

SERFF Tracking Number: LDRA-125644582 State: Arkansas
Filing Company: Old Republic Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: SG - TIER III FORMS
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1004 Contractual Liability
Product Name: SG - Tier III
Project Name/Number: /

Filing at a Glance

Company: Old Republic Insurance Company

Product Name: SG - Tier III

TOI: 17.1 Other Liability - Claims Made Only

Sub-TOI: 17.1004 Contractual Liability

Filing Type: Form

Effective Date Requested (New): 07/16/2008

Effective Date Requested (Renewal):

State Filing Description:

SERFF Tr Num: LDRA-125644582 State: Arkansas

SERFF Status: Closed

Co Tr Num: SG - TIER III FORMS

Co Status:

Authors: Cindi Parks, Julie Urasaki, Debi Lisle
Disposition Date: 06/25/2008

Date Submitted: 06/16/2008

State Tr Num: EFT \$50

State Status: Fees verified and received

Reviewer(s): Betty Montesi, Edith Roberts

Disposition Status: Approved

Effective Date (New):

Effective Date (Renewal):

General Information

Project Name:

Project Number:

Reference Organization:

Reference Title:

Filing Status Changed: 06/25/2008

State Status Changed: 06/24/2008

Corresponding Filing Tracking Number:

Filing Description:

Submitted for your review and subsequent approval are Contractual Liability Policy forms that will insure designated contracts issued by lenders/lessor(s), automobile dealers, or program administrators.

Other than the insurer information and form numbers, the enclosed forms are identical to the forms currently filed by National Specialty Insurance Company and approved in nearly all states (see SERFF Tracking Nos. SERT-6NQNKS202, SERT-6HJTVQ489, STNA-125037874, STNA-125040756, STNA-125151877 and STNA-125188361).

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Old Republic has now been asked to insure this program and file the identical rates and forms as previously filed by National Specialty Insurance Company. This is a new program and these forms do not replace any currently on file.

Company and Contact

Filing Contact Information

Cindi Parks, Regulatory Compliance Manager cparks@orias.com
 8282 S. Memorial Drive (800) 331-3780 [Phone]
 Tulsa, OK 74133 (800) 874-9559[FAX]

Filing Company Information

| | | |
|--------------------------------|-------------------------|---------------------------------|
| Old Republic Insurance Company | CoCode: 24147 | State of Domicile: Pennsylvania |
| 307 N. Michigan Avenue | Group Code: 150 | Company Type: |
| Chicago, IL 60601 | Group Name: | State ID Number: |
| (800) 621-0365 ext. [Phone] | FEIN Number: 25-0410420 | |
| | ----- | |

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|--------------------------------|---------|----------------|---------------|
| Old Republic Insurance Company | \$50.00 | 06/16/2008 | 20919401 |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|---------------|------------|----------------|
| Approved | Edith Roberts | 06/25/2008 | 06/25/2008 |

Objection Letters and Response Letters

| Objection Letters | | | | Response Letters | | |
|-------------------|---------------|------------|----------------|------------------|------------|----------------|
| Status | Created By | Created On | Date Submitted | Responded By | Created On | Date Submitted |
| Pending | Edith Roberts | 06/24/2008 | 06/24/2008 | Cindi Parks | 06/24/2008 | 06/24/2008 |
| Industry Response | | | | | | |

SERFF Tracking Number: LDRA-125644582 *State:* Arkansas
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Disposition

Disposition Date: 06/25/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

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| Item Type | Item Name | Item Status | Public Access |
|----------------------------|--|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty | Approved | Yes |
| Form | Application | Approved | Yes |
| Form (revised) | Policy | Approved | Yes |
| Form | Policy | Withdrawn | Yes |
| Form | General Change Endorsement | Approved | Yes |
| Form | Dealer Endorsement | Approved | Yes |
| Form | Additional Interest Endorsement | Approved | Yes |
| Form | Assumption of Coverage Endorsement | Approved | Yes |
| Form | Experience Refund Endorsement | Approved | Yes |
| Form | Replacement Benefit Endorsement | Approved | Yes |
| Form | Service Contract Endorsement | Approved | Yes |
| Form | Coverage Endorsement | Approved | Yes |
| Form | Lender Endorsement | Approved | Yes |
| Form | Vehicle Protection Products Endorsement | Approved | Yes |
| Form | Lender Endorsement | Approved | Yes |

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 06/24/2008
Submitted Date 06/24/2008
Respond By Date
Dear Cindi Parks,

This will acknowledge receipt of the captioned filing.

The policy contains an Arbitration provision which is prohibited by AR Code Anno. 23-79-203 (a), which states that appraisal/arbitration must be voluntary and non-binding. Form SG-10-AR 4/08 deletes this provision, but does not say that it is an AR Amendatory endorsement or that the endorsement is mandatory.

Please amend the Arbitration provision or the endorsement to mandatory to attach to the policy.

Thanks.

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 06/24/2008
Submitted Date 06/24/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts,

We have amended the Arbitration provision in the policy. Please proceed with your review.

Thank you!

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Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

| Form Name | Form Number | Edition Date | Form Type | Action | Action Specific Data | Readability Score | Attach Document |
|-------------------------|-------------|--------------|----------------------|--------|----------------------|-------------------|--------------------|
| Policy | SG-02-AR | 4/08 | Policy/Coverage Form | New | | 0 | SG-02-AR (rev).pdf |
| Previous Version | | | | | | | |
| Policy | SG-02-AR | 4/08 | Policy/Coverage Form | New | | 0 | SG-02-AR.pdf |

No Rate/Rule Schedule items changed.

Sincerely,
 Cindi Parks, Debi Lisle, Julie Urasaki

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Form Schedule

| Review Status | Form Name | Form # | Edition Date | Form Type Action | Action Specific Data | Readability | Attachment |
|---------------|------------------------------------|-----------|--------------|------------------------------------|----------------------|-------------|--------------------|
| Approved | Application | SG-01-AR | 4/08 | Application/ New Binder/Enrollment | | 0.00 | SG-01-AR.pdf |
| Approved | Policy | SG-02-AR | 4/08 | Policy/Coverage Form | | 0.00 | SG-02-AR (rev).pdf |
| Approved | General Change Endorsement | SG-03-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-03-GEN.pdf |
| Approved | Dealer Endorsement | SG-04-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-04-GEN.pdf |
| Approved | Additional Interest Endorsement | SG-05-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-05-GEN.pdf |
| Approved | Assumption of Coverage Endorsement | SG-06-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-06-GEN.pdf |
| Approved | Experience Refund Endorsement | SG-07-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-07-GEN.pdf |
| Approved | Replacement Benefit Endorsement | SG-08-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-08-GEN.pdf |
| Approved | Service Contract Endorsement | SG-09-GEN | 4/08 | Endorsement/Amendment/Conditions | | 0.00 | SG-09-GEN.pdf |

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| | | | | | | |
|----------|--|---------------|------|----------------------------------|------|---------------|
| Approved | Coverage Endorsement | SG-10-AR 4/08 | | Endorsement/Amendment/Conditions | 0.00 | SG-10-AR.pdf |
| Approved | Lender Endorsement | SG-50- GEN | 4/08 | Endorsement/Amendment/Conditions | 0.00 | SG-50-GEN.pdf |
| Approved | Vehicle Protection Products Endorsement | SG-51- GEN | 4/08 | Endorsement/Amendment/Conditions | 0.00 | SG-51-GEN.pdf |
| Approved | Lender Endorsement | SG-90- GEN | 4/08 | Endorsement/Amendment/Conditions | 0.00 | SG-90-GEN.pdf |

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE POLICY FOR DESIGNATED CONTRACTS
APPLICATION

| | | | |
|-----------------|--|----------------|--|
| Policy Number | | Effective Date | |
| Lender Number | | | |
| Named Insured | | | |
| Street Address | | | |
| Mailing Address | | | |
| Telephone | | Contact | |

Insured Type Lender Lessor Dealership

Limit of Liability Our limit of liability applicable to any designated contract shall not exceed the lesser of the amount stated in the Declarations or the following:
 \$50,000 for automobiles and Harley Davidson Motorcycles
 \$50,000 for boats
 \$75,000 for motor homes and travel trailers
 \$25,000 motorcycles, ATVs, snowmobiles, personal watercraft

Designated Contracts

| |
|--|
| |
|--|

Premium Base premium determination for automobiles will depend on whether vehicle is a loan or lease; deductible selected; and choice of with or without premium refund coverage.

| <u>LOANS</u> | | | <u>LEASES</u> | | |
|----------------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|--------------------------|
| <u>Deductible</u> | <u>W/O Refund</u> | <u>W/ Refund</u> | <u>Deductible</u> | <u>W/O Refund</u> | <u>W/ Refund</u> |
| <input type="checkbox"/> \$1,000 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> \$1,000 | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> \$500 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> \$500 | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> None | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> None | <input type="checkbox"/> | <input type="checkbox"/> |

Select: Maximum Term 72 months 84 months
 Maximum Loan to Value 120% 150%
 Replacement Benefit (if allowed by state-autos only) \$1,000.00

For terms, values and limits allowable for collateral other than autos, refer to the rates and rules.

Endorsements attached to policy at issue:

IF YOUR APPLICATION IS ACCEPTED, YOUR POLICY WILL NOT AFFORD PROTECTION AGAINST BODILY INJURY OR PROPERTY DAMAGE LIABILITY, NOR WILL IT PROVIDE PERSONAL INJURY PROTECTION BENEFITS, AND WILL NOT FULFILL THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY OR NO-FAULT LAW.

| | | | |
|---------------------------------------|-----|---------------|--|
| Producer | | Producer Code | |
| Company Code | | State Code | |
| Countersigning Agent (if applicable): | | | |
| License No. | By: | Date: | |
| Signature of Named Insured | | Date: | |

*****ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.*****

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE POLICY
FOR DESIGNATED CONTRACTS ONLY

DECLARATIONS

Policy No.:

Item 1. Named Insured and Address (No., Street, City, State, Zip)

Item 2. Policy Period: From _____ To: _____
12:01 a.m., Standard Time at the address of the Named Insured as stated herein.

Item 3. Limit of Liability: Our Limit of Liability applicable to any designed contract shall not exceed \$ _____

Item 4. Maximum Term of _____ months for each contract.

Item 5. Designated Contracts:

Item 6. Premium:

Item 7. Endorsement(s):

Item 8. Exhibit(s):

Item 9. Primary Insurance Deductible Limit is: \$ _____

Item 10. Company's Representative:

Item 11. Refund Method(s): If cancellation by company-
If cancellation by named insured-

THIS POLICY DOES NOT AFFORD PROTECTION AGAINST BODILY INJURY OR PROPERTY DAMAGE
LIABILITY, NOR DOES IT PROVIDE PERSONAL INJURY PROTECTION BENEFITS, AND WILL NOT
FULFILL THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY OR NO-FAULT LAW.

Countersigned at

Date

Authorized Signature

A. INSURING AGREEMENT

In consideration of the payment of the policy premium and subject to all of the terms and conditions of this policy, Old Republic Insurance Company, (called "we," "us" or "our") agree to pay all sums which you shall be legally obligated to pay by reason of contractual liability assumed by you under designated contracts listed in the declarations for this insurance, that you have issued to purchasers during the policy period. We may make such investigation and settlement of any claim as we deem expedient, up to the applicable limit of our liability. The insurance applies only to losses which occur within the policy territory.

B. DEFINITIONS

- (1) **ASSIGNEE** means any entity which is an assignee of the financial agreement which evidences the retail sale, loan or lease between the insured and the contract holder.
- (2) **CLAIM** means a claim for performance of a Contractual Obligation.
- (3) **COMPANY ENTITY** means us or our authorized representative.
- (4) **CONTRACT HOLDER** means the original purchaser of a designated contract from the insured or a natural person to whom the designated contract has been transferred in accordance with its terms and conditions.
- (5) **CONTRACTUAL OBLIGATION** means the insured's written obligations to perform its contractually agreed duties under a designated contract in accordance with and subject to the expressly stated terms and conditions of such designated contract.
- (6) **DESIGNATED CONTRACT** means a service contract, warranty/guarantee agreement or GAP Waiver Agreement (debt cancellation contract) (a) which has an effective date during the term of this policy, (b) which is issued by the insured in accordance with such contract's terms and conditions, and the terms and conditions of any agreement of the insured with the Company Entity authorizing the insured to sell such designated contract, and (c) for which the insured has fully and timely paid the proper policy premium to the company entity. Such designated contract must be stated in the declarations of this policy, showing title of form and form number, and an exact copy is attached to this policy.
- (7) **LOSS** means those claim costs actually, reasonably, and necessarily incurred by or on behalf of the insured (a) pursuant to its obligation to perform a contractual obligation or (b) by way of compromise, except that loss shall not exceed any liability limit provided under the designated contract giving rise to such contractual obligation or compromise.
- (8) **POLICY** means this contractual liability insurance policy for designated contracts as furnished by us to the insured.
- (9) **POLICY TERRITORY** means the United States of America, its territories or possessions or Canada.
- (10) **PREMIUM** means the policy premium payable for policy coverage of a designated contract.
- (11) **YOU** or **YOUR** means the named insured on the declarations page of this policy.

C. EXCLUSIONS

This policy does not apply to any of the following, or to any liability or obligation arising in connection with any of the following:

- (1) Any liability, cost, expense, damage, charge, assessment, exposure, or detriment of any description other than loss.
- (2) Any warranty, representation, promise, covenant, commitment, guarantee, or other duty or obligation except a contractual obligation.

- (3) Any and all special, incidental, direct, indirect, consequential, exemplary, extra contractual, or punitive damages or liabilities of any description whatever including without limitation that which arise from any act or omission by a contract holder, you, a repairer, or any agent, employee, officer, director, independent contractor, customer, or invitee of a contract holder, you, or a repairer.
- (4) Any implied warranty of merchantability or fitness.
- (5) Any loss resulting directly or indirectly by negligence, gross negligence, misrepresentation, willful or intentional misconduct, strict liability, or any fraudulent, dishonest or criminal act by you or on the part of any of your partners, officers or employees or anyone acting in any capacity as your agent.
- (6) The sale of a product or other good or any part or component of a product or other good.
- (7) Any defense of you or others in any lawsuit or other judicial, administrative, or other proceeding.
- (8) Any service action or recall of any description by a manufacturer, a dealer, or any other person or entity whether voluntary or involuntary and regardless of why made or when authorized or conducted.
- (9) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by: a) a government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or b) by an agent of any such government, power, authority or forces.
- (10) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
- (11) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, risks of contraband, illegal trade, conversion and secretion.
- (12) Any loss caused by or resulting from nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, aggravated by the perils insured against in this policy.
- (13) Any loss resulting from designated contracts effected and/or losses occurring prior to the effective date of this policy.
- (14) Any loss resulting from forgery or the use of an alias.
- (15) Any loss resulting from the use of a contract that is not stated in the declarations or attached as an exhibit to this policy, whether or not premium payment was made. A full refund of premium will be made for those contracts that are not authorized for use.
- (16) Any loss that is recovered by you from a third party whether or not collectible.
- (17) Any loss resulting from conversion, secretion or embezzlement by a contract holder or any other person in lawful possession of the property described in the designated contract.
- (18) Any contracts issued by or on behalf of non-franchised auto dealers or used car dealers.
- (19) Any loss arising from contracts which you fail to report and pay applicable premium to use within the time frame stated in the Reports and Premiums provision of this policy.

We shall not provide you or any other party in interest with a defense in a suit or reimburse you for any damages, judgments, legal fees, court costs or other expenses that you may become obligated to pay in connection with the offer, sale, administration of or obligation arising out of designated contracts.

D. CONDITIONS

- (1) **SALE OF DESIGNATED CONTRACT:** You shall report to the company entity the sale of each designated contract within that time period provided by the company entity. In making such report you shall use forms that may be provided by us and with each such report deliver to us or company entity the proper policy premium. The company entity may invoice you for premium payments.
- (2) **NOTICE OF CLAIM:** You shall notify the company entity of each claim, and supply particulars of such claim. You shall make such notification prior to undertaking any performance of a contractual obligation or compromise. We may reject any claim if not notified of such claim as provided above within ninety (90) days after such claim first arose if we were prejudiced by your failure to make notification within such time period and that notice of such claim was not given as soon as reasonably practical.
- (3) **PRIOR AUTHORIZATION:** Prior to undertaking any performance of a contractual obligation or compromise, you shall first request authorization to perform from the company entity of the claim pursuant to which such performance is contemplated. We may have no liability or obligation to pay any reimbursement to or on behalf of you for any loss if such authorization is not granted by the company entity prior said performance by you.
- (4) **INSPECTION AND AUDIT:** The company entity at any reasonable time can visit your premises and inspect, audit, and copy the books and records maintained by or for you as they pertain to any coverage under this policy. Such rights shall exist so long as any designated contracts are in force and in effect plus two (2) years. No exercise of the foregoing rights shall constitute an undertaking by the company entity, on behalf of or for the benefit of you or others, to determine or warrant that any property, premises, procedures, actions, or operations are safe or healthful, or are in compliance with any law, rule or regulation.
- (5) **BANKRUPTCY OR INSOLVENCY:** Bankruptcy or insolvency of you or of your estate shall not relieve us of any of our obligations under this policy.
- (6) **EXAMINATION:** You and your shareholders, officers, directors, employees, agents, and independent contractors shall submit to examination under oath by any person named by the company entity and subscribe to the same, as often as may reasonably be required by the company entity.
- (7) **COMPLIANCE:** You shall comply with all terms and conditions of this policy, any agreement with the company entity authorizing you to sell designated contracts, and all applicable laws, rules, and regulations. No action shall lie against us unless, as a condition precedent thereto there shall have been full compliance by you with all of the terms of this policy.

E. CANCELLATION

This policy may be canceled as follows:

- A. 1. You may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be canceled.
2. We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation for non payment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to your last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

B. Premium Refund

1. If this policy is canceled, we will send to you any premium refund due.
2. If we cancel, the refund will be pro rata.
3. If you cancel, the refund may be less than pro rata.
4. The cancellation will be effective even if we have not made or offered a refund.

F. NONRENEWAL AND RENEWAL

If we decide not to renew this policy, we will mail to you written notice of nonrenewal at least 60 days before:

- a. Its expiration date;
- b. Its anniversary term if it is a policy written for a term of more than one year with no fixed expiration date, however, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

G. EFFECT OF CANCELLATION OR NONRENEWAL

- (1) Any designated contracts having effective dates prior to the cancellation date or nonrenewal date of this policy will be subject to and covered by this policy notwithstanding such policy cancellation or nonrenewal. Any designated contracts sold, issued, or having effective dates on or after the cancellation date or nonrenewal date of this policy shall not be subject to this policy or covered by this policy, anything to the contrary notwithstanding.
- (2) You shall, in accordance with Section D. CONDITIONS (1), pay to the company entity the premium for each designated contract. In the event of designated contract cancellation, you shall refund to the contract holder the amount, if any, required by the terms of the canceled designated contract. The company entity will refund or credit to you a portion of the premium paid for such canceled designated contract as calculated by the company entity.

H. GENERAL PROVISIONS

- (1) **DECLARATIONS:** By acceptance of this policy, you warrant, represent, and covenant to us that the statements in the declarations are true, complete, and correct in all respects, and that you possess and will maintain in full force and effect any and all licenses necessary for the sale and issuance of designated contracts.
- (2) **ENTIRE AGREEMENT:** This policy embodies all agreements and understanding existing between you and us or any respective agents relating to the insurance coverage provided by this policy.
- (3) **SUBROGATION:** In the event of any payment by us under this policy, we shall be subrogated to all of your rights of recovery therefore against any person or entity, and you shall execute and deliver to us such instruments, assignments, papers as requested by us and do whatever is necessary to secure such rights and effectuate our exercise of such rights. You shall do nothing to prejudice or waive such rights.
- (4) **ASSIGNMENT:** An assignment of any interest by you under this policy shall not bind us unless and until our written consent is endorsed hereon. No liability of ours shall exist under this policy unless and until such agreement is accepted and the policy is endorsed in writing as provided above.
- (5) **CHANGES IN THE POLICY:** No waiver or change of the terms of this policy shall be made except by endorsement issued to form part of this policy and signed by the company entity.
- (6) **RECOVERIES:** All amounts recovered by you for which you have received benefits under this policy shall belong to us, and shall be paid to us by you up to the total amount of benefits paid by the company entity. Such benefits shall include the payment of loss. We will be entitled to recovery only after you have been fully compensated for the loss or

damage sustained, including expenses incurred in obtaining full compensation for the the loss or damage.

- (7) **OTHER INSURANCE:** If you have other insurance covering in whole or in part a loss, we shall not be liable under this policy for a greater proportion of such loss than the proportion of the applicable limit of liability of this policy which is comprised by the aggregate applicable limits of liability of such other insurance. In no event shall any such proportion of the loss for which we are liable exceed one hundred percent (100%).
- (8) **GIVING OF NOTICE:** All notices, notices of claims, and surrender of this policy shall be deemed to be given: (a) if to us, upon deposit in the U.S. mails, certified and postage prepaid, addressed to our address shown in this policy or addressed to the address of our authorized representative, or (b) if to you, upon deposit in the U.S. mails, certified and postage prepaid, addressed to the mailing address last known to us, proof of mailing will be sufficient proof of notice.
- (9) **NO BENEFIT TO THIRD PARTIES:** Except as expressly provided by applicable law, the insurance afforded by this policy is solely for the benefit of you (or your assignee as provided in Section H. GENERAL PROVISIONS (4)). In no circumstances shall any person or entity other than you (or such assignee) have any rights or be entitled to any benefits under this policy.
- (10) **HEADINGS:** The headings used in this policy are for convenience purposes only and shall not be used to interpret this policy.
- (11) **NO AGENCY, ETC:** You are not an agent of the company entity and shall not at any time make any commitments, representations, or statements for or on behalf of the company entity.
- (12) **CONFORMITY WITH STATE LAW:** If any of the provisions of this policy do not conform to the statutes of the state of issue on the effective date, such provisions are hereby amended to meet the minimum requirements of those state statutes.
- (13) **LIMIT OF LIABILITY:** The most we will pay for loss for any designated contract applicable to any one contract holder shall be the amount stated in the declarations.
- (14) **PREMIUMS:** You, as shown in the declarations, are responsible for the payment of all premiums and will be the payee for any return premiums we pay.
- (15) **YOUR DUTIES IN THE EVENT OF LOSS:** You must see that the following are done in the event of loss: a) Give us prompt notice of the loss. Include a description of the property involved. b) As soon as possible, give us a description of how, when and where the loss occurred. c) Permit us to inspect the property and records proving loss. d) If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed. e) Promptly send us any legal papers or notices received concerning the loss. f) Cooperate with us in the investigation or settlement of the claim. g) You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- (16) **LOSS PAYMENT:** We will pay or make good any loss covered under this policy within 30 days after: a) you have fully complied with all of the terms and conditions of this policy; b) you have provided to us satisfactory documentation concerning each loss; c) we reach agreement with you; d) the entry of final judgment; or e) the filing of an arbitration award. We will not be liable for any part of a loss that has been paid or made good by others.
- (17) **EXAMINATION OF YOUR BOOKS AND RECORDS:** We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
- (18) **NO BENEFIT TO BAILEE:** This insurance shall not inure directly or indirectly to the benefit of any carrier, bailee or similar type organization, other than you.

- (19) **ARBITRATION:** If we and the insured do not agree regarding a controversy or claim arising out of or relating to this policy, then the matter may be settled by arbitration, but only if both parties agree to the arbitration process. Such voluntary arbitration shall be non-binding.
- (20) **LEGAL ACTION AGAINST US:** No one may bring a legal action against us under this policy unless: a) There has been full compliance with all the terms of this policy; and b) the action is brought within a time allowed by law.
- (21) **EXAMINATION UNDER OATH:** You shall submit, and so far as is within your power, shall cause all other persons interested in the loss and members of the household and employees to submit to examinations under oath by any persons named by us, relative to any and all matters in connection with a claim. You shall produce all books or account, bills, invoices, and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by us and shall permit extracts and copies thereof to be made.
- (22) **CONCEALMENT, MISREPRESENTATION OR FRAUD:** We will not pay for any loss or damage in any case of: a) concealment or misrepresentation of a material fact; or b) fraud committed by you or any other insured at any time and relating to coverage under this policy.
- (23) **ABANDONMENT:** There will be no abandonment of any vehicle covered by a designated contract to us.
- (24) **REPORTS AND PREMIUM:** You agree to keep accurate records of the information we need for premium computation. You also agree to submit monthly reports on forms provided by us, listing all designated contracts executed during the month. Such reports are to be submitted to us no later than the 10th day of the following month. At that time, the premium for each report is due and payable. Premium for this policy shall be computed based on the rates stated in the declarations page of this policy and are subject to change with 30 days notice to you.

There shall be no liability under this policy arising from contracts which you fail to report and pay premium to us. You shall indemnify and hold us harmless in any claim, suit or action brought against us, our agents, successors or assigns, brought by contract holders or third parties where you have failed to report and pay premium for such contracts.

- (25) **INCREASE IN PREMIUM OR DECREASE IN COVERAGE:** We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we give 30 days written notice of our intention, including the actual reason, to your last mailing address known to us.

Any decrease in coverage during the policy term must be based on one or more of the following reasons: a) nonpayment of premium; b) a false statement knowingly made by you on the application for insurance; or c) a substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless you have notified us of the change and we accept such change. If notice is mailed, proof of mailing will be sufficient proof of notice.

IN WITNESS, WHEREOF, Old Republic Insurance Company has caused this policy to be signed by its authorized officers as of the effective date.


Authorized Officer


Authorized Officer

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
GENERAL CHANGE ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Issue _____ Date of Issue: _____

The policy is changed as to the following:

- Insured Name Change:
- Insured Address Change:
- Insured Phone Number Change:
- Insured Fax Number Change:
- Insured Adding/Terminating Coverage for Replacement Benefit Coverage:

All other provisions remain unchanged.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
DEALER ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

We agree to the following revision of your policy:

1. Delete Exclusion No. 18.

All other terms and conditions remain unchanged.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
ADDITIONAL INTEREST ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Issue _____ Date of Issue: _____

Name and Address of Person or Organization:

The above named person or organization shall be entitled to the following rights under this policy:

A. NOTICE OF CANCELLATION:

1. If we cancel the policy, we will mail notice to the person or organization in accordance with the Cancellation provision of the policy.
2. If the named insured cancels the policy, we will mail notice to the person or organization as to the date specified by the named insured.
3. Cancellation shall end all rights granted under this endorsement.

B. ADDITIONAL CONDITIONS:

Such rights granted by this endorsement are applicable only to his/her/its interest in designated contracts issued by such person or organization and which are reported to the company entity in accordance with the policy provision titled Reports and Premiums.

All other provisions remain unchanged.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
ASSUMPTION OF COVERAGE ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

In consideration of the reporting by you of designated contracts issued effective _____,
through _____, and the payment by you of the total premium applicable to such
designated contracts, we agree to waive Exclusion No. 13 and to include them for coverage under the policy.

We agree to assume only those contracts reflected on a complete and correct list that you provide, subject to
our approval. You will supply us with a complete list containing information that we require, and a true and
correct sample of any and all such contracts.

All other terms and conditions remain unchanged.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
EXPERIENCE REFUND ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Issue _____ Date of Issue: _____

We agree that if the earned-to-incurred loss ratio for any experience period is ____% or less for all designated contracts, you will be entitled to a refund of earned premium equal to the difference between your actual earned-to-incurred loss ratio and the above percentage, subject to the following:

The following **DEFINITIONS** are added:

(12) **EARNED-TO-INCURRED LOSS RATIO** means the sum of all losses paid, loss adjustment expense paid, losses and loss adjustment expense reserved and incurred-but-not-reported losses, divided by the earned premium for the same time period.

(13) **INCURRED-BUT-NOT-REPORTED LOSSES** means the reserves for losses incurred during the experience period, as determined by us.

(14) **EARNED PREMIUM** means premiums written, net of return premiums, earned in accordance with the formula as determined by us.

(15) **EXPERIENCE PERIOD** means the period beginning with the effective date of the policy to which this endorsement is attached and ending on _____. Each successive period thereafter shall be a separate experience period.

The following **GENERAL PROVISIONS** are added:

(26) **PAYMENT:** Payment of any refund premium to you shall be made three (3) years and ninety (90) days after the end of each experience period, provided you have complied fully with all provisions of the policy.

(27) **DEFICIT CARRY FORWARD/OFFSET:** If your combined actual earned-to-incurred loss ratio for all contracts exceeds the percentages mentioned above for any experience period, the negative amount exceeding these percentages, expressed in dollar amounts (percentage difference times earned premium for the experience period), shall be carried forward to future experience periods, adding such amount to incurred losses.

(28) **TERMINATION:** If the policy to which this endorsement is attached is canceled by you, our obligations of this endorsement will cease as of the date of cancellation. A final calculation and payment, if any, will be made as of the maturity date of all of the underlying designated contracts and if the earned-to-incurred loss ratios are less than the percentages shown above, a final calculation will be made within ninety (90) days after all designated contracts insured by your policy have expired. If we cancel the policy because of non-payment of premium, late reporting of designated contracts written or because of your failure to comply with policy provisions, we will not be obligated to pay any further premium refunds and the terms and conditions of this endorsement are terminated effective as of the date of policy cancellation.

(29) **OFFSET AGAINST PREMIUM REFUNDS:** We may offset against any premium refund amounts payable to you, the amount of premium past due or unpaid as required by the provisions of the policy to which this endorsement is attached.

All other provisions remain unchanged.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
REPLACEMENT BENEFIT ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following provision is added to the Insuring Agreement of your contractual liability insurance for designated contracts policy:

In consideration of the additional premium and in the event of a total loss under a GAP designated contract, this endorsement provides you a financing allowance (or credit) toward the down payment of a replacement vehicle in an amount equal to the lesser of the actual cash value of the vehicle as of the date of loss or \$1,000.00. The contract holder must finance or lease a replacement vehicle from you within sixty (60) days after the primary insurance settlement or the option expires. There is no cash value to the contract holder.

All other terms and conditions remain the same.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
SERVICE CONTRACT ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following provisions are added to the contractual liability insurance for designated contracts policy:

- (A) We will reimburse or pay on your behalf all covered sums which you are legally obligated to pay or will provide the service that you are legally obligated to perform according to your contractual obligations under the provisions of the insured designated contracts issued or sold by you.
- (B) If the contractual obligations are not provided by you within 60 days of proof of loss by the contract holder, the contract holder may file a claim directly with us.
- (C) We shall be deemed to have received payment of the premium due under the policy if the contract holder paid for the designated contract.
- (D) If a designated contract is canceled by a contract holder, we shall be required to return the unearned designated contract reimbursement insurance premium for that contract to you.

All other terms and conditions remain the same.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS
COVERAGE ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following provisions amend your contractual liability insurance for designated contracts policy:

1. We agree to amend the **DEFINITIONS** section, item (1) as follows: **ASSIGNEE** means any entity which is an assignee of the financial agreement which evidences the retail sale, loan or lease between the insured and the retail purchaser.
2. We agree to delete **EXCLUSIONS** section, items (9) through (12).
3. We agree to replace **CANCELLATION** section, items A 2 and 3 as follows:
 - A. 2. We may cancel this policy by mailing or delivering to you and assignee written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation for non payment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
 3. We will mail or deliver our notice to your and assignee's last mailing address known to us.

The following items 4 - 11 apply to **GENERAL PROVISIONS** section:

4. We agree to delete **(15) YOUR DUTIES IN THE EVENT OF LOSS**, item d).
5. We agree to delete **(16) LOSS PAYMENT**, item c).
6. We agree to replace **(17) EXAMINATION OF YOUR BOOKS AND RECORDS** as follows: We and/or the assignee may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
7. We agree to delete **(19) ARBITRATION** in its entirety.
8. We agree to replace **(20) LEGAL ACTION AGAINST US** as follows: No action shall lie against us unless you have fully complied with all terms of this policy. Further, no action shall be commenced until at least 90

days after required proof of loss has been filed with us, nor at all unless commenced within one year from the date you discover the loss.

9. We agree to replace **(21) EXAMINATION UNDER OATH** as follows: You shall submit to an examination under oath, assist us in obtaining the attendance of employees for examination under oath and produce all records that relate to any claim for damages and permit copies and abstracts be made from them.

10. We agree to replace **(24) REPORTS AND PREMIUM** as follows: You agree to keep accurate records of the information we need for premium computation. You also agree to submit monthly reports on forms provided by us, listing all designated contracts executed during the month. Such reports are to be submitted to us no later than the 10th day of the following month. At that time, the premium for each report is due and payable. Premium for this policy shall be computed based on the rates stated in the declarations page of this policy and are subject to change with 90 days notice to you.

There shall be no liability under this policy arising from contracts which you fail to report and pay premium to us. You shall indemnify and hold us harmless in any claim, suit or action brought against us, our agents, successors or assigns, brought by contract holders or third parties where you have failed to report and pay premium for such contracts.

11. We agree to add **(26) TRANSFER OF YOUR RIGHTS AND DUTIES** as follows: Following assignment of a designated contract covered under this policy, the assignee assumes your rights under this policy as to such designated contract. Your rights and duties under this policy may not otherwise be transferred without our written consent.

All other terms and conditions remain the same.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS

LENDER ENDORSEMENT

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following provisions amend your contractual liability insurance for designated contracts policy:

1. We agree to Delete Section E (4)(b).
2. We agree to replace Section G (2) with the following:

You shall, in accordance with Section D. CONDITIONS (1), pay to the company entity the premium for each designated contract. In the event of designated contract cancellation, the company entity will refund or credit to you a portion of the premium paid for such cancelled designated contract as calculated by the pro-rata method.

All other terms and conditions remain the same.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS

Vehicle Protection Products Endorsement

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

The following definitions are added to the contractual liability insurance for designated contracts policy:

VEHICLE PROTECTION PRODUCT: A vehicle protection device, system, or service that is all of the following:

- a. Installed on or applied to a vehicle.
- b. Is designed to prevent loss or damage to a vehicle from a specific cause.
- c. Includes a written warranty.

VEHICLE PROTECTION PRODUCT WARRANTY OR WARRANTY: A written agreement by a warrantor that provides if the vehicle protection products fails to prevent loss or damage to a vehicle from a specific cause, that the warranty holder shall be paid specified incidental costs by the warrantor as a result of the failure of the vehicle protection product to perform pursuant to the terms of the warranty. Incidental costs may be reimbursed under the provisions of the warranty either a fixed amount specified in the warranty or sales agreement or by use of a formula itemizing specific incidental costs incurred by the warranty holder.

WARRANTY HOLDER: The person who purchases a vehicle protection product or who is a permitted transferee.

The following provisions are added to the contractual liability insurance for designated contracts policy:

(A) We will reimburse or pay on your behalf all covered sums which you are legally obligated to pay or will provide the service that you are legally obligated to perform according to your contractual obligations under the provisions of the insured designated contracts issued or sold by you.

(B) If the contractual obligations are not provided by you within 60 days of proof of loss by the contract holder, the contract holder may file a claim directly with us.

(C) We shall be deemed to have received payment of the premium due under the policy if the contract holder paid for the designated contract.

(D) If a designated contract is canceled by a contract holder, we shall be required to return the unearned designated contract reimbursement insurance premium for that contract to you. If you fail to refund the amounts required, we shall be responsible for the refund to the contract holder.

All other terms and conditions remain the same.

OLD REPUBLIC INSURANCE COMPANY
Tulsa Branch Office
Administered By: SAFE-GUARD PRODUCTS INTERNATIONAL, LLC
3500 Piedmont Road, Suite 400
Atlanta, Georgia 30305

CONTRACTUAL LIABILITY INSURANCE FOR DESIGNATED CONTRACTS

LENDER ENDORSEMENT - JPMorgan Chase Bank, N.A.

Endorsement No. _____

This endorsement is attached to and forms a part of policy no. _____
and is subject to all the terms and conditions of the policy not inconsistent herewith.

Issued to _____

Effective Date of Endorsement _____ Date of Issue _____

Name and Address of Person or Organization: [_____]
[_____]

The above named person or organization shall be entitled to the following rights under this policy:

The Named Insured's rights and duties under this policy may not be transferred without **our** written consent except in the case of designated contracts covered by this policy which are assigned to JPMorgan Chase Bank, N.A. ("Chase") or its affiliates, subsidiaries or parent or any successor in interest to Chase or in the cause of death of an individual Named Insured. If the Named Insured dies his rights and duties will be transferred to the Named Insured's legal representative but only while acting within the scope of duties as the Named Insured's legal representative. Until the Named Insured's legal representative is appointed, anyone having proper temporary custody of the Named Insured's property will have the Named Insured's rights and duties but only with respect to that property.

Additionally the following provisions amend your contractual liability designated contracts insurance policy:

1. We agree to replace Section D CONDITIONS (2) in its entirety with the following:
(2) **NOTICE OF CLAIM:** You shall notify the company entity of each claim, and supply particulars of such claim. You shall make such notification prior to undertaking any performance of a contractual obligation or compromise. We may reject any claim if not notified of such claim as provided above within ninety (90) days after such claim first arose, if we were prejudiced by your failure to make notification within such time period **unless** notice of such claim was given as soon as reasonably practical.
2. We agree to replace Section H GENERAL PROVISION (9) in its entirety with the following:
(9) **NO BENEFIT TO THIRD PARTIES:** Except as expressly provided by applicable law, the insurance afforded by this policy is solely for the benefit of you (or your assignee as provided in Section H GENERAL PROVISIONS (4)). In no circumstances shall any person or entity other than you (or such assignee) have any rights or be entitled to any benefits under this policy.

All other terms and conditions remain the same.

SERFF Tracking Number: LDRA-125644582 State: Arkansas
Filing Company: Old Republic Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: SG - TIER III FORMS
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1004 Contractual Liability
Product Name: SG - Tier III
Project Name/Number: /

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: LDRA-125644582 State: Arkansas
Filing Company: Old Republic Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: SG - TIER III FORMS
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1004 Contractual Liability
Product Name: SG - Tier III
Project Name/Number: /

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 06/25/2008

Comments:

Attachment:

AR P&C TransDoc.pdf

Property & Casualty Transmittal Document

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|---|--|--------------|--|------------------|--|
| 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: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black;">New Business</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="border-bottom: 1px solid black;">Renewal Business</td> <td style="border-bottom: 1px solid black;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes | New Business | | Renewal Business | |
| New Business | | | | | |
| Renewal Business | | | | | |

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|----------------------|---------------------|
| 3. Group Name | Group NAIC # |
| | |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # |
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| 5. Company Tracking Number | |
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|----|------------------|-------|--------------|-------|--------|
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| 7. Signature of authorized filer | |
| 8. Please print name of authorized filer | |

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

| | |
|--|---|
| 9. Type of Insurance (TOI) | |
| 10. Sub-Type of Insurance (Sub-TOI) | |
| 11. State Specific Product code(s)(if applicable)[See State Specific Requirements] | |
| 12. Company Program Title (Marketing title) | |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| 14. Effective Date(s) Requested | New: <input style="width: 100px;" type="text"/> Renewal: <input style="width: 100px;" type="text"/> |
| 15. Reference Filing? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 16. Reference Organization (if applicable) | |
| 17. Reference Organization # & Title | |
| 18. Company's Date of Filing | |
| 19. Status of filing in domicile | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved |

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

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

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 #:
Amount:

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.)

PC TD-1 pg 2 of 2

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 # | |
|-----------|--|--|

| | | |
|-----------|---|--|
| 2. | This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable) | |
|-----------|---|--|

| 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 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 02 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 03 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 04 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 05 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 06 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 07 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 08 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 09 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |
| 10 | | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | | |

PC FFS-1

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

| | | |
|-----------|---|--|
| 1. | This filing transmittal is part of Company Tracking # | |
| 2. | This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | |

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

| | | |
|-----------|--|--|
| 3. | Filing Method (Prior Approval, File & Use, Flex Band, etc.) | |
|-----------|--|--|

| 4a. | Rate Change by Company (As Proposed) | | | | | | |
|--------------|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
| | | | | | | | |
| | | | | | | | |

| 4b. | Rate Change by Company (As Accepted) For State Use Only | | | | | | |
|--------------|--|-----------------------|---|--|----------------------------------|------------------|------------------|
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
| | | | | | | | |
| | | | | | | | |

| 5. Overall Rate Information (Complete for Multiple Company Filings only) | | | |
|---|--|-------------|-----------|
| | | COMPANY USE | STATE USE |
| 5a | Overall percentage rate indication (when applicable) | | |
| 5b | Overall percentage rate impact for this filing | | |
| 5c | Effect of Rate Filing – Written premium change for this program | | |
| 5d | Effect of Rate Filing – Number of policyholders affected | | |

| | | |
|-----------|---|--|
| 6. | Overall percentage of last rate revision | |
| 7. | Effective Date of last rate revision | |
| 8. | Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) | |

| 9. | Rule # or Page # Submitted for Review | Replacement or withdrawn? | Previous state filing number, if required by state |
|----|---------------------------------------|--|--|
| 01 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 02 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 03 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |

SERFF Tracking Number: LDRA-125644582 *State:* Arkansas
Filing Company: Old Republic Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: SG - TIER III FORMS
TOI: 17.1 Other Liability - Claims Made Only *Sub-TOI:* 17.1004 Contractual Liability
Product Name: SG - Tier III
Project Name/Number: /

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 | Policy | 06/13/2008 | SG-02-AR.pdf |

A. INSURING AGREEMENT

In consideration of the payment of the policy premium and subject to all of the terms and conditions of this policy, Old Republic Insurance Company, (called "we," "us" or "our") agree to pay all sums which you shall be legally obligated to pay by reason of contractual liability assumed by you under designated contracts listed in the declarations for this insurance, that you have issued to purchasers during the policy period. We may make such investigation and settlement of any claim as we deem expedient, up to the applicable limit of our liability. The insurance applies only to losses which occur within the policy territory.

B. DEFINITIONS

- (1) **ASSIGNEE** means any entity which is an assignee of the financial agreement which evidences the retail sale, loan or lease between the insured and the contract holder.
- (2) **CLAIM** means a claim for performance of a Contractual Obligation.
- (3) **COMPANY ENTITY** means us or our authorized representative.
- (4) **CONTRACT HOLDER** means the original purchaser of a designated contract from the insured or a natural person to whom the designated contract has been transferred in accordance with its terms and conditions.
- (5) **CONTRACTUAL OBLIGATION** means the insured's written obligations to perform its contractually agreed duties under a designated contract in accordance with and subject to the expressly stated terms and conditions of such designated contract.
- (6) **DESIGNATED CONTRACT** means a service contract, warranty/guarantee agreement or GAP Waiver Agreement (debt cancellation contract) (a) which has an effective date during the term of this policy, (b) which is issued by the insured in accordance with such contract's terms and conditions, and the terms and conditions of any agreement of the insured with the Company Entity authorizing the insured to sell such designated contract, and (c) for which the insured has fully and timely paid the proper policy premium to the company entity. Such designated contract must be stated in the declarations of this policy, showing title of form and form number, and an exact copy is attached to this policy.
- (7) **LOSS** means those claim costs actually, reasonably, and necessarily incurred by or on behalf of the insured (a) pursuant to its obligation to perform a contractual obligation or (b) by way of compromise, except that loss shall not exceed any liability limit provided under the designated contract giving rise to such contractual obligation or compromise.
- (8) **POLICY** means this contractual liability insurance policy for designated contracts as furnished by us to the insured.
- (9) **POLICY TERRITORY** means the United States of America, its territories or possessions or Canada.
- (10) **PREMIUM** means the policy premium payable for policy coverage of a designated contract.
- (11) **YOU** or **YOUR** means the named insured on the declarations page of this policy.

C. EXCLUSIONS

This policy does not apply to any of the following, or to any liability or obligation arising in connection with any of the following:

- (1) Any liability, cost, expense, damage, charge, assessment, exposure, or detriment of any description other than loss.
- (2) Any warranty, representation, promise, covenant, commitment, guarantee, or other duty or obligation except a contractual obligation.

- (3) Any and all special, incidental, direct, indirect, consequential, exemplary, extra contractual, or punitive damages or liabilities of any description whatever including without limitation that which arise from any act or omission by a contract holder, you, a repairer, or any agent, employee, officer, director, independent contractor, customer, or invitee of a contract holder, you, or a repairer.
- (4) Any implied warranty of merchantability or fitness.
- (5) Any loss resulting directly or indirectly by negligence, gross negligence, misrepresentation, willful or intentional misconduct, strict liability, or any fraudulent, dishonest or criminal act by you or on the part of any of your partners, officers or employees or anyone acting in any capacity as your agent.
- (6) The sale of a product or other good or any part or component of a product or other good.
- (7) Any defense of you or others in any lawsuit or other judicial, administrative, or other proceeding.
- (8) Any service action or recall of any description by a manufacturer, a dealer, or any other person or entity whether voluntary or involuntary and regardless of why made or when authorized or conducted.
- (9) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by: a) a government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or b) by an agent of an such government, power, authority or forces.
- (10) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
- (11) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, risks of contraband, illegal trade, conversion and secretion.
- (12) Any loss caused by or resulting from nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, aggravated by the perils insured against in this policy.
- (13) Any loss resulting from designated contracts effected and/or losses occurring prior to the effective date of this policy.
- (14) Any loss resulting from forgery or the use of an alias.
- (15) Any loss resulting from the use of a contract that is not stated in the declarations or attached as an exhibit to this policy, whether or not premium payment was made. A full refund of premium will be made for those contracts that are not authorized for use.
- (16) Any loss that is recovered by you from a third party whether or not collectible.
- (17) Any loss resulting from conversion, secretion or embezzlement by a contract holder or any other person in lawful possession of the property described in the designated contract.
- (18) Any contracts issued by or on behalf of non-franchised auto dealers or used car dealers.
- (19) Any loss arising from contracts which you fail to report and pay applicable premium to use within the time frame stated in the Reports and Premiums provision of this policy.

We shall not provide you or any other party in interest with a defense in a suit or reimburse you for any damages, judgments, legal fees, court costs or other expenses that you may become obligated to pay in connection with the offer, sale, administration of or obligation arising out of designated contracts.

D. CONDITIONS

- (1) **SALE OF DESIGNATED CONTRACT:** You shall report to the company entity the sale of each designated contract within that time period provided by the company entity. In making such report you shall use forms that may be provided by us and with each such report deliver to us or company entity the proper policy premium. The company entity may invoice you for premium payments.
- (2) **NOTICE OF CLAIM:** You shall notify the company entity of each claim, and supply particulars of such claim. You shall make such notification prior to undertaking any performance of a contractual obligation or compromise. We may reject any claim if not notified of such claim as provided above within ninety (90) days after such claim first arose if we were prejudiced by your failure to make notification within such time period and that notice of such claim was not given as soon as reasonably practical.
- (3) **PRIOR AUTHORIZATION:** Prior to undertaking any performance of a contractual obligation or compromise, you shall first request authorization to perform from the company entity of the claim pursuant to which such performance is contemplated. We may have no liability or obligation to pay any reimbursement to or on behalf of you for any loss if such authorization is not granted by the company entity prior said performance by you.
- (4) **INSPECTION AND AUDIT:** The company entity at any reasonable time can visit your premises and inspect, audit, and copy the books and records maintained by or for you as they pertain to any coverage under this policy. Such rights shall exist so long as any designated contracts are in force and in effect plus two (2) years. No exercise of the foregoing rights shall constitute an undertaking by the company entity, on behalf of or for the benefit of you or others, to determine or warrant that any property, premises, procedures, actions, or operations are safe or healthful, or are in compliance with any law, rule or regulation.
- (5) **BANKRUPTCY OR INSOLVENCY:** Bankruptcy or insolvency of you or of your estate shall not relieve us of any of our obligations under this policy.
- (6) **EXAMINATION:** You and your shareholders, officers, directors, employees, agents, and independent contractors shall submit to examination under oath by any person named by the company entity and subscribe to the same, as often as may reasonably be required by the company entity.
- (7) **COMPLIANCE:** You shall comply with all terms and conditions of this policy, any agreement with the company entity authorizing you to sell designated contracts, and all applicable laws, rules, and regulations. No action shall lie against us unless, as a condition precedent thereto there shall have been full compliance by you with all of the terms of this policy.

E. CANCELLATION

This policy may be canceled as follows:

- A. 1. You may cancel this policy by mailing or delivering to us advance written notice of cancellation stating a future date on which the policy is to be canceled.
2. We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation for non payment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to your last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

B. Premium Refund

1. If this policy is canceled, we will send to you any premium refund due.
2. If we cancel, the refund will be pro rata.
3. If you cancel, the refund may be less than pro rata.
4. The cancellation will be effective even if we have not made or offered a refund.

F. NONRENEWAL AND RENEWAL

If we decide not to renew this policy, we will mail to you written notice of nonrenewal at least 60 days before:

- a. Its expiration date;
- b. Its anniversary term if it is a policy written for a term of more than one year with no fixed expiration date, however, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

G. EFFECT OF CANCELLATION OR NONRENEWAL

- (1) Any designated contracts having effective dates prior to the cancellation date or nonrenewal date of this policy will be subject to and covered by this policy notwithstanding such policy cancellation or nonrenewal. Any designated contracts sold, issued, or having effective dates on or after the cancellation date or nonrenewal date of this policy shall not be subject to this policy or covered by this policy, anything to the contrary notwithstanding.
- (2) You shall, in accordance with Section D. CONDITIONS (1), pay to the company entity the premium for each designated contract. In the event of designated contract cancellation, you shall refund to the contract holder the amount, if any, required by the terms of the canceled designated contract. The company entity will refund or credit to you a portion of the premium paid for such canceled designated contract as calculated by the company entity.

H. GENERAL PROVISIONS

- (1) **DECLARATIONS:** By acceptance of this policy, you warrant, represent, and covenant to us that the statements in the declarations are true, complete, and correct in all respects, and that you possess and will maintain in full force and effect any and all licenses necessary for the sale and issuance of designated contracts.
- (2) **ENTIRE AGREEMENT:** This policy embodies all agreements and understanding existing between you and us or any respective agents relating to the insurance coverage provided by this policy.
- (3) **SUBROGATION:** In the event of any payment by us under this policy, we shall be subrogated to all of your rights of recovery therefore against any person or entity, and you shall execute and deliver to us such instruments, assignments, papers as requested by us and do whatever is necessary to secure such rights and effectuate our exercise of such rights. You shall do nothing to prejudice or waive such rights.
- (4) **ASSIGNMENT:** An assignment of any interest by you under this policy shall not bind us unless and until our written consent is endorsed hereon. No liability of ours shall exist under this policy unless and until such agreement is accepted and the policy is endorsed in writing as provided above.
- (5) **CHANGES IN THE POLICY:** No waiver or change of the terms of this policy shall be made except by endorsement issued to form part of this policy and signed by the company entity.
- (6) **RECOVERIES:** All amounts recovered by you for which you have received benefits under this policy shall belong to us, and shall be paid to us by you up to the total amount of benefits paid by the company entity. Such benefits shall include the payment of loss. We will be entitled to recovery only after you have been fully compensated for the loss or

damage sustained, including expenses incurred in obtaining full compensation for the the loss or damage.

- (7) **OTHER INSURANCE:** If you have other insurance covering in whole or in part a loss, we shall not be liable under this policy for a greater proportion of such loss than the proportion of the applicable limit of liability of this policy which is comprised by the aggregate applicable limits of liability of such other insurance. In no event shall any such proportion of the loss for which we are liable exceed one hundred percent (100%).
- (8) **GIVING OF NOTICE:** All notices, notices of claims, and surrender of this policy shall be deemed to be given: (a) if to us, upon deposit in the U.S. mails, certified and postage prepaid, addressed to our address shown in this policy or addressed to the address of our authorized representative, or (b) if to you, upon deposit in the U.S. mails, certified and postage prepaid, addressed to the mailing address last known to us, proof of mailing will be sufficient proof of notice.
- (9) **NO BENEFIT TO THIRD PARTIES:** Except as expressly provided by applicable law, the insurance afforded by this policy is solely for the benefit of you (or your assignee as provided in Section H. GENERAL PROVISIONS (4)). In no circumstances shall any person or entity other than you (or such assignee) have any rights or be entitled to any benefits under this policy.
- (10) **HEADINGS:** The headings used in this policy are for convenience purposes only and shall not be used to interpret this policy.
- (11) **NO AGENCY, ETC:** You are not an agent of the company entity and shall not at any time make any commitments, representations, or statements for or on behalf of the company entity.
- (12) **CONFORMITY WITH STATE LAW:** If any of the provisions of this policy do not conform to the statutes of the state of issue on the effective date, such provisions are hereby amended to meet the minimum requirements of those state statutes.
- (13) **LIMIT OF LIABILITY:** The most we will pay for loss for any designated contract applicable to any one contract holder shall be the amount stated in the declarations.
- (14) **PREMIUMS:** You, as shown in the declarations, are responsible for the payment of all premiums and will be the payee for any return premiums we pay.
- (15) **YOUR DUTIES IN THE EVENT OF LOSS:** You must see that the following are done in the event of loss: a) Give us prompt notice of the loss. Include a description of the property involved. b) As soon as possible, give us a description of how, when and where the loss occurred. c) Permit us to inspect the property and records proving loss. d) If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed. e) Promptly send us any legal papers or notices received concerning the loss. f) Cooperate with us in the investigation or settlement of the claim. g) You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- (16) **LOSS PAYMENT:** We will pay or make good any loss covered under this policy within 30 days after: a) you have fully complied with all of the terms and conditions of this policy; b) you have provided to us satisfactory documentation concerning each loss; c) we reach agreement with you; d) the entry of final judgment; or e) the filing of an arbitration award. We will not be liable for any part of a loss that has been paid or made good by others.
- (17) **EXAMINATION OF YOUR BOOKS AND RECORDS:** We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.
- (18) **NO BENEFIT TO BAILEE:** This insurance shall not inure directly or indirectly to the benefit of any carrier, bailee or similar type organization, other than you.

- (19) **ARBITRATION:** Any controversy or claim arising out of or relating to this policy may be settled by arbitration to be held in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction. We shall be entitled to exercise all of your rights in the choice of arbitrators and in the conduct of any arbitration preceding.
- (20) **LEGAL ACTION AGAINST US:** No one may bring a legal action against us under this policy unless: a) There has been full compliance with all the terms of this policy; and b) the action is brought within a time allowed by law.
- (21) **EXAMINATION UNDER OATH:** You shall submit, and so far as is within your power, shall cause all other persons interested in the loss and members of the household and employees to submit to examinations under oath by any persons named by us, relative to any and all matters in connection with a claim. You shall produce all books or account, bills, invoices, and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by us and shall permit extracts and copies thereof to be made.
- (22) **CONCEALMENT, MISREPRESENTATION OR FRAUD:** We will not pay for any loss or damage in any case of: a) concealment or misrepresentation of a material fact; or b) fraud committed by you or any other insured at any time and relating to coverage under this policy.
- (23) **ABANDONMENT:** There will be no abandonment of any vehicle covered by a designated contract to us.
- (24) **REPORTS AND PREMIUM:** You agree to keep accurate records of the information we need for premium computation. You also agree to submit monthly reports on forms provided by us, listing all designated contracts executed during the month. Such reports are to be submitted to us no later than the 10th day of the following month. At that time, the premium for each report is due and payable. Premium for this policy shall be computed based on the rates stated in the declarations page of this policy and are subject to change with 30 days notice to you.

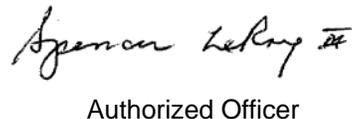
There shall be no liability under this policy arising from contracts which you fail to report and pay premium to us. You shall indemnify and hold us harmless in any claim, suit or action brought against us, our agents, successors or assigns, brought by contract holders or third parties where you have failed to report and pay premium for such contracts.

- (25) **INCREASE IN PREMIUM OR DECREASE IN COVERAGE:** We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we give 30 days written notice of our intention, including the actual reason, to your last mailing address known to us.

Any decrease in coverage during the policy term must be based on one or more of the following reasons: a) nonpayment of premium; b) a false statement knowingly made by you on the application for insurance; or c) a substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless you have notified us of the change and we accept such change. If notice is mailed, proof of mailing will be sufficient proof of notice.

IN WITNESS, WHEREOF, Old Republic Insurance Company has caused this policy to be signed by its authorized officers as of the effective date.


Authorized Officer


Authorized Officer