

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTO BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO DECLARATION

In addition to words and phrases contained in the Business Auto Coverage Form, other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph **D. DEFINITIONS** of this endorsement. For the purposes of the coverage provided by this endorsement these definitions apply in place of their definitions stated elsewhere in the policy.

The following provisions apply only with respect to Commercial Auto coverage provided by this endorsement.

I. Business Auto Coverage Form

A. SECTION II - LIABILITY COVERAGE

The following items are added or amended as follows:

1. Amended Fellow Employee Exclusion

Exclusion **B.5. Fellow Employee** does not apply if the "bodily injury" to any fellow employee results from the use of a covered "auto" you own or hire.

Any coverage provided under this exception is excess over any other collectible insurance.

2. Supplementary Payments- Increased Limits

Paragraph **2.a.(2)** is amended to provide a limit of up to \$2,500 for the cost of bail bonds and paragraph **2.a.(4)** is amended to provide a limit of up to \$300 for reasonable expenses.

B. SECTION III - PHYSICAL DAMAGE COVERAGE

The following items are added or amended as follows:

1. Additional Temporary Transportation Expense Coverage

Paragraph **A.4.a.** is amended to provide a limit of \$75 per day for up to 30 days.

2. Airbag Coverage

The following is added to **Exclusion B.3.a.**:
However, mechanical breakdown does not apply to the accidental discharge of an airbag.

3. Deductible

Paragraph **D. Deductible** is amended to include the following:

a. Two Or More Deductibles

If another policy, that is not an automobile policy or coverage form, issued by SPARTA Insurance Company applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller or smallest deductible, it will be waived.
- (2) If the deductible under this Business Auto Coverage Form is not the smaller or smallest deductible, it will be reduced by the amount of the smaller or smallest deductible.

b. Waiver Of Deductible - Glass Repair

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

4. Extra Expense - Broadened Coverage

Paragraph **A. Coverage** is amended to include the following:

We will pay for the expense of returning a stolen covered "auto" to you, if applicable.

5. Hired Auto Physical Damage Coverage

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$50,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss";
or

- (3) The cost of repairing or replacing the damaged or stolen property;

Whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage Coverage, provided herein, is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover 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, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

6. Personal Effects

The following item is added to Paragraph A.4. Coverage Extensions:

Personal Effects

We will pay up to \$400 for loss to wearing apparel and other personal effects which are:

- (1) Owned by an "insured"; and
- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

This insurance is excess over any other collectible insurance and no deductible applies.

7. Extended Towing

Paragraph A.2. is deleted and replaced with the following:

We will pay up to \$250 for towing and labor costs incurred each time a covered "auto" is disabled. However, the labor must be performed at the place of disablement.

8. Lease Gap Coverage

If a long-term leased "auto" is a covered "auto" and the lessor is named in the policy as a Loss Payee, we will pay in the event of a total "loss" your additional legal obligation to the lessor for any difference between the actual cash value of the "auto" at the time of the "loss" and the "remaining balance" of the lease, subject to a payment of 50% or a limit

of \$25,000, whichever is less, for this difference amount. However, this insurance is applicable only when the covered "auto" is not subject to any other Lease Gap or similar coverage.

C. SECTION IV - BUSINESS AUTO CONDITIONS

1. The following items are amended:

(a) Amended Duties In The Event Of Accident, Claim, Suit Or Loss

The requirement in paragraph 2.a. Duties In The Event Of Accident, Claim, Suit Or Loss that you must notify us of an "accident" applies only when the "accident" is known to:

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

(b) Autos Rented By Employees

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

Paragraph B.5. Other Insurance is amended to include the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

(c) Hired Auto Coverage Territory

If hired "autos" are covered "autos" for Liability Coverage then sub-paragraph (5) of paragraph B.7. Policy Period, Coverage Territory is replaced by the following:

For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insureds" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit", the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement to which we agree.

(d) Other Insurance

Paragraph **c.** in **B.5. Other Insurance** is replaced by the following:

Regardless of the provisions of Paragraph **a.** above, this coverage form's Liability Coverage is primary for any liability assumed under an "insured contract" and other Liability insurance available to an "insured" shall be considered excess and non-contributory when required by an "insured contract".

2. The following item is added:

Unintentional Failure to Disclose Hazards

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under the Business Auto Coverage Form because of such failure. However, you must report such error or omission to us as soon as practicable after its discovery.

D. SECTION V - DEFINITIONS

The following definition is added:

"Remaining balance" means the amount you owe on the lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees.

II. Changes To The Business Auto Declaration

Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include:

- (1) Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an Insured under any other automobile policy or would be an Insured under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
 - (a) That is a partnership, joint venture or limited liability company;
 - (b) That is an insured under any other policy;
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.