Filing at a Glance

Company: Liberty Insurance Underwriters, Inc.

Product Name: On-Hook And Cargo Coverage Program	SERFF Tr Num: PERR-125899989	State: Arkansas
TOI: 09.0 Inland Marine	SERFF Status: Closed	State Tr Num: #104235 $50
Sub-TOI: 09.0005 Other Commercial Inland Marine	Co Tr Num: LIU-IM-CRG-AR-08-01-F	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Authors: Lana Begunova, Neresa Torres, Olga E. Garcia	Disposition Date: 11/26/2008
	Date Submitted: 11/18/2008	Disposition Status: Approved
Effective Date Requested (New): 12/19/2008		Effective Date (New): 12/19/2008
Effective Date Requested (Renewal): 12/19/2008		Effective Date (Renewal): 12/19/2008

State Filing Description:

General Information

Project Name: LIU-IM-CRG-AR-08-01-F	Status of Filing in Domicile: Pending
Project Number: LIU-IM-CRG-AR-08-01-F	Domicile Status Comments:
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 11/26/2008	
State Status Changed: 11/20/2008	Deemer Date:
Corresponding Filing Tracking Number: N/A	

Filing Description:

On behalf of Liberty Insurance Underwriters, Inc. (“LIUI”) we are submitting this filing to introduce a new independent commercial inland marine program. Specifically, this program will provide commercial inland marine coverage to collateral repossession and tow truck operators related to “on-hook” and cargo property. Enclosed are copies of the proposed policy language and all endorsement associated with this program. For this new program, all forms are independent. Please see explanatory memorandum for further details. The corresponding rates and rules are exempt

from filing requirements per 23-67-206.

LIUI respectfully requests that the proposed forms be implemented for all policies effective on December 19, 2008.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of LIUI. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items in this filing, we will forward the request immediately to LIUI. We will submit LIUI's response to your attention as soon as we receive it.

Please do not hesitate to contact us with any questions or comments.

Company and Contact

Filing Contact Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Olga E. Garcia, Filing Analyst doi@perrknight.com
881 Alma Real Dr Suite 205 (310) 230-9339 [Phone]
Pacific Palisades, CA 90272

Filing Company Information

Liberty Insurance Underwriters, Inc.	CoCode: 19917	State of Domicile: New York
55 Water Street	Group Code: 111	Company Type:
18th Floor		
New York, NY 10041	Group Name: Liberty Mutual Group	State ID Number:
(212) 208-4200 ext. [Phone]	FEIN Number: 13-4916020	

Filing Fees

Fee Required?	Yes
Fee Amount:	$50.00
Retaliatory?	No
Fee Explanation:	$50 for Form Filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #

SERFF Tracking Number:	*PERR-125899989*	*State:*	*Arkansas*
Filing Company:	*Liberty Insurance Underwriters, Inc.*	*State Tracking Number:*	*#104235 $50*
Company Tracking Number:	*LIU-IM-CRG-AR-08-01-F*		
TOI:	*09.0 Inland Marine*	*Sub-TOI:*	*09.0005 Other Commercial Inland Marine*
Product Name:	*On-Hook And Cargo Coverage Program*		
Project Name/Number:	*LIU-IM-CRG-AR-08-01-F/LIU-IM-CRG-AR-08-01-F*		

Liberty Insurance Underwriters, Inc.	$0.00	11/18/2008

SERFF Tracking Number:	*PERR-125899989*	*State:*	*Arkansas*
Filing Company:	*Liberty Insurance Underwriters, Inc.*	*State Tracking Number:*	*#104235 $50*
Company Tracking Number:	*LIU-IM-CRG-AR-08-01-F*		
TOI:	*09.0 Inland Marine*	*Sub-TOI:*	*09.0005 Other Commercial Inland Marine*
Product Name:	*On-Hook And Cargo Coverage Program*		
Project Name/Number:	*LIU-IM-CRG-AR-08-01-F/LIU-IM-CRG-AR-08-01-F*		

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
104235	$50.00	11/12/2008

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	11/26/2008	11/26/2008
Approved	Llyweyia Rawlins	11/19/2008	11/19/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
On Hook And Cargo Legal Liability Coverage Form	Form	Lana Begunova	11/26/2008	11/26/2008
Markup Policy Form	Supporting Document	Lana Begunova	11/26/2008	11/26/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request to Reopen Filing	Note To Reviewer	Lana Begunova	11/26/2008	11/26/2008

Disposition

Disposition Date: 11/26/2008

Effective Date (New): 12/19/2008

Effective Date (Renewal): 12/19/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*PERR-125899989*	*State:*	*Arkansas*
Filing Company:	*Liberty Insurance Underwriters, Inc.*	*State Tracking Number:*	*#104235 $50*
Company Tracking Number:	*LIU-IM-CRG-AR-08-01-F*		
TOI:	*09.0 Inland Marine*	*Sub-TOI:*	*09.0005 Other Commercial Inland Marine*
Product Name:	*On-Hook And Cargo Coverage Program*		
Project Name/Number:	*LIU-IM-CRG-AR-08-01-F/LIU-IM-CRG-AR-08-01-F*		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Supporting Documents	Approved	Yes
Supporting Document	Markup Policy Form	Approved	Yes
Form	Policy Jacket	Approved	Yes
Form	Recovery Operations Application	Approved	Yes
Form	Declarations Page	Approved	Yes
Form	Schedule Of Covered Vehicles You Own	Approved	Yes
Form *(revised)*	On Hook And Cargo Legal Liability Coverage Form	Approved	Yes
Form	On Hook And Cargo Legal Liability Coverage Form	Approved	Yes
Form	Deductible Clause Endorsement	Approved	Yes
Form	Repossessed Auto Amendatory Endorsement	Approved	Yes
Form	Arkansas Changes Endorsement	Approved	Yes

Disposition

Disposition Date: 11/19/2008

Effective Date (New): 12/19/2008

Effective Date (Renewal):

Status: Approved

Comment: Send payment for fees ASAP.

This filing is approved contingent on receiving the filing fees the company indicates in the filing that they have sent.

Rate data does NOT apply to filing.

SERFF Tracking Number:	*PERR-125899989*	*State:*	*Arkansas*
Filing Company:	*Liberty Insurance Underwriters, Inc.*	*State Tracking Number:*	*#104235 $50*
Company Tracking Number:	*LIU-IM-CRG-AR-08-01-F*		
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Supporting Documents	Approved	Yes
Supporting Document	Markup Policy Form	Approved	Yes
Form	Policy Jacket	Approved	Yes
Form	Recovery Operations Application	Approved	Yes
Form	Declarations Page	Approved	Yes
Form	Schedule Of Covered Vehicles You Own	Approved	Yes
Form *(revised)*	On Hook And Cargo Legal Liability Coverage Form	Approved	Yes
Form	On Hook And Cargo Legal Liability Coverage Form	Approved	Yes
Form	Deductible Clause Endorsement	Approved	Yes
Form	Repossessed Auto Amendatory Endorsement	Approved	Yes
Form	Arkansas Changes Endorsement	Approved	Yes

Amendment Letter

Amendment Date:

Submitted Date: 11/26/2008

Comments:

Dear Ms. Rawlins and Ms. Montesi,

On behalf of Liberty Insurance Underwriters, Inc. (the "Company"), we thank you for the examination and approval of this filing. At this time. we would like to implement a modification to the currently included policy form. After carefully reviewing the policy form subsequent to its submission to the Department for approval, the Company decided to make changes to better reflect its intent with respect to certain coverages and policy provisions. We are attaching the revised ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM and its markup version for ease of comparison.

We highly appreciate your attention to this matter and look forward to receiving your acknowledgment of this amendment.

Please do not hesitate to contact us if you have any questions.

Happy Thanksgiving!

Sincerely,

Lana Begunova
State Filings Analyst
Perr&Knight
310-230-9339 ext. 151

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
On Hook And Cargo Legal Liability Coverage	LIUI IM 2000 (09/08)	09/08	Endorsement/Amendment/Conditions	Replaced	LIUI-IM-E001-0708	N/A, current filing	0	LIUI IM 2000 _09-08_ On Hook and Cargo Legal Liability

Form Amended.pdf

Supporting Document Schedule Item Changes:

User Added -Name: Markup Policy Form

Comment:

LIUI IM 2000 _09-08_ On Hook and Cargo Legal Liability Amended (markup).pdf

Note To Reviewer

Created By:

Lana Begunova on 11/26/2008 12:16 PM

Subject:

Request to Reopen Filing

Comments:

Dear Ms. Rawlins and Ms. Montesi,

Thank you for the review and approval of this filing. We are contacting you with a request to reopen the filing for further modification. After carefully reviewing the policy form subsequent to its submission to the Department for approval, the Company decided to make changes to better reflect its intent with respect to certain coverages and policy provisions. We highly appreciate your assistance and look forward to hearing back from you

Happy Thanksgiving!

Sincerely,

Lana Begunova
State Filings Analyst
Perr&Knight
310-230-9339 ext. 151

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type	Action	Action Specific Data	Readability	Attachment
Approved	Policy Jacket	LIUIJ001-0708	0708	Other	New		0.00	LIUI Policy Jacket Unbranded _2008-07-04_.pdf
Approved	Recovery Operations Application	LIUI-IM-A001-0708	0708	Application/Binder/Enrollment	New		0.00	AEON Repo App LIUI-IM-A001-0708.pdf
Approved	Declarations Page	LIUI-IM-D001-0708	0708	Declarations/Schedule	New		0.00	LIUI-IM-D001-0708 Inland Marine Dec page LIUI.pdf
Approved	Schedule Of Covered Vehicles You Own	LIUI-IM-S001-0708	0708	Declarations/Schedule	New		0.00	LIUI-IM-S001-0708 Schedule of Cov Vehicles.pdf
Approved	On Hook And Cargo Legal Liability Coverage Form	LIUI IM 2000 (09/08)	09/08	Endorsement/Amendment/Conditions	Replaced	Replaced Form #: LIUI-IM-E001-0708 Previous Filing #: N/A, current filing	0.00	LIUI IM 2000 _09-08_ On Hook and Cargo Legal Liability Amended.pdf
Approved	Deductible Clause Endorsement	LIUI-IM-E002-0708	0708	Endorsement/Amendment/Conditions	New		0.00	LIUI-IM-E002-0708 Deductible Clause Endt.pdf
Approved	Repossessed	LIUI-IM-	0708	Endorsement	New		0.00	LIUI-IM-

	Auto Amendatory Endorsement	E003-0708		nt/Amendment/Conditions			E003-0708 Repossessed Auto Amendatory-CIM.pdf
Approved	Arkansas Changes Endorsement	LIUI IM AR 2004 (09-08)	(09-08)	Endorsement/Amendment/Conditions	New	0.00	LIUI IM AR 2004 _09-08_ Arkansas Changes Endorsement.pdf

LIBERTY INSURANCE UNDERWRITERS, INC.

Corporate Address: 55 Water Street, 18th Floor, New York, NY 10041

"READ YOUR POLICY CAREFULLY"

This policy is a legal contract between the policy owner and Liberty Insurance Underwriters, Inc.

In Witness Whereof, this Company has executed and attested these presents by the duly authorized Agent of this company at the agency hereinbefore mentioned.

Mailing Address: **Liberty Insurance Underwriters, Inc., 55 Water Street, 18th Floor, New York, NY 10041**

PRESIDENT

SECRETARY
Authorized Representative of
Liberty Mutual Insurance Company

LIUIJ001-0708

ÆON Insurance Services, Inc – License Number 0C03980 Recovery Operations Application

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH INTENT DEFRAUDS ANY INSURANCE COMPANY OR OTHER PERSON, FILING THIS QUESTIONNAIRE FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

Applicant Information

Agency	Producer	Fax ( )
☐ New Business Application ☐ Renewal Application	Proposed Effective Date	Years with this agency
Applicant Name		Today's Date
Applicant DBA		
Does entity have ☐ a parent company ☐ any subsidiaries	Phone ( )	Fax ( )
☐ Individual ☐ Partnership ☐ Corporation ☐ Other	Date Organization Established	Years Under Present Owner
Owner ☐ Active?	Phone ( )	Fax ( )
Current Insurance Carrier	Expiring Premium	Federal I D #
Insurance Contact for the entity.		Phone ( )
Applicant's Business is ☐ Full Time (more than 30 hours per week) ☐ Part Time		
Business Reference #1		Phone ( )
Business Reference #2		Phone ( )
Business Reference #3		Phone ( )
Mailing Address		
City	State	Zip

Primary Location				
City	State	Zip	County	Terr.
Location #2				
City	State	Zip	County	Terr.
Location #3				
City	State	Zip	County	Terr.

Associations / Trade Groups - Member Since
Description of business operations, management experience & training

Description of Operations

Please specify the percentage of income for all services performed:		
A. **Recovery Service Income (12 month period) $**	**Percentages to total income**	
Projected next 12 months:		
# of Recoveries for projected period	**Direct Employee**	**Subcontracted**
# of Recoveries by Key Start (drive away) **By Tow**		
1. Private Passenger Vehicles		
2. Commercial Vehicles		
3. Recreation Vehicles		
4. Heavy Equipment		
5. High Value Vehicles		
6. Other Recovery Service Income, explain:		
B. **All Other Services Income (12 month period) $**	**Percentages to total income**	
1. Body Shop of Vehicles		
2. Sales of Automotive Parts and Supplies		
3. Used Car Sales (other than repossessed)		
4. New Car Sales		
5. Leased Auto Sales		
6. Gasoline Sales		
7. Storage of Vehicles		
8. Mechanical Repair and Service to vehicles-tune-up, radiator, air-conditioning, tube and oil, muffler, brakes, engine rebuilding		
9. Foreign Auto Repair, RV Repair, Antique Auto Service		
10. Propane, Butane Sales, or Other Liquefied Petroleum Gas		
11. Rental of Vehicles-automobiles, trucks, motorcycles, trailer, boats, recreation equipment, etc.		
12. Mini-Mart or Dairy Store Operations		
13. Tire Sales and Service		
14. **Recap** Tire Sales and Service		
15. Public Parking		
16. All Other Income (Explain)		

Employee Selection and Training

How many drivers where terminated in the last twelve months?	
How many drivers did you hire?	
What is your minimum hiring age for drivers?	
Do all drivers have two years Commercial driving experience?	☐ yes ☐ no
Are police records checked before hiring?	☐ yes ☐ no
Are background checks completed before hiring?	☐ yes ☐ no
Are applicants road tested in the type of vehicles they will be operating?	☐ yes ☐ no
Are driving records checked before hiring?	☐ yes ☐ no
How often are driving records checked after hiring? ☐ Annually, ☐ Semi-Annually, ☐ Monthly	
Are copies of current MVR's maintained in employee records?	☐ yes ☐ no
Are Drivers required to take a "Driver Certification Program"? If yes, identify program	☐ yes ☐ no
Is personal use of vehicles by employees permitted?	☐ yes ☐ no
If yes, is there a written procedure?	☐ yes ☐ no
If personal use is permitted, are MVR's obtained on family members as well?	☐ yes ☐ no
Are **non-employees** permitted to ride in or operate vehicles? If yes, explain:	☐ yes ☐ no
DO YOU HAVE A WRITTEN AND ENFORCED POLICY PROHIBITING EMPLOYEES FROM CARRYING WEAPONS ON THEIR PERSON OR IN A VEHICLE? (IF YES, PLEASE ATTACH A COPY.)	☐ yes ☐ no
Do you have a formal policy regarding **Invasion of Privacy** and **methods of handling a hostile debtor**? (If yes, please attach a copy.)	☐ yes ☐ no

Explain your "new hire" repossessor training program (include minimum length of supervised training before new hires are permitted to repossess vehicles on their own):

Number of total staff:

Total	Full Time	Part Time

	Number	Estimated Annual Payroll
A. Field Adjusters		
B. Drivers Other Than Field Adjusters		
C. Salesmen		
D. Office Employees		
E. Mechanics		
F. Other Service Employees		

What work do you sub-contract to others? Explain

Do you require certification of liability insurance with limits equal to or higher than yours, from all subcontractors or independent contractors and is your firm named as an Additional Named Insured on their policy? ☐ yes ☐ no

Note: Without the protection of the applicant being named as an additional named insured to said independent contractor liability policy of insurance, independent contractor coverage will be excluded unless the applicant obtains such certificate and evidence of insurance from the independent contractor.

Do you provide or perform services as a sub-contractor for other tow truck operators, recovery agencies, or other business operations?

If yes, explain: ☐ yes ☐ no

Do you provide recovery services to any of the following? (Check all that apply)

☐ Commercial Lenders (Banks and Finance Companies)

☐ Individual Lenders (Non-Commercial)

☐ New Car Dealers

☐ Used Car Dealers ("Buy Here - Pay Here")

☐ Other

Do you require a favorable Hold Harmless Agreement from your customers? If yes, please provide a copy. ☐ yes ☐ no

Do you obtain a written authorized assignment for each recovery? ☐ yes ☐ no

Does your state require a license? ☐ yes ☐ no

If yes: License # Type Expiration Date

Please answer the following questions as thoroughly as possible:

A. Do you provide Workers Compensation for all employees including drivers? ☐ yes ☐ no

B. Do you issue any Employee or Independent Contractor a 1099? ☐ yes ☐ no

C. Are the tow trucks or service vehicles used for towing equipped with a “transformer” or “dynamic" towing system or similar automatic or in cab operated hook-up capabilities? ☐ yes ☐ no

D. Average values in storage at all locations? $

E. Percentage of trips made. ☐ 0 – 50 Miles, ☐ 51- 200 Miles, ☐ 201 and Over.

	Lot 1	Lot 2	Lot 3
F. Is storage lot completely fenced and secured?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
G. Is an alarm system used?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
H. Are attendants or night watchmen employed?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
I. Are domestic animals on the premises?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
J. Are buildings sprinkler protected?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
K. Is lot completely lighted at night?	☐ yes ☐ no	☐ yes ☐ no	☐ yes ☐ no
L. Does applicant engage in auto or equipment dismantling?			☐ yes ☐ no
M. Does applicant own or operate tanker trucks?			☐ yes ☐ no
N. Does applicant own or sponsor racing vehicles?			☐ yes ☐ no
O. Is a police report required in your state on all recoveries and repossessions? If yes, what is the time limit to report?			☐ yes ☐ no

P. Are personal effects and personal property of others recovered and securely stored? ☐ yes ☐ no

Do you inventory those personal effects? ☐ yes ☐ no

If yes, via:
☐ Witnessed written inventory ☐ Video taped inventory ☐ Photographed inventory
☐ Other (please explain):

If not, how do you account for personal property of others?

Q. How is personal property and effects returned to owners?

R. What is done with deadly weapons or illegal drugs which are found in the personal effects and property removed for inventory?

S. What is done with " prescription drugs " found in the personal property and effects recovered?

T. Do you reover refrigeration/freezer units with cargo? ☐ yes ☐ no

If yes, is transit completed? ☐ yes ☐ no

How?

How many of the following do you have issued to your agency?

A. Dealer plates? _____ How used? _____

B. Transportation plates? _____ How used? _____

C. Repossessor plates? _____ How used? _____

D. Other plates ? _____ How used? _____

Are plates provided to others? If yes, explain: ☐ yes ☐ no

Filings

Are filings required?	☐ yes ☐ no

If yes, please provide name and address; provide copy of any special forms required. Use separate list for other than those noted requiring evidence of insurance.

ICC - name and address

MC #

PUC - name and address

Vehicle Coverages

Coverage	Limits	Options	
Liability (CSL)		☐ Hired Cost of hire: ☐ Non-Owned	
Medical Payments			
PIP		☐ Statutory Minimum	☐ Reject (if allowed)
Additional PIP			
Uninsured Motorist		☐ Statutory Minimum	☐ Reject (if allowed)
Underinsured Motorist		☐ Statutory Minimum	☐ Reject (if allowed)
UM/UIM *(if applicable)*		☐ With Property Damage	☐ Without Property Damage
Comp/Collision		☐ $500 Deductible ☐ $1,000 Deductible ☐ Refer to schedule	

Other:

Dealer Plates

Year	Tag #	Year	Tag #
Year	Tag #	Year	Tag #

Inland Marine Coverages

Miscellaneous Towing & Recovery Equipment	Provide description of items and Serial Numbers
On-Hook Cargo	*Refer to Vehicle Schedule for limits and deductibles*

Operation Coverages

Liability Limit	CSL	Aggregate (3X Primary unless specified)	Premises Med Pay Limit
GK Limit	Location 1	Location 2	Location 3
Other-Than-Collision Deductible		Collision Deductible	

Personal Effects ☐ Yes ☐ No

Limits: ☐ $2000 Deductible: ☐ $500

Drive-away liability Note: 3rd Party liability coverage is the same limit as the commercial auto liability limit selected above.

Physical Damage to Vehicles Driven Note: Coverage is the same limit as the garage keepers limit selected above.
If you perform drive away operations do you use;

Employees Only ☐ Yes ☐ No

Independent Contractor Only ☐ Yes ☐ No

How many Drive-away per year are performed? What is the maximum distance per trip? Miles.

Other Liability Exposures requiring coverage:

Property Coverage

For all property coverage please submit an Accord Property Supplement Application

Loss History / Statement

Has your insurance ever been canceled or not renewed by an insurance company?	☐ Yes ☐ No
Do you have insurance company loss runs for your last four years of operation?	☐ Yes ☐ No

*****If you answered "no", please review this next section very carefully *****

Statement of Loss History:

It is a requirement of ÆON Insurance Group, Inc. that we receive your last four years of insurance company loss runs in order to analyze your operations insurability. If you are unable to obtain the four-year history prior to the inception of coverage and you have less than five vehicles to insure, we are willing to accept your statement of past losses until you can obtain your insurance company loss runs. By signing this application, you are agreeing to provide a complete statement of all losses pertaining to the coverage requested on this application and within forty-five days from coverage inception provide insurance company loss runs.

My Previous Insurance Carriers are:

Year	Insurance Company Name
_____	_____
_____	_____
_____	_____
_____	_____

Loss History (current year and prior three years)

Source: ☐ Company ☐ Insured ☐ Other (explain)

Date of Loss	Total Amount	Coverage Type	Driver	Date of Loss	Total Amount	Coverage Type	Driver
1.				5.			
2.				6.			
3.				7.			
4.				8.			

Description of current loss prevention policies & procedures

Personal information about you may be collected from persons other than you. Such information as well as other personal and privileged information collected by our agents or us may in certain circumstances be disclosed to third parties without your authorization. You have the right to review your personal information in our files and can request correction of any inaccuracies. A more detailed description of your rights and our practices regarding such information is available upon request. Contact your agent or broker for instruction on how to submit a request to us.

By signing this application, I agree to:

1. **Advise the company of ALL drivers not appearing on the employee list for approval prior to operation of any vehicle insured under this contract at any time during the policy period.**
2. **To provide a signed and completed UM/UIM and or PIP Selection/ Rejection form.**
3. **Permit your representative to physically survey our operation.**
4. **Implement the recommendations and/or training programs suggested to me by the company.**

I, the applicant, understand that this application and all information supplied is part of the application process and will be relied upon by the insurance company in determining whether to provide the insurance coverage herein requested. I hereby represent and confirm that I have read all the questions and answers on the application and that, to the best of my knowledge; all information provided in this application is complete, true and correct. I further represent that I have made and will make the necessary periodic maintenance inspection of the premises and the insured vehicles and that all necessary repairs have been made to ensure that my property and vehicles are and will remain safe and in good working condition. It is understood and agreed that no insurance is in effect until ÆON INSURANCE GROUP, INC. and those companies it represents accept this application.

Notice to Applicant: The broker or producer is your (the applicant's) agent and is not an agent of ÆON Insurance Group Inc. No producer or broker shall have the right to bind coverage or to; alter, modify, or discharge this application. The producer or broker shall not have the right to alter, modify, discharge or execute any insurance contracts or policies on behalf of ÆON Insurance Group Inc.

Applicant's Signature	Position	Date Signed
Producer's Signature	**Agency**	**Date Signed**

Vehicle Schedule

Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	
Vehicle #	Year	Make	Model	Gvw/gcw/capacity	Stated Value	Average radius
Garage location #		Vin # (17 digits)		Comp/coll ded.	On-hook limit	On-hook ded.
This vehicle is equipped with:			☐ **In-cab** Operated Recovery unit		☐ **External Only** Operated Recovery Unit	

Schedule of Employees

First name	m.i.	Last name		Date of birth	☐ Excluded Driver	
☐ Adjuster ☐ Office Empl. ☐ Mechanic ☐	☐ Full Time ☐ Part Time	Date of hire	Driver license	State	Class	Years licensed
First name	m.i.	Last name		Date of birth	☐ Excluded Driver	
☐ Adjuster ☐ Office Empl. ☐ Mechanic ☐	☐ Full Time ☐ Part Time	Date of hire	Driver license	State	Class	Years licensed
First name	m.i.	Last name		Date of birth	☐ Excluded Driver	
☐ Adjuster ☐ Office Empl. ☐ Mechanic ☐	☐ Full Time ☐ Part Time	Date of hire	Driver license	State	Class	Years licensed
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☐ Adjuster ☐ Office Empl. ☐ Mechanic ☐	☐ Full Time ☐ Part Time	Date of hire	Driver license	State	Class	Years licensed
First name	m.i.	Last name		Date of birth	☐ Excluded Driver	
☐ Adjuster ☐ Office Empl. ☐ Mechanic ☐	☐ Full Time ☐ Part Time	Date of hire	Driver license	State	Class	Years licensed

Additional Information

Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)
Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)
Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)
Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)
Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)
Name			☐ Loss Payee ☐ Additional Insured ☐ Mortgagee ☐ Certificate Holder
Additional description, limitations, or other information			Location # Building(s)
Address			
City	State	Zip	Vehicle numbers(s)

DECLARATIONS PAGE

ISSUED: CITY AND STATE

POLICY ISSUED FROM

INSURED:

MAILING ADDRESS:

COMPANY: Liberty Insurance Underwriters Inc.
55 Water Street, 18th floor
New York, NY 10041
Toll-free number: 1-800-677-9163

BROKER:

POLICY NUMBER:

PROJECT LOCATION:

POLICY PERIOD: This Insurance shall be effective at 12:01 am, standard time, to 12:01 am, standard time.

LIMIT OF LIABILITY: This Company shall not be liable for more than $ per occurrence being % part of $ in any one occurrence, excess deductibles as more fully described under the attached forms.

The sub-limits of liability shown under the attached policy form and endorsements are part of and not in addition to the limit of liability.

PARTICIPATION CLAUSE: This policy covers for a % interest in this insurance, and this company shall not be liable for more than % of the limit of liability, sub-limits of liability, any other limits of insurance, or any aggregate limits contained within the form attached to this policy or contained in or on any endorsements attached to this policy.

POLICY PREMIUM: .
TRIA PREMIUM:

TAXES:

COMMISSION:

DEDUCTIBLE AMOUNT: As per the Property Form

Forms and Endorsements attached at issue:

FOR THE COMPANY

DATED

In witness whereof, the company has caused this policy to be signed by its President and its Secretary at Boston, Massachusetts, and countersigned by a duly authorized representative of the company.

President
Liberty Insurance Underwriters Inc.

Secretary
Liberty Insurance Underwriters Inc.

SCHEDULE OF COVERED VEHICLES YOU OWN

Schedule of Covered Vehicles		
Vehicle #	**Description of Vehicle**	**Limit of Insurance**
		$
		$
		$
		$
		$
		$
		$
		$

In order for coverage under the On Hook and Cargo Legal Liability Coverage Form to be provided to a vehicle listed above, a Limit of Insurance must appear opposite the covered vehicle description. The Limit of Insurance reflected in the above **Schedule** is the most we will pay in any one occurrence for loss or damage to that covered vehicle.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY 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 **F** – Definitions.

A. Coverage

We will pay for, subject to our Limits of Insurance, direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss and provided that such loss or damage begins during the policy period and occurs within the coverage territory.

1. Covered Property means:

a. All lawful goods and articles of others accepted by you while in due course of transit in or on a scheduled vehicle, or in the process of recovery by a scheduled vehicle shown in the Schedule of Covered Vehicles You Own; or

b. All lawful goods and articles of others accepted by you and placed in temporary storage on your premises for up to 72 hours.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, deeds, money, notes, securities and evidences of debt;

b. Contraband, or property in the course of illegal transportation or trade;

c. Paintings, statues, other works of art, jewelry or other similar valuables, furs or fur-trimmed garments;

d. Property while waterborne, unless in transit on ferries, lighters, or car floats or property while located underwater or underground, except while in transit through tunnels; or

e. Property hired by or rented to you.

3. Covered Causes of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property that you become legally obligated to pay, except those causes of loss listed in the Exclusions.

4. Additional Coverage—Temporary Substitute

You may temporarily substitute any "auto" you do not own while used with the permission of its owner as a temporary substitute for a scheduled vehicle shown in the Schedule of Covered Vehicles You Own that is out of service because of its:

a. Breakdown;

b. Repair;

c. Servicing;

d. Loss or damage; or

e. Destruction.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

5. Coverage Extensions

a. Debris Removal

(1) Subject to Paragraph **(3),** we will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) The most we will pay for debris removal expense is $7,500.

b. Supplementary Payments

In addition to the Limit of Insurance shown in the Declarations as applicable to this Coverage Form, we will pay:

(1) All expenses we incur;

(2) Up to $250 for the cost of bail bonds (including bonds for related traffic law violation) required because of a direct physical loss of or damage to Covered Property loss we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limits of Insurance.

(4) All reasonable expenses incurred by you during any "suit" we defend, at our request, including actual loss of earnings up to $100 per day because of time off from work.

(5) All costs taxed against you in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" 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 Limits of Insurance.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And 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 or damage caused by or resulting from any of the following:

a. Delay, loss of market or any other consequential loss.

b. Unexplained disappearance.

c. Shortage found upon taking inventory.

d. Dishonest or criminal act committed by:

(1) You, any of your partners, employees, directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Either of the following but only as it applies to a scheduled vehicle shown in the Schedule of Covered Vehicles You Own:

(1) The weight of a load exceeding the manufacturer's rated capacity of the equipment; or

(2) Structural, mechanical or electrical failure, or maintenance operation, unless fire ensues and then only the damage caused by fire.

b. Faulty, inadequate or defective:

(1) Materials used in repair, construction, renovation or remodeling; or

(2) Maintenance;

of part or all of any property wherever located.

c. Death, injury or disappearance of livestock, poultry, or any other live animal.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold or heat.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule of Covered Vehicles You Own. However, and notwithstanding the foregoing, if two or more of policies or coverage parts issued by us to you cover the same loss or damage, we will not pay more than the actual amount of the loss or damage. Further, and notwithstanding the foregoing, we will not pay more than your or the owner's, in the event the owner of lost or damaged property is someone other than you, financial interest in any Covered Property.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the deductible shown in the Deductible Clause Endorsement.

We will then pay the amount of the adjusted loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

E. Conditions

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

1. Action Against the Company

No action will lie against us unless, as a condition precedent thereto, you have fully complied with all the terms of this policy. Nothing contained in this policy will give any person or organization any right to join us as a co-defendant in any action against you to determine your liability.

2. Audit

We may look at and audit your books and records as they relate to the insurance provided by this policy. We may do this at any point after the inception date of this policy and up until three years after the expiration date of this policy.

3. Bankruptcy and Insolvency

Your bankruptcy or insolvency will not relieve us of any of our obligations under this policy. Nor will it increase or change our obligations under this policy.

4. Bailee

A bailee is not covered under this policy while the bailee has possession of the your property.

5. Changes

This policy, including the Declarations and any schedules and endorsements attached thereto, contains all agreements between you and us concerning this insurance. This policy's terms, conditions and exclusions can be amended or waived only by an endorsement issued by us and made a part of this policy.

6. Coinsurance

All Covered Property must be insured by us for its "total value" as of the time of loss or damage or you will incur a penalty.

We will not pay the full amount of any loss if the "total value" of Covered Property at the time of loss or damage is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:

a. Determine the "total value" of Covered Property at the time of loss;

b. Divide the Limit of Insurance of the property by the figure determined in Step (a);

c. Multiply the total amount of loss or damage, before the application of any deductible, by the figure determined in Step (b); and

d. Subtract the deductible from the figure determined in Step (c).

We will pay the amount determined in Step (d) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If you suffer a coinsurance penalty on a covered loss, then you are entitled to share in any salvage amount, less recovered expenses. Your proportionate share of the net salvage amount shall be the same as your share of the loss.

7. Cooperation

You, and any involved insured, must fully cooperate with us with regard to any issue or claim related to this policy.

8. Coverage Changes

This Policy may be cancelled by the first Named Insured by giving advance written notice to the us stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the us by mailing to the first Named Insured by registered, certified or other first-class mail, at the Named Insured, written notice stating when not less than thirty (30) days thereafter or twenty (20) days thereafter when cancellation is due to nonpayment of premium, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the first Named Insured, we shall retain the customary short rate proportion of the premium. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

9. Coverage Termination

This Policy may be cancelled by the first Named Insured by giving advance written notice to the us stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the us by mailing to the first Named Insured by registered, certified or other first-class mail, at the Named Insured, written notice stating when not less than thirty (30) days thereafter or twenty (20) days thereafter when cancellation is due to nonpayment of premium, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the first Named Insured, we shall retain the customary short rate proportion of the premium. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

10. Coverage Territory

We cover property wherever located within:

a. The United States of America (including its territories and possessions);

b. Puerto Rico; and

c. Canada.

11. Coverage Voidance

In granting the coverage provided under this policy, we have relied upon the declarations and statements in the written application for this policy. All such declarations and statements are the basis of this policy and shall be considered as incorporated in and constituting part of this policy. In the event that any of these declarations or statements was, at the time made, both intentionally false and material or when applying for the coverage provided under this policy you, or anyone acting on your behalf, intentionally suppressed a material fact relative to this policy, this policy shall be void ad initio. Further, in the event of any intentional suppression or false statement regarding a claim under this policy, your interest in Covered Property or the Covered Property itself, this policy shall also be void ad initio.

12. Desertion

You shall not abandon any property to us.

13. Economic or Trade Sanctions

If coverage for a claim under this policy is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for that claim will be deemed null and void.

14. Notice/Claim Reporting Provisions

In the event of loss or damage to Covered Property, you, or someone acting on your behalf must:

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the loss or damage. Include a description of the property involved.

c. As soon as possible, give us a description of how, when and where the loss or damage occurred.

d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

e. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

g. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

h. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request.

i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

15. Other Insurance

a. You may have another policy subject to the same "terms" as this policy. If you do, we will pay our share of the covered loss. Our share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

b. If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit"

16. Records And Inventory

You will keep accurate records of your business and retain them for 3 years after this policy ends.

These records will consist of:

a. An itemized inventory of your stock in trade;

b. Records of all purchases and sales whether cash or credit;

c. Records of property of others in your care, custody or control; and

d. Records of property you send to others for any purpose.

e. You will also take a physical inventory of all your stock in trade at least every 12 months.

17. Protective Safeguards

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

a. In working condition at a location; and

b. In operation when you are closed to business,

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

18. Privilege To Adjust With Owner

In the event of loss or damage involving Covered Property of others in your care, custody or control, we have the right to:

a. Settle the loss or damage with the owners of the Covered Property. A receipt for payment from the owners of that property will satisfy any claim of yours.

b. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limits of Insurance under this insurance.

19. Premium

The first Named Insured is responsible for the payment of all premiums. All other insureds are contingently liable for the payment of premium if the first Named Insured fails to do so.

20. Subrogation

In the event of any payment under this policy, we will be subrogated to the extent of such payment to all the insured's rights of recovery, and the insured will execute all papers required and will do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us to effectively bring suit or otherwise pursue subrogation rights in the name of the insured**.**

We will be accorded priority over the insured as to any funds recovered.

21. Titles or Captions of Policy Provisions

The title or caption of the sections and paragraphs of this policy and any attached endorsements are solely for convenience or reference. They do not affect the provisions to which they relate.

22. Transfer of Duties

No duties of any insured under this policy may be transferred without our written consent.

23. Transfer of Rights

No rights of any insured under this policy may be transferred without our written consent.

24. Valuation

The value of property will be the least of the following amounts:

a. The actual cash value of that property;

b. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

c. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

F. Definitions

"Auto" means a land motor vehicle trailer or semi trailer designed for travel on public roads.

"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.

"Suit" means a civil proceeding in which loss or damages to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such loss or damages are claimed and to which the insured must submit or does submit with our consent; or

2. Any other alternative dispute resolution proceeding in which such loss or damages are claimed and to which the insured submits with our consent

"Total value" means the actual Covered Property value or the released value shown on the Shipping Receipt or Bill of Lading, whichever is less.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE CLAUSE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

Each claim for loss or damage (separately occurring) will be adjusted separately and from the amount of each adjusted occurrence the sum of $_____ will be deducted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REPOSSESSED AUTO AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

A. Subparagraph **1**. under **A. Coverage,** is replaced by the following:
- **a.** "Autos" accepted by you while in due course of transit in or on a vehicle owned by you, or in the process of recovery by a vehicle owned by you and includes:
  - **(1)** "Mobile equipment,"
  - **(2)** Watercraft less than 44 feet long,
  - **(3)** Travel trailers, and
  - **(4)** All-Terrain vehicles (ATVs).
- **b.** Personal property located within the "auto" accepted by you while in due course of transit in or on a vehicle owned by you, or in the process of recovery by a vehicle owned by you subject to a maximum limit of $2,500.:

B. Paragraph **D. Deductible** is replaced by the following:

Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the $1,000 deductible. We will then pay the amount of the adjusted loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

C. Paragraph **4. Additional Coverage—Temporary Substitute** under **A. Coverage** is deleted.

D. Subparagraph **3.b**. under **B. Exclusions** is replaced with the following:
- **b.** Either of the following but only as it applies to Covered Property:
  - **(1)** The weight of a load exceeding the manufacturer's rated capacity of the "auto;" or
  - **(2)** Structural, mechanical or electrical failure.

E. The following exclusion is added to **3.** under **B. Exclusions**:
- **f.** Transmission and/or drive train damage resulting from any towing operation.

F. Paragraph **C. Limits of Insurance** is replaced by the following:

Limits of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown on the Declarations.

G. Paragraph **2.b. Coinsurance** under **E. Additional Conditions** is deleted in its entirety.

H. Under **F. Definitions**, the following is added:

"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 **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;

6. Vehicles not described in **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 and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state 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".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES ENDORSEMENT

This endorsement modifies insurance provided under the following:

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

A. Section E, **Conditions,** Clause 8, **Termination of Coverage,** is deleted in its entirety and replaced by the following:

8. Coverage Termination

1. This Policy may be cancelled by the first Named Insured by giving advance written notice to us stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by us by mailing to the first Named Insured by registered, certified or other first-class mail, at the Named Insured, written notice stating when not less than thirty (30) days thereafter or twenty (20) days thereafter when cancellation is due to nonpayment of premium, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this policy is cancelled, we will send the first Named Insured any premium refund due. We will refund the pro rata unearned premium if this 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.

   If the policy is cancelled at the request of the first Named Insured, other than a cancellation described by **(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. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

2. If this policy has been in effect more than sixty (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.

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 twenty (20) 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 thirty (30) days before the effective date of cancellation.

B. Section E, **Conditions**, is amended to include the following at the end thereof:

24. Consumer Information

Arkansas law requires that every policy issued in this state include the Arkansas Insurance Department's address and phone number below:

Arkansas Insurance Department
Consumer Services Division
1200 W. 3rd Street
Little Rock, AR 72201-1904
Telephone: 800-852-5494 or 501-371-2640

All other terms, conditions and exclusions remain unchanged.

Rate Information

Rate data does NOT apply to filing.

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty

Review Status: Approved 11/19/2008

Comments:

Attachments:

2007 NAIC FFS.pdf

2007 NAIC PCTD.pdf

Satisfied -Name: Supporting Documents

Review Status: Approved 11/19/2008

Comments:

Attachments:

AR Forms List.pdf

LIUI CIM Filing Memo (All States Except CA).pdf

LOA LIU.pdf

Satisfied -Name: Markup Policy Form

Review Status: Approved 11/26/2008

Comments:

Attachment:

LIUI IM 2000 _09-08_ On Hook and Cargo Legal Liability Amended (markup).pdf

Effective March 1, 2007

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	**This filing transmittal is part of Company Tracking #**	**LIU-IM-CRG-AR-08-01-F**
2.	**This filing corresponds to rate/rule filing number** (Company tracking number of rate/rule filing, if applicable)	**N/A**

3.	**Form Name /Description/Synopsis**	**Form # Include edition date**	**Replacement or Withdrawn?**	**If replacement, give form # it replaces**	**Previous state filing number, if required by state**
01	Policy Jacket	LIUIJ001-0708	☒ New ☐ Replacement ☐ Withdrawn		
02	Recovery Operations Application	LIUI-IM-A001-0708	☒ New ☐ Replacement ☐ Withdrawn		
03	Declarations Page	LIUI-IM-D001-0708	☒ New ☐ Replacement ☐ Withdrawn		
04	Schedule Of Covered Vehicles You Own	LIUI-IM-S001-0708	☒ New ☐ Replacement ☐ Withdrawn		
05	On Hook And Cargo Legal Liability Coverage	LIUI-IM-E001-0708	☒ New ☐ Replacement ☐ Withdrawn		
06	Deductible Clause Endorsement	LIUI-IM-E002-0708	☒ New ☐ Replacement ☐ Withdrawn		
07	Repossessed Auto Amendatory Endorsement	LIUI-IM-E003-0708	☒ New ☐ Replacement ☐ Withdrawn		
08	Arkansas Changes Endorsement	LIUI IM AR 2004 (09-08)	☒ New ☐ Replacement ☐ Withdrawn		

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Effective March 1, 2007

Property & Casualty Transmittal Document

1 . Reserved for Insurance Dept. Use Only

2. Insurance Department Use only	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

3.	Group Name	Group NAIC #
	Liberty Mutual Group	111

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	Liberty Insurance Underwriters, Inc.	NY	19917	13-4916020	

5.	Company Tracking Number	LIU-IM-CRG-AR-08-01-F

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Olga E. Garcia 881 Alma Real Drive, Suite 205 Pacific Palisades, CA 90272	Filing Analyst	888-201-5123 x 163	310-230-8529	doi@perrknight.com

7.	Signature of authorized filer	Olga E. Garcia
8.	Please print name of authorized filer	Olga E. Garcia

Filing information (see General Instructions for descriptions of these fields)

9.	**Type of Insurance (TOI)**	9.0000 Inland Marine
10.	**Sub-Type of Insurance (Sub-TOI)**	9.0005 Other Commercial Inland Marine
11.	**State Specific Product code(s) (if applicable)[See State Specific Requirements]**	N/A
12.	**Company Program Title** (Marketing title)	On-Hook And Cargo Coverage Program
13.	**Filing Type**	☐ Rate/Loss Cost ☐ Rules ☐ Rates/Rules ☒ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: December 19, 2008 Renewal: N/A
15.	**Reference Filing?**	☐ Yes ☒ No
16.	**Reference Organization** (if applicable)	N/A
17.	**Reference Organization # & Title**	N/A
18.	**Company's Date of Filing**	November 18, 2008
19.	**Status of filing in domicile**	☐ Not Filed ☒ Pending ☐ Authorized ☐ Disapproved

F 777 (Ed. 3-07) Wolters Kluwer Financial Services | Uniform Forms™

Property & Casualty Transmittal Document—

20.	**This filing transmittal is part of Company Tracking #**	**LIU-IM-CRG-AR-08-01-F**

21.	**Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

On behalf of Liberty Insurance Underwriters, Inc. ("LIUI") we are submitting this filing to introduce a new independent commercial inland marine program. Specifically, this program will provide commercial inland marine coverage to collateral repossession and tow truck operators related to "on-hook" and cargo property. Enclosed are copies of the proposed policy language and all endorsement associated with this program. For this new program, all forms are independent. Please see explanatory memorandum for further details. The accompanying rates and rules are exempt from filing requirements per 23-67-206.

LIUI respectfully requests that the proposed forms be implemented for all policies effective December 19, 2008 or upon the earliest possible date of acknowledgment or approval.

22.	**Filing Fees** (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: 104235
Amount: $50.00

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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Liberty Insurance Underwriters

On-Hook And Cargo Coverage Program

Forms List - Arkansas

Form Name	Form #/Edition Date
Policy Jacket	LIUIJ001-0708
Recovery Operations Application	LIUI-IM-A001-0708
Declarations Page	LIUI-IM-D001-0708
Schedule Of Covered Vehicles You Own	LIUI-IM-S001-0708
Endorsements:	
On Hook And Cargo Legal Liability Coverage Form	LIUI-IM-E001-0708
Deductible Clause Endorsement	LIUI-IM-E002-0708
Repossessed Auto Amendatory Endorsement	LIUI-IM-E003-0708
State Amendatory Endorsements:	
Arkansas Changes Endorsement	LIUI IM AR 2004 (09-08)

LIBERTY INSURANCE UNDERWRITERS, INC.
ON-HOOK AND CARGO COVERAGE PROGRAM

COMMERCIAL INLAND MARINE

FILING MEMORANDUM – Rates/Rules/Forms

On behalf of Liberty Insurance Underwriters, Inc. ("LIUI") we are filing to introduce a new independent commercial inland marine program. Specifically, this program will provide commercial inland marine coverage to collateral repossession and tow truck operators related to "on-hook" and cargo property. Enclosed are copies of the proposed rate & rules manual, as well as the policy language and all endorsement associated with this program. For this new program, all forms are independent. See the attached forms list for additional information regarding the forms.

As this is a new program filing, there is no historical experience upon which to base the rates & rules for this coverage. The proposed rates were developed based on a comparison to a rate filing of LIUI's target company, Specialty Underwriters Alliance Insurance Company ("SUA") effective 10/15/2006 in California. Since the exposure to loss is not expected to vary significantly between states for this coverage, SUA's rates in California are believed to be the same as the approved SUA rates in your jurisdiction. These SUA rates were adjusted for differences in expense provisions between SUA and LIUI, which can be seen in Exhibits 1 & 2. Because of significant underwriting judgment, this program will be closely monitored for appropriate rate adequacy. If requested, LIUI would be willing to provide historical loss experience as it becomes available.

We respectfully request the earliest possible effective date for this filing.

Liberty
Insurance
Underwriters Inc.,

September 29, 2008

To Whom ft May Concern:

Perr&Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Liberty Insurance Underwriters, Inc. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed in be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department
Perr&Knight, Inc.
881 Alma Real Drive, Suite 205
Pacific Palisades, CA 90272
Tel: (888) 201-5123
Fax: (310) 230-1061

Please contact me at 212.208.2802 if you have any questions regarding this authorization.

Sincerely,

Theresa M. Morgan

Theresa Morgan
Senior Compliance Officer
55 Water Street, 18th Floor
New York NY 10041
212.208.2802
theresa morgan©libertyiu.corn

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY 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 **F** – Definitions.

A. Coverage

We will pay for, subject to our Limits of Insurance, direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss and provided that such loss or damage begins during the policy period and occurs within the coverage territory.

Deleted: .

1. Covered Property means:

Deleted: , as used in this Coverage Form,

a. All lawful goods and articles of others accepted by you while in due course of transit in or on a scheduled vehicle, or in the process of recovery by a scheduled vehicle shown in the Schedule of Covered Vehicles You Own; or

b. All lawful goods and articles of others accepted by you and placed in temporary storage on your premises for up to 72 hours.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, deeds, money, notes, securities and evidences of debt;

b. Contraband, or property in the course of illegal transportation or trade;

c. Paintings, statues, other works of art, jewelry or other similar valuables, furs or fur-trimmed garments;

d. Property while waterborne, unless in transit on ferries, lighters, or car floats or property while located underwater or underground, except while in transit through tunnels; or

e. Property hired by or rented to you.

3. Covered Causes of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property that you become legally obligated to pay, except those causes of loss listed in the Exclusions.

Deleted: DIRECT PHYSICAL LOSS OR DAMAGE

4. Additional Coverage—Temporary Substitute

You may temporarily substitute any "auto" you do not own while used with the permission of its owner as a temporary substitute for a scheduled vehicle shown in the Schedule of Covered Vehicles You Own that is out of service because of its:

a. Breakdown;

b. Repair;

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c. Servicing;

d. Loss or damage; or

e. Destruction.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

5. Coverage Extensions

a. Debris Removal

(1) Subject to Paragraph **(3),** we will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) The most we will pay for debris removal expense is $7,500.

b. Supplementary Payments

In addition to the Limit of Insurance shown in the Declarations as applicable to this Coverage Form, we will pay:

(1) All expenses we incur;

(2) Up to $250 for the cost of bail bonds (including bonds for related traffic law violation) required because of a direct physical loss of or damage to Covered Property loss we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limits of Insurance.

(4) All reasonable expenses incurred by you during any "suit" we defend, at our request, including actual loss of earnings up to $100 per day because of time off from work.

(5) All costs taxed against you in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" 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 Limits of Insurance.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

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a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And 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 or damage caused by or resulting from any of the following:

a. Delay, loss of market or any other consequential loss.

b. Unexplained disappearance.

c. Shortage found upon taking inventory.

d. Dishonest or criminal act committed by:

(1) You, any of your partners, employees, directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

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e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Either of the following but only as it applies to a scheduled vehicle shown in the Schedule of Covered Vehicles You Own:

(1) The weight of a load exceeding the manufacturer's rated capacity of the equipment; or

(2) Structural, mechanical or electrical failure, or maintenance operation, unless fire ensues and then only the damage caused by fire.

b. Faulty, inadequate or defective:

(1) Materials used in repair, construction, renovation or remodeling; or

(2) Maintenance;

of part or all of any property wherever located.

c. Death, injury or disappearance of livestock, poultry, or any other live animal.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold or heat.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule of Covered Vehicles You Own. However, and notwithstanding the foregoing, if two or more of policies or coverage parts issued by us to you cover the same loss or damage, we will not pay more than the actual amount of the loss or damage. Further, and notwithstanding the foregoing, we will not pay more than your or the owner's, in the event the owner of lost or damaged property is someone other than you, financial interest in any Covered Property.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the deductible shown in the Deductible Clause Endorsement.

We will then pay the amount of the adjusted loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

E. Conditions

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

1. Action Against the Company

No action will lie against us unless, as a condition precedent thereto, you have fully complied with all the terms of this policy. Nothing contained in this policy will give any person or organization any right to join us as a co-defendant in any action against you to determine your liability.

2. Audit

We may look at and audit your books and records as they relate to the insurance provided by this policy. We may do this at any point after the inception date of this policy and up until three years after the expiration date of this policy.

3. Bankruptcy and Insolvency

Your bankruptcy or insolvency will not relieve us of any of our obligations under this policy. Nor will it increase or change our obligations under this policy.

4. Bailee

A bailee is not covered under this policy while the bailee has possession of the your property.

5. Changes

This policy, including the Declarations and any schedules and endorsements attached thereto, contains all agreements between you and us concerning this insurance. This policy's terms, conditions and exclusions can be amended or waived only by an endorsement issued by us and made a part of this policy.

6. Coinsurance

All Covered Property must be insured by us for its "total value" as of the time of loss or damage or you will incur a penalty.

We will not pay the full amount of any loss if the "total value" of Covered Property at the time of loss or damage is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:

a. Determine the "total value" of Covered Property at the time of loss;

b. Divide the Limit of Insurance of the property by the figure determined in Step (a);

c. Multiply the total amount of loss or damage, before the application of any deductible, by the figure determined in Step (b); and

d. Subtract the deductible from the figure determined in Step (c).

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ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

We will pay the amount determined in Step (d) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If you suffer a coinsurance penalty on a covered loss, then you are entitled to share in any salvage amount, less recovered expenses. Your proportionate share of the net salvage amount shall be the same as your share of the loss.

7. Cooperation

You, and any involved insured, must fully cooperate with us with regard to any issue or claim related to this policy.

8. Coverage Changes

This Policy may be cancelled by the first Named Insured by giving advance written notice to the us stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the us by mailing to the first Named Insured by registered, certified or other first-class mail, at the Named Insured, written notice stating when not less than thirty (30) days thereafter or twenty (20) days thereafter when cancellation is due to nonpayment of premium, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the first Named Insured, we shall retain the customary short rate proportion of the premium. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

9. Coverage Termination

This Policy may be cancelled by the first Named Insured by giving advance written notice to the us stating when thereafter such cancellation shall be effective. This Policy may also be cancelled by the us by mailing to the first Named Insured by registered, certified or other first-class mail, at the Named Insured, written notice stating when not less than thirty (30) days thereafter or twenty (20) days thereafter when cancellation is due to nonpayment of premium, the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be cancelled by the first Named Insured, we shall retain the customary short rate proportion of the premium. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

10. Coverage Territory

We cover property wherever located within:

a. The United States of America (including its territories and possessions);

b. Puerto Rico; and

c. Canada.

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Deleted: 1. Other Insurance¶ a. "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.¶ b. If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do n ... [1]
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

11. Coverage Voidance

In granting the coverage provided under this policy, we have relied upon the declarations and statements in the written application for this policy. All such declarations and statements are the basis of this policy and shall be considered as incorporated in and constituting part of this policy. In the event that any of these declarations or statements was, at the time made, both intentionally false and material or when applying for the coverage provided under this policy you, or anyone acting on your behalf, intentionally suppressed a material fact relative to this policy, this policy shall be void ad initio. Further, in the event of any intentional suppression or false statement regarding a claim under this policy, your interest in Covered Property or the Covered Property itself, this policy shall also be void ad initio.

12. Desertion

You shall not abandon any property to us.

13. Economic or Trade Sanctions

If coverage for a claim under this policy is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for that claim will be deemed null and void.

14. Notice/Claim Reporting Provisions

In the event of loss or damage to Covered Property, you, or someone acting on your behalf must:

a. Notify the police if a law may have been broken.

b. Give us prompt notice of the loss or damage. Include a description of the property involved.

c. As soon as possible, give us a description of how, when and where the loss or damage occurred.

d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

e. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

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g. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

h. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request.

i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

15. Other Insurance

a. You may have another policy subject to the same "terms" as this policy. If you do, we will pay our share of the covered loss. Our share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

b. If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit"

16. Records And Inventory

You will keep accurate records of your business and retain them for 3 years after this policy ends.

These records will consist of:

a. An itemized inventory of your stock in trade;

b. Records of all purchases and sales whether cash or credit;

c. Records of property of others in your care, custody or control; and

d. Records of property you send to others for any purpose.

e. You will also take a physical inventory of all your stock in trade at least every 12 months.

17. Protective Safeguards

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

a. In working condition at a location; and

b. In operation when you are closed to business,

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

18. Privilege To Adjust With Owner

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY COVERAGE FORM

In the event of loss or damage involving Covered Property of others in your care, custody or control, we have the right to:

a. Settle the loss or damage with the owners of the Covered Property. A receipt for payment from the owners of that property will satisfy any claim of yours.

b. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limits of Insurance under this insurance.

19. Premium

The first Named Insured is responsible for the payment of all premiums. All other insureds are contingently liable for the payment of premium if the first Named Insured fails to do so.

20. Subrogation

In the event of any payment under this policy, we will be subrogated to the extent of such payment to all the insured's rights of recovery, and the insured will execute all papers required and will do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable us to effectively bring suit or otherwise pursue subrogation rights in the name of the insured.

We will be accorded priority over the insured as to any funds recovered.

21. Titles or Captions of Policy Provisions

The title or caption of the sections and paragraphs of this policy and any attached endorsements are solely for convenience or reference. They do not affect the provisions to which they relate.

22. Transfer of Duties

No duties of any insured under this policy may be transferred without our written consent.

23. Transfer of Rights

No rights of any insured under this policy may be transferred without our written consent.

24. Valuation

The value of property will be the least of the following amounts:

a. The actual cash value of that property;

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b. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

c. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

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F. Definitions

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"Auto" means a land motor vehicle trailer or semi trailer designed for travel on public roads.

"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.

"Suit" means a civil proceeding in which loss or damages to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such loss or damages are claimed and to which the insured must submit or does submit with our consent; or

2. Any other alternative dispute resolution proceeding in which such loss or damages are claimed and to which the insured submits with our consent

"Total value" means the actual Covered Property value or the released value shown on the Shipping Receipt or Bill of Lading, whichever is less.

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1. **Other Insurance**
   a. "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

   b. If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit"

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The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a.

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	On Hook And Cargo Legal Liability Coverage Form	11/18/2008	LIUI-IM-E001-0708 On Hook and Cargo Legal Liability Amended.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ON HOOK AND CARGO LEGAL LIABILITY 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 **F** – Definitions.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

a. All lawful goods and articles of others accepted by you while in due course of transit in or on a scheduled vehicle, or in the process of recovery by a scheduled vehicle shown in the Schedule of Covered Vehicles You Own; or

b. All lawful goods and articles of others accepted by you and placed in temporary storage on your premises for up to 72 hours.

2. Property Not Covered

Covered Property does not include:

a. Accounts, bills, currency, deeds, money, notes, securities and evidences of debt;

b. Contraband, or property in the course of illegal transportation or trade;

c. Paintings, statues, other works of art, jewelry or other similar valuables, furs or fur-trimmed garments;

d. Property while waterborne, unless in transit on ferries, lighters, or car floats or property while located underwater or underground, except while in transit through tunnels; or

e. Property hired by or rented to you.

3. Covered Causes of Loss

Covered Causes of Loss means DIRECT PHYSICAL LOSS OR DAMAGE to Covered Property that you become legally obligated to pay, except those causes of loss listed in the Exclusions.

4. Additional Coverage—Temporary Substitute

You may temporarily substitute any "auto" you do not own while used with the permission of its owner as a temporary substitute for a scheduled vehicle shown in the Schedule of Covered Vehicles You Own that is out of service because of its:

a. Breakdown;

b. Repair;

c. Servicing;

d. Loss or damage; or

e. Destruction.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

5. Coverage Extensions

a. Debris Removal

(1) Subject to Paragraph **(3),** we will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(3) The most we will pay for debris removal expense is $7,500.

b. Supplementary Payments

In addition to the Limit of Insurance shown in the Declarations as applicable to this Coverage Form, we will pay:

(1) All expenses we incur;

(2) Up to $250 for the cost of bail bonds (including bonds for related traffic law violation) required because of a direct physical loss of or damage to Covered Property loss we cover. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments in any "suit" we defend, but only for bond amounts within our Limits of Insurance.

(4) All reasonable expenses incurred by you during any "suit" we defend, at our request, including actual loss of earnings up to $100 per day because of time off from work.

(5) All costs taxed against you in any "suit" we defend.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" 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 Limits of Insurance.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

c. War And 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 or damage caused by or resulting from any of the following:

a. Delay, loss of market or any other consequential loss.

b. Unexplained disappearance.

c. Shortage found upon taking inventory.

d. Dishonest or criminal act committed by:

(1) You, any of your partners, employees, directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Either of the following but only as it applies to a scheduled vehicle shown in the Schedule of Covered Vehicles You Own:

(1) The weight of a load exceeding the manufacturer's rated capacity of the equipment; or

(2) Structural, mechanical or electrical failure, or maintenance operation, unless fire ensues and then only the damage caused by fire.

b. Faulty, inadequate or defective:

(1) Materials used in repair, construction, renovation or remodeling; or

(2) Maintenance;

of part or all of any property wherever located.

c. Death, injury or disappearance of livestock, poultry, or any other live animal.

d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; mechanical breakdown; insects, vermin, rodents; corrosion, rust, dampness, cold or heat.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule of Covered Vehicles You Own.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the deductible shown in the Deductible Clause Endorsement.

We will then pay the amount of the adjusted loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

1. Other Insurance

a. "You" may have another policy subject to the same "terms" as this policy. If "you" do, "we" will pay "our" share of the covered loss. "Our" share is the proportion that the applicable "limit" under this policy bears to the "limit" of all policies covering on the same basis.

b. If there is another policy covering the same loss, other than that described above, "we" pay only for the amount of covered loss in excess of the amount due from that other policy, whether "you" can collect on it or not. But "we" do not pay more than the applicable "limit"

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

We cover property wherever located within:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

b. Coinsurance

All Covered Property must be insured by us for its "total value" as of the time of loss or damage or you will incur a penalty.

We will not pay the full amount of any loss if the "total value" of Covered Property at the time of loss or damage is greater than the Limit of Insurance for the property. Instead, we will determine the most we will pay using the following steps:

(1) Determine the "total value" of Covered Property at the time of loss;

(2) Divide the Limit of Insurance of the property by the figure determined in Step **(1);**

(3) Multiply the total amount of loss or damage, before the application of any deductible, by the figure determined in Step **(2);** and

(4) Subtract the deductible from the figure determined in Step **(3).**

We will pay the amount determined in Step **(4)** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If you suffer a coinsurance penalty on a covered loss, then you are entitled to share in any salvage amount, less recovered expenses. Your proportionate share of the net salvage amount shall be the same as your share of the loss.

c. Records And Inventory

You will keep accurate records of your business and retain them for 3 years after the policy ends.

These records will consist of:

(1) An itemized inventory of your stock in trade;

(2) Records of all purchases and sales whether cash or credit;

(3) Records of property of others in your care, custody or control; and

(4) Records of property you send to others for any purpose.

(5) You will also take a physical inventory of all your stock in trade at least every 12 months.

d. Protective Safeguards

You must maintain the protective safeguards stated by you to be in effect at a location when this coverage began.

If you fail to keep the protective safeguards:

(1) In working condition at a location; and

(2) In operation when you are closed to business;

coverage for which the protective safeguards apply is automatically suspended at that location. This suspension will last until equipment or services are back in operation.

e. Privilege To Adjust With Owner

In the event of loss or damage involving Covered Property of others in your care, custody or control, we have the right to:

(1) Settle the loss or damage with the owners of the Covered Property. A receipt for payment from the owners of that property will satisfy any claim of yours.

(2) Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limits of Insurance under this insurance.

F. Definitions

"Auto" means a land motor vehicle trailer or semi trailer designed for travel on public roads.

"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.

"Suit" means a civil proceeding in which loss or damages to which this insurance applies are alleged. "Suit" includes:

1. An arbitration proceeding in which such loss or damages are claimed and to which the insured must submit or does submit with our consent; or

2. Any other alternative dispute resolution proceeding in which such loss or damages are claimed and to which the insured submits with our consent

"Total value" means the actual Covered Property value or the released value shown on the Shipping Receipt or Bill of Lading, whichever is less.