Exhibit A-3
ALCO Stores, Inc.

POLICY NUMBER - 41CAB4943706

POLICY PERIOD - 06/01/2014 to 06/01/2015
U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (''OFAC'') ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site — http://www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.
IMPORTANT NOTICE TO ALL TEXAS POLICYHOLDERS

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call Arch Insurance Group’s toll-free telephone number for information or to make a complaint at:

1-800-817-3252

You may also write to Arch Insurance Group at:

Arch Insurance Group
300 Plaza Three
Jersey City, NJ 07311-1107

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:
Should you have a dispute concerning your premium or about a claim you should contact the Arch Insurance Group first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratuito de Arch Insurance Group para información o para someter una queja al:

1-800-817-3252

Usted también puede escribir a Arch Insurance Group:

Arch Insurance Group
300 Plaza Three
Jersey City, NJ 07311-1107

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:
Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el Arch Insurance Group primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para propósitos de información y no se convierte en parte o condición del documento adjunto.
IN WITNESS WHEREOF, Arch Insurance Company has caused this policy to be executed and attested.

Michael R. Murphy
President

Patrick K. Nails
Secretary
POLICYHOLDER NOTICE – TEXAS

LOSS CONTROL ENGINEERING SERVICES

As a policyholder of Arch Insurance Company insured for certain general liability and/or commercial auto exposures in the State of Texas, you are entitled to loss control consultative services.

These services may include, but not necessarily be limited to: loss data and analyses; training assistance in hazard reduction and loss control; physical hazard surveys; and training in hazard recognition and loss control.

The above services will be made available by Arch Insurance Company. If you have any questions with which we can assist you regarding loss prevention services, please contact the Arch Loss Control Services Center at 1-888-411-2832, LossControl@archinsurance.com, or at the following address:

Arch Insurance Group
One Liberty Plaza, 53rd Floor
New York, NY 10006
INDIANA NOTICE TO POLICYHOLDERS

REGARDING FILING COMPLAINTS WITH THE DEPARTMENT OF INSURANCE

Questions regarding your policy or coverage should be directed to:

ARCH INSURANCE COMPANY
TEL: (800)-817-3252

We want you to know that you may contact the Indiana Department of Insurance if you have a complaint or seek assistance from the governmental agency that regulates insurance. To contact the Department of Insurance write or call:

State of Indiana Department of Insurance
Consumer Services Division
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204

Consumer Hotline: (800) 622-4461; (317) 232-2395

Complaints can be filed electronically at www.in.gov/idoi.
ARKANSAS IMPORTANT NOTICE TO POLICYHOLDERS

For inquiries regarding your policy you can either contact your broker or the company at the administrative office noted on your declarations page. You may also call the company's toll free number at 1-800-817-3252.

If Arch Insurance Company fails to provide you with reasonable and adequate service, you should feel free to contact:

Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201
(501) 371-2640 or (800)852-5494
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KNOWLEDGE OF OCCURRENCE ENDORSEMENT

As respects any loss reporting requirements under this policy, it is understood and agreed that knowledge of any accident or incident by an agent, servant or employee of yours or any other person shall not in itself constitute knowledge by you, unless a corporate officer of yours, principal, partner, owner, or the person or persons responsible for insurance matters listed below shall have received notice from said agent, servant, employee or any other person.

Name: TOM CANFIELD

All other terms and conditions of this Policy remain unchanged.

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

Authorized Representative
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINTENTIONAL ERRORS AND OMISSIONS ENDORSEMENT

It is hereby agreed that your failure to disclose all hazards existing as of the inception date of this policy shall not prejudice you with respect to the coverage afforded by this policy provided such failure or omission is not intentional or grossly negligent.

All other terms and conditions of this Policy remain unchanged.

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

Authorized Representative
### COMMON POLICY DECLARATIONS

#### ARCH INSURANCE COMPANY

**Named Insured**: ALCO STORES, INC.  
**Effective Date**: 06-01-14 12:01 A.M., Standard Time

**Agent Name**: MARSH USA INC.  
**Agent No.**: 284

**Item 1.** Named Insured and Mailing Address  
ALCO STORES, INC.  
ALCO DISCOUNT LIQUORS, LLC  
751 FREEPORT PARKWAY  
COPPELL TX 75012

**Agent Name and Address**: MARSH USA INC.  
2405 GRAND BOULEVARD  
KANSAS CITY MO 64108

**Agent No.**: 284

**Item 2.** Policy Period  
From: 06-01-2014  
To: 06-01-2015  
at 12:01 A.M., Standard Time at your mailing address shown above.

**Item 3.** Business Description: DISCOUNT RETAIL STORES  
**Form of Business**: CORPORATION

**Item 4.** In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

<table>
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<th>Coverage Part(s)</th>
<th>Premium</th>
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<tbody>
<tr>
<td>Commercial Property Coverage Part</td>
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<tr>
<td>Commercial General Liability Coverage Part</td>
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<tr>
<td>Commercial Crime Coverage Part</td>
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<tr>
<td>Commercial Inland Marine Coverage Part</td>
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<td>Commercial Auto (Business or Truckers) Coverage Part</td>
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<tr>
<td>Commercial Garage Coverage Part</td>
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**TAX OR SURCHARGE**: $25.00

**Total Policy Premium**: $47,183.00

**Item 5.** Forms and Endorsements  
Forms(s) and Endorsement(s) made a part of this policy at time of issue:  
See Schedule of Forms and Endorsements

Countersigned:  
Date: 06-13-14  
By: Authorized Representative

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THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

FAIC-SKLBUS-CPD (6/01)
Policy Number
41CAB4943706

SCHEDULE OF FORMS AND ENDORSEMENTS

ARCH INSURANCE COMPANY

Named Insured: ALCO STORES, INC.
Agent Name: MARSH USA INC.

Effective Date: 06-01-14
12:01 A.M., Standard Time
Agent No.: 284

COMMON POLICY FORMS AND ENDORSEMENTS

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AUTOMOBILE FORMS AND ENDORSEMENTS

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**Named Insured:** ALCO STORES, INC.  
**Effective Date:** 06-01-14  
**Agent Name:** MARSH USA INC.  
**Agent No.:** 284
## SCHEDULE OF TAXES, SURCHARGES OR FEES

### ARCH INSURANCE COMPANY

<table>
<thead>
<tr>
<th>Named Insured</th>
<th>ALCO STORES, INC.</th>
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<tbody>
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<td>06-01-14</td>
</tr>
<tr>
<td>Agent No.</td>
<td>284</td>
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**TAXES/SURCHARGES DETAILED BREAKDOWN**:

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<tr>
<td><strong>TOTAL TAXES/SURCHARGES</strong></td>
<td><strong>$25.00</strong></td>
</tr>
</tbody>
</table>

FAIC-SKLBUS-TSF (6/01)
COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes, or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports, or recommendations we may make relative to certification, under state or municipal statutes, ordinances, or regulations, of boilers, pressure vessels, or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured";

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".
"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIANA CHANGES – WORKERS' COMPENSATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM LIABILITY COVERAGE FORM
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. For insurance provided under the:

Commercial General Liability Coverage Part
Commercial Liability Umbrella Coverage Part
Employment-Related Practices Liability Coverage Part
Liquor Liability Coverage Part
Medical Professional Liability Coverage Part
Owners And Contractors Protective Liability Coverage Part
Pollution Liability Coverage Part
Products/Completed Operations Liability Coverage Part
Railroad Protective Liability Coverage Part
Underground Storage Tank Policy

The following is added to the Workers' Compensation And Similar Laws Exclusion:

This exclusion also applies to any obligation of the insured under the Indiana Workers' Compensation statutes arising out of the failure of the insured to exact from a contractor (or subcontractor if the insured is a contractor) a certificate from the workers' compensation board showing that the contractor (or subcontractor) has complied with the applicable workers' compensation insurance requirements.

B. For insurance provided under the Commercial Automobile Coverage Part, the following is added to the Workers' Compensation Exclusion:

This exclusion also applies to any obligation of the "Insured" under the Indiana Workers' Compensation statutes arising out of the failure of the "Insured" to exact from a contractor (or subcontractor if the "Insured" is a contractor) a certificate from the workers' compensation board showing that the contractor (or subcontractor) has complied with the applicable workers' compensation insurance requirements.

C. For insurance provided under the Farm Liability Coverage Form and Farm Umbrella Liability Policy, the following is added to the Workers' Compensation Or Similar Law Exclusion:

This exclusion also applies to any obligation of the "Insured" under the Indiana Workers' Compensation statutes arising out of the failure of the "Insured" to exact from a contractor (or subcontractor if the "Insured" is a contractor) a certificate from the workers' compensation board showing that the contractor (or subcontractor) has complied with the applicable workers' compensation insurance requirements.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The term "spouse" is replaced by the following:
   Spouse or party to a civil union recognized under Colorado law.

B. Under the Commercial Automobile Coverage Part, the term "family member" is replaced by the following and supersedes any other provisions to the contrary:
   "Family member" means a person related to:
   1. The individual Named Insured by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of such Named Insured's household, including a ward or foster child;
   2. The individual named in the Schedule by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individuals endorsement is attached.

C. With respect to coverage for the ownership, maintenance or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:
   "Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Colorado law, who is a resident of your household, including a ward or foster child.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIANA CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact or
2. Fraud

committed by an insured at any time and relating to a claim under this policy.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY – LEGAL LIABILITY COVERAGE FORM
COMMERCIAL PROPERTY – MORTGAGEHOLDERS ERRORS AND OMISSIONS COVERAGE FORM*
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM LIABILITY COVERAGE FORM
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

* Under the Mortgageholders Errors And Omissions Coverage Form, the following condition applies only to Coverage C and Coverage D.

The following condition is added:

Notice given by or on behalf of the insured to any of our authorized agents in Indiana, with particulars sufficient to identify the insured, shall be considered to be notice to us.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH DAKOTA CHANGES – EXAMINATION OF YOUR BOOKS AND RECORDS

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- FARM UMBRELLA LIABILITY POLICY
- LIQUOR LIABILITY COVERAGE PART
- MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The Examination Of Your Books And Records Common Policy Condition is replaced by the following:

EXAMINATION OF YOUR BOOKS AND RECORDS

1. Except as provided in 2. below, we may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

2. Any audit conducted to determine the premium due or to be refunded must be completed within 180 days after:
   a. The expiration date of the policy; or
   b. The anniversary date, if this is a continuous policy or a policy written for a term longer than one year;

   unless you agree in writing to extend the audit period.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CONCEALMENT, MISREPRESENTATION OR FRAUD

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
- FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
- FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM

The CONCEALMENT, MISREPRESENTATION OR FRAUD Condition is replaced by the following:

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
2. Fraud;

committed by you or any other insured ("Insured") at any time and relating to coverage under this policy.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 1. and 2. of the Cancellation Common Policy Condition are replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first Named Insured or the date we receive the request.

2. Policies In Effect
   a. 60 Days Or Less
      If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or
      (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. More Than 60 Days
   If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:
   (1) Nonpayment of premium;
   (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
   (3) Acts or omissions on your part which increase any hazard insured against;
   (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
   (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
(6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or

(7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2.b. above.

B. The following Condition is added and supersedes any provision to the contrary:

NONRENEWAL

1. If we elect not to renew this policy, we will mail or deliver to the first Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.

2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring policy.

4. We need not mail or deliver this notice if:
   a. We have offered to renew this policy;
   b. You have obtained replacement coverage;
   or
   c. You have agreed in writing to obtain replacement coverage.

5. If notice is mailed, proof of mailing will be sufficient proof of notice.

C. The following Condition is added:

PREMIUM OR COVERAGE CHANGES AT RENEWAL

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the first Named Insured, at the last mailing address known to us.

2. Any such notice will be mailed or delivered to the first Named Insured at least 30 days before the expiration or anniversary date of the policy.

3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
   a. 30 days after notice is given; or
   b. The effective date of replacement coverage obtained by the first Named Insured.

4. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.

5. If the first Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

2. If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.

B. The following is added to the Cancellation Common Policy Condition:

7. Cancellation Of Policies In Effect For 60 Days Or More
   a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first-class mail to the first Named Insured written notice of cancellation:
      (1) Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
      (2) At least 45 days before the effective date of cancellation if we cancel for any other reason.

   We may only cancel this policy based on one or more of the following reasons:
   (1) Nonpayment of premium;
   (2) A false statement knowingly made by the insured on the application for insurance; or
   (3) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

C. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.
D. The following condition is added:

INCREASE IN PREMIUM OR DECREASE IN COVERAGE

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;
2. A false statement knowingly made by the insured on the application for insurance; or
3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.
Arkansas Changes – Cancellation and Nonrenewal

This endorsement modifies insurance provided under the following:

- Capital Assets Program (Output Policy) Coverage Part
- Commercial Automobile Coverage Part
- Commercial General Liability Coverage Part
- Commercial Inland Marine Coverage Part
- Commercial Liability Umbrella Coverage Part
- Commercial Property Coverage Part
- Crime and Fidelity Coverage Part
- Employment-Related Practices Liability Coverage Part
- Equipment Breakdown Coverage Part
- Farm Coverage Part
- Farm Umbrella Liability Policy
- Liquor Liability Coverage Part
- Medical Professional Liability Coverage Part
- Pollution Liability Coverage Part
- Products/Completed Operations Liability Coverage Part

A. Paragraph 5. of the Cancellation Condition is replaced by the following:
   5.a. If this policy is cancelled, we will send the first Named Insured any premium refund due.
   b. We will refund the pro rata unearned premium if the policy is:
      (1) Cancelled by us or at our request;
      (2) Cancelled but rewritten with us or in our company group;
      (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
      (4) Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
   c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in b.(2), (3) or (4) above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
   d. The cancellation will be effective even if we have not made or offered a refund.
   e. If the first Named Insured cancels the policy, we will retain no less than $100 of the premium, subject to the following:
      (1) We will retain no less than $250 of the premium for the Equipment Breakdown Coverage Part.
      (2) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.
      (3) If the Commercial Auto Coverage Part covers only snowmobiles or golfmobiles, we will retain $100 or the premium shown in the Declarations, whichever is greater.
      (4) If the Commercial Auto Coverage Part covers an “auto” with a mounted amusement device, we will retain the premium shown in the Declarations for the amusement device and not less than $100 for the auto to which it is attached.
B. The following is added to the Cancellation Common Policy Condition:

7. **Cancellation Of Policies In Effect More Than 60 Days**

   a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:

      (1) Nonpayment of premium;

      (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;

      (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;

      (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;

      (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or

      (6) A material violation of a material provision of the policy.

   b. Subject to Paragraph 7.c., if we cancel for:

      (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation;

      (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

C. Paragraph g. of the Mortgageholders Condition, if any, is replaced by the following:

   g. If we elect not to renew this policy, we will give written notice to the mortgageholder:

      (1) As soon as practicable if nonrenewal is due to the first Named Insured’s failure to pay any premium required for renewal; or

      (2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.

D. The following Condition is added and supersedes any other provision to the contrary:

**NONRENEWAL**

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:

   a. Its expiration date; or

   b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured’s failure to pay any premium required for renewal.

The provisions of this Paragraph 1 do not apply to any mortgageholder.

2. We will mail our notice to the first Named Insured’s mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH DAKOTA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by Paragraphs 2. and 3. below, except to the extent that Item B. of this endorsement applies.

2. Policies In Effect:
   a. For Less Than 90 Days
      If this policy has been in effect for less than 90 days, we may cancel the policy for any reason by mailing to the first Named Insured, and agent, if any, written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation; or
      (2) Five days before the effective date of cancellation for any condition stated in Paragraph B. of this endorsement.
   b. For 90 Days Or More Or Policies With Terms Longer Than One Year Or Continuous Policies
      If this policy has been in effect for 90 days or more, is a renewal of a policy we issued, is a policy issued for a term longer than one year or is a continuous policy, we may cancel the policy only for one or more of the following reasons:
      (1) Nonpayment of premiums;
      (2) Misrepresentation or fraud made by the "Insured" or with the "Insured's" knowledge in obtaining the policy or in pursuing a claim under the policy;
      (3) The "Insured's" actions that have substantially increased or substantially changed the risk insured;
      (4) The "Insured's" refusal to eliminate known conditions that increase the potential for loss, after our notification that the condition must be removed;
      (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
      (6) Loss of reinsurance which provided us with coverage for a significant amount of the underlying risk insured;
      (7) A determination by the insurance commissioner that the continuation of the policy could place us in violation of North Dakota insurance laws;
      (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. Cancellation for this reason does not apply to persons who are retired at 62 years of age or older or to any person who is disabled according to social security standards;
(9) A violation of any local fire, health, safety, building or construction regulation or ordinance with respect to Covered Property or the occupancy thereof which substantially increases any hazard insured against; or

(10) Certain conditions exist, as stated in Paragraph B. of this endorsement.

We will mail written notice of cancellation to the first Named Insured, and agent, if any, at least:

(a) Five days before the effective date of cancellation for any condition stated in Paragraph B. of this endorsement;

(b) 10 days before the effective date of cancellation for nonpayment of premium; or

(c) 30 days before the effective date of cancellation for any reason stated in Paragraphs 2.b.(2) through (9) above.

However, for policies with terms longer than one year or continuous policies, notice of cancellation will be mailed at least 30 days prior to any anniversary date for any reason stated in Paragraphs 2.b.(1) through (9) above.

If we cancel for a reason listed in Paragraphs 2.b.(1) through (9) above, the notice of cancellation will state our reasons for cancellation.

3. We will mail our notice, by first-class mail, to the first Named Insured and agent, if any, at the last mailing address known to us.

B. We may also cancel the policy if one or more of the following conditions exist:

1. Buildings with at least 65% of the rental units in the building unoccupied.

2. Buildings that have been damaged by a covered cause of loss and the "Insured" has stated or such time has elapsed as clearly indicates that the damage will not be repaired.

3. Buildings to which, following a fire, permanent repairs have not commenced within 60 days following satisfactory adjustment of loss.

4. Buildings that have been unoccupied 60 or more consecutive days, except buildings that have a seasonal occupancy, and buildings actually in the course of construction or repair and reconstruction which are properly secured against unauthorized entry.

5. Buildings that are in danger of collapse because of serious structural conditions or those buildings subject to extremely hazardous conditions not contemplated in filed rating plans such as those buildings that are in a state of disrepair as to be dilapidated.

6. Buildings on which, because of their physical condition, there is an outstanding order to vacate or an outstanding demolition order, or which have been declared unsafe in accordance with applicable law.

7. Buildings from which fixed and salvageable items have been or are being removed and the "Insured" can give no reasonable explanation for the removal.

8. Buildings on which there is reasonable knowledge and belief that the property is endangered and is not reasonably protected from possible arson for the purpose of defrauding an insurer.

9. Buildings with any of the following conditions:

   a. Failure to furnish heat, water, sewer service, or public lighting for 30 consecutive days or more.
   b. Failure to correct conditions dangerous to life, health, or safety.
   c. Failure to maintain the building in accordance with applicable law.
   d. Failure to pay property taxes for more than one year.

10. Buildings that have characteristics of ownership condition, occupancy, or maintenance, which are violative of law or public policy.

C. The following is added and supersedes any provision to the contrary:

NONRENEWAL

1. If we elect not to renew this policy, we will mail to the last known address of the first Named Insured shown in the Declarations, and agent, if any, a notice of intention not to renew at least:

   a. 60 days prior to the expiration date of the policy, except as provided in Paragraph b.; or
   b. 90 days prior to the expiration date of the policy when the policy provides professional liability coverage for legal and medical services.

The notice of nonrenewal will state our reason for nonrenewal.

2. We will mail our notice, by first-class mail, to the first Named Insured and agent, if any, at the last mailing address known to us.

3. We need not mail or deliver this notice if you have:

   a. Insured elsewhere;
   b. Accepted replacement coverage; or
   c. Requested or agreed to nonrenewal.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDIANA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
FARM UMBRELLA LIABILITY POLICY
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

2. Cancellation Of Policies in Effect
   a. 90 Days Or Less
      If this policy has been in effect for 90 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
      (2) 20 days before the effective date of cancellation if you have perpetrated a fraud or material misrepresentation on us; or
      (3) 30 days before the effective date of cancellation if we cancel for any other reason.

   b. More Than 90 Days
      If this policy has been in effect for more than 90 days, or is a renewal of a policy we issued, we may cancel this policy, only for one or more of the reasons listed below, by mailing or delivering to the first Named Insured written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
      (2) 20 days before the effective date of cancellation if you have perpetrated a fraud or material misrepresentation on us; or
      (3) 45 days before the effective date of cancellation if:
          (a) There has been a substantial change in the scale of risk covered by this policy;
          (b) Reinsurance of the risk associated with this policy has been cancelled; or
          (c) You have failed to comply with reasonable safety recommendations.
B. The following is added to the Common Policy Conditions and supersedes any provision to the contrary.

NONRENEWAL

1. If we elect not to renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal at least 45 days before:
   a. The expiration date of this policy, if the policy is written for a term of one year or less; or
   b. The anniversary date of this policy, if the policy is written for a term of more than one year.

2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS NOTICE

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
PERSONAL AUTO POLICY PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

The following statement is added to the policy:

IN THE REPAIR OF YOUR COVERED MOTOR VEHICLE UNDER THE PHYSICAL DAMAGE COVERAGE PROVISIONS OF THIS POLICY, WE MAY REQUIRE OR SPECIFY THE USE OF MOTOR VEHICLE PARTS NOT MADE BY THE ORIGINAL MANUFACTURER. THESE PARTS ARE REQUIRED TO BE AT LEAST EQUAL IN TERMS OF FIT, QUALITY, PERFORMANCE, AND WARRANTY TO THE ORIGINAL MANUFACTURER PARTS THEY REPLACE.
ARCH INSURANCE COMPANY
BUSINESS AUTO DECLARATIONS

ITEM ONE

PRODUCER: MARSH USA INC.

NAMED INSURED: ALCO STORES, INC.
ALCO DISCOUNT LIQUORS, LLC

MAILING ADDRESS: 751 FREEPORT PARKWAY
COPPELL, TX 75012

POLICY PERIOD: From 06-01-2014 to 06-01-2015 at 12:01 A.M. Standard Time at your mailing address shown above

PREVIOUS POLICY NUMBER: 41CAB4943705

FORM OF BUSINESS:

[X] CORPORATION

[ ] LIMITED LIABILITY COMPANY

[ ] INDIVIDUAL

[ ] PARTNERSHIP

[ ] OTHER

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Premium shown is payable at inception: $47,183.00

AUDIT PERIOD (IF APPLICABLE)

[X] ANNUALLY

SEMIANNUALLY

QUARTERLY

MONTHLY

ENDORSEMENTS ATTACHED TO THIS POLICY:

IL 00 17 — Common Policy Conditions (IL 01 46 in Washington)

IL 00 21 — Broad Form Nuclear Exclusion (not Applicable in New York) (IL 01 98 in Washington)

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

COUNTERSIGNED ________________ BY ________________

(Date) (Authorized Representative)
ITEM TWO

Schedule Of Coverages And Covered Autos
This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

<table>
<thead>
<tr>
<th>COVERAGES</th>
<th>COVERED AUTOS</th>
<th>LIMIT</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVERED AUTOS LIABILITY</td>
<td>1</td>
<td>$1,000,000</td>
<td>SEE PREMIUM</td>
</tr>
<tr>
<td>PERSONAL INJURY PROTECTION</td>
<td>5</td>
<td>SEPARATELY STATED IN EACH P.I.P.</td>
<td>COMPUTATION</td>
</tr>
<tr>
<td>(or equivalent No-fault Coverage)</td>
<td></td>
<td>ENDORSEMENT MINUS DEDUCTIBLE.</td>
<td>ENDT. FOR</td>
</tr>
<tr>
<td>ADDED PERSONAL INJURY PROTECTION</td>
<td></td>
<td>SEPARATELY STATED IN EACH ADDED</td>
<td></td>
</tr>
<tr>
<td>(or equivalent Added No-fault Coverage)</td>
<td></td>
<td>P.I.P. ENDORSEMENT.</td>
<td></td>
</tr>
<tr>
<td>PROPERTY PROTECTION INSURANCE</td>
<td></td>
<td>SEPARATELY STATED IN THE PROPERTY</td>
<td></td>
</tr>
<tr>
<td>(Michigan only)</td>
<td></td>
<td>PROTECTION INSURANCE ENDORSEMENT</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>MINUS DEDUCTIBLE FOR EACH ACCIDENT.</td>
<td></td>
</tr>
<tr>
<td>AUTO MEDICAL PAYMENTS</td>
<td>2</td>
<td>$5,000 EACH INSURED</td>
<td>DETAILS</td>
</tr>
<tr>
<td>MEDICAL EXPENSE AND INCOME LOSS</td>
<td></td>
<td>SEPARATELY STATED IN THE MEDICAL</td>
<td></td>
</tr>
<tr>
<td>BENEFITS</td>
<td></td>
<td>EXPENSE AND INCOME LOSS BENEFITS</td>
<td></td>
</tr>
<tr>
<td>(Virginia only)</td>
<td></td>
<td>ENDORSEMENT.</td>
<td></td>
</tr>
<tr>
<td>UNINSURED MOTORISTS</td>
<td>2</td>
<td>SEE STATE ENDORSEMENT(S)</td>
<td></td>
</tr>
<tr>
<td>UNDERINSURED MOTORISTS</td>
<td></td>
<td>SEE STATE ENDORSEMENT(S)</td>
<td></td>
</tr>
<tr>
<td>(When not included in</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uninsured Motorists Coverage)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHYSICAL DAMAGE</td>
<td>2,8,9</td>
<td>ACTUAL CASH VALUE OR COST OF</td>
<td></td>
</tr>
<tr>
<td>COMPREHENSIVE COVERAGE</td>
<td></td>
<td>REPAIR, WHICHER IS LESS, MINUS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000 DEDUCTIBLE FOR EACH COVERED AUTO, BUT</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>NO DEDUCTIBLE APPLIES TO LOSS</td>
<td></td>
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<td></td>
<td></td>
<td>CAUSED BY FIRE OR LIGHTNING.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>See ITEM FOUR For Hired or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Borrowed Autos.</td>
<td></td>
</tr>
<tr>
<td>PHYSICAL DAMAGE</td>
<td></td>
<td>ACTUAL CASH VALUE OR COST OF</td>
<td></td>
</tr>
<tr>
<td>SPECIFIED CAUSES OF LOSS</td>
<td></td>
<td>REPAIR, WHICHER IS LESS, MINUS</td>
<td></td>
</tr>
<tr>
<td>COVERAGE</td>
<td></td>
<td>DEDUCTIBLE FOR EACH COVERED AUTO FOR</td>
<td></td>
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<td></td>
<td></td>
<td>LOSS CAUSED BY MISCHIEF OR VANDALISM.</td>
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<td></td>
<td></td>
<td>See ITEM FOUR For Hired Or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Borrowed Autos.</td>
<td></td>
</tr>
<tr>
<td>PHYSICAL DAMAGE COLLISION</td>
<td>2,8,9</td>
<td>ACTUAL CASH VALUE OR COST OF</td>
<td></td>
</tr>
<tr>
<td>COVERAGE</td>
<td></td>
<td>REPAIR, WHICHER IS LESS, MINUS</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000 DEDUCTIBLE, FOR EACH COVERED AUTO.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>See ITEM FOUR For Hired Or</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Borrowed Autos.</td>
<td></td>
</tr>
<tr>
<td>PHYSICAL DAMAGE TOWING AND</td>
<td></td>
<td>FOR EACH DISABLEMENT</td>
<td></td>
</tr>
<tr>
<td>LABOR</td>
<td></td>
<td>OF A PRIVATE PASSENGER AUTO.</td>
<td></td>
</tr>
<tr>
<td>TAX/SURCHARGE/ FEE</td>
<td>$25.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PREMIUM FOR ENDORSEMENTS</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*ESTIMATED TOTAL PREMIUM</td>
<td>$47,183.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*This policy may be subject to final audit.
ITEM THREE
SCHEDULE OF COVERED AUTOS YOU OWN

<table>
<thead>
<tr>
<th>Covered Auto No.</th>
<th>DESCRIPTION</th>
<th>PURCHASED</th>
<th>TERRITORY</th>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year, Model, Trade Name, Body Type</td>
<td>Actual Cost &amp;</td>
<td>Town &amp; State Where The</td>
<td>EXCEPT For Towing, All</td>
</tr>
<tr>
<td></td>
<td>Serial Number (S) Vehicle Identification</td>
<td>New (N) or</td>
<td>Covered Auto Will Be Principally</td>
<td>Physical Damage Loss Is</td>
</tr>
<tr>
<td></td>
<td>Number (VIN)</td>
<td>USED (U)</td>
<td>Garaged</td>
<td>Payable To You And The</td>
</tr>
<tr>
<td>Covered Auto No.</td>
<td>Radius Of Operation</td>
<td>Business Use</td>
<td>Size GVW,</td>
<td>Loss Payee Named</td>
</tr>
<tr>
<td></td>
<td>s = service</td>
<td>r = retail</td>
<td>GCW Or</td>
<td>Below According To Their</td>
</tr>
<tr>
<td></td>
<td>c = commercial</td>
<td></td>
<td>Vehicle</td>
<td>Interests In The Auto At</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Seating</td>
<td>The Time Of The Loss:</td>
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<td></td>
<td></td>
<td></td>
<td>Capacity</td>
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</tr>
</tbody>
</table>

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES
(Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)

<table>
<thead>
<tr>
<th>Covered Auto No.</th>
<th>LIABILITY</th>
<th>PERSONAL INJURY PROTECTION</th>
<th>ADDED P.I.P.</th>
<th>PROPERTY PROTECTION (Michigan Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Limit</td>
<td>Premium</td>
<td>Premium</td>
<td>Limit Stated In Each P.I.P. Endt. Minus Deductible Shown Below</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Premium For Limit Stated In Each Added P.I.P. Endt.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Limit Stated In P.P.I. Endt. Minus Deductible Shown Below</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Premium</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>Premium</td>
</tr>
<tr>
<td>Total Premium</td>
<td></td>
<td></td>
<td></td>
<td>Premium</td>
</tr>
</tbody>
</table>

AU-DEC C/W3Q 03 10
ITEM FOUR
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS

<table>
<thead>
<tr>
<th>COVERED AUTOS LIABILITY COVERAGE</th>
<th>STATE</th>
<th>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL HIRED AUTO PREMIUM

For "autos" used in your motor carrier operations, cost of hire means:

1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers), and if not included therein,
2. The total remunerations of all operators and drivers' helpers, of hired automobiles whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and
3. The total dollar amount of any other costs (i.e., repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles whether such costs are absorbed by the "Insured", paid to the lessor or owner, or paid to others.

<table>
<thead>
<tr>
<th>COVERED AUTOS LIABILITY COVERAGE</th>
<th>STATE</th>
<th>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Coverage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Coverage</td>
<td>IF ANY</td>
<td></td>
<td>INCL</td>
</tr>
</tbody>
</table>

TOTAL HIRED AUTO PREMIUM INCL

For "autos" NOT used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.
ITEM FOUR
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>STATE</th>
<th>LIMIT OF INSURANCE</th>
<th>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPREHENSIVE</td>
<td>ALL</td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS $1,000 DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.</td>
<td>IF ANY</td>
<td>INCL</td>
</tr>
<tr>
<td>SPECIFIED CAUSES OF LOSS</td>
<td></td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.</td>
<td>IF ANY</td>
<td>INCL</td>
</tr>
<tr>
<td>COLLISION</td>
<td>ALL</td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS $1,000 DEDUCTIBLE FOR EACH COVERED AUTO.</td>
<td>IF ANY</td>
<td>INCL</td>
</tr>
</tbody>
</table>

TOTAL HIRED AUTO PREMIUM INCL

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.
ITEM FOUR  
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost Of Hire Rating Basis For Mobile Or Farm Equipment - Other Than Physical Damage Coverages</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mobile Equipment</td>
<td>Farm Equipment</td>
</tr>
<tr>
<td>Covered Autos Liability – Primary Coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covered Autos Liability – Excess Coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Injury Protection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Expense Benefits (Virginia Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Loss Benefits (Virginia Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Medical Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL HIRED AUTO PREMIUM</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.
**ITEM FOUR**

**SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)**

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>STATE</th>
<th>LIMIT OF INSURANCE</th>
<th>ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE (Excluding Autos Hired With A Driver)</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Mobile</strong>  <strong>Equipment</strong>  <strong>Farm</strong>  <strong>Equipment</strong>  <strong>Mobile</strong>  <strong>Equipment</strong>  <strong>Farm</strong>  <strong>Equipment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMPREHENSIVE</td>
<td></td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPECIFIED CAUSES</td>
<td></td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OF LOSS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COLLISION</td>
<td></td>
<td>ACTUAL CASH VALUE OR COST OF REPAIR, WHICHER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL HIRED AUTO PREMIUM**

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.
ITEM FOUR
SCHEDULE OF HIRED OR BORROWED COVERED AUTO COVERAGE AND PREMIUMS (Cont'd)

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>ESTIMATED NUMBER OF DAYS EQUIPMENT WILL BE RENTED</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TOWN AND STATE WHERE THE JOB SITE IS LOCATED</td>
<td>Mobile</td>
</tr>
<tr>
<td>Coverage</td>
<td></td>
<td>Farm</td>
</tr>
<tr>
<td>Covered Autos Liability -</td>
<td></td>
<td>Mobile</td>
</tr>
<tr>
<td>Primary Coverage</td>
<td></td>
<td>Farm</td>
</tr>
<tr>
<td>Covered Autos Liability -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Injury Protection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical Expense Benefits (Virginia Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Loss Benefits (Virginia Only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Medical Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL HIRED AUTO PREMIUMS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ITEM FIVE
SCHEDULE FOR NON-OWNERSHIP COVERED AUTOS LIABILITY

<table>
<thead>
<tr>
<th>NAMED INSURED'S BUSINESS</th>
<th>RATING BASIS</th>
<th>NUMBER</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Than Garage Service Operations And Other Than Social Service Agencies</td>
<td>Number Of Employees</td>
<td>IF ANY</td>
<td>INCL</td>
</tr>
<tr>
<td></td>
<td>Number Of Partners (Active and Inactive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Garage Service Operations</td>
<td>Number Of Employees Whose Principal Duty Involves The Operation Of Autos</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number Of Partners (Active and Inactive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Service Agencies</td>
<td>Number Of Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number Of Volunteers Who Regularly Use Autos To Transport Clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number Of Partners (Active and Inactive)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL NON-OWNERSHIP COVERED AUTOS LIABILITY PREMIUM</td>
<td></td>
<td>INCL</td>
<td></td>
</tr>
</tbody>
</table>
ITEM SIX
SCHEDULE FOR GROSS RECEIPTS OR MILEAGE BASIS

<table>
<thead>
<tr>
<th>Type Of Risk (Check one):</th>
<th>Public Autos</th>
<th>Leasing Or Rental Concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Basis (Check one):</td>
<td>Gross Receipts (Per $100)</td>
<td>Mileage (Per Mile)</td>
</tr>
<tr>
<td>Estimated Yearly (Check One):</td>
<td>Gross Receipts (Per $100)</td>
<td>Mileage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered Autos Liability</td>
</tr>
<tr>
<td>Personal Injury Protection</td>
</tr>
<tr>
<td>Added Personal Injury Protection</td>
</tr>
<tr>
<td>Property Protection Insurance (Michigan Only)</td>
</tr>
<tr>
<td>Auto Medical Payments</td>
</tr>
<tr>
<td>Medical Expense And Income Loss Benefits (Virginia Only)</td>
</tr>
<tr>
<td>Comprehensive</td>
</tr>
<tr>
<td>Specified Causes Of Loss</td>
</tr>
<tr>
<td>Collision</td>
</tr>
<tr>
<td>Towing And Labor</td>
</tr>
</tbody>
</table>

When used as a premium basis:

**FOR PUBLIC AUTOS**
Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:
1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

**FOR RENTAL OR LEASING CONCERNS**
Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.
**BUSINESS AUTO COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

### SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

#### A. Description Of Covered Auto Designation Symbols

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description Of Covered Auto Designation Symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Any &quot;Auto&quot;</td>
</tr>
<tr>
<td>2</td>
<td>Owned &quot;Autos&quot; Only</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you own (and for Covered Autos Liability Coverage any &quot;trailers&quot; you don't own while attached to power units you own). This includes those &quot;autos&quot; you acquire ownership of after the policy begins.</td>
</tr>
<tr>
<td>3</td>
<td>Owned Private Passenger &quot;Autos&quot; Only</td>
</tr>
<tr>
<td></td>
<td>Only the private passenger &quot;autos&quot; you own. This includes those private passenger &quot;autos&quot; you acquire ownership of after the policy begins.</td>
</tr>
<tr>
<td>4</td>
<td>Owned &quot;Autos&quot; Other Than Private Passenger &quot;Autos&quot; Only</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you own that are not of the private passenger type (and for Covered Autos Liability Coverage any &quot;trailers&quot; you don't own while attached to power units you own). This includes those &quot;autos&quot; not of the private passenger type you acquire ownership of after the policy begins.</td>
</tr>
<tr>
<td>5</td>
<td>Owned &quot;Autos&quot; Subject To No-fault</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those &quot;autos&quot; you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.</td>
</tr>
<tr>
<td>6</td>
<td>Owned &quot;Autos&quot; Subject To A Compulsory Uninsured Motorists Law</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those &quot;autos&quot; you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.</td>
</tr>
<tr>
<td>7</td>
<td>Specifically Described &quot;Autos&quot;</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any &quot;trailers&quot; you don't own while attached to any power unit described in Item Three).</td>
</tr>
<tr>
<td>8</td>
<td>Hired &quot;Autos&quot; Only</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you lease, hire, rent or borrow. This does not include any &quot;auto&quot; you lease, hire, rent or borrow from any of your &quot;employees&quot;, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.</td>
</tr>
<tr>
<td>9</td>
<td>Non-owned &quot;Autos&quot; Only</td>
</tr>
<tr>
<td></td>
<td>Only those &quot;autos&quot; you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes &quot;autos&quot; owned by your &quot;employees&quot;, partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.</td>
</tr>
</tbody>
</table>
Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only

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B. Owned Autos You Acquire After The Policy Begins

1. If Symbols 1, 2, 3, 4, 5, 6 or 19 are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.

2. But, if Symbol 7 is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
   a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
   b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

2. "Mobile equipment" while being carried or towed by a covered "auto".

3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
   a. Breakdown;
   b. Repair;
   c. Servicing;
   d. "Loss"; or
   e. Destruction.

SECTION II – COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

a. You for any covered "auto";

b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

   1) The owner or anyone else from whom you hire or borrow a covered "auto".

   This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

1. All expenses we incur.
2. Up to $2,000 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.
3. The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
4. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $250 a day because of time off from work.
5. All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
6. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

1. Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
2. Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.
4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

a. An "employee" of the "insured" arising out of and in the course of:
   (1) Employment by the "insured"; or
   (2) Performing the duties related to the conduct of the "insured's" business; or
b. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph a. above.

This exclusion applies:
   (1) Whether the "insured" may be liable as an employer or in any other capacity; and
   (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

a. Work or operations performed by you or on your behalf; and
b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

(1) When all of the work called for in your contract has been completed;
(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
(3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:
   (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
   (2) Otherwise in the course of transit by or on behalf of the "insured";
   (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto";

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

(1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants";

(2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

"Bodily injury" or "property damage" arising directly or indirectly out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;

c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.
All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:
   a. Comprehensive Coverage
      From any cause except:
      (1) The covered "auto’s" collision with another object; or
      (2) The covered "auto’s" overturn.
   b. Specified Causes Of Loss Coverage
      Caused by:
      (1) Fire, lightning or explosion;
      (2) Theft;
      (3) Windstorm, hail or earthquake;
      (4) Flood;
      (5) Mischief or vandalism; or
      (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".
   c. Collision Coverage
      Caused by:
      (1) The covered "auto’s" collision with another object; or
      (2) The covered "auto’s" overturn.

2. Towing

   We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles

   If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:
   a. Glass breakage;
   b. "Loss" caused by hitting a bird or animal; and
   c. "Loss" caused by falling objects or missiles.

   However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

   a. Transportation Expenses

      We will pay up to $20 per day, to a maximum of $600, 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 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".

   b. Loss Of Use Expenses

      For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:
      (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
      (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto". However, the most we will pay for any expenses for loss of use is $20 per day, to a maximum of $600.

B. Exclusions
1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".
   a. Nuclear Hazard
      (1) The explosion of any weapon employing atomic fission or fusion; or
      (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
   b. War Or Military Action
      (1) War, including undeclared or civil war;
      (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
      (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
3. We will not pay for "loss" due and confined to:
   a. Wear and tear, freezing, mechanical or electrical breakdown.
   b. Blowouts, punctures or other road damage to tires.
   This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".
4. We will not pay for "loss" to any of the following:
   a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
   b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
   c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
   d. Any accessories used with the electronic equipment described in Paragraph c. above.
5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:
   a. Permanently installed in or upon the covered "auto";
   b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
   c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
   d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.
6. We will not pay for "loss" to a covered "auto" due to "diminution in value".
C. Limits Of Insurance
1. The most we will pay for:
   a. "Loss" to any one covered "auto" is the lesser of:
      (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
      (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
   b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is $1,000, if, at the time of "loss", such electronic equipment is:
      (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
(2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above; or
(3) An integral part of such equipment as described in Paragraphs b.(1) and b.(2) above.

2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".

3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible
For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION IV – BUSINESS AUTO CONDITIONS
The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss
If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
   a. Pay its chosen appraiser; and
   b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Accident, Claim, Suit Or Loss
We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:
   a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
      (1) How, when and where the "accident" or "loss" occurred;
      (2) The "insured’s" name and address; and
      (3) To the extent possible, the names and addresses of any injured persons and witnesses.
   b. Additionally, you and any other involved "insured" must:
      (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured’s" own cost.
      (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
      (4) Authorize us to obtain medical records or other pertinent information.
      (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
   c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:
      (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
      (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
      (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
      (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us
No one may bring a legal action against us under this Coverage Form until:
   a. There has been full compliance with all the terms of this Coverage Form; and
   b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured’s" liability.
4. Loss Payment – Physical Damage Coverages
   At our option, we may:
   a. Pay for, repair or replace damaged or stolen property;
   b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
   c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

   If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

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, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

6. General Conditions
   1. Bankruptcy
      Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.
   2. Concealment, Misrepresentation Or Fraud
      This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:
      a. This Coverage Form;
      b. The covered "auto";
      c. Your interest in the covered "auto"; or
      d. A claim under this Coverage Form.
   3. Liberalization
      If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.
   4. No Benefit To Bailee – Physical Damage Coverages
      We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance
   a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:
      (1) Excess while it is connected to a motor vehicle you do not own; or
      (2) Primary while it is connected to a covered "auto" you own.
   b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
   c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".
   d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit
   a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
   b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.
7. Policy Period, Coverage Territory
Under this Coverage Form, we cover "accidents" and "losses" occurring:
(a) During the policy period shown in the Declarations; and
(b) Within the coverage territory.
The coverage territory is:
(1) The United States of America;
(2) The territories and possessions of the United States of America;
(3) Puerto Rico;
(4) Canada; and
(5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less, provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.
We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us
If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V - DEFINITIONS
A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
B. "Auto" means:
1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
However, "auto" does not include "mobile equipment".
C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
D. "Covered pollution cost or expense" means any cost or expense arising out of:
1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
(a) That are, or that are contained in any property that is:
(1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
(2) Otherwise in the course of transit by or on behalf of the "insured";
(3) Being stored, disposed of, treated or processed in or upon the covered "auto";
(b) Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto";
(c) After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

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Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

1. The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

2. The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

a. The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

b. The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".

F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

H. "Insured contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

I. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
   a. Power cranes, shovels, loaders, diggers or drills; or
   b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
   a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
   b. Cherry pickers and similar devices used to raise or lower workers; or

6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
   a. Equipment designed primarily for:
      (1) Snow removal;
      (2) Road maintenance, but not construction or resurfacing; or
      (3) Street cleaning;
   b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
   c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

L. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:
   1. Damages because of "bodily injury" or "property damage"; or
   2. A "covered pollution cost or expense"; to which this insurance applies, are alleged.

"Suit" includes:
   a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
   b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

O. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

P. "Trailer" includes semitrailer.
REQUIRED NOTICE TO INSURANCE CLAIMANTS FOR MOTOR VEHICLE REPAIRS

By law, you have the right to select where your motor vehicle is repaired and the parts used for repairs. However, an insurance company is not required to pay more than a reasonable amount for such repairs and parts. Your statutory rights regarding motor vehicle repairs are explained in the copy of the Insurance Code §§1952.301 to 1952.307, printed on the reverse side of this notice or attached to this notice. If the costs of repairing your vehicle are to be paid under an insurance policy issued by us, the nature of the coverage is stated in more detail in the applicable policy. For detailed information regarding the insurance policy, contact:

NAME OF NAME OF INSURANCE COMPANY: Arch Insurance Company
MAILING ADDRESS: One Liberty Plaza, 53rd Floor, New York, NY 10006
TELEPHONE: 1-800-817-3252
FAX: 1-212-651-6499
WEB ADDRESS: www.archinsurance.com

For questions about your statutory rights regarding motor vehicle repairs under the Insurance Code §§1952.301 to 1952.307, contact the Texas Department of Insurance. You may write to the Consumer Protection Division at P.O. Box 149091, Austin, TX 78714-9091, call 1-800-252-3439, fax 1-512-475-1771 e-mail ConsumerProtection@tdi.state.tx.us, or visit the Department online at http://www.tdi.state.tx.us/.

LA LEY REQUIERE ESTE AVISO, PERO NO CONSTITUYE ADMISIÓN DE RESPONSABILIDAD CIVIL DE LA COMPÁNIA ASEGURADORA.

AVISO OBLIGATORIO A LOS QUE PRESENTAN RECLAMACIONES PARA REPARACIÓN DE VEHÍCULO DE MOTOR

Por ley, usted tiene derecho a escoger donde desea que su vehículo sea reparado y las refacciones que se usen en la reparación. Sin embargo, la compañía aseguradora no está obligada a pagar más de la cantidad razonable por las reparaciones y refacciones. Sus derechos por estatuto concernientes a las reparaciones de vehículo de motor están descritos en la copia del Código de Seguros §§1952.301 a 1952.307, impreso al reverso de este aviso o adjunto a este aviso. Si el costo de reparar su vehículo debe ser pagado bajo una póliza de seguro que nosotros dimos, la naturaleza técnica de la cobertura es establecida en más detalle en la póliza aplicable. Para información detallada acerca de la póliza de seguro, contacte:

NOMBRE DE LA COMPAÑÍA ASEGURADORA: Arch Insurance Company
DIRECCIÓN DE CORREOS: ONE LIBERTY PLAZA, 53rd FLOOR, NEW YORK, NY 10006
TELEFONO: 1-800-817-3252
FAX: 1-212-651-6499

Para preguntas sobre sus derechos por estatuto respecto a las reparaciones de vehículo de motor bajo el Código de Seguros §§1952.301 a 1952.307, comuníquese con el Departamento de Seguros de Texas (Texas Department of Insurance o TDI). Puede escribir a Consumer Protection Division al P. O. Box 149091, Austin, TX 78714-9091, llamar al 1-800-252-3439, enviar fax al 1-512-475-1771, email a ConsumerProtection@tdi.state.tx.us o visitar el sitio electrónico de TDI por Internet al http://www.tdi.state.tx.us/
Texas Insurance Code §§1952.301 to 1952.307

§ 1952.301. Limitation on Parts, Products, or Repair Persons or Facilities Prohibited

(a) Except as provided by rules adopted by the commissioner, under an automobile insurance policy that is delivered, issued for delivery, or renewed in this state, an insurer may not directly or indirectly limit the insurer's coverage under a policy covering damage to a motor vehicle by:

1. specifying the brand, type, kind, age, vendor, supplier, or condition of parts or products that may be used to repair the vehicle; or
2. limiting the beneficiary of the policy from selecting a repair person or facility to repair damage to the vehicle.

(b) In settling a liability claim by a third party against an insured for property damage claimed by the third party, an insurer may not require the third-party claimant to have repairs made by a particular repair person or facility or to use a particular brand, type, kind, age, vendor, supplier, or condition of parts or products.


In connection with the repair of damage to a motor vehicle covered under an automobile insurance policy, an insurer, an employee or agent of an insurer, an insurance adjuster, or an entity that employs an insurance adjuster may not:

1. solicit or accept a referral fee or gratuity in exchange for referring a beneficiary or third-party claimant to a repair person or facility to repair the damage;
2. state or suggest, either orally or in writing, to a beneficiary that the beneficiary must use a specific repair person or facility or a repair person or facility identified on a preferred list compiled by an insurer for the damage repair or parts replacement to be covered by the policy; or
3. restrict the right of a beneficiary or third-party claimant to choose a repair person or facility by requiring the beneficiary or third-party claimant to travel an unreasonable distance to repair the damage.

§ 1952.303. Contracts Between Insurer and Repair Person or Facility

(a) A contract between an insurer and a repair person or facility, including an agreement under which the repair person or facility agrees to extend discounts for parts or labor to the insurer in exchange for referrals by the insurer, may not result in a reduction of coverage under an insured's automobile insurance policy.

(b) The commissioner may adopt rules under Chapter 542 with respect to any fraudulent activity of any party to an agreement described by Subsection (a).

§ 1952.304. Provision of Information Regarding Repairs

An insurer may not prohibit a repair person or facility from providing a beneficiary or third-party claimant with information that states:

1. the description, manufacturer, or source of the parts used; and
2. the amounts charged to the insurer for the parts and related labor.
Texas Insurance Code §§1952.301 to 1952.307

§ 1952.305. Notice of Rights Regarding Repair of Motor Vehicle

(a) At the time a motor vehicle is presented to an insurer, an insurance adjuster, or other person in connection with a claim for damage repair, the insurer, insurance adjuster, or other person shall provide to the beneficiary or third-party claimant notice of the provisions of this subchapter.

(b) The commissioner shall adopt a rule establishing the method or methods insurers must use to comply with the notice provisions of this section.

1952.306. Complaints

A beneficiary, third-party claimant, or repair person or facility may submit a written, documented complaint to the department with respect to an alleged violation of this subchapter.

§ 1952.307. Rules

Rules adopted by the commissioner to implement this subchapter must include requirements that:

(1) any limitation described by Section 1952.301(a) be clearly and prominently displayed on the face of the insurance policy or certificate in lieu of an insurance policy; and

(2) the insured give written consent to a limitation described by Section 1952.301(a) after the insured is notified orally and in writing of the limitation at the time the insurance policy is purchased.
NOTICE TO POLICYHOLDERS

TEXAS AUTOMOBILE INSURANCE

The Automobile Burglary and Theft Prevention Authority fee is payable in addition to the premium due under this policy. This fee reimburses the insurer, as permitted by 28 TAC §5.205, for the $2.00 fee per motor vehicle year required to be paid to the Automobile Burglary and Theft Prevention Authority under Texas Civil Statutes, Article 4413(37), §10, which was effective on June 6, 1991, and revised effective September 1, 2011.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARLIER NOTICE OF CANCELLATION PROVIDED BY US ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE

SCHEDULE

Number of Days: Notice 90

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2 of either the CANCELLATION Common Policy Condition or as amended by applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 06-01-14
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Business Auto Coverage Form
Garage Coverage Form
Motor Carrier Coverage Form
Truckers Coverage Form

Schedule

The per "accident" Deductible of $0 applies on a combined basis to all coverages indicated by an "X" in the table below, except for such coverages (if any) for which a separate Deductible is shown below.

<table>
<thead>
<tr>
<th>Indicate below</th>
<th>Coverage</th>
<th>Per Accident Deductible</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>All Coverages (except Physical Damage coverage and Garagekeepers coverage)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liability Coverages (&quot;bodily injury&quot;, &quot;property damage&quot;, &quot;covered pollution cost or expense&quot; and medical payments combined)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal Injury Protection (or equivalent no-fault coverage)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Added Personal Injury Protection (or equivalent added no-fault coverage)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uninsured Motorist (including &quot;property damage&quot;, if applicable)</td>
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</tr>
<tr>
<td></td>
<td>Underinsured Motorist</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Other: PHYSICAL DAMAGE</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

Deductible Aggregate:

A. DEDUCTIBLE

Our obligation to pay damages, costs, expenses, benefits, or medical payments, subject to the Limit of Insurance as shown in the Declarations, will be reduced by the per "accident" Deductible shown in the Schedule. Our Limit of Insurance includes, and is not in addition to, the Deductible.

B. DEDUCTIBLE AGGREGATE (this provision applies only if an amount is shown as the Deductible Aggregate in the Schedule)

Subject to the applicable Limit of Insurance and related policy provisions, we will pay for all damages, costs, expenses, benefits, or medical payments payable under the policy without reduction by the per "accident" Deductible when, as a result of the application of the per "accident"
Deductibles to damages, costs, expenses, benefits, or medical payments payable under the policy, the sum of all per "accident" Deductible paid by you exceeds the amount shown in the Schedule as the Deductible Aggregate.

If the policy period is longer than one year, the Deductible Aggregate amount applies separately to each policy year. Each policy year begins with the inception or anniversary date of the policy and ends at the earlier of the next anniversary date or the expiration of the policy.

The Deductible Aggregate amount shown above is not subject to adjustment unless a basis of adjustment is shown below.

The Deductible Aggregate is adjustable at the rate of per ; however, the minimum amount of the aggregate deductible will be no less than the Deductible Aggregate amount shown above.

The adjustment basis is and is estimated at the inception of this policy as the amount of .

If this policy and any other policy issued to you by us have Commercial Automobile Deductible Endorsements applying to the same occurrence, accident, claim, person or organization, the maximum deductible that will apply under all policies shall not exceed the highest applicable Deductible under any one of the policies. In addition, the sum of all per "accident" Deductible paid by you shall not exceed the highest applicable Deductible Aggregate under any one of the policies.

C. ALLOCATED LOSS ADJUSTMENT EXPENSES

You must reimburse us for "Allocated Loss Adjustment Expenses" incurred by us as part of Supplementary Payments in defending a claim or "suit" as indicated by one of the options below:

1. Option I - "Allocated Loss Adjustment Expenses" Are Included In The Per "Accident" Deductible Shown In The Schedule. Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" combined shall not exceed the per "accident" Deductible shown in the Schedule.

2. Option II - "Allocated Loss Adjustment Expenses" Are Payable In Addition To The Per "Accident" Deductible Shown In The Schedule On A Shared Basis. The portion of "Allocated Loss Adjustment Expenses" that you must pay will be calculated by dividing the smaller of the per "accident" Deductible shown in the Schedule or the damages, costs, expenses, benefits, and medical payments we pay by the damages, costs, expenses, benefits, and medical payments we pay. If we pay no damages, costs, expenses, benefits, and medical payment, you must reimburse us for all "Allocated Loss Adjustment Expenses" up to the per "accident" Deductible shown in the Schedule and ___% (if no amount is shown, 50% will apply) of all remaining "Allocated Loss Adjustment Expenses". Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" under this option may exceed the per "accident" Deductible shown in the Schedule.

3. Option III - "Allocated Loss Adjustment Expenses" Are Payable In Addition To The Per "Accident" Deductible Shown In The Schedule And Are Your Full Responsibility. You must pay all "Allocated Loss Adjustment Expenses" attributed to all damages, costs, expenses, benefits, and medical payments paid by us. Your total reimbursement for damages, costs, expenses, benefits, medical payments and "Allocated Loss Adjustment Expenses" under this option may exceed the per "accident" Deductible shown in the Schedule.
Option IV - "Allocated Loss Adjustment Expenses" Are Payable By Us. We will pay all "Allocated Loss Adjustment Expenses" attributed to all damages, costs, expenses, benefits, and medical payments paid by us.

Your obligation to reimburse us for "Allocated Loss Adjustment Expense" applies separately to each "accident".

"Allocated Loss Adjustment Expenses" means such claim adjustment expenses directly allocated by us to a particular claim. Such expenses shall include, but not be limited to, attorney's fees for claims in suit; court costs; pre- and post judgment interest; undercover operatives and detective services; employing experts; medical examination, medical cost containment expenses, laboratory, x-ray, and autopsy; stenographic, witnesses, summons, and copies of documents and transcripts; or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of any claim or "suit" against you or for the protection and perfection of your or our subrogation rights.

"Allocated Loss Adjustment Expenses" does not include our general overhead, the salary and benefits of any our employees, nor the fees of any attorney who is our employee or under our permanent retainer; nor the fees of any attorney we retain to provide counsel to us about our obligations, if any, under any policy issued by us with respect to a claim or "suit" against you.

D. OUR RIGHT TO REIMBURSEMENT

When we pay all or any part of any Deductible shown in the Schedule, you must promptly reimburse us for: a) the Deductible or the part of the Deductible paid by us, and b) all "Allocated Loss Adjustment Expenses" incurred by us in defending a claim or "suit" according to the option selected in Section C., above.

If we require collateral or other security to secure the Deductible and other obligations under this Commercial Automobile Deductible Endorsement, you shall provide such collateral or other security in an amount and form as we may determine.

Upon notification of payment by us, you will promptly reimburse us for any such amounts that we have paid. If you fail to reimburse us, or fail to provide us with any security or collateral in an amount or form as we may require, we may treat such failure as non-payment of premium and we may, at our option, cancel this policy by mailing or delivering to you advance written notice in accordance with the CANCELLATION Common Policy Condition. Any resulting return premium may be applied to the reimbursement amounts due.

We may mutually agree upon a final payment amount to satisfy your present and future payment obligations under this Commercial Automobile Deductible Endorsement. Payment by you of such amount will end your obligations to make payments to us under this endorsement.

All other terms and conditions of this policy remain unchanged.

Endorsement Number: 
Policy Number: 41CAB4943706
Named Insured: ALCO STORES, INC.
This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0076 00 06 07
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM COMPUTATION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM: SECTION II - LIABILITY COVERAGE
GARAGE COVERAGE FORM: SECTION II - LIABILITY COVERAGE

Your premium will be computed as follows:

1. Audit Period: 06/01/2014 through: 06/01/2015
   - X Annual  [ ] Semi Annual  [ ] Monthly  [ ] Other

   Deposit Premium: $ 47,158

2. The deposit premium set forth above is adjustable, and is only an estimated premium for the Audit Period shown in 1. above. The final premium will be developed after the Audit Period by taking the number of "power units" at the beginning of the Audit Period, adding the number of "power units" determined at the time of Audit and dividing by two to get an average number of "power units". The average number of "power units" will then be applied against the Composite Rate(s) listed in the Premium Adjustment Table below. Such rates are prior to any applicable taxes, licenses or fees.

   If BUSINESS AUTO COVERAGE FORM: SECTION II - LIABILITY COVERAGE or GARAGE COVERAGE FORM: SECTION II - LIABILITY COVERAGE is applicable, you will not be required to report replacement "power units" or newly acquired "power units" within 30 days to us. Premium adjustments for these "power units" will be calculated as described in the preceding paragraph.

   For the purposes of this endorsement, "power units" means any self propelled vehicle covered under the BUSINESS AUTO COVERAGE FORM - LIABILITY COVERAGE or GARAGE COVERAGE FORM - LIABILITY COVERAGE if applicable. This does not include vehicles defined as "mobile equipment" under the Commercial General Liability Coverage Form.

3. Premium Adjustment Table

<table>
<thead>
<tr>
<th>LOB</th>
<th>Code</th>
<th>Description</th>
<th>Estimated Exposure</th>
<th>Exposure Reporting Basis</th>
<th>Composite Rate</th>
<th>Estimated Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL</td>
<td>4594</td>
<td>COMPOSITE</td>
<td>38 # POWER</td>
<td>812</td>
<td></td>
<td>$ 30,856</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APD</td>
<td>4594</td>
<td>COMPOSITE</td>
<td>38 # OF COVERED</td>
<td>429</td>
<td></td>
<td>$ 16,302</td>
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<tr>
<td></td>
<td></td>
<td>RATED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0085 00 06 08
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD FORM NAMED INSURED ENDORSEMENT

This Endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

The Named Insured includes all subsidiaries, affiliated, associated, controlled or allied companies, corporations, or firms now or hereafter constituted in which there is common ownership of more than fifty percent (50%) and for which similar coverage is not separately provided.

The person or organization first named in Item 1 of the Declarations, by acceptance of this policy, is authorized to act and agrees to act on behalf of all persons or organizations insured under the policy with respect to all matters pertaining to the insurance afforded by the policy, including the giving or receipt of notice of cancellation, the payment of premiums and deductibles, and the receiving of return premiums, if any.

Nothing in this endorsement shall be construed to affect any of our rights to amend the policy premium during the policy period upon the acquisition of a new subsidiary or other entity by the Named Insured. The first Named Insured shall report to us, as soon as practicable, any acquisitions, dissolution, mergers or ownership changes that occur at any time throughout the policy period.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0088 00 06 08
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ANTI STACKING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

Under SECTION IV- BUSINESS AUTO CONDITIONS, SECTION V- GARAGE CONDITIONS, SECTION V- TRUCKERS CONDITIONS and SECTION V- MOTOR CARRIER CONDITIONS, Condition B. 8. is deleted and replaced by the following:

8. Two Or More Coverage Forms Or Policies Issued By Us

If any "accident" or "loss" covered under this policy is also covered in whole or in part under any other coverage form or policy issued to you by us (or by any of our related or affiliated companies) including but not limited to prior policies issued to you by us, (or by any of our related or affiliated companies), the most that will be paid under all such coverage forms and policies covering the "accident" or "loss" is the single highest applicable limit of liability of one of the policies which cover the "accident" or "loss". This provision does not apply to policies written by us (or by any of our related or affiliated companies) as insurance that specifically applies in excess of this insurance.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0089 00 06 08
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WHEN WE DO NOT RENEW EXTENDED NOTICE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

Under the COMMON POLICY CONDITIONS, the following Condition is added:

When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 90 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

If the state nonrenewal endorsement provides for more than the number of days notice of nonrenewal shown above, this provision does not apply.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:
Policy Number: 41CAB4943706
Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0113 00 04 10
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR TRUCK CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

Under SECTION II – LIABILITY COVERAGE, the Who is An Insured provision in paragraph A. 1 is amended to include as an additional "insured" the person or organization who is required under a written contract with you to be included as an "insured" under this policy, but only with respect to their legal liability for acts or omissions of a person for whom Liability Coverage is afforded under this policy.

All other terms and conditions of this policy remain unchanged.

Endorsement Number:

Policy Number: 41CAB4943706

Named Insured: ALCO STORES, INC.

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date:

00 CA0115 00 04 10
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LESSOR – ADDITIONAL INSURED AND LOSS PAYEE

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<table>
<thead>
<tr>
<th>Named Insured:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endorsement Effective Date:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countersignature Of Authorized Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Signature:</td>
</tr>
<tr>
<td>Date:</td>
</tr>
</tbody>
</table>
SCHEDULE

<table>
<thead>
<tr>
<th>Insurance Company:</th>
<th>ARCH INSURANCE COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Number:</td>
<td>41CAB4943706</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>06-01-2014</td>
</tr>
<tr>
<td>Expiration Date:</td>
<td>06-01-2015</td>
</tr>
<tr>
<td>Named Insured:</td>
<td>ALCO STORES, INC.</td>
</tr>
<tr>
<td>Address:</td>
<td>751 FREEPORT PARKWAY</td>
</tr>
<tr>
<td></td>
<td>COPPELL TX 75012</td>
</tr>
<tr>
<td>Additional Insured (Lessor):</td>
<td>ANY PERSON OR ORGANIZATION THAT YOU HAVE AGREED IN A WRITTEN CONTRACT, THAT SUCH PERSON OR ORGANIZATION IS AN ADDITIONAL INSURED ON THIS POLICY. THE COVERAGE PROVIDED BY THIS ENDORSEMENT IS PRIMARY TO, AND NON-CONTRIBUTORY WITH, ANY OTHER INSURANCE AVAILABLE TO THE ADDITIONAL INSURED.</td>
</tr>
</tbody>
</table>

Designation Or Description Of "Leased Autos": ANY LEASED AUTO AS DEFINED IN PARAGRAPH E. BELOW

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Limit Of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability</td>
<td>$1,000,000 Each &quot;Accident&quot;</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus $1,000 Deductible For Each Covered &quot;Leased Auto&quot;</td>
</tr>
<tr>
<td>Collision</td>
<td>Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus $1,000 Deductible For Each Covered &quot;Leased Auto&quot;</td>
</tr>
<tr>
<td>Specified Causes Of Loss</td>
<td>Actual Cash Value Or Cost Of Repair Whichever Is Less, Minus $ Deductible For Each Covered &quot;Leased Auto&quot;</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage
1. Any "leased auto" designated or described in the Schedule will be considered a covered "auto" you own and not a covered "auto" you hire or borrow.

2. For a "leased auto" designated or described in the Schedule, Who Is An Insured is changed to include as an "insured" the lessor named in the Schedule. However, the lessor is an "insured" only for "bodily injury" or "property damage" resulting from the acts or omissions by:
   a. You;
   b. Any of your "employees" or agents; or
   c. Any person, except the lessor or any "employee" or agent of the lessor, operating a "leased auto" with the permission of any of the above.
3. The coverages provided under this endorsement apply to any "leased auto" described in the Schedule until the expiration date shown in the Schedule, or when the lessor or his or her agent takes possession of the "leased auto", whichever occurs first.

B. Loss Payable Clause
   1. We will pay, as interest may appear, you and the lessor named in this endorsement for "loss" to a "leased auto".
   2. The insurance covers the interest of the lessor unless the "loss" results from fraudulent acts or omissions on your part.
   3. If we make any payment to the lessor, we will obtain his or her rights against any other party.

C. Cancellation
   1. If we cancel the policy, we will mail notice to the lessor in accordance with the Cancellation Common Policy Condition.
   2. If you cancel the policy, we will mail notice to the lessor.
   3. Cancellation ends this agreement.

D. The lessor is not liable for payment of your premiums.

E. Additional Definition
   As used in this endorsement:
   "Leased auto" means an "auto" leased or rented to you, including any substitute, replacement or extra "auto" needed to meet seasonal or other needs, under a leasing or rental agreement that requires you to provide direct primary insurance for the lessor.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Colorado, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

Changes In Conditions

A. The last paragraph in the Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and the last paragraph in the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are replaced by the following:

When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, the loss will be paid in accordance with the following:

1. All applicable policies will pay on an equal basis until the policy with the lowest limit of insurance is exhausted.

2. If any loss remains and there:
   a. Are two or more remaining policies whose applicable limits of insurance have not been exhausted, then such policies will continue to pay in accordance with Paragraph 1.; or
   b. Is one remaining policy, then such policy will continue to pay until its limit of insurance has been exhausted.

B. The following condition is added:

If the "insured's" whereabouts for service of process cannot be determined through reasonable effort, the "insured" agrees to designate and irrevocably appoint us as the agent of the "insured" for service of process, pleadings or other filings in a civil action brought against the "insured" or to which the "insured" has been joined as a defendant or respondent in any Colorado court if the cause of action concerns an incident for which the "insured" can possibly claim coverage. Subsequent termination of the insurance policy does not affect the appointment for an incident that occurred when the policy was in effect. The "insured" agrees that any such civil action may be commenced against the "insured" by the service of process upon us as if personal service had been made directly on the "insured". We agree to forward all communications related to service of process to the last-known e-mail and mailing address of the policyholder in order to coordinate any payment of claims or defense of claims that are required.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Idaho, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes in Physical Damage Coverage

When this Physical Damage Coverage applies to a "loaned vehicle" that you do not own, the following applies with respect to such "loaned vehicle":

1. The Limits Of Insurance Provision in Paragraph C.1. of the Business Auto and Motor Carrier Coverage Forms and in Paragraph 4.a. of the Auto Dealers Coverage Form is replaced by the following:
   a. The most we will pay for:
      (1) "Loss" to a covered "loaned vehicle" is the lesser of:
         (a) The reasonable cost of repairing the "loaned vehicle" with other property of like kind and quality; or
         (b) The owner's actual cost to replace the "loaned vehicle" with other property of like kind and quality.

2. The Limits Of Insurance Provision in Paragraph C.2. of the Business Auto and Motor Carrier Coverage Forms and in Paragraph 4.b. of the Auto Dealers Coverage Form does not apply to a "loaned vehicle".

B. Changes In Conditions

The Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are revised by the addition of the following:

When this Coverage Form and any other Coverage Form or policy providing liability and/or physical damage insurance apply with respect to an "accident" or "loss" involving a "loaned vehicle" and:

1. One provides coverage to a licensed seller or dealer that owns the "loaned vehicle"; and

2. The other provides coverage to the operator of the "loaned vehicle"; and

3. At the time of such "accident" or "loss", the operator's liability and/or physical damage insurance as described in Paragraph 2. is primary and the licensed seller or dealer's liability and/or physical damage insurance described in Paragraph 1. is excess over any insurance available to that operator.

C. Additional Definitions

As used in this endorsement:

"Loaned vehicle" means a motor vehicle which is provided for temporary use without charge to the operator by a licensed seller or dealer for the purpose of demonstrating the vehicle to the operator as a prospective purchaser, or as a convenience to the operator during the repairing or servicing of a motor vehicle for the operator, regardless of whether such repair or service is performed by the owner of the loaned vehicles or by some other person or business.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA CHANGES

For a covered "auto" licensed or principally garaged in Minnesota, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. The Common Policy Conditions are amended as follows:
   The Examination Of Your Books And Records Condition applies except that the time we have to examine your records after the policy period is changed from three years to one year.

B. The third paragraph of A. Coverage in Section II – Covered Autos Liability Coverage is replaced by the following:
   We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We will settle or defend, as we consider appropriate, any claim or "suit" asking for damages which are payable under the terms of this Coverage Form.

C. Paragraph A.2.a. Coverage Extensions of Section II – Covered Autos Liability Coverage is amended by the addition of the following:
   (7) Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

D. Paragraph C. Limit Of Insurance in Section II – Covered Autos Liability Coverage is revised by the addition of the following:
   We will apply the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations to provide separate limits required by law for bodily injury liability and property damage liability. However, this provision will not change our total Limit of Insurance.

E. Paragraph A.2. of Section III – Trailer Interchange Coverage in the Motor Carrier Coverage Form is replaced by the following:
   2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any "loss" to which this insurance does not apply. We will settle or defend, as we consider appropriate, any claim or "suit" asking for damages which are payable under the terms of this Coverage Form.

F. Paragraph A.3. Coverage Extensions of Section III – Trailer Interchange Coverage in the Motor Carrier Coverage Form is revised by the addition of the following:
   f. Prejudgment interest awarded against the "insured" on that part of the judgment we pay. If we offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

G. The Conditions are amended as follows:

1. The Appraisal For Physical Damage Loss Condition is replaced by the following:
   1. Appraisal For Physical Damage Loss
   If you and we disagree on the amount of "loss", and the disputed amount is:
   a. $10,000 or less, both parties must submit to appraisal; or
   b. More than $10,000, either party may demand an appraisal of the "loss".

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In the event of an appraisal, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and
b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we still retain our right to deny the claim.

2. The lead-in wording of the Duties In The Event Of Accident, Claim, Suit Or Loss Condition is replaced by the following:

The following duties apply:

3. Transfer Of Rights Of Recovery Against Others To Us is amended by the addition of the following:

a. Our rights under this condition with respect to all coverages other than Covered Autos Liability Coverage do not apply against a person who is 21 years of age or older who:

(1) Had control over the premises and, being in a reasonable position to prevent the consumption of alcoholic beverages, knowingly or recklessly permitted the consumption of alcoholic beverages that caused the intoxication of a person under 21 years of age; or

(2) Sold, bartered, furnished or gave to, or purchased alcoholic beverages for a person under 21 years of age that caused the intoxication of a person under 21 years of age;

and that intoxicated person caused the injury, "loss" or damage for which payment was made under this policy.

b. Our rights are subject to any applicable limitations contained in the Minnesota statutes.

c. With respect to Physical Damage, if you have received less than all of your deductible amount after a subrogation settlement or judgment, you will retain your right to recover the remaining portion of the deductible from parties liable for the "loss".

d. Our rights do not apply against any person or organization insured under this or any other Coverage Form we issue with respect to the same "accident" or "loss".

4. Paragraph B.1. Bankruptcy is replaced by the following:

1. Bankruptcy

Bankruptcy, insolvency or dissolution of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

5. The Concealment, Misrepresentation Or Fraud Condition is amended as follows:

a. With respect to Covered Autos Liability Coverage, the Concealment, Misrepresentation Or Fraud Condition does not apply.

b. With respect to other than Covered Autos Liability Coverage, the Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

We will not pay for any "loss" or damage in any case of fraud by you at any time as it relates to this Coverage Form. We will not pay for any "loss" or damage if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

(1) This Coverage Form;

(2) The covered "auto";

(3) Your interest in the covered "auto"; or

(4) A claim under this Coverage Form.
NEW MEXICO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, New Mexico, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage

1. The Care, Custody Or Control Exclusion B.6. contained in the Business Auto and Motor Carrier Coverage Forms is replaced by the following:

   6. Care, Custody Or Control

   "Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to:

   a. Liability assumed under a sidetrack agreement; or

   b. "Property damage" to or "covered pollution cost or expense" involving a motor vehicle you do not own if it is loaned:

      (1) Without a fee to the "insured" by a licensed automobile dealer for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle; or

      (2) With a fee to the "insured" by a licensed automobile dealer or with or without a fee by anyone else for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle and the vehicle is provided under a written statement, signed by the "insured", which contains the following language:

         PRIMARY LIABILITY ASSIGNMENT

         In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

2. The Care, Custody Or Control Exclusion 4.f. contained in the Auto Dealers Coverage Form is replaced by the following:
f. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving:

(1) Property owned, rented or occupied by the "insured";
(2) Property loaned to the "insured";
(3) Property held for sale or being transported by the "insured"; or
(4) Property in the "insured's" care, custody or control.

But this exclusion does not apply to:

(a) Liability assumed under a sidetrack agreement; or
(b) "Property damage" to or "covered pollution cost or expense" involving a motor vehicle you do not own if it is loaned:

(i) Without a fee to the "insured" by a licensed automobile dealer for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle; or
(ii) With a fee to the "insured" by a licensed automobile dealer or with or without a fee by anyone else for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle, and the vehicle is provided under a written statement, signed by the "insured", which contains the following language:

PRIMARY LIABILITY ASSIGNMENT

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

B. Changes In Conditions

1. The following is added to the Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form:

   When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:

   a. One Coverage Form or policy provides coverage to a Named Insured who is a licensed automobile dealer; and

   b. The other Coverage Form or policy provides coverage to a person who is not engaged in that business; and

   a person described in Paragraph b. is operating an "auto" owned by the business described in Paragraph a. which was loaned without a fee to that person for demonstration purposes, as a temporary substitute for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle, then the liability insurance provided by that person's Coverage Form or policy is primary and the liability insurance provided by the Coverage Form or policy issued to a business described in Paragraph a. is excess.

2. Paragraph 5.b. of the Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and Paragraph 5.f. of the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form do not apply to a covered "auto" that has been provided under a written Primary Liability Assignment contained in Subsection C of Section 23, Chapter 59A, Article 32 NMSA, which has been signed by an "insured".
C. Changes In Definitions

The definition of "insured contract" is revised to include a written Primary Liability Assignment contained in Subsection C of Section 23, Chapter 59A, Article 32 NMSA where a motor vehicle is loaned with a fee to the "insured" by a licensed automobile dealer, or with or without a fee by anyone else, for demonstration purposes, as a temporary substitute for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle, and that vehicle is provided under the Primary Liability Assignment signed by the "insured".
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KANSAS CHANGES – PHYSICAL DAMAGE COVERAGE

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM
- GARAGE COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM
- TRUCKERS COVERAGE FORM

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

PHYSICAL DAMAGE COVERAGE is changed as follows:

LOSS PAYMENT is changed by adding the following:

An adjustment for depreciation and physical condition will be made in determining actual cash value at the time of "loss".
This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Physical Damage Coverage
   Paragraph C. Limits Of Insurance is changed by adding the following:
   If a "loss" to your covered "auto" is also payable as damages under the liability coverage of another Coverage Form or policy issued by us, we will pay for such damage or "loss" only once, either under this Coverage Form or the liability coverage of the other Coverage Form or policy issued by us.

B. Changes In Conditions
   1. The Appraisal For Physical Damage Loss Condition is replaced by the following:
      Appraisal For Physical Damage Loss
      If you and we disagree on the amount of "loss", both parties may agree in writing to an appraisal of the "loss" and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
         a. Pay its chosen appraiser; and
         b. Bear the other expenses of the appraisal and umpire equally.
      If there is an appraisal, we will still retain our right to deny the claim.
   
   2. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:
      Misrepresentation Or Breach Of Condition Or Warranty
      a. A misrepresentation or warranty made by you or on your behalf in the negotiation of or application for this Coverage Part will void this policy if:
         1) It is material;
         2) It is made with the intent to deceive;
         3) We rely on it; and
         4) We are deceived to our injury.
      b. A breach of warranty or condition will void the policy if such breach exists at the time of "loss" and contributes to the "loss".
   
   3. The Other Insurance Condition in the Business Auto Coverage Form and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are revised by the addition of the following:
      When this Coverage Form and any other Coverage Form or policy providing liability and/or physical damage insurance apply with respect to an "accident" or "loss" involving a "loaned vehicle", and such Coverage Forms or policies have a mutually repugnant clause regarding primary coverage, and:
      a. One provides coverage to a licensed seller or dealer that owns the "loaned vehicle"; and
b. The other provides coverage to the operator of the "loaned vehicle"; and

C. Additional Definitions

As used in this endorsement:

"Loaned vehicle" means a covered "auto" which is provided for use as a temporary substitute without a direct charge to an insured operator by a licensed seller or dealer for use while the insured operator's covered "auto" is being serviced, repaired or inspected by such seller or dealer until such "auto" is returned to the licensed seller or dealer.

C. The time of such "accident" or "loss", the operator's liability and/or physical damage insurance as described in Paragraph b. is primary and the licensed seller or dealer's liability and/or physical damage insurance described in Paragraph a. is excess over any insurance available to that operator.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH DAKOTA CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, North Dakota, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement:

The Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are changed by adding the following:

1. Covered Autos Liability Coverage, Uninsured Motorists Coverage, Underinsured Motorists Coverage, Auto Medical Payments Coverage, Personal Injury Protection Coverage and Additional Personal Injury Protection Coverage are primary for an "auto" loaned, rented or leased to the "insured" and owned by someone in the business of selling, repairing, servicing, storing, leasing, renting or parking motor vehicles.

2. If you are in a business described in Paragraph 1., the coverages described in Paragraph 1. are excess for an "auto" you own if operated by an "insured" other than you or your "employee".
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Arkansas, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Covered Autos Liability Coverage
   Paragraph 2.b.(4) of the Who Is An Insured Provision of the Auto Dealers Coverage Form does not apply.

B. Changes In Physical Damage Coverage
   If collision coverage, comprehensive coverage or specified causes of loss coverage is provided by this Coverage Form on at least one covered "auto", then a temporary substitute vehicle is also a covered "auto". A temporary substitute vehicle means any "auto" you do not own which is provided for your use with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
   1. Breakdown;
   2. Repair; or
   3. Servicing.

C. Changes In Conditions
   1. The Appraisal For Physical Damage Loss Condition is replaced by the following:
      
      **Appraisal For Physical Damage Loss**
      If you and we disagree on the amount of "loss", either party may make a written request for an appraisal of the "loss". However, an appraisal will be made only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. Each party will:
         a. Pay its chosen appraiser; and
         b. Bear the other expenses of the appraisal and umpire equally.
      If we submit to an appraisal, we will still retain our right to deny the claim.
      An appraisal decision will not be binding on either party.
   2. The following is added to the Transfer Of Rights Of Recovery Against Others To Us Condition:
      We will be entitled to recovery only after the "insured" has been fully compensated for the "loss" or damage sustained.
   3. The Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form are changed by adding the following:
      When the following applies:
         a. This Coverage Form and any other Coverage Form or policy providing liability, physical damage, uninsured and underinsured motorists coverage apply to an "auto" in a given "accident"; and
         b. This Coverage Form provides coverage to an "insured" who:
            (1) Is engaged in the business of providing primarily private passenger vehicles to the public under a rental agreement for a period not to exceed 90 days and rents or leases the "auto" to an individual;

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(2) Is a duly licensed automobile dealer loaning an "auto" as a temporary replacement to a person whose "auto" is out of use because of its breakdown, repair or servicing; or

(3) Is a duly licensed automobile dealer and loans the "auto" out for use as a demonstrator "auto"; and

c. The other Coverage Form provides coverage to a person who is not working for, and not employed by, a business described in Paragraph b.(1), b.(2) or b.(3) above, and who, at the time of the "accident", is operating an "auto" provided by a business described in Paragraph b.(1), b.(2) or b.(3) above;

then the other Coverage Form is primary and this Coverage Form is excess over any coverage available to the person described in Paragraph C.3.c.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Missouri, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. The following is added to Supplementary Payments:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

B. Changes In Covered Autos Liability Coverage

1. Paragraph 1.b. of Who Is An Insured in the Business Auto and Motor Carrier Coverage Forms and Paragraph 2.b. of Who Is An Insured in the Auto Dealers Coverage Form are changed by adding the following:

(6) If you are an individual, any member of your household, other than your spouse, who is related to you by blood or adoption, including a ward or foster child, who owns an "auto".

2. If your business is other than selling, repairing or servicing "autos", the Care, Custody Or Control Exclusion does not apply to "property damage" to or "covered pollution cost or expense" involving an "auto" loaned to you, with or without consideration, by a person engaged in the business of selling, repairing or servicing "autos" as a temporary substitute for an "auto" you own.

C. Changes In Conditions

1. The Appraisal For Physical Damage Loss Condition is replaced by the following:

If you and we disagree on the amount of "loss", both parties may agree to an appraisal of the "loss" and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. The following is added to the Concealment, Misrepresentation And Fraud Condition:

With respect to Covered Autos Liability Coverage, this condition only applies in excess of the minimum limits of liability required by the Missouri Financial Responsibility Laws.
3. If your business is other than selling, repairing or servicing "autos", the following is added to the Other Insurance Condition in the Business Auto Coverage Form and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form:

Covered Autos Liability Coverage is primary for any temporary substitute for an "auto" you own if the substitute "auto" is operated by an "insured" and is loaned to you, with or without consideration, by a person engaged in the business of selling, repairing or servicing "autos".

4. If your business is selling, repairing or servicing "autos", the following is added to the Other Insurance Condition in the Auto Dealers and Business Auto Coverage Forms and the Other Insurance – Primary And Excess Insurance Provisions Condition in the Motor Carrier Coverage Form:

Covered Autos Liability Coverage is excess for any "auto" you own if operated by a customer to whom you have loaned the "auto", with or without consideration, as a temporary substitute for an "auto" owned by the customer.

D. The following provision is added:

**Missouri Property And Casualty Insurance Guaranty Association Coverage Limitations**

1. Subject to the provisions of the Missouri Property and Casualty Insurance Guaranty Association Act (to be referred to as the Act), if we are a member of the Missouri Property and Casualty Insurance Guaranty Association (to be referred to as the Association), the Association will pay claims covered under the Act if we become insolvent.

2. The Act contains various exclusions, conditions and limitations that govern a claimant's eligibility to collect payment from the Association and affect the amount of any payment. The following limitations apply subject to all other provisions of the Act:

   a. Claims covered by the Association do not include a claim by or against an "insured" of an insolvent insurer, if the "insured" has a net worth of more than $25 million on the later of the end of the "insured's" most recent fiscal year or the December thirty-first of the year next preceding the date the insurer becomes insolvent; provided that an "insured's" net worth on such date shall be deemed to include the aggregate net worth of the "insured" and all of its affiliates as calculated on a consolidated basis.

   b. Payments made by the Association for covered claims will include only that amount of each claim which is less than $300,000. However, the Association will not:

      (1) Pay an amount in excess of the applicable Limit of Insurance of the policy from which a claim arises; or

      (2) Return to an "insured" any unearned premium in excess of $25,000.

   These limitations have no effect on the coverage we will provide under this policy.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI CHANGES – POLLUTION EXCLUSION

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Missouri, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes in Covered Autos Liability Coverage

The following is added to the Pollution Exclusion:

This Pollution Exclusion applies even if such irritant or contaminant has a function in your business, operations, premises, site or location.

B. Changes in General Liability Coverages

With respect to the Auto Dealers Coverage Form:

1. The following is added to Exclusion 2.f.
   Pollution of Paragraph A. Bodily Injury And Property Damage Liability, or to any amendment to or replacement thereof:
   This Pollution Exclusion applies even if such irritant or contaminant has a function in your business, operations, premises, site or location.

2. The following is added to Exclusion 2.l.
   Pollution of Paragraph B. Personal And Advertising Injury Liability:
   This Pollution Exclusion applies even if such irritant or contaminant has a function in your business, operations, premises, site or location.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Arizona, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

Changes In Conditions

The Concealment, Misrepresentation Or Fraud General Condition is replaced by the following:

2. Concealment, Misrepresentation Or Fraud
We will not pay for any "loss" or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:

a. That are fraudulent;
b. That are material either to the acceptance of the risk, or to the hazard assumed by us; and
c. Where, if the true facts had been known to us as required either by the application for the policy or otherwise, we in good faith would either:
   (1) Not have issued the policy;
   (2) Not have issued the policy in as large an amount; or
   (3) Not have provided coverage with respect to the hazard resulting in the "loss".
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES

For a covered "auto" licensed or principally garaged in Texas, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. Changes In Physical Damage Coverage

1. The following exclusion is added to Paragraph B. Exclusions in the Physical Damage Coverage section:
   We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.


3. Paragraph D. Deductible in the Physical Damage Coverage section is amended by the addition of the following:
   At the mutual agreement of you and us, we will not apply the deductible to "loss" to glass, if the glass is repaired rather than replaced.

B. Changes In Conditions

The following condition is added:

Claim-handling Procedures

1. Within 15 days after we receive written notice of a claim, we will:
   a. Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
   b. Begin any investigation of the claim; and
   c. Specify the information you must provide in accordance with Paragraph b. of the Duties Condition.
   We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

2. After we receive the information we request, we will notify you in writing as to whether:
   a. The claim will be paid;
   b. The claim has been denied, and inform you of the reasons for denial;
   c. More information is necessary; or
   d. We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.
   We will provide notification, as described in 2.a. through 2.d. above, within:
   a. 15 "business days"; or
   b. 30 days if we have reason to believe the "loss" resulted from arson.
   If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

3. If a claim results from a weather-related catastrophe or a major natural disaster as defined by the Texas Department of Insurance, the claim-handling deadlines described above are extended for an additional 15 days.

4. If we notify you that we will pay your claim, or part of your claim, we will pay within five "business days" after we notify you.
However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms under this Policy, we will make payment within five “business days” after the date you have complied with such terms.

5. We will notify the first Named Insured in writing of:
   a. An initial offer to settle a claim made or “suit” brought against any “insured” under Covered Autos Liability Coverage of this Policy. The notice will be given no later than the 10th day after the date on which the offer is made.
   b. Any settlement of a claim made or “suit” brought against the “insured” under Covered Autos Liability Coverage of this Policy. The notice will be given no later than the 30th day after the date of settlement.

As used in this condition, “business day” means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

C. Changes in Uninsured/Underinsured Motorists Coverage

All references to “Uninsured Motorists Coverage” in the title or text of any Coverage Form or endorsement thereto are changed to read “Uninsured/Underinsured Motorists Coverage”.

D. Changes In Trailer Interchange Coverage

The following exclusion is added to Paragraph B. Exclusions of Section III – Trailer Interchange Coverage in the Motor Carrier Coverage Form and to Paragraph B.2. Exclusions of the Motor Carrier Endorsement if attached:

Texas Controlled Substance Act

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.

E. Changes In Garagekeepers Coverage

If the Garagekeepers Coverage Endorsement or the Garagekeepers Coverage – Customers' Sound-receiving Equipment endorsement is attached, the following exclusion is added:

Texas Controlled Substance Act

We will not pay for "loss" due to or as a consequence of a seizure of a covered "auto" by federal or state law enforcement officers as evidence in a case against you under the Texas Controlled Substances Act or the federal Controlled Substances Act if you are convicted in such case.
COMMERCIAL AUTO
CA 02 05 0514

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES – NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

The following is added to the Cancellation Common Policy Condition and supersedes any provision to the contrary:

Nonrenewal
1. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 30 days before the expiration or anniversary date of this Policy.
2. We will mail or deliver our written notice to the first Named Insured's last address known to us.
3. We will not mail or deliver this written notice if:
   a. You have requested or agreed to nonrenewal;
   b. This Policy is expressly designated as nonrenewable;
   c. You have failed to pay a premium when due;
   d. We have offered to issue a renewal policy;
   e. You have insured elsewhere; or
   f. You have specifically requested termination.
4. If notice is mailed, proof of mailing is sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINNESOTA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

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

A. If you are an individual and this policy covers fewer than five “autos” of the private passenger type not rated on a fleet basis; or this policy is a plan of reparation security insuring fewer than five “autos” rated on a commercial or fleet basis, the Cancellation Common Policy Condition does not apply. The following conditions apply instead:

   1. Cancellation
      a. The first Named Insured may cancel the policy by mailing or delivering to us advance written notice of cancellation.
      b. Policies In Effect Less Than 60 Days
         When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering written notice of cancellation to the first Named Insured:
         (1) So as to be received at least 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
         (2) At least 30 days before the effective date of cancellation if we cancel for any other reason.
         The notice of cancellation will state the reasons for cancellation. Information regarding moving traffic violations or motor vehicle accidents must be specifically requested on the application in order for us to cancel within the first 59 days of coverage for those incidents.

   c. Policies In Effect 60 Days Or More
      When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
      (1) Nonpayment of premium;
      (2) This policy was obtained through a material misrepresentation;
      (3) Any “insured” made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim;
      (4) You failed to disclose fully your “auto” accidents and moving traffic violations for the preceding 36 months if called for in the written application for this policy;
      (5) You failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk;
      (6) You knowingly failed to give any required notice of loss or notice of lawsuit commenced against you, or when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit;
(7) You or any driver who either lives with you or customarily uses a covered "auto":

(a) Has had his or her driver's license suspended or revoked within the 36 months prior to the notice of cancellation because of a moving traffic violation or a refusal to be tested for being under the influence of alcohol;

(b) Is or becomes subject to epilepsy or heart attacks and does not produce a physician's certificate stating that he or she can operate an "auto" safely;

(c) Has an "accident" or conviction record, physical or mental condition, any one or all of which are such that his or her operation of an "auto" might endanger the public safety;

(d) Has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an "auto", or assault arising out of the use of an "auto" or operating an "auto" while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an "accident" without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of an "auto";

(e) Has been convicted of, or forfeited bail for, one or more violations within the 18 months before the notice of cancellation, of any law, ordinance, or regulation which justify a revocation of a driver's license;

However, Subparagraphs (a) through (e) above do not apply with respect to any driver who either lives with you or customarily uses a covered "auto" if that driver is identified as a named insured in another coverage form or policy as an insured.

(8) A covered "auto" is:

(a) So mechanically defective that its operation might endanger public safety; or

(b) Used in carrying passengers for hire or compensation. This does not include car pools; or

(c) Used in the business of transporting flammables or explosives; or

(d) An authorized emergency vehicle; or

(e) Subject to an inspection law and has not been inspected or if inspected has failed to qualify within the period specified under such inspection law; or

(f) Substantially changed in type or condition during the policy period, increasing the risk substantially, or so as to give clear evidence of a use other than the original use.

(9) We replace this policy with another one providing similar coverages and the same rates and limits for the covered "auto". The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.

If we cancel for any reason described in Paragraphs c.(1) through (9) above, we will give written notice of cancellation to the first Named Insured at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason described in Paragraphs c.(2) through c.(9).

The effective date of cancellation stated in the notice shall become the effective date of cancellation.

d. If this policy is cancelled, we will send the first Named Insured any premium refund due. Cancellation will be on a pro rata basis if the unearned premium is for a period of more than one month. If you request cancellation and the unearned premium is for a period of one month or less, the refund may be less than pro rata.

If we cancel, cancellation will not become effective unless the premium refund due is returned to you with the notice of cancellation or is delivered or mailed to you so as to be received by you not later than the effective date of cancellation.

If you cancel, any premium refund due will be refunded within 30 days following our receipt of the request for cancellation.

e. Proof of mailing of any notice shall be sufficient proof of notice.
2. Nonrenewal
   a. If we decide not to renew or continue this policy we will give the first Named Insured written notice of our intent not to renew at least 60 days before the end of the policy period. Such notice will be mailed or delivered to the first Named Insured at the last mailing address known to us. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
   b. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.
   c. Proof of mailing of any notice shall be sufficient proof of notice.

B. For all other policies not described in Paragraph A. above, the Cancellation Common Policy Condition does not apply. The following Conditions apply instead:

1. Cancellation
   a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
   b. We may cancel this policy, subject to the provisions of c. below, by first class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
   c. Policies In Effect Less Than 90 Days
      If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving notice at least:
      (1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or
      (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

d. Policies In Effect 90 Days Or More
   If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:
   (1) Nonpayment of premium;
   (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
   (3) An act or omission by you that substantially increases or changes the risk insured;
   (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
   (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
   (6) Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise the policyholder that he or she has 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
   (7) A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
   (8) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing such insurance. This provision for cancellation for failure to pay dues shall not be applicable to persons who are retired at 62 years of age or older or who are disabled according to social security standards.
If we cancel for any reason described in Paragraphs d.(1) through (8) above, we will give notice at least:

(1) 10 days before the effective date of cancellation, if we cancel for nonpayment of premium. The cancellation notice shall contain the information regarding the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation; or

(2) 60 days before the effective date, if we cancel for any other reason described in Paragraphs d.(2) through (8) above. The notice of cancellation will state the reason for cancellation.

e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

f. Proof of mailing of any notice shall be sufficient proof of notice.

2. Nonrenewal

If we decide not to renew or continue this policy, we will give the first Named Insured and any agent notice of our intent not to renew, at least 60 days before the expiration date. Such notice will be mailed or delivered to the first Named Insured and any agent at their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

a. Insured elsewhere;

b. Accepted replacement coverage; or

c. Agreed not to renew this policy.

Proof of mailing of any notice shall be sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MISSOURI CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. If you are an individual, partnership or limited liability company and a covered "auto" you own is of the "private passenger type", and this policy covers fewer than five "autos" and does not insure the motor vehicle hazard of garages, motor vehicle sales agencies, repair shops, service stations or public parking places, the Cancellation Common Policy Condition does not apply to that "auto". The following condition applies instead:

Ending This Policy
1. Cancellation
   a. You may cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
   b. If this policy has been in effect for 60 days or less and is not a renewal or continuation policy, we may cancel for any reason. If we cancel, we will mail you at least 10 days' notice.
   c. When this policy has been in effect for more than 60 days or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
      (1) Nonpayment of premium. If we cancel for this reason, we will mail you at least 10 days' notice.

(2) If you are an individual, partnership or limited liability company and your driver's license has been suspended or revoked during the policy period. If we cancel for this reason, we will mail you at least 60 days' notice. However, we may not cancel if you are more than one person, but only one person's license has been suspended or revoked. Instead we may exclude coverage for that person while operating a covered "auto" during a period of suspension or revocation.

(3) If you are an individual, we replace this policy with another one providing similar coverages and the same limits for the covered "auto". The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.

   d. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you the refund. However, making or offering to make the refund is not a condition of cancellation. The following provisions govern calculation of return premium:
      (1) We will compute return premium pro rata and round to the next higher whole dollar when this policy is:
         (a) Cancelled by us or at our request;
(b) Cancelled because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance;

(c) Cancelled but rewritten with us or in our company group; or

(d) Cancelled after the first year, if it is a prepaid policy written for a term of more than one year.

(2) When this policy is cancelled at your request (except when Paragraph (1)(b), (1)(c) or (1)(d) applies), we will return 90% of the pro rata unearned premium rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multiyear prepaid policy, we will return the full annual premium for the subsequent years.

(3) When this policy is cancelled at your request and is an auto dealer's policy written on a reporting form basis, we will calculate the return or additional premium as follows:

(a) Final annual premium will be determined on the basis of the average value reported during the period in which the policy was in effect.

(b) Pro rata earned premium will be determined based on the final annual premium for the number of days the policy was in force as determined by Paragraph (3)(a) rounded to the next higher whole dollar.

(c) Pro rata unearned premium will be determined by subtracting Paragraph (3)(b) from Paragraph (3)(a).

(d) The short rate surcharge will be determined by multiplying the unearned premium by 10% and rounding to the next higher whole dollar.

(e) Calculate the short rate earned premium by adding Paragraphs (3)(b) and (3)(d).

(f) If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.

(g) If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.

(e) The effective date of cancellation stated in the notice shall become the end of the policy period.

(f) Our notice of cancellation will state the actual reason for cancellation unless the cancellation is due to nonpayment of premium.

2. Nonrenewal

a. If we decide not to renew or continue this policy, we will mail you notice at least 60 days before the end of the policy period. If the policy period is other than one year, we will have the right not to renew or continue it only at the anniversary of its original effective date. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

b. If we fail to mail proper notice of nonrenewal and you obtain other insurance, the coverages provided by this policy will end on the effective date of any similar coverages provided by the other insurance.

c. Our notice of nonrenewal will state the actual reason for nonrenewal unless the nonrenewal is due to nonpayment of premium.

3. Mailing Of Notices

Any notice of cancellation or nonrenewal will be mailed by United States post office certificate of mailing to your last known mailing address. Proof of mailing of any notice will be sufficient proof of notice.

B. For "autos" not described in Paragraph A. above:

1. Paragraph 2. of the Cancellation Common Policy Condition is replaced by the following:

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the actual reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;

b. 30 days before the effective date of cancellation if cancellation is for one or more of the following reasons:

(1) Fraud or material misrepresentation affecting this policy or a claim filed under this policy or a violation of any of the terms or conditions of this policy;
(2) Changes in conditions after the effective date of this policy which have materially increased the risk assumed;
(3) We become insolvent; or
(4) We involuntarily lose reinsurance for this policy;
c. 60 days before the effective date of cancellation if we cancel for any other reason.

2. Paragraph 5. of the Cancellation Common Policy Condition is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The cancellation will be effective even if we have not made or offered a refund. The following provisions govern calculation of return premium:

a. We will compute return premium pro rata and round to the next higher whole dollar when this policy is:
   (1) Cancelled by us or at our request:
   (2) Cancelled because you no longer have a financial or insurable interest in the property or business operation that is the subject of this insurance;
   (3) Cancelled but rewritten with us or in our company group; or
   (4) Cancelled after the first year, if it is a prepaid policy written for a term of more than one year.

b. When this policy is cancelled at the request of the first Named Insured (except when Paragraph a.(2), a.(3) or a.(4) applies), we will return 90% of the pro rata unearned premium rounded to the next higher whole dollar. However, when such cancellation takes place during the first year of a multiyear prepaid policy, we will return the full annual premium for the subsequent years.

c. When this policy is cancelled at the request of the first Named Insured and is an auto dealer's policy written on a reporting form basis, we will calculate the return or additional premium as follows:
   (1) Final annual premium will be determined on the basis of the average value reported during the period in which the policy was in effect.

(2) Pro rata earned premium will be determined based on the final annual premium for the number of days the policy was in force as determined by Paragraph c.(1) rounded to the next higher whole dollar.
(3) Pro rata unearned premium will be determined by subtracting Paragraph c.(2) from Paragraph c.(1).
(4) The short rate surcharge will be determined by multiplying the unearned premium by 10% and rounding to the next higher whole dollar.
(5) Calculate the short rate earned premium by adding Paragraphs c.(1) and c.(4).
(6) If the short rate earned premium is less than the sum of all payments (including any deposit premium), the difference is the return premium.
(7) If the short rate earned premium is greater than the sum of all payments (including any deposit premium), the difference is the additional premium due.

3. The following is added and supersedes any provision to the contrary:

Nonrenewal

a. We may elect not to renew this policy by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the actual reason for nonrenewal, at least 60 days prior to the effective date of the nonrenewal.

b. If notice is mailed, proof of mailing will be sufficient proof of notice.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – CANCELLATION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

The following is added to Paragraph 3. of the Cancellation Common Policy Condition:

If the policy has been in effect 60 days or more or is a renewal or continuation policy, and we cancel for:

a. Nonpayment of premium to a premium finance company; or

b. Any reason other than nonpayment of premium;

notice of cancellation will be sent by registered or certified mail.
COMMERCIAL AUTO
CA 02 43 11 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TEXAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

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

A. Paragraphs 2. and 5. of the Cancellation Common Policy Condition contained in Endorsement IL 00 17 are replaced by the following:

2. We may cancel this policy:
   a. By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.
   b. For the following reasons, if this policy does not provide coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001:
      (1) If this policy has been in effect for 60 days or less, we may cancel for any reason except that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.
      (2) If this policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:
         (a) Fraud in obtaining coverage;
         (b) Failure to pay premiums when due;
         (c) An increase in hazard within the control of the insured which would produce an increase in rate;
         (d) Loss of reinsurance covering all or part of the risk covered by the policy; or
         (e) If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.
   c. For the following reasons, if this policy provides coverage to a governmental unit, as defined under 28 TEX. ADMIN. CODE, Section 5.7001:
      (1) If this policy has been in effect for less than 90 days, we may cancel this policy for any reason.
      (2) If this policy has been in effect for 90 days or more, or if it is a renewal or continuation of a policy issued by us, we may cancel this policy, only for the following reasons:
         (a) If the first Named Insured does not pay the premium or any portion of the premium when due;
         (b) If the Texas Department of Insurance determines that continuation of this policy would result in violation of the Texas Insurance Code or any other law governing the business of insurance in Texas;
         (c) If the Named Insured submits a fraudulent claim; or
         (d) If there is an increase in the hazard within the control of the Named Insured which would produce an increase in rate.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. The refund will be pro rata, subject to the policy minimum premium. The cancellation will be effective even if we have not made or offered a refund.

B. The following condition is added:

**Nonrenewal**

1. We may elect to renew this policy except that under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.

2. If we elect not to renew this policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 60 days before the expiration date. If notice is mailed or delivered less than 60 days before the expiration date, this policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year’s premium.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. The Cancellation Common Policy Condition does not apply. The following condition applies instead.

Cancellation
1. The first Named Insured may cancel the policy by mailing or delivering to us advance written notice of cancellation.
2. When this policy is in effect less than 60 days and is not a renewal or continuation policy, we may cancel for any reason, provided we mail written notice of cancellation to the first Named Insured within this period. If we cancel, we will mail the first Named Insured at least 10 days' notice.
3. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
   a. Nonpayment of premium. If we cancel for this reason, we will mail the first Named Insured at least 10 days' notice.
   b. There has been a substantial change in the risk assumed by us since the policy was issued. If we cancel for this reason, we will mail the first Named Insured at least 30 days' notice.
   c. The policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us. If we cancel for this reason, we will mail the first Named Insured at least 15 days' notice.
   d. Willful and negligent acts or omissions by the "insured" have substantially increased the hazards insured against. If we cancel for this reason, we will mail the first Named Insured at least 15 days' notice.
   e. Revocation or suspension of your driver's license or that of another operator who either resides in the same household or customarily operates the "auto". If we cancel for this reason, we will mail the first Named Insured at least 15 days' notice.
   f. You present a claim based on fraud or material misrepresentation. If we cancel for this reason, we will mail the first Named Insured at least 15 days' notice.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

B. The following condition is added:

Nonrenewal
1. If we decide not to renew or continue this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.
2. If we offer to renew or continue and you do not accept, this Coverage Part will end on the expiration date of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

3. If we fail to mail proper notice of nonrenewal and you obtain other insurance, this Coverage Part will end on the effective date of that other insurance.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation or nonrenewal to your last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
KANSAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

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

A. If you are an individual and a covered "auto" you own is of the "private passenger type", and this policy covers fewer than five "autos" and does not insure the motor vehicle hazard of garages, motor vehicle sales agencies, repair shops, service stations or public parking places, the Cancellation Common Policy Condition does not apply to that "auto". The following condition applies instead:

Ending This Policy

1. Cancellation
   a. You may cancel the policy by mailing or delivering to us advance written notice of cancellation.
   b. We may cancel this policy by mailing you notice of cancellation. If we cancel for nonpayment of premium, we will mail you at least 10 days' notice. If we cancel for any other reason, we will mail you at least 30 days' written notice.
   c. When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel Covered Autos Liability Coverage and Personal Injury Protection only for one or more of the following reasons:
      (1) Nonpayment of premium.
      (2) Fraudulent misrepresentation in obtaining this policy.
      (3) The "insured" violates any terms or conditions of the policy.
      (4) You or any other operator who either resides in the same household or customarily operates a covered "auto":
         (a) Has had his or her driver's license suspended or revoked during the policy period.
         (b) Is or becomes subject to epilepsy or heart attacks and cannot produce a physician's certificate stating that he or she can operate a motor vehicle safely.
         (c) Has been convicted during the policy period or 36 months before it, for:
            (i) Any felony;
            (ii) Criminal negligence resulting in death, homicide or assault, arising from the operation of a motor vehicle;
            (iii) Driving a motor vehicle while intoxicated or under the influence of drugs;
            (iv) Leaving the scene of an "accident" without stopping to report;
            (v) Theft of a motor vehicle;
            (vi) Making false statements when applying for a driver's license; or
            (vii) A third moving violation, committed within a period of 18 months of:
               i. Any regulation limiting the speed of motor vehicles;
ii. Any of the provisions in the motor vehicle laws of any state, the violation of which constitutes a misdemeanor or traffic infraction; or

iii. Any ordinance traffic infraction, or ordinance which prohibits the same acts as a misdemeanor statute of the uniform act regulating traffic on highways, whether or not the violations were repetitions of the same offense or were different offenses.

(5) We replace this policy with another one providing similar coverages and the same limits for the covered "auto". The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.

d. Renewal or continuation of this policy does not act as a waiver or estoppel of any reasons for cancellation which existed before the effective date of renewal or continuation.

e. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not offered a refund.

f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

2. Nonrenewal

a. If we decide not to renew or continue this policy, we will mail you written notice at least 30 days before the end of the policy period.

b. We may not renew or continue this policy only for one or more of the following reasons:

(1) When we are required or have been permitted by the commissioner of insurance, in writing, to reduce premium volume in order to preserve our financial integrity.

(2) When we cease to transact such business in this state.

(3) When we are able to show competent medical evidence that the insured has a physical or mental disablement that impairs his or her ability to drive in a safe and reasonable manner.

(4) When unfavorable underwriting factors, pertinent to the risk, are existent, and of a substantial nature, which could not have reasonably been ascertained by us at the initial issuance or the last renewal of the policy.

(5) When the policy has been continuously in effect for a period of five years, provided that such five-year period shall begin at the first anniversary date following the policy effective date.

(6) When any of the reasons specified as reasons for cancellation are existent.

c. If we offer to renew or continue this policy and you do not accept, this policy will terminate at the end of the policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

d. If we fail to mail proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

3. Mailing Of Notices

We will mail any notice of cancellation or nonrenewal by certified or registered mail or United States Post Office certificate of mailing to your last mailing address known to us. Proof of mailing will be sufficient proof of notice.

B. For all policies not described in Paragraph A. above, the Cancellation Common Policy Condition does not apply. The following condition applies instead:

Ending This Policy

1. Cancellation

a. You may cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.

b. We may cancel this policy by mailing you written notice of cancellation, stating our reasons for cancellation. If we cancel for nonpayment of premium, we will mail you at least 10 days' notice. If we cancel for any other reason, we will mail you at least 30 days' notice.

c. When this policy is in effect for 90 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:

(1) Nonpayment of premium.

(2) This policy was issued because of material misrepresentation.