

Pioneer Garage/Auto Insurance Policy



Erie Insurance Exchange[®]
Erie Insurance Company

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The Pioneer In The Insurance World[®]

WHERE TO LOOK IN YOUR POLICY

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ERIE INSURANCE GROUP is proud to present this PIONEER GARAGE/ AUTO INSURANCE POLICY. This important contract between YOU and The ERIE consists of this policy with coverage agreements, limitations, exclusions and conditions, a Declarations, plus any endorsements. It is written in plain, simple terms so that it can be easily understood. We urge YOU to read it.

This Policy contains many XTRA PROTECTION FEATURES developed by The ERIE. Wherever an “X” appears in the margin of this policy, YOU receive XTRA PROTECTION, either as additional coverage or as a coverage that is not in most garage policies.

The protection given by this policy is in keeping with the single purpose of our Founders: “To provide YOU with as near PERFECT PROTECTION, as near PERFECT SERVICE, as is humanly possible, and to do so at the LOWEST POSSIBLE COST.”

AGREEMENT

ERIE INSURANCE EXCHANGE:

In return for **your** timely premium payment, **your** compliance with all of the provisions of this policy, and **your** signing of a **Subscriber's Agreement** with Erie Indemnity Company and other Subscribers, **we** agree to provide the coverages **you** have purchased. **Your** coverages and limits of protection are shown on the **Declarations**, which are part of this policy.

Your signing the **Subscriber's Agreement**, which includes a limited power-of-attorney, permits Erie Indemnity Company, as Attorney-in-Fact, to make reciprocal insurance contracts between **you** and other Subscribers and otherwise manage the business of The Erie Insurance Exchange. This power-of-attorney applies only to **your** insurance business at the Exchange and is limited to the purposes described in the **Subscriber's Agreement**.

Your responsibility as a **Subscriber** is determined by this policy and the **Subscriber's Agreement**. **You** are liable for just the policy premiums charged and are not subject to any other assessment under the policy.

This agreement is made in reliance on the information **you** have given **us** and is subject to all the terms of this policy.

This policy, all endorsements to it, and the **Subscriber's Agreement**, constitute the entire agreement between **you** and **us**.

ERIE INSURANCE COMPANY and ERIE INSURANCE PROPERTY & CASUALTY COMPANY:

In return for **your** timely premium payment and **your** compliance with all of the provisions of this policy, **we** agree to provide the coverages **you** have purchased. **Your** coverages and limits of protection are shown on the **Declarations**, which are part of this policy.

This agreement is made in reliance on the information **you** have given **us** and is subject to all the terms of this policy.

This policy and all endorsements to it constitute the entire agreement between **you** and **us**.

DEFINITIONS

Throughout **your** policy and its endorsement forms, the following words have a special meaning in **your** policy when they appear in bold type:

- “**accident**” includes continuous or repeated exposure to the same conditions resulting in **personal injury** or **property damage**.

X *For all garage operations other than the ownership, maintenance or use of autos we insure, accident includes conditions resulting in personal injury while protecting persons and property.*

- “**advertising injury**” means injury arising out of:
 1. oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 2. oral or written publication of material that violates a person's right of privacy;
 3. misappropriation of advertising ideas or style of doing business; or
 4. infringement of copyright, title or slogan.
- “**aircraft**” means any machine or device capable of atmospheric flight except model airplanes.

- “**Amended Declarations:**” see definition of “**Declarations**.”

- “**anyone we protect**” means any person or organization **we** specifically state is protected under the coverage being described. In the RIGHTS AND DUTIES - GENERAL POLICY CONDITIONS Section, “**anyone we protect**” means:

1. **you** and
2. persons or organizations listed under PERSONS WE PROTECT in the LIABILITY PROTECTION Section.

- “**auto**” means a land motor vehicle, **trailer, camper body** or farm implement.
- “**Auto Dealer**” means a **garage** that sells **autos** as its principal source of income.
- “**autos we insure**” means **autos** that are defined in the AUTOS WE INSURE Section of this policy.
- “**camper body**” means a living-quarters unit designed to be the body of an **auto** or to fit into the bed of a pick-up truck. A truck cap is not a **camper body**.

- “**Declarations,**” “**Amended Declarations**” “**Revised Declarations,**” “**Reinstatement of Coverage**” or “**Continuation Notice**” means the form which shows **your** policy period, coverages, limits of protection, **autos we insure**, premium charges and other information. This form is part of **your** policy.

An **Amended Declarations** shows **you** the policy has been changed. A **Revised Declarations** shows **you** the policy has been corrected. A **Reinstatement of Coverage** shows **you** the previously cancelled policy and coverages are back in force. A **Continuation Notice** shows **you** the policy is being continued for another policy period.

- “**false pretense**” means:
 1. **your** parting with an **owned auto** by trick, scheme or false pretext; or
 2. **your** acquiring an **auto** from someone who did not have legal title to it.
- “**garage**” means a business that sells, repairs, services, cleans, paints, stores, or parks **autos**; or a business described on the **Declarations**.
- “**garage operations**” means:
 1. the ownership, maintenance or use of a **premises** as a **garage**.
 2. the ownership, maintenance or use of **autos we insure** shown on the **Declarations**.
 3. the making, storing and selling of **your products**, and completed operations; and
 4. all other necessary and incidental operations.
- “**hired auto**” means an **auto** defined under “**hired autos**” in the AUTOS WE INSURE Section of this policy.
- “**insured contract**” means:
 1. lease of premises;
 2. a sidetrack agreement;
 3. an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 4. any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 5. an agreement to indemnify a municipality which is required by municipal ordinance. This does not apply to work performed for the municipality;
 6. an elevator maintenance agreement; or
 7. that part of any other contract or agreement relating to **your garage operations** under which **you** assume the tort liability of another to pay damages because of **personal injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **personal injury** or **property damage**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.
 8. that part of any contract or agreement entered into, as part of **your garage operations**, relating to the rental or lease, by **you** or any of **your** employees, of any **auto**. Such contract or agree-

ment 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:

1. that indemnifies an architect, engineer or surveyor for **personal injury** or **damage** arising out of:
 - a. preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - b. supervisory, inspection or engineering services; or
2. that indemnifies any person or organization for damage by fire to **premises** rented or loaned to **you**;
3. 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
4. that holds a person or organization engaged in the business of transporting property by **auto** for hire harmless for **your** use of an **auto we insure** over a route or territory that person or organization is authorized to serve by public authority.

- “**loss**” means direct and accidental damage or loss.
- “**named location**” means each site where **you** display or store **owned autos** as shown on the **Declarations** .
- “**new location**” means each new site where **you** display or store **owned autos** after this policy becomes effective.
- “**newly acquired**” means an **auto** defined under “**newly acquired autos**” in the AUTOS WE INSURE Section of this policy.
- “**non-owned auto**” means an **auto** defined under “**non-owned autos**” in the AUTOS WE INSURE Section of this policy.
- “**occupying**” means in or upon, getting into or out of, or getting off.
- “**owned auto**” means an **auto** defined under “**owned autos**” in the AUTOS WE INSURE Section of this policy.
- “**personal injury**” means:
 1. bodily injury - meaning physical harm, sickness or disease, including care, loss of services or resultant death from any of these; X
 2. libel, slander, defamation of character;
 3. false arrest, wrongful detention or imprisonment, malicious prosecution, racial or religious discrimination, wrongful entry or eviction, invasion of privacy, or humiliation caused by any of these;
 4. mental anguish, mental injury or shock caused by items 2. or 3.; X
 5. incidental medical malpractice injury. Incidental medical malpractice injury means injury arising out of the rendering or failing to render the following services: X

- a. medical, surgical, dental, x-ray, nursing or rehabilitative service or treatment or the furnishing of food or beverages in connection with the service or treatment, or
- b. the furnishing or dispensing of drugs or medical, dental or surgical supplies, appliances or prosthetic devices.

which occur during the policy period.

- “**pollutants**” include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant. Some examples are lead and products containing lead, gasoline, oil and other petroleum products, acids, alkalis, chemicals, soot, fumes, vapor, smoke and waste. Waste includes substances that are intended to be or are disposed of as having no useful purpose, as well as substances to be reclaimed, reconditioned or recycled.
- “**premises**” means each location where **you** conduct **garage operations**. It includes adjoining roads and driveways. It does not include that part of the location occupied by someone else’s business.
- “**products**” means **autos**, parts, materials, goods or equipment made by **you** or sold at **your garage**.
- “**property damage**” means:
 1. physical injury to or destruction of tangible property, including loss of its use;
 2. loss of use of tangible property which is not physically injured or destroyed.
- “**relative**” means a resident of **your** household who is:
 1. a person related to **you** by blood, marriage or adoption, or
 2. a ward or other person under 21 years old in **your** care.
- “**sound equipment**” includes tape players, compact disk players, citizen’s band radios, two-way mobile radios or telephones, scanners and their accessories, attachments and antennas.
- “**suit**” means a civil proceeding in which damages are alleged because of **personal injury, property damage**

or **advertising injury** to which this insurance applies. **Suit** includes:

1. an arbitration proceeding, or
2. any other alternative dispute resolution proceeding,

alleging such damages, to which **anyone we protect** must submit or submit with **our** consent.

- “**trailer**” includes semi-trailer.
- “**we,**” “**us**” , “**our**” means the Erie Insurance Group insurance company that has issued this policy. It is shown on **your Declarations**.
- “**you,**” “**your**” or “**Named Insured**” means the person(s) or organization named in Item 1 on the **Declarations**. Except in the GENERAL POLICY CONDITIONS Section, these words include **your** spouse if a resident of the same household.

ADDITIONAL ERIE INSURANCE EXCHANGE DEFINITIONS

The following words have a special meaning in policies issued at **Erie Insurance Exchange** when they appear in bold type:

- “**Subscriber**” means the person(s) who signed or the organization that authorized the signing of, the **Subscriber’s Agreement**.
- “**Subscriber’s Agreement**” means the agreement, including a limited power-of-attorney, among the Subscribers and Erie Indemnity Company, as Attorney-in-Fact.
- “**we,**” “**us**” , “**our**” means the Subscribers at Erie Insurance Exchange as represented by their common Attorney-in-Fact, Erie Indemnity Company.
- “**you,**” “**your**” or “**Named Insured**” means the **Subscriber** and others named in Item 1 on the **Declarations**. Except in the GENERAL POLICY CONDITIONS Section, these words include the spouse of the **Subscriber** if a resident of the same household.

WHEN AND WHERE THIS POLICY APPLIES

This policy applies to **accidents** or **losses** that happen during the policy period. The policy period is shown on the **Declarations, Continuation Notice, Amended Declarations, Revised Declarations, or Reinstatement of Coverage** form. It begins and ends at 12:01 A.M., Standard Time at the stated address of the **Named Insured**.

This policy applies:

1. within the United States of America, its territories or possessions, Puerto Rico, Canada or between their ports; or
2. anywhere in the world if:
 - a. the **personal injury, property damage** or **advertising injury** arises out of:

1) **your products** sold by **you** in the United States of America, its territories or possessions, Puerto Rico or Canada; or

2) work performed by or for **you** in **your garage operations**; or **X**

3) the activities, other than those related to **autos**, of **anyone we protect** who permanently lives in the United States of America, its territories or possessions, Puerto Rico or Canada, but is temporarily away on **your** business; and **X**

b. the responsibility of **anyone we protect** to pay damages is determined on the merits of a **suit** in the United States of America, its territories or

possessions, Puerto Rico or Canada, or in a settlement we agree to.

AUTOS WE INSURE

The **Declarations** shows which of the following are **autos we insure** under this policy.

1. **Owned Autos.** These are:

FOR LIABILITY PROTECTION, AUTO MEDICAL PAYMENTS & AUTO PHYSICAL DAMAGE

autos described separately on the **Declarations**, but only for coverages for which a premium is shown, and may include:

- a. **Temporary Substitute Autos.** These are **autos** not owned by **you** being temporarily used in place of **owned autos**. The latter must be unable to be driven for normal use due to breakdown, repair, servicing, **loss** or destruction.
- b. **Newly Acquired Autos.** These are **autos you** acquire during the policy period. They may:
 - 1) replace an **owned auto**; or
 - 2) be additional **autos we insure** if, on the day such **autos** are acquired, **we insure all autos you own**.

You must tell us about newly acquired autos during the policy period in which the acquisition takes place. If replacement or addition is made within 30 days prior to the end of the policy period in which the acquisition takes place, **you** have 60 days after acquisition to tell **us**.

FOR LIABILITY PROTECTION AND AUTO MEDICAL PAYMENTS

“OWNED AUTOS” as shown on the **Declarations**, which means:

- a. **autos you own**,
- b. consigned **autos**, which are **autos** not owned by **you** or by anyone to whom **you** owe money, but held for sale by **you**,
- c. non-owned **trailers** while attached to **owned autos**, and
- d. any **auto** not owned by, furnished or available for the regular use of, and while driven by:
 - 1) **you**;

- 2) **your** active partner and spouse residing in the same household; **X**
- 3) **your** active executive officer and spouse residing in the same household; or **X**
- 4) if **you** are a joint venture, **your** active member and spouse residing in the same household. **X**

FOR AUTO PHYSICAL DAMAGE COVERAGES

“OWNED AUTOS” as shown on the **Declarations**, which means:

- a. **autos you own** (including **your** inventory),
- b. consigned **autos**,
- c. **autos** furnished for the use of others,
- d. **autos** sold but held pending delivery, and
- e. private passenger **autos** neither owned by **you**, a **relative**, an active partner or active executive officer (or their spouses) nor furnished or available for the regular use (30 consecutive days or more) by **you**, or a **relative** while driven by or in control of, those listed in 1.d. above;

but only for coverages for which a premium charge is shown.

- 2. **Hired Autos.** These are **autos you**, or **your** employee while on **your** business, hire, rent or borrow for use in **your** business, but only for coverages for which a premium charge is shown. They cannot be owned by **your** employees or members of their households.
- 3. **Non-Owned Autos** (Includes Employer's Non-Ownership Liability). These are **autos you** do not own, hire, rent or borrow that are used in **your** business, but only for coverages for which a premium charge is shown. This includes **autos** owned by **your** partners, employees or members of their households, but only while used in **your** business or personal affairs.

Any Auto Coverage

When premiums are shown on the **Declarations** for all three categories - **owned autos**, **hired autos**, and **non-owned autos**, then OUR PROMISE - AUTOS, et al., of the LIABILITY PROTECTION Section applies to *any auto*, unless expressly excluded on the **Declarations**.

LIABILITY PROTECTION

OUR PROMISE - AUTOS, PREMISES - OPERATIONS, PRODUCTS - COMPLETED OPERATIONS

X Personal Injury Liability

Property Damage Liability

We will pay all sums **anyone we protect** legally must pay as damages caused by an **accident** covered by this policy. Damages must involve **personal injury** or **property damage**. The **accident** must arise out of **garage operations**.

X Advertising Injury Liability

We will pay all sums **anyone we protect** legally must pay as damages because of **advertising injury** covered by **your** policy. Damages must involve **advertising injury** caused by an offense committed during the policy period, in the course of advertising **your** goods, products or services and which takes place in the covered territory.

OUR PROMISE - DAMAGE TO CUSTOMERS' AUTOS & PROPERTY

X We will pay all sums **anyone we protect** legally must pay for **property damage** to customers' **autos** and property left in the care of **anyone we protect** in **your garage operations**. **Your Declarations** shows which coverages and deductibles apply.

X Named Perils Coverage

Property damage must be caused by:

- Earthquake;
- Explosion;
- External Discharge or Leakage of Water, except **loss** resulting from rain, snow or sleet whether or not wind-driven;
- Falling Aircraft or Spacecraft and its parts;
- Fire;
- Flood or Rising Waters;
- Hail;
- Malicious Mischief or Vandalism;
- Riot or Civil Commotion;
- Sinking, burning, collision or derailment of anything carrying a customer's **auto**;
- Theft; or
- Windstorm.

Comprehensive Coverage

X **Property damage** may result from any cause except collision or upset. This coverage includes glass breakage and contact with persons, animals, birds, missiles, falling objects or elevators. Elevator includes an **auto** servicing hoist or jack. When only a windshield is damaged, **we** will not subtract the deductible if **you** have it repaired and not replaced.

Collision Coverage

Property damage must be caused by collision or upset.

If "DIRECT PRIMARY BASIS" appears on **your Declarations** for these coverages, **we** will pay covered claims regardless of **your** legal liability.

If "DIRECT EXCESS BASIS" appears on **your Declarations** for these coverages, **we** will pay the excess amount over any other collectible insurance covering a customer's **auto** at the time of the **loss**, without applying the deductible. If **you** are legally liable for the **loss**, **you** must pay the deductible. If there is no other collectible insurance, **we** will pay the covered claim, regardless of **your** legal liability, but **you** must pay the deductible.

OUR PROMISE - TENANT'S LEGAL LIABILITY

Property Damage Liability

We will pay all sums **anyone we protect** legally must pay for **property damage** to non-owned buildings **you** rent or occupy. **We** will not pay if the damage is not the fault of **anyone we protect**, even if **you** assumed liability under a written contract or lease of **premises** agreement.

Damage must be caused by:

- Burglary or attempted burglary;
- Elevator Collision;
- Explosion;
- Falling Aircraft or Spacecraft and its parts;
- Fire, Smoke or Lightning;
- Hail;
- Malicious Mischief or Vandalism;
- Riot or Civil Commotion;
- Vehicles (less \$200 deductible per **loss**); or
- Windstorm.

Non-owned buildings must be located on the **premises** described on the **Declarations**. Non-owned buildings may include canopies, pumps, signs, lights, fences, machinery and equipment, fixtures, and tanks. These items must relate to **your** use of the **premises** as a tenant.

OUR PROMISE - TRUTH IN LENDING AND LEASING, ODOMETER, AUTO DAMAGE DISCLOSURE AND COMPETITIVE AUTO PARTS LAWS & FEDERAL USED CAR "BUYER'S GUIDE" REGULATION X

Statutory Regulatory Liability

We will pay all sums **anyone we protect** legally must pay as damages because of an unintentional error or omission in failing to comply with:

1. Subchapter I - Cost Disclosure-Consumer Credit Protection Act (15 U.S.C. 1601 et. seq.); or
2. Subchapter IV - Odometer Requirements - Motor Vehicle Information and Cost Saving Act (15 U.S.C. 1981 et. seq.); or
3. Federal Regulation 455 - Used Car "Buyer's Guide"; or
4. any state or local law or regulation similar to those above.

For this coverage, the ADDITIONAL PAYMENTS described below will be included *within* the limits of protection shown in the LIMITS OF PROTECTION provision that appears later in this section for this coverage.

ADDITIONAL PAYMENTS

We will make the following payments in addition to the limit of protection:

1. court costs to defend or settle, as **we** believe proper, any claim or **suit** against **anyone we protect**, for damages covered under this LIABILITY PROTECTION section. **Our** payment of the limit of

protection for a settlement, judgment, or deposit in court ends **our** duty to pay under this Item.

2. expenses incurred to investigate and defend or settle, as **we** believe proper, any claim or **suit** against **anyone we protect** for damages covered under this section. **Our** payment of the limit of protection for a settlement, judgment, or deposit in court ends **our** duty to pay under this Item.

3. post-judgment interest, but only that portion which accrues on that part of the judgment that does not exceed the limit of protection on a **suit we** defend. **Our** payment, offer in writing, or deposit in court of that part of the judgment which does not exceed the limit of protection ends **our** duty to pay the post-judgment interest which accrues after the date of **our** payment, written offer or deposit.

X 4. prejudgment interest or delay damages awarded on that part of any judgment that does not exceed the limit of protection. If **we** offer in writing to pay the applicable limit of protection, **we** will not pay any prejudgment interest or delay damages for the period of time after the offer.

5. reasonable expenses **anyone we protect** may incur at **our** request to help **us** investigate or defend a claim or **suit**. This includes up to \$100 a day for actual loss of earnings.

6. premiums on the following types of bonds, but not for bond amounts greater than the limit of protection:

a. appeal bond in a **suit we** defend;

X b. bail bond (with a premium of \$500 or less) required due to an **accident** or related traffic violation involving an **auto we insure**;

c. attachment bond to release property of **anyone we protect** due to an **accident** or related traffic violation involving an **auto we insure**.

We have no duty to apply for or furnish such bonds.

X 7. reasonable costs for first aid to other people and animals at the time of an **accident** involving an **auto we insure**.

X 8. reasonable lawyers' fees up to \$50 which **anyone we protect** incurs because of arrest, resulting from an **accident** involving an **auto we insure**.

PERSONS WE PROTECT

The term "**anyone we protect**" means any person or organization listed below:

1. **You**.

2. anyone else while using an **auto we insure** with **your** permission except:

a. the owner or anyone else from whom **you** borrow or hire an **auto we insure**. (This does not apply to a non-owned **trailer** connected to an **owned auto**.)

b. **your** employee if the **auto we insure** is owned by that employee or a member of the employee's household;

c. anyone who uses an **auto we insure** in a **garage** business, unless the **garage** is **yours**;

d. **your** customer who has other available insurance with limits at least equal to those required by law in the state where the **auto** is garaged. If **your** customer has other available insurance with less than such required limits, **we** will pay the difference between such limits and those required by such law. If **your** customer has no available insurance, **we** will pay up to the minimum limits required by law.

e. **your** partner while using an **auto** owned by that partner or a member of his or her household and not described on the **Declarations** or an **auto** that does not replace one so described.

3. **Your** partners and members and their spouses, employees, directors or shareholders while acting within the scope of their duties.

4. any organization **you** acquire or form, other than a partnership or joint venture, and over which **you** maintain ownership or majority interest. This insurance does not apply to:

a. the new organization if it is an Insured under other similar insurance;

b. the organization 90 days or more after the date the organization is acquired or formed by **you**;

c. **personal injury** or **property damage** under Personal Injury Liability and Property Damage Liability which occurred before **you** acquired or formed the organization;

d. **advertising injury** under Advertising Injury Liability arising out of an offense committed before **you** acquired or formed the organization.

5. anyone legally responsible for the conduct of **anyone we protect** as described above, to the extent of that responsibility.

LIMITATIONS ON OUR DUTY TO PAY

What We Do Not Cover - Exclusions

FOR ALL LIABILITY COVERAGES

We do not cover:

1. damages caused intentionally by or at the direction of **anyone we protect**.

2. liability assumed under any contract or agreement.

This exclusion does not apply to liability for damages:

a. assumed in a contract or agreement that is an **insured contract** provided the damages occur after the contract or agreement was signed; or

b. that **anyone we protect** would have in the absence of the contract or agreement.

FOR AUTOS, PREMISES - OPERATIONS, PRODUCTS - COMPLETED OPERATIONS

We do not cover:

1. **personal injury** :

- a. to an employee of **anyone we protect** arising out of and in the course of employment by **anyone we protect**; or
- b. to the spouse, child, parent, brother or sister of that employee as a consequence of **personal injury** to the employee arising out of employment by **anyone we protect**.

This exclusion applies:

- 1) whether **anyone we protect** may be liable as an employer or in any other capacity; and
- 2) to any obligation of **anyone we protect** to share damages with or repay money someone else paid because of such **personal injury**.

This exclusion does not apply to:

- 1) **personal injury** to domestic employees not entitled to workers compensation benefits; or
 - 2) liability assumed by **anyone we protect** under an **insured contract**.
- c. to a fellow employee of **anyone we protect** arising out of and in the course of employment. (*In Maryland and West Virginia, this exclusion does not apply to coverage up to the minimum limits mandated by the applicable Compulsory Motor Vehicle Law.*)
 - d. which arises out of:
 - 1) a refusal to employ a person;
 - 2) a termination of a person's employment; or
 - 3) other employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person; or
 - e. to the spouse, child, parent, brother or sister of the person in 1.d. above as a consequence of **personal injury** to the person at whom any of the employment-related practices described in 1), 2) or 3) above is directed.

Exclusions d. and e. apply:

- 1) whether **anyone we protect** may be liable as an employer 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.

2. **property damage** to:

- a. property owned by, occupied by, rented to, and except for the use of elevators, held for sale by, or being transported or entrusted for storage or safekeeping to **anyone we protect**.
- b. property while on the **premises** for the purpose of having operations performed on the property by or on behalf of **anyone we protect**;
- c. tools or equipment while being used in operations by **anyone we protect**;
- d. property in the custody of **anyone we protect**, which is to be installed, erected or used in construction by **anyone we protect**;

- e. that particular part of any property, not on the **premises**:

- 1) upon which operations are being performed by or on behalf of **anyone we protect** at the time of the **property damage** from the operations;
- 2) out of which any **property damage** arises; or
- 3) which has been restored, repaired or replaced or is in need of restoration, repair or replacement due to faulty workmanship by or on behalf of **anyone we protect**.

This exclusion e. does not apply to liability assumed under a written sidetrack agreement or to use of elevators.

- f. all or part of **your product** because of a defect existing when it was sold or transferred to someone else.
- g. work performed by **you** resulting from the work itself or any portion of it, or from parts, materials or equipment used in the work, but only for operations completed by **anyone we protect**.

3. **personal injury** or **property damage**:

- a. arising out of an **auto we insure** that **you** rent or lease to someone other than:
 - 1) **your** salesman for use principally in **your garage** business;
 - 2) **your** customer for use while the customer's **auto** is being serviced or repaired;
 - 3) **your** customer who has signed an agreement to buy or lease a new **auto**. This exception ends after 45 consecutive days. X
- b. arising out of the use of any **auto** in a prearranged or organized racing, speed, or demolition contest, stunting activity or similar activities, or in practice for any such activities.
- c. involving **aircraft** or watercraft except:
 - 1) watercraft less than 50 feet in overall length, not owned by **you** and not being rented or leased to others; or X
 - 2) watercraft while ashore on **your premises**. X
- d. arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - 1) that are, or that are contained in, any property that is:
 - a) being transported or towed by any **auto we insure**;
 - b) otherwise in the course of transit by **anyone we protect**;
 - c) being stored, disposed of, treated or processed in or upon an **auto we insure**.
 - 2) before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by **anyone we protect** for movement into or onto an **auto we insure**;
 - 3) after the **pollutants** or any property in which the **pollutants** are contained are moved from

an **auto we insure** to the place where they are finally delivered, disposed of or abandoned by **anyone we protect**.

- 4) at or from premises ever occupied, rented, loaned or owned by **you**;
- 5) at or from any site ever used by or for **you** or others to incinerate, contain, detoxify, neutralize, store, dispose of, process, treat or otherwise handle pollutants;
- 6) which are ever transported, incinerated, contained, detoxified, neutralized, stored, disposed of, processed, treated or otherwise handled by or for **you** or any person or organization for whom **you** may be legally responsible; or
- 7) at or from any site on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations:
 - a) if the **pollutants** are brought on or to the site in connection with such operations; or
 - b) if the operations include, but are not limited to, monitoring, testing for, cleaning up, removing, containing, treating, detoxifying or neutralizing the **pollutants**.

Paragraph d.1) 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 an **auto we insure** or its parts, if 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**.

Paragraphs d.2) and d.3) of this exclusion do not apply to **accidents** that occur away from premises owned by or rented to **anyone we protect** with respect to **pollutants** not in or upon an **auto we insure** if:

- 1) 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 an **auto we insure**;
- 2) the discharge, dispersal, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

Paragraphs d.4) and d. 7) a) do not apply to **personal injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. For purposes of this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- e. for which there is insurance under a nuclear energy liability insurance policy, even if the limits of protection under that policy have been used up.
- f. resulting from hazardous properties of nuclear material for which **anyone we protect** is required to maintain financial protection or is entitled to indemnity from the United States of America:

- 1) while it is at, discharged or dispersed from a facility owned by or operated by or for **anyone we protect**;
- 2) while it is contained in spent fuel or waste at any time owned, used, processed, stored, transported or disposed of by or for **anyone we protect**;
- 3) arising out of the furnishing by **anyone we protect** of services or material in connection with the planning, construction, maintenance, operation or use of any nuclear facility. If the facility is located within the United States of America, its territories or possessions, Puerto Rico or Canada, this part 3) excludes only **property damage** to the facility and other property on the site.

Property damage includes every form of radioactive contamination.

- g. which **anyone we protect** legally must pay as damage by reason of:
 - 1) causing or contributing to the intoxication of any person;
 - 2) the furnishing of alcoholic beverages to a person under legal drinking age or under the influence of alcohol; or
 - 3) any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion does not apply to liability of **anyone we protect** or the indemnitee of **anyone we protect** arising out of the giving or serving of alcoholic beverages at functions incidental to **your garage operations**. X

4. any obligation for which **anyone we protect** or their insurer may be held liable under a workers compensation, disability benefits or unemployment compensation law or similar law.
5. loss of use of undamaged property, if caused by:
 - a. **your** delay or failure in performing any agreement;
 - b. a defect, deficiency, inadequacy or dangerous condition in **your product** or **your work**. Coverage does apply if loss of use is caused by sudden and accidental damage to or destruction of **your product** or **your work** after they have been used by someone other than **anyone we protect**.
6. damages claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of **your product** or **your work** or other property of which they form a part, if such product, work or property is withdrawn or recalled from the market or from use of any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.
7. any loss, cost or expense that may result from a request, demand, order, claim or **suit** by any governmental agency that **you** monitor, test for, clean up, remove, contain, detoxify, neutralize or otherwise treat **pollutants**.

8. under parts 2. and 3. of the definition of **personal injury**:
 - a. willful violation of a law or ordinance,
 - b. injury out of advertising, publishing, broadcasting or television activities.
9. **suits** for libel, slander or defamation of character made against **anyone we protect** if the publication or statement took place before the effective date of this insurance or was knowingly untrue.

FOR DAMAGE TO CUSTOMERS' AUTOS AND PROPERTY

We do not cover:

1. wear and tear, freezing, mechanical or electrical breakdown or failure unless caused by another **loss** under these coverages.
2. **loss to sound equipment** unless permanently installed. If such installation is not where an **auto** maker normally installs **sound equipment**, a limit of \$1000 applies. Coverage does apply for up to five tapes or compact discs per **loss**. Theft coverage applies for only one tape or compact disc, unless the entire **auto** is stolen.
3. **loss** caused by war (declared or undeclared), insurrection, rebellion or revolution.
4. **loss** caused by nuclear reaction, explosion, radiation or radioactive contamination, or their consequences.
5. defective materials or parts.
6. faulty work performed by or for **you**.

FOR TRUTH IN LENDING AND LEASING, ODOMETER, AUTO DAMAGE DISCLOSURE AND COMPETITIVE AUTO PARTS LAWS AND FEDERAL USED CAR "BUYER'S GUIDE" REGULATION

We do not cover:

1. any dishonest, criminal, fraudulent or intentional act of **anyone we protect**.
2. criminal liability, as described in Subchapter I of the Consumer Credit Protection Act (15 U.S.C. 1601 et. seq.).
3. any error or omission which occurred:
 - a. before the effective date of this policy; or
 - b. during the policy period, or
 - c. after the policy is terminated
 unless **you** give **us** notice of it within twelve months after the day this policy is terminated. This exception does not apply to an error or omission that takes place after this policy is terminated if other coverage is available to **you**.
4. fines or penalties that may result from violations of these laws.

FOR ADVERTISING INJURY

We do not cover liability:

1. assumed by **anyone we protect** under any contract or agreement. This exclusion does not apply to liability

anyone we protect would have in the absence of the contract or agreement.

2. arising out of the willful violation of a penal statute or ordinance committed by or with the consent of **anyone we protect**;
3. arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
4. arising out of oral or written publication of material, if done by or at the direction of **anyone we protect** with knowledge that it is false;
5. arising out of:
 - a. breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - b. the failure of goods, **products** or services to conform with advertised quality or performance; or
 - c. the wrong description of the price of goods, **products** or services.

FOR INCIDENTAL MEDICAL MALPRACTICE

We do not cover:

1. **anyone we protect** engaged in the business or occupation of providing the following services:
 - a. diagnostic, medical, surgical, dental, x-ray, nursing or rehabilitative service or treatment or the furnishing of food or beverages in connection with the service or treatment;
 - b. ambulance, paramedical, rescue squad or other service or treatment conducive to health; or
 - c. the furnishing or dispensing of drugs or medical, dental or surgical supplies, appliances or prosthetic devices.
2. injury caused by any indemnitee if the indemnitee is engaged in the business or occupation of the following services:
 - a. diagnostic, medical, surgical, dental, x-ray, nursing or rehabilitative service or treatment or the furnishing of food or beverages in connection with the service or treatment; or
 - b. the furnishing or dispensing of drugs or medical, dental or surgical supplies, appliances or prosthetic devices.

LIMITS OF PROTECTION

We will pay no more than the limit(s) shown on the **Declarations** for one **auto** in any one **accident** as explained below. It makes no difference how many persons **we protect**, **autos we insure**, claims are made or **autos** are involved in the **accident**. Each person or organization listed in PERSONS WE PROTECT is protected separately, subject to these limits of protection:

FOR AUTOS, PREMISES - OPERATIONS, PRODUCTS - COMPLETED OPERATIONS AND ADVERTISING INJURY

If coverage is purchased on a "Split Limits" basis, **your Declarations** will show a *per* PERSON and *per* ACCIDENT limit for Personal Injury Liability, and a *per*

ACCIDENT limit for Property Damage Liability. The *per* PERSON limit for Personal Injury Liability is the most we will pay for damages arising out of **personal injury** and **advertising injury** to one person for any one **accident** or offense. The *per* ACCIDENT limit for Personal Injury Liability is the most we will pay for damages arising out of **personal injury** and **advertising injury** to all persons resulting from any one **accident** or offense, subject to the *per* PERSON limit. The *per* ACCIDENT limit for Property Damage Liability is the most we will pay for all **property damage** caused by any one **accident**.

If an individual's damages derive from **personal injury** to another person injured in the **accident**, we will pay only for such derivative damages within the *per* PERSON limit available to the person injured in the **accident**.

If coverage is purchased on a "Single Limit" basis, **your Declarations** will show a *per* ACCIDENT limit for Personal Injury Liability and Property Damage Liability. This is the most we will pay for damages arising out of all **personal injury**, **property damage** and **advertising injury** caused by any one **accident** or offense.

We will treat all **personal injury**, **property damage** and **advertising injury** caused by continuous or repeated exposure to substantially the same conditions as the result of one **accident** or offense.

FOR DAMAGE TO CUSTOMERS' AUTOS AND PROPERTY

X CUSTOMERS' AUTOS - We will pay no more than the total limit of protection shown on the **Declarations** for all locations. This limit of protection is subject to the deductible *per* **auto** and deductible *per* **loss** shown on the **Declarations**.

X CUSTOMERS' PROPERTY - We will pay no more than \$15,000 *per* **loss**. This amount is in addition to the limit of protection for customers' **autos**. The deductible *per* **auto** shown on the **Declarations** will be applied to **loss** to property. If the property is within an **auto** at the time of **loss**, only one deductible will be applied to the combined **loss** to the property and the **auto**.

Repairs made by **you** shall be at **your** actual cost of labor, parts and materials.

FOR TENANT'S LEGAL LIABILITY

We will pay up to the Property Damage Liability limit or the "Single Limit" shown on the **Declarations**.

FOR TRUTH IN LENDING AND LEASING, ODOMETER, AUTO DAMAGE DISCLOSURE AND COMPETITIVE AUTO PARTS LAWS AND FEDERAL USED CAR "BUYER'S GUIDE" REGULATION

We will pay no more than \$25,000 *per* **suit** or \$300,000 *per* annual aggregate for all damages and ADDI-

TIONAL PAYMENTS as described in this section, that may result from violations of truth in lending, truth in leasing, odometer, auto damage disclosure and competitive auto parts laws or used auto "Buyer's Guide" regulations.

EXTRA PROTECTION WHEN TEMPORARILY OUT OF STATE

When the laws of a state where an **auto we insure** is temporarily being used require higher limits and/or more coverages than shown on the **Declarations**, **your** coverage(s) will comply with the minimum requirements of such laws. State includes the District of Columbia, a territory or possession of the United States of America, Puerto Rico or a province of Canada.

The insurance under this provision will be reduced by any other valid and collectible insurance under this or any other **auto** insurance policy. We will not pay any person twice for the same elements of loss.

This Extra Protection does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

OTHER INSURANCE

This policy provides primary insurance for any **owned auto** while used by **anyone we protect**. If an **owned auto** is being used in the course of **your garage operations**, this policy will provide excess insurance over all other available insurance coverage.

This policy is excess over any other collectible insurance on an **auto we insure** that **you** do not own up to the limit of protection for one **auto**.

Trailers that are **autos we insure** are an exception. Liability protection provided by this policy for such **trailer**:

1. is primary while attached to an **owned auto**,
2. is excess while attached to an **auto you** do not own.

If other insurance covers a **hired auto** and it states that coverage is void if there is other available insurance, then this liability protection is void for that **hired auto**.

When there is other insurance applicable to the **loss** on the same basis, we will pay **our** share. **Our** share of the **loss** is the proportion that the limit of protection bears to the total of all applicable limits. We will never pay more than the limit of protection.

Any liability insurance for liability assumed under an **insured contract** is primary insurance. If other valid and collectible insurance applies to liability assumed under an **insured contract**, we will pay **our** share. **Our** share is the proportion that the limit of protection bears to the total of all applicable limits. We will never pay more than the limit of protection shown on the **Declarations**.

PREMISES MEDICAL PAYMENTS AND DEATH BENEFIT COVERAGE

X OUR PROMISE - MEDICAL PAYMENTS

We will pay reasonable medical expenses when any person suffers bodily injury in an **accident**. Bodily injury means physical harm, sickness, disease or resultant death. Injury must be caused by an **accident** arising out of **garage operations** or other operations shown on the **Declarations** involving **your premises**.

Medical expenses means reasonable charges for necessary medical, surgical, x-ray and dental services, including prosthetic devices, eyeglasses, contacts, hearing aids and pharmaceuticals; also included are ambulance, hospital, licensed nursing, rehabilitative and funeral services. These expenses and services, except funeral expenses, must be incurred within three years of the date of the **accident**.

X OUR PROMISE - DEATH BENEFIT

If **anyone we protect** dies as the result of bodily injury in an **accident** under this coverage, **we** will pay any balance remaining from the limit of protection after paying the medical expenses, up to a maximum of \$5000. **We** will pay this benefit to the surviving kin **we** choose or to the victim's estate. The amount of the Death Benefit will never be less than \$1000 nor more than \$5000.

We will pay this benefit provided death occurs within one year of the date of the **accident**, claim is made within 60 days after death and there are surviving kin. Surviving kin means a spouse residing in the same household or any parent, child or dependent.

PERSONS WE PROTECT

The term "**anyone we protect**" means:

1. **You**.
2. any **relative**.
- X 3. Each active partner, if the **Named Insured** is a partnership.
- X 4. Each active executive officer, if the **Named Insured** is a corporation.
5. Except for the Death Benefit, anyone else while on the premises.

LIMITATIONS ON OUR DUTY TO PAY

What We Do Not Cover - Exclusions

We do not cover injuries sustained by:

1. **your** employee while working for **you**. Coverage applies to a domestic employee not covered by workers compensation benefits.
2. anyone due to war (declared or undeclared), insurrection, rebellion or revolution.
3. anyone injured by radioactive, explosive, toxic or other hazardous properties of nuclear material.

LIMITS OF PROTECTION

Our promise to pay is restricted to the limit shown on the **Declarations**. The limit applies to each person **we** protect.

OTHER INSURANCE

If there is other similar insurance applicable to a loss under:

MEDICAL PAYMENTS - **We** will pay **our** share of the loss. **Our** share will be the proportion the limit of protection of this coverage bears to the total limit of protection of all applicable insurance.

DEATH BENEFIT - Any Death Benefit will be reduced by all medical expenses paid by **us** or any other insurance company. If a Death Benefit is paid under another policy issued by **us**, **our** payment under this policy will be reduced by that amount.

PAYMENT OF LOSS

At **our** option, **we** will pay the injured person or any party furnishing medical services. Payment to such a party will reduce the amount **we** owe the injured person. Payment under this coverage does not mean that **we** or **anyone we protect** is legally liable.

We will not reimburse any government or any insurance company for payments made for the same injury.

AUTO PHYSICAL DAMAGE COVERAGES

The following coverages are subject to the limits and deductibles shown on the **Declarations** unless otherwise indicated.

OUR PROMISE - DAMAGE TO GARAGE'S AUTOS

X Named Perils Coverage

We will pay for **loss** to an **owned auto** and its equipment caused by:

- Earthquake;
- Explosion;
- External Discharge or Leakage of Water, except **loss** resulting from rain, snow or sleet whether or not wind-driven;

- Falling Aircraft or Spacecraft and its parts;
- Fire;
- Flood or Rising Waters;
- Hail;
- Mischief or Vandalism;
- Riot and Civil Commotion;
- Sinking, burning, collision or derailment of anything carrying an **owned auto**;
- Theft;
- Windstorm.

Comprehensive Coverage

We will pay for **loss** to an **owned auto** and its equipment not caused by collision or upset. This coverage includes glass breakage, contact with persons, animals, birds, missiles or falling objects, **false pretense** and damage caused by an elevator. Elevator includes an **auto** servicing hoist or jack.

When only **your** windshield is damaged, **we** will not subtract the deductible if the windshield is repaired rather than replaced.

Collision Coverage

We will pay for **loss** caused by collision or upset of an **owned auto** and its equipment.

We will not subtract the deductible if the **accident** is between an **owned auto** and another **auto**:

1. insured by The Erie Insurance Group.
2. not insured by The Erie Insurance Group, if:
 - a. the **loss** to the **owned auto** is greater than the deductible amount; and
 - b. the owner of the other **auto** has been identified; and
 - c. the owner or operator of the other **auto** is solely liable for the **loss**; and
 - d. there is property damage liability insurance which protects anyone responsible for the **loss**.

For purposes of this deductible waiver provision, a tractor-trailer unit is considered to be one **auto** under this coverage.

ADDITIONAL PAYMENTS

FOR GARAGES OTHER THAN "AUTO DEALERS"

If Comprehensive coverage and/or Collision coverage is purchased, **we** will pay, in addition to the **loss** to the **auto we insure**:

1. all expenses needed to return to **you** a stolen **auto we insure**.
2. transportation expenses resulting from a Comprehensive or Named Perils **loss we cover**. **We** will pay these expenses until:
 - a. the **auto we insure** is returned to **you** in usable condition; or

b. **we** offer settlement;

whichever comes first. Payment will not exceed \$20 a day nor total more than \$600. (No waiting period applies.)

3. travel costs, including meals and lodging, anyone in an **auto we insure** pays because **you** were unable to reach **your** destination after **loss** under these coverages. Payment will not exceed \$75 per person per **loss**
4. all expenses necessary to replace a deployed air bag.

LIMITATIONS ON OUR DUTY TO PAY

What We Do Not Cover - Exclusions

We will not pay for **loss**:

1. caused intentionally by or at the direction of **you**, a **relative**, a partner, an executive officer, or a member of **your** joint venture.
2. confined to or resulting from wear and tear, freezing, mechanical or electrical breakdown or failure. **We** will pay for such damages resulting from a covered **loss**.
3. to **sound equipment** unless permanently installed. If such installation is not where an **auto** maker normally installs **sound equipment**, a limit of \$1000 applies. Coverage does apply for up to five tapes or compact discs per **loss**. Theft coverage applies for only one tape or compact disc, unless the entire **auto** is stolen.
4. to fax machines, personal computers and peripheral equipment and similar electronic equipment that receives or transmits audio, visual or data signals.
5. to radar detectors and other equipment designed to give advance warning of the operation of a speed-measuring device.
6. to tires caused by road damage, such as a blow-out or puncture, unless it results from another **loss** covered by this policy.
7. to an **auto we insure** because of destruction or confiscation by governmental authorities if **anyone we protect** is involved in illegal activities.
8. caused by or resulting from any of the following:

(Such **loss** is excluded regardless of any other cause or event which contributes concurrently or in any sequence to the loss.)

- a. The explosion of any weapon employing atomic fission or fusion.
- b. Nuclear reaction or radiation or radioactive contamination, however caused.
- c. War, including undeclared or civil war.
- d. 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.
- e. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

9. to any **owned auto** while:
 - a. rented to others, unless rented to:
 - 1) **your** salesman for use principally in **your garage** business, or
 - 2) **your** customer for use while the customer's **auto** is being serviced or repaired.
 - b. being used in an organized racing or demolition contest or in any stunting activity or preparation for any of these.
10. to an **owned auto** at a **new location** if **loss** occurs more than 45 days after **you** begin using this **new location**.
11. by **false pretense**, unless **you** make every effort to recover the **owned auto** when it is found.
12. to any **trailer** used as a residence.

LIMIT OF PROTECTION

FOR GARAGE OWNED AUTOS

We will pay the Actual Cash Value for **loss** to stolen or damaged property, but no more than:

1. the cost to repair or replace the property with other of like kind and quality; or
2. the Stated Amount that may be shown on the **Declarations**.

Actual Cash Value reflects fair market value, age and condition of the property at the time of the **loss**.

The Comprehensive and Named Perils Coverage deductibles do not apply to a fire or lightning **loss**.

An **auto** and attached **trailer** are considered to be two separate vehicles under these coverages, unless the **loss** occurs to both vehicles at the same time. Then, the highest applicable deductible will be applied to the **loss**. The limit of protection for **loss** to a non-owned **trailer** with a gross vehicle weight of less than 3,500 pounds is \$1000.

An **auto** and its equipment are considered one **auto** under these coverages including any deductible provision that applies. Equipment means that which is usual or incidental to the use of the **auto** as a vehicle and includes the following customized or individually adapted items when built or fit in or upon pickups or vans: furnishings, carpeting, insulation, wall coverings, interior wall decorations, TVs, TV antennas, beverage bars, additional air conditioning units, sink and ice box consoles; as well as murals, decals and graphics.

FOR "AUTO DEALER'S" OWNED AUTOS ONLY

We will pay up to the limit of protection shown on the **Declarations** for each **named location**, provided:

1. this limit of protection is at least 80% of the total value of all **owned autos** at that location at the time of the **loss**, and
2. the **loss** exceeds 50% of this limit of protection.

Otherwise, we will only pay a percentage determined by dividing the limit of protection shown on the **Declara-**

tions for that location by the total value actually at that location at the time of the **loss**.

For any **new location**, we will pay up to the highest limit of protection at any one **named location**, subject to the percentage requirements in the above paragraph. It makes no difference how many **autos** are involved in the **loss**. The Comprehensive or Named Perils deductible does not apply unless the **loss** is caused by theft, mischief or vandalism.

For **loss** to stolen or damaged property, we will pay the smaller of the following amounts:

1. the Actual Cash Value at the time of the **accident** or **loss**; or
2. the amount **you** paid for the property; or
3. the cost to repair or replace the property with other of like kind and quality. If we ask **you** to replace or repair **your owned auto**, our payment will be at **your** actual cost.

FOR LOSS BY FALSE PRETENSE

We will deduct the Actual Cash Value of property or any money **you** have received toward payment for the **auto** from the amount of **your loss**. For all **losses** caused by any one person in one policy period, we will pay no more than \$25,000 or the limit of protection shown on the **Declarations** for False Pretense.

We will pay the smaller of the following amounts:

1. the Actual Cash Value at the time of the **loss**; or
2. the amount **you** paid for the property; or
3. the cost to repair or replace the property with other of like kind and quality. If we ask **you** to replace or repair **your owned auto**, our payment will be at **your** actual cost.

PAYMENT OF LOSS

We will pay the loss in money, or the cost to repair or replace the damaged or stolen property. At any time before the loss is paid or the property is replaced, we may return any stolen property to **you**. We will pay the expense for its return and for any damage to it. Upon payment of the loss, we have the right to take all or part of the property at its agreed or appraised value. There can be no abandonment of property to **us**.

We will settle any claim for loss with **you** or anyone that has a legal interest in the property.

As a condition precedent to **our** payment of all or part of the actual cash value for a total loss to an **auto** we **insure**, **you** must assign or transfer to **us** the Certificate of Title for the **auto** sustaining the loss. A total loss will be determined in compliance with the laws of the state in which **your** principal office is located. This paragraph is not applicable if **you** choose to retain ownership of the salvage vehicle as part of the total **loss** settlement.

NO BENEFIT TO BAILEE

No bailee shall benefit directly or indirectly from this insurance.

OTHER INSURANCE

When there is other insurance for **loss** to an **auto we insure** under these coverages, **we** will pay **our** share of the **loss**.

If an **owned auto** is being used by **your** customer while the customer's **auto** is being serviced or repaired, this policy will provide excess insurance over all other available insurance coverage. *(This provision is not applicable in Indiana or Tennessee.)*

When there is **loss** to an **auto we insure** that **you** do not own (including a **temporary substitute**), or to a **newly acquired auto**, **we** will pay the **loss** not covered by other insurance.

When there is other insurance on an **auto we insure** that **you** do not own, and it states that coverage is void if there is other available insurance, then coverage under this section is void.

LOSS PAYABLE CLAUSE

This clause applies to the Auto Physical Damage coverages provided by this policy for the Lienholder named in Item 3. of the policy **Declarations**. It protects the Lienholder's financial interest in the vehicle insured.

Payment for any **loss** under these coverages will be made in accordance with the financial interest the **Named Insured** and the Lienholder, as its interest may appear for

specific vehicle(s), have in the **loss**. Payment may be made to the **Named Insured** and the Lienholder jointly or to either or both separately. If separate payments are made, the financial interests of both will be protected by **us**.

When **we** pay the Lienholder for a **loss** for which the **Named Insured** is not insured, **we** are entitled to the Lienholder's right of recovery against the **Named Insured**, to the extent of **our** payment. **Our** recovery will not impair the right of the Lienholder to recover the full amount of the claim.

The Lienholder will, on demand, pay any premium due under this policy for coverages which protect the Lienholder's interests, if the **Named Insured** fails to do so.

We Promise The Lienholder That:

1. The Lienholder's financial interest will be protected regardless of the acts or neglect of the **Named Insured**, subsequent legal encumbrance or any change in ownership of the property. However, this clause does not apply in any case of fraudulent acts or omissions by the **Named Insured** or anyone representing him.
2. If **we** cancel or refuse to renew this policy, not less than 10 days advance notice of such termination will be given to the Lienholder.
3. If this policy is cancelled by the **Named Insured**, **we** will send notice of cancellation to the Lienholder.

ADDITIONAL COVERAGE

X REIMBURSEMENT FOR COVERAGE IN MEXICO AND OTHER FOREIGN COUNTRIES

WARNING: We will not be liable for damages or other expenses incurred in any foreign country where this policy does not apply. (In Mexico, however, Collision coverage, if purchased, will apply.)

We will reimburse **you** for premium paid for up to 30 days coverage in a foreign country where this policy does not apply. Reimbursement will be made **ONLY** for similar coverages. Such coverages must apply to an owned private passenger **auto**, used by **you** or a **relative** in the foreign country. Reimbursement will not be made to anyone employed, stationed in the armed services or attending school in a foreign country.

OPTIONAL COVERAGES

You have the following coverages *only* when a premium is shown on **your Declarations** for the coverage and for the **auto** described.

OUR PROMISE - ROAD SERVICE

X **We** will pay reasonable towing and labor costs required because an **auto we insure** is disabled. Labor must be done at the site of the disablement. (No deductible applies.)

OUR PROMISE - TRANSPORTATION EXPENSES

Collision - **We** will pay transportation expenses that result from a Collision loss to the **auto** that has a premium shown on the **Declarations** for this coverage.

Comprehensive - **We** will pay transportation expenses that result from a Comprehensive loss to the **auto** that has a premium shown on the **Declarations** for this coverage.

Auto rental, bus or taxi fare are examples of covered expenses. Payment may start on the day of the loss if the **auto** cannot be driven. If driveable, payment may start the day **you** leave the **auto** at a garage for repairs. X

Payment ends on the day **we** offer settlement or on the day the **auto**: X

1. is replaced; or
2. is returned to **you** in usable condition; or

3. could reasonably be expected to be repaired,

whichever comes first. Payment will not exceed the specific limits shown on the **Declarations**. (No Deductible applies.)

This coverage applies whether or not we pay for damages under Comprehensive or Collision Coverage.

RIGHTS AND DUTIES - GENERAL POLICY CONDITIONS

We, you and anyone else protected by this policy must do certain things in order for the terms of the policy to apply.

1. APPRAISAL

If you and we fail to agree on the amount of loss, either party may make written demand for an appraisal. Each party will select an appraiser and notify the other of the appraiser's identity within 20 days after the demand is received. The appraisers will select a competent and impartial umpire. If the appraisers are unable to agree upon an umpire within 15 days after both appraisers have been identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers shall then set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of loss. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of loss.

Each party will pay the appraiser it chooses, and equally bear all other expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay all reasonable costs for the appraisal.

We will not be held to have waived any rights by any act related to appraisal.

2. ASSIGNMENT

Interest in this policy may be transferred only with our written consent. We may require evidence that all Named Insureds approve the assignment.

3. BANKRUPTCY OF ANYONE WE PROTECT

Bankruptcy or insolvency of anyone we protect will not relieve us of our obligations.

4. CANCELLATION

Your Right To Cancel

You may cancel this policy by mailing or delivering to our Agent or us written notice stating at what future date you want the cancellation to take effect. We may waive these requirements by confirming the date of cancellation to you in writing.

Our Right to Cancel or Refuse to Continue

We may cancel or refuse to continue this policy or any coverage by mailing you written notice stating the effective date of our action.

We reserve the right to cancel for your noncompliance with our premium payment plans. We do not waive our right to cancel, even if we have accepted prior late payments.

District of Columbia, West Virginia

Our cancellation or refusal to renew this policy will not take effect until at least 30 days after we send it.

Indiana, North Carolina, Ohio, Pennsylvania, Tennessee

See separate Policy Change (Amendatory) Endorsements for each of these states.

Maryland

The effective date of cancellation will never be earlier than 45 days after we send it (except 30 days for non-payment of premium).

Method of Giving Notice

Mailing notice to the address shown on the **Declarations** will be sufficient proof of notice. The policy period will end on the date and time stated in the notice.

Return of Premium

If your policy is cancelled by you or us, we will return the pro rata unused share of your premium. Cancellation will be effective even if we have not given or offered any return premium.

5. CONCEALMENT, FRAUD OR MISREPRESENTATION

Except as modified by law, this entire policy is void if before or after an accident or loss, anyone we protect has intentionally concealed, or misrepresented, any material fact or circumstance concerning this insurance.

In the event of a fraudulent claim, we will not make payment for the accident or loss.

6. CONTINUOUS POLICY

Your policy is a continuous policy. It will continue in force unless cancelled by you or terminated by us as explained in the Cancellation Condition. Each year we will send you a **Continuation Notice** which shows the premium due for the next policy period.

In return for this service, you must mail us written notice prior to the new policy period if you want to cancel. If we do not receive this notice, your policy remains in force, and you must pay us the earned premium due us for this time.

7. COOPERATION

You agree to cooperate with us by:

- truthfully completing and promptly returning questionnaires and audit forms about this insurance;
- permitting and helping with inspections and audits; and

c. complying with specific recommendations to improve **your** risk.

8. HOW YOUR POLICY MAY BE CHANGED

This policy conforms to the laws of the state in which **your** principal office is located. If the laws of the state change, this policy will comply with those changes.

Your policy may be changed by asking **us**. **Your** request must contain enough information to identify **you**. Asking **our** Agent is the same as asking **us**. If **we** agree with **your** request, **we** will then issue an **Amended Declarations**.

We will give **you** the benefit of any change made by **us**, if it does not require additional premium. This change will be effective for **you** as of the date **we** implement the change in **your** state.

If the information **we** use to determine the premium for **your** coverage(s) changes during the policy period, **we** may adjust **your** premium. Premium adjustments will be made using rules and rates in effect for **our** use.

9. INSPECTION AND AUDIT

We have the right, but are not obligated to:

- a. make inspections and surveys at any time;
- b. give **you** reports on the conditions **we** find; and
- c. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. **We** do not make safety inspections. **We** do not undertake to provide for the health or safety of workers or the public. **We** do not warrant that **your** property or operations are safe, healthful or in compliance with any law, regulation, code or standard. Inspections, surveys, reports or recommendations are for **our** benefit only.

We may examine and audit **your** books and records at any time during or within three years after the policy period, as they relate to this insurance.

10. LAWSUITS AGAINST US

You must comply with the terms of this policy before **you** may sue **us**. The legal liability of **anyone we protect** must be determined before **we** may be sued. This determination may be made by a court of law or by written agreement of all parties, including **us**. No one has the right to make **us** a party to a **suit** to determine the liability of **anyone we protect**. In the event of a Medical Payments/Expense claim or a Comprehensive or Collision **loss**, no **suit** may be brought against **us** until 30 days after proof of **loss** is filed.

11. MORE THAN ONE POLICY WITH US

When more than one insurance policy issued to **you** by an Erie Insurance Group insurer applies to the same **loss**, the most **we** will pay is the highest limit of protection bought under any one policy. If such other insurance policy is intended to be excess over this policy, this paragraph does not apply.

12. OUR RIGHT TO RECOVER FROM OTHERS

After **we** make a payment under this policy, the right **anyone we protect** has to recover damages from

another, is transferred to **us**. **Anyone we protect** is required to do all they can to secure this right, and do nothing to harm it. Anyone receiving payment from **us** and from someone else for the same **accident** or **loss** will reimburse **us** up to **our** payment.

We will pay all reasonable expenses **anyone we protect** may incur at **our** request to help **us** recover damages from anyone else held responsible. This includes up to \$100 a day for actual loss of earnings.

13. PREMIUM

The premium of this policy may be provisional. It may have been based on estimates of the number of employees and use of **hired** and **non-owned autos** when the policy was written. If the estimate was too low, **you** are obligated to pay additional premiums computed in accordance with **our** rules and rates. If the estimate was too high, **we** will return the unearned premium subject to any minimum premiums that apply. **You** are required to keep proper records so the correct premium can be calculated.

14. PRIORITY

At **our** option, this insurance will first protect **you**, **your** spouse residing in **your** household, and then others **we** protect.

15. SURVIVORS' RIGHTS

If **you** die, the policy will cover:

- a. **your** spouse residing in the same household at the time of **your** death;
- b. any person or organization having proper temporary custody of an **owned auto** until a representative is appointed, but only until the end of the policy period during which **your** death occurs; and
- c. **your** legal representative, but only while performing duties as **your** representative and only until the end of the policy period during which **your** death occurs.

16. SUSPENSION OF POLICY COVERAGE

(District of Columbia only)

All of the policy coverages will be suspended for **you** or any **relative** who operates any **auto** during any period when that person's driver's license is suspended or revoked.

17. WHAT TO DO IN THE EVENT OF AN ACCIDENT, LOSS OR CLAIM

When there is an **accident**, **loss** or claim, **anyone we protect** will:

- a. notify **us** or **our** Agent in writing as soon as possible stating:
 - 1) **your** name and policy number;
 - 2) the time, place and circumstances of the **accident** or **loss**;
 - 3) names and addresses of injured persons and witnesses.
- b. promptly notify the police in case of theft.
- c. give **us**:
 - 1) *promptly* any papers that relate to the **accident** or **loss**;

- 2) A signed statement containing all the facts about the claim;
- 3) Proof of **loss** to damaged property.

d. at **our** request:

- 1) answer all reasonable questions about the **accident** or **loss**;
- 2) submit to examinations under oath and sign transcripts of the same;
- 3) assist in making settlement;
- 4) help **us** enforce any right of recovery against anyone liable to **anyone we protect**;
- 5) cooperate in the conduct of **our** investigations and any lawsuits;
- 6) attend hearings and trials;
- 7) assist **us** in securing and giving evidence and in obtaining the attendance of witnesses;
- 8) submit to physical and mental examination by doctors **we** choose as often as **we** reasonably require (**We** will pay for these examinations.);
- 9) sign papers to allow **us** to obtain medical reports, earnings statements and copies of records;
- 10) allow **us** to inspect and appraise the damaged property before its repair or disposal.

e. not make payments, assume obligations or incur expenses, except at their own cost.

- f. protect **autos we insure** from further damage. **We** will pay for reasonable costs to do so. **We** will not pay for **loss** due to **your** failure to protect an **auto we insure** from further damage after a **loss**.

ADDITIONAL ERIE INSURANCE EXCHANGE CONDITION

The following condition applies only to policies issued by Erie Insurance Exchange:

ACCOUNTING

Erie Indemnity Company, may keep up to 25% of the premium written or assumed by Erie Insurance Exchange as compensation for (A) becoming and acting as Attorney-in-Fact, (B) managing the business and affairs of Erie Insurance Exchange, and (C) paying general administrative expenses, including sales commissions, salaries and employee benefits, taxes, rent, depreciation, supplies and data processing. X

The rest of the premium will be placed on the books of the Erie Insurance Exchange. **We** will deposit or invest this amount as permitted by law. This amount will be used to pay losses, loss adjustment expenses, investment expenses, damages, legal expenses, court costs, taxes, assessments, licenses, fees, any other governmental fines and charges, establishment of reserves and surplus, and reinsurance, and may be used for dividends and other purposes Erie Indemnity Company decides are to the advantage of the **Subscribers**.

This policy has been signed on **our** behalf at ERIE, Pennsylvania by our President and Secretary. If required by law, it has been countersigned on the **Declarations** by **our** Authorized Agent.

James J. Tanous
Secretary

John J. Blumling
President



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