premium due to the Insured.

The logo for Brit, featuring the word "Brit" in a large, blue, italicized serif font. A yellow swoosh is positioned above the letters "B" and "r".

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### SHORT RATE CANCELLATION TABLE

a) For insurances written for one year:

Days insurance is in force	Percentage of one year's premium	Days insurance is in force	Percentage of one year's premium
1	5	154 - 156	53
2	6	157 - 160	54
3 - 4	7	161 - 164	55
5 - 6	8	165 - 167	56
7 - 8	9	168 - 171	57
9 - 10	10	172 - 175	58
11 - 12	11	176 - 178	59
13 - 14	12	179 - 182	60
15 - 16	13	183 - 187	61
17 - 18	14	188 - 191	62
19 - 20	15	192 - 196	63
21 - 22	16	197 - 200	64
23 - 25	17	201 - 205	65
26 - 29	18	206 - 209	66
30 - 32	19	210 - 214	67
33 - 36	20	215 - 218	68
37 - 40	21	219 - 223	69
41 - 43	22	224 - 228	70
44 - 47	23	229 - 232	71
48 - 51	24	233 - 237	72
52 - 54	25	238 - 241	73
55 - 58	26	242 - 246	74
59 - 62	27	247 - 250	75
63 - 65	28	251 - 255	76
66 - 69	29	256 - 260	77
70 - 73	30	261 - 264	78
74 - 76	31	265 - 269	79
77 - 80	32	270 - 273	80
81 - 83	33	274 - 278	81
84 - 87	34	279 - 282	82
88 - 91	35	283 - 287	83
92 - 94	36	288 - 291	84
95 - 98	37	292 - 296	85
99 - 102	38	297 - 301	86
103 - 105	39	302 - 305	87
106 - 109	40	306 - 310	88
110 - 113	41	311 - 314	89
114 - 116	42	315 - 319	90
117 - 120	43	320 - 323	91
121 - 124	44	324 - 328	92
125 - 127	45	329 - 332	93
128 - 131	46	333 - 337	94
132 - 135	47	338 - 342	95
136 - 138	48	343 - 346	96
139 - 142	49	347 - 351	97
143 - 146	50	352 - 355	98
147 - 149	51	356 - 360	99
150 - 153	52	361 - 365	100

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- b) For insurances written for more or less than one year:
- i) If insurance has been in force for twelve (12) months or less, the short rate cancellation table for annual insurances shall be applied to the full annual premium determined as for an insurance written for a term of one year.
  - ii) If insurance has been in force for more than twelve (12) months:
    - 1) The full annual premium as for an insurance written for a term of one year shall be determined;
    - 2) Such premium shall be deducted from the full insurance premium, and on the remainder the pro rata earned premium shall be calculated on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally underwritten;
    - 3) Premium produced in accordance with items (a) and (b) shall be added to obtain the earned premium during the full period for which the insurance has been in force.
- 24) **SERVICE OF SUIT** - It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due under this policy, the Underwriters, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' 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:

All States other than California:  
Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
The Curtis Center, Suite 1130E  
Independence Square West  
Philadelphia, PA 19106

California:  
Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
650 California Street, 14th Floor  
San Francisco, CA 94108-2702

and that in any suit instituted against any one of them upon this contract, the Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of the Underwriters in any such suit and or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any State, Territory or District of the United States which makes provision therefor, the Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney 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 contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

**COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE  
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- 25) **CHOICE OF LAW AND TIME LIMIT FOR SUIT** - Any dispute concerning the interpretation of this policy shall be governed by the laws of the State of the Insured's Head Office. No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law of equity unless the same is commenced within twenty four (24) months next after discovery by the Insured of the occurrence which gives rise to the loss, provided however that if by the laws of the State of the Insured's Head Office such limitation is invalid, then any such claim shall be void unless such suit, action or proceeding is commenced within the shortest limit of time permitted by the laws of such State.



## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

### OPTIONAL ENDORSEMENTS

The following endorsements **SHALL NOT APPLY UNLESS STIPULATED AS BEING INCLUDED IN THE OPTIONAL ENDORSEMENTS SCHEDULE OF THIS FORM** (hereinafter "the optional endorsements Schedule") **OR ADDED TO THE OPTIONAL ENDORSEMENTS SCHEDULE BY ENDORSEMENT PRIOR TO THE TIME OF THE LOSS.**

#### Index of Optional Endorsements

- 1 Occurrence Deductible Endorsement
- 2 Additional Insured Endorsement
- 3 Lease Gap Endorsement
- 4 Alaska Endorsement
- 5 Driver Inclusion Endorsement
- 6 Protection Of Salvage – Increased Expense Endorsement
- 7 Radius Of Use Limitation Endorsement
- 8 Combined Motor Truck Cargo And Commercial Automobile Physical Damage Occurrence Single Deductible Endorsement
- 9 Downtime Rental Expense Endorsement
- 10 Insurance For Newly Acquired Owned Automobile(s) Endorsement
- 11 Trailer Interchange Endorsement
- 12 Trailer Interchange Including Whilst Unattached At Named Terminals Endorsement
- 13 Garbage/Refuse Endorsement

#### 1) OCCURRENCE DEDUCTIBLE ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, the Deductible clause in this policy is amended as follows:

##### DEDUCTIBLE

In consideration of the reduced premium charged by the Underwriters, all claims for loss or damage arising out of *any one occurrence* shall be adjusted separately and, from the amount of each adjusted loss or from the applicable Limit of Liability **whichever is less**, the sum set against Item 8 of the Policy Schedule shall be deducted, such amount to be uninsured and retained at the Insured's own risk.

All other terms and conditions of this policy shall remain unchanged.

## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

### 2) ADDITIONAL INSURED ENDORSEMENT

The Underwriters agree to include an Additional Insured as detailed in the optional endorsements Schedule attaching to this policy, provided the liability of the Underwriters is not thereby increased, but only in respect of any loss or damage that would have been recoverable under this policy in the absence of this endorsement.

Coverage for any Additional Insured shall only be provided by an endorsement to this policy issued by the Underwriters or their authorized Correspondent.

If this policy is cancelled prior to its expiry date, the Underwriters shall endeavor to provide thirty (30) days written notice thereof to the Additional Insured. Failure to do so shall impose no obligation or liability of any kind whatsoever upon the Underwriters, their agents or their representatives.

All other terms and conditions of this policy shall remain unchanged.

### 3) LEASE GAP ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, irrespective of anything contained in this policy to the contrary, the measure of indemnity in respect of a total or constructive total loss of an *automobile* is extended to include the difference between the *actual cash value* of the unit and the outstanding loan amount on that unit, which may be due to a leasing company, subject to the following exclusions;

- a) Overdue lease payments at the time of loss
- b) Financial penalties imposed under a lease for excessive use, abnormal wear and tear, or high mileage
- c) Security deposits not normally refunded by the lessor
- d) Cost for Extended Warranties and additional protections such as but not limited to Credit Life, Health, Accident or Disability Insurance purchased with the lease
- e) Carryover balances from previous leases.

Constructive total loss shall be defined as loss where the cost of recovery and repair would exceed the Limit of Liability stated in the Policy Schedule.

Nothing in this endorsement shall increase the liability of the Underwriters beyond the sum set against the unit in the Automobile Schedule.

All other terms and conditions of this policy shall remain unchanged.

### 4) ALASKA ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, the geographical limits contained in the Insuring Agreement of this policy are extended to include Alaska but excluding the Dalton Highway between Fairbanks, Alaska and Prudhoe Bay, Alaska.

All other terms and conditions of this policy shall remain unchanged.

### 5) DRIVER INCLUSION ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, and/or the increased deductible required by the Underwriters in respect of claims involving a specified driver, Exclusion d) shall not apply to the driver(s) who is/are listed on the optional endorsements Schedule attaching to this policy.

All other terms and conditions of this policy shall remain unchanged.



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### 6) **PROTECTION OF SALVAGE - INCREASED EXPENSE ENDORSEMENT**

In consideration of the additional premium charged by the Underwriters, General Condition Number 13, Protection of Salvage, contained herein, is amended as follows:

**PROTECTION OF SALVAGE** - In the event of any loss or damage to an *automobile*, the Insured shall protect the *automobile* from other or further loss or damage. Any such other or further loss or damage due directly or indirectly to the Insured's failure to protect the *automobile* shall not be recoverable under this policy. Any act of the Insured or of the Underwriters in recovering, saving or preserving the *automobile* shall be considered as done for the benefit of both parties and without prejudice to the rights of either party.

If the loss or damage to the *automobile* is recoverable under this policy, all reasonable expenses (including towing and storage charges) thus incurred by the Insured shall also be recoverable under this policy, provided the total of such expenses **and** the claim for loss or damage to the *automobile* does not exceed **the lesser of**

- a) the sum set against the *automobile(s)* in the Automobile Schedule plus the amount specified against the Protection of Salvage - Increased Expense Endorsement in the optional endorsements Schedule in respect of reasonable expenses (including towing and storage charges), or
- b) the *actual cash value* of the *automobile(s)* plus the amount specified against the Protection of Salvage - Increased Expense Endorsement in the optional endorsements Schedule in respect of reasonable expenses (including towing and storage charges), or
- c) the Limit of Liability set against Item 7 (iii) of the Policy Schedule, less the applicable policy deductible(s).

There shall be no coverage afforded by this insurance for the costs of recovering, saving, preserving or storing an *automobile* that has not sustained loss or damage which is covered by this insurance.

All other terms and conditions of this policy shall remain unchanged.

### 7) **RADIUS OF USE LIMITATION ENDORSEMENT**

In consideration of the reduced premium charged by the Underwriters, the coverage afforded by this insurance shall only apply to any *automobile(s)* which is/are operated within the radius specified in the optional endorsements Schedule, such radius being measured from the Insured's address as shown in the Policy Schedule. Failure by the Insured to comply with this warranty shall invalidate any claim.

All other terms and conditions of this policy shall remain unchanged.

### 8) **COMBINED MOTOR TRUCK CARGO AND COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE OCCURRENCE SINGLE DEDUCTIBLE ENDORSEMENT**

In consideration of the additional premium charged by the Underwriters and this policy being issued in conjunction with a **Motor Truck Cargo Brit Form (USA) (2007/01)** Policy, it is agreed that the deductible section of this policy is amended as follows:

#### **DEDUCTIBLE**

In consideration of the reduced premium charged by the Underwriters, all claims for loss or damage arising out of *any one occurrence* which are recoverable under either this policy or the **Motor Truck Cargo Brit Form (USA) (2007/01)** policy shall be adjusted separately, and from the combined amount of all adjusted losses arising out of *any one occurrence* the sum set against the optional endorsement in the optional endorsements Schedule shall be deducted, such amount to be uninsured and retained at the Insured's own risk.

All other terms and conditions of this policy shall remain unchanged.

## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

### 9) DOWNTIME RENTAL EXPENSE ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, in the event of loss or damage which is covered under this policy to an *automobile*, which prevents the necessary use of the *automobile*, the Underwriters shall indemnify the Insured on the basis specified below, for the reasonable expense incurred in renting a substitute equivalent vehicle of like kind and capability. It is a condition of coverage under this endorsement that due diligence and reasonable dispatch are used to repair or replace the damaged *automobile*. Indemnity by the Underwriters shall be limited to such expense necessarily incurred from the time the Insured takes delivery of the substitute vehicle, but not prior to seven (7) days after the damage has been reported to the Underwriters, and terminating, regardless of the *policy period*, when the *automobile* has been replaced, restored to service, or the need for replacement no longer exists, **whichever shall first occur**.

The limit of the Underwriters liability under this endorsement shall be **the lesser of**:

- a) Seventy five percent (75%) of the bare daily rental expense of the substitute vehicle, or
- b) USD 500 per day, or
- c) Ten percent (10%) of the amount stated in the Automobile Schedule in respect of the lost or damaged *automobile*, or
- d) USD 10,000 in the aggregate for the *policy period*.

All other terms and conditions of this policy shall remain unchanged.

### 10) INSURANCE FOR NEWLY ACQUIRED OWNED AUTOMOBILE(S) ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, if the Insured acquires ownership of another automobile, such coverage as is afforded by this insurance shall be extended to cover such other automobile from the date of delivery thereof, in accordance with the following provisions:-

- a) If the Underwriters insure all *automobiles* owned by the Insured at the date of such delivery, this insurance shall automatically apply to such other automobile provided that:
  - i) it is used for the business of the Insured and only to the extent such owned *automobiles* currently or previously specified in the Automobile Schedule are used AND
  - ii) the Insured notifies the Underwriters within five (5) working days following the date of delivery of the newly acquired automobile AND
  - iii) the Insured pays any additional premium required by the Underwriters.

**In the event that the Insured fails to notify the Underwriters in accordance with the provisions of this endorsement, then this automatic coverage in respect of the newly acquired automobile shall lapse upon the expiry of the fifth (5th) working day after the delivery thereof or the expiry of the *policy period* if sooner.**

- b) If the Underwriters do not insure all automobiles owned by the Insured at the date of such delivery, then no cover shall apply to the newly acquired automobile until coverage is confirmed in writing by the Underwriters.

All other terms and conditions of this policy shall remain unchanged.

## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

### 11) TRAILER INTERCHANGE ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, this policy is extended to cover the legal liability of the Insured for loss or damage to any non-owned trailer under a written trailer interchange agreement. For the purposes of this endorsement, non-owned trailer shall include any container(s) where such container(s) is/are on the trailer AND included within the trailer interchange agreement.

The liability of the Underwriters under this endorsement shall be subject to the terms, conditions and exclusions of this policy and shall further exclude:

- a) Loss of or damage to tires unless damaged by fire or stolen or unless lost or damaged in an accidental collision or overturn which also causes other damage to the non-owned trailer.
- b) Loss or damage to any non-owned trailer which is due to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such damage is the result of any other loss covered by this insurance.
- c) Loss suffered by the Insured as the result of voluntarily parting with title or possession, whether or not induced so to do by any fraudulent scheme, trick, device or false pretense.
- d) The theft, robbery or pilferage of tools or repair equipment except in conjunction with the theft of an entire non-owned trailer.
- e) The wrongful conversion, embezzlement or secretion by a mortgagee, vendee, lessee or other person in lawful possession of the insured property under a mortgage, conditional sale, lease or other contract or agreement, whether written or verbal.
- f) Loss of or damage to any non-owned trailer occurring whilst such trailer is not attached to a covered *automobile*.

**The Insured warrants that** verifiable records shall be maintained by the Insured of every trailer interchange. Such records shall be open to the inspection of any authorized representative of the Underwriters at all times during the normal business hours of the Insured.

Failure by the Insured to maintain such records shall invalidate any claim under this endorsement.

The limit of liability of the Underwriters in respect of any one non-owned trailer shall be the sum stated in the optional endorsements Schedule. In the event that the actual value of the non-owned trailer insured under this endorsement exceeds that sum, then the Underwriters shall not be liable for a greater proportion of any loss or damage to such trailer than the actual value of the trailer bears to that sum.

The total limit of liability of the Underwriters under this endorsement shall not exceed the sum stated in the optional endorsements Schedule arising out of any one loss, but the overall liability of the Underwriters in respect of a loss involving more than one section of this policy shall not exceed the Loss Limit, being the sum as stated in Item 7 iii) of the Policy Schedule.

All other terms and conditions of this policy shall remain unchanged.

## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE BRIT FORM (2007/01)

### 12) TRAILER INTERCHANGE INCLUDING WHILST UNATTACHED AT NAMED TERMINALS ENDORSEMENT

In consideration of the additional premium charged by the Underwriters, this policy is extended to cover the legal liability of the Insured for loss or damage to any non-owned trailer under a written trailer interchange agreement. For the purpose of this endorsement, non-owned trailer shall include any container(s) where such container(s) is/are on the trailer AND included within the trailer interchange agreement.

The liability of the Underwriters under this endorsement shall be subject to the terms, conditions and exclusions of this policy and shall further exclude:

- a) Loss of or damage to tires unless damaged by fire or stolen or unless lost or damaged in an accidental collision or overturn which also causes other damage to the non-owned trailer.
- b) Loss or damage to any non-owned trailer which is due to wear and tear, freezing, mechanical or electrical breakdown or failure, unless such loss or damage is the result of any other loss covered by this insurance.
- c) Loss suffered by the Insured as the result of voluntarily parting with title or possession, whether or not induced so to do by any fraudulent scheme, trick, device or false pretense.
- d) The theft, robbery or pilferage of tools or repair equipment except in conjunction with the theft of an entire non-owned trailer.
- e) The wrongful conversion, embezzlement or secretion by a mortgagee, vendee, lessee or other person in lawful possession of the insured property under a mortgage, conditional sale, lease or other contract or agreement, whether written or verbal.
- f) Loss of or damage to any non-owned trailer occurring whilst such trailer is not attached to a covered *automobile* unless at the time of the loss the trailer is parked in a fully enclosed yard which is securely closed and locked, or under constant surveillance or on a guarded lot and which is a location named in the optional endorsements Schedule.

**The Insured warrants that** verifiable records shall be maintained by the Insured of every trailer interchange. Such records shall be open to the inspection of any authorized representative of the Underwriters at all times during the normal business hours of the Insured.

Failure by the Insured to maintain such records shall invalidate any claim under this endorsement.

The limit of liability of the Underwriters in respect of any one non-owned trailer shall be the sum stated in the optional endorsements Schedule. In the event that the actual value of the non-owned trailer insured under this endorsement exceeds that sum, then the Underwriters shall not be liable for a greater proportion of any loss or damage to such trailer than the actual value of the trailer bears to that sum.

The total limit of liability of the Underwriters under this endorsement shall not exceed the sum stated in the optional endorsements Schedule arising out of any one loss, but the overall liability of the Underwriters in respect of a loss involving more than one section of this policy shall not exceed the Loss Limit, being the sum set against Item 7 iii) of the Schedule.

All other terms and conditions of this policy shall remain unchanged.

### 13) GARBAGE/REFUSE ENDORSEMENT

In consideration of the reduced premium charged by the Underwriters, **the Insured warrants** that any garbage/refuse - carrying *automobile(s)* shall be emptied at the end of the working period each day.

Failure by the Insured to comply with this warranty shall invalidate any claim.

All other terms and conditions of this policy shall remain unchanged.