

SERFF Tracking Number: GRTA-125777930 State: Arkansas
Filing Company: Great American Spirit Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: IM-AR-0706-POSA
TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
Product Name: IM-AR-0706-POSA
Project Name/Number: IM-AR-0706-POSA/IM-AR-0706-POSA

Filing at a Glance

Company: Great American Spirit Insurance Company

Product Name: IM-AR-0706-POSA SERFF Tr Num: GRTA-125777930 State: Arkansas
TOI: 09.0 Inland Marine SERFF Status: Closed State Tr Num: EFT \$50
Sub-TOI: 09.0005 Other Commercial Inland Marine Co Tr Num: IM-AR-0706-POSA State Status: Fees verified and received
Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins
Author: Dawn Bell-Gardiner Disposition Date: 08/15/2008
Date Submitted: 08/15/2008 Disposition Status: Approved
Effective Date Requested (New): On Approval Effective Date (New): 08/15/2008
Effective Date Requested (Renewal): On Approval Effective Date (Renewal): 08/15/2008

State Filing Description:

General Information

Project Name: IM-AR-0706-POSA Status of Filing in Domicile: Authorized
Project Number: IM-AR-0706-POSA Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 08/15/2008
State Status Changed: 08/15/2008 Deemer Date:
Corresponding Filing Tracking Number:

Filing Description:

The Great American Spirit Insurance Company wishes to file for your approval a new Commercial Inland Marine program form filing. Attached you will find the explanatory memorandums and all the necessary components required for a new program form filing.

We propose an effective date concurrent with your approval or as soon thereafter as permissible by the laws of your state.

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Company and Contact

Filing Contact Information

Dawn Bell-Gardiner, Product Technican dbellgardiner@gaic.com
 49 East 4th street (513) 369-5000 [Phone]
 Cincinnati, OH 45202 (513) 333-6996[FAX]

Filing Company Information

Great American Spirit Insurance Company CoCode: 33723 State of Domicile: Ohio
 580 Walnut Street Group Code: 84 Company Type: P&C
 Cincinnati, OH 45202 Group Name: State ID Number:
 (513) 369-5000 ext. [Phone] FEIN Number: 31-1237970

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: Form filings are \$50.
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Great American Spirit Insurance Company	\$50.00	08/15/2008	21967332

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/15/2008	08/15/2008

SERFF Tracking Number: *GRTA-125777930* *State:* *Arkansas*
Filing Company: *Great American Spirit Insurance Company* *State Tracking Number:* *EFT \$50*
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Disposition

Disposition Date: 08/15/2008

Effective Date (New): 08/15/2008

Effective Date (Renewal): 08/15/2008

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
Supporting Document	Form Explanatory Memo	Approved	Yes
Form	Declarations page	Approved	Yes
Form	Amended Declarations page	Approved	Yes
Form	Lease Broker Financed Equipment Property Insurance Policy	Approved	Yes
Form	Additional Insured Endorsement	Approved	Yes
Form	Schedule of Eligible Equipment Types	Approved	Yes
Form	Supplemental Liability Policy	Approved	Yes
Form	OFAC Policyholder Advisory Notice	Approved	Yes
Form	Arkansas Change Endorsement	Approved	Yes
Form	Arkansas Fraud Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Declarations page	POSA-GN-0001	06/07	Declaration News/Schedule		0.00	POSA-GN-0001 (06-07) Declarations Page.pdf
Approved	Amended Declarations page	POSA-GN-0001A	06/07	Declaration News/Schedule		0.00	POSA-GN-0001A (06-07) Amended Declarations Page.pdf
Approved	Lease Broker Financed Equipment Property Insurance Policy	POSA-GN-0002	06/07	Policy/Coverage New Form		0.00	POSA-GN-0002 (06-07) Lease Broker Financed Equipment Property Insurance Policy.pdf
Approved	Additional Insured Endorsement	POSA-GN-0003	06/07	Endorsement/Amendment/Conditions		0.00	POSA-GN-0003 (06-07) Additional Insured Endorsement.pdf
Approved	Schedule of Eligible Equipment Types	POSA-GN-0004	06/07	Endorsement/Amendment/Conditions		0.00	POSA-GN-0004 (06-07) Schedule of Eligible Equipment Types.pdf
Approved	Supplemental Liability Policy	POSA-ER-2002	10/07	Policy/Coverage New Form		0.00	POSA-ER-2002 (10-07)

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							Supp Liability Policy.pdf
Approved	OFAC Policyholder Advisory Notice	PN- OFAC-111	05/04	Disclosure/ New Notice		0.00	PN-OFAC- 111 (05-04) OFAC Policyholder Advisory Notice.pdf
Approved	Arkansas Change Endorsement	POSA- AR-1003	05/08	Endorseme New nt/Amendm ent/Condi tions			POSA-AR- 1003 (05-08) AR Changes Endt.pdf
Approved	Arkansas Fraud Endorsement	POSA- AR-8003	05/08	Endorseme New nt/Amendm ent/Condi tions			POSA-AR- 8003 (05-08) AR Fraud Endt.pdf



LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY

Throughout this Policy the words “YOU,” “YOUR” and “YOURS” refer to the Named Insured shown in the Policy Declarations. The words “WE,” “US” and “OUR” refer to the Insurer providing this insurance. The words “**YOUR LESSEES**,” “ITS” and “THEIR” refer to entities or persons having care, custody and control of **Covered Equipment**. Other words and phrases that are in **bold type** have special meaning, as defined in the Policy or the Definitions. No person or organization, other than YOU, having custody of **Covered Equipment**, will benefit from this insurance

SECTION I - INSURING AGREEMENT

In return for YOUR payment of the required premium, WE provide the coverage described herein subject to the terms, conditions, exclusions and declarations of the Policy and its endorsements.

SECTION II – POLICY COVERAGE

A. PROPERTY INSURED

This Policy insures **Covered Equipment** that is financed under **Lease Agreements** by YOU to **YOUR LESSEES** and reported to US in accordance with the PREMIUM PAYMENT AND REPORTING REQUIREMENTS contained in the Policy. Such property is covered wherever located within the United States and Canada.

B. PROPERTY NOT INSURED

This Policy does not cover:

1. Equipment types that are not listed on the Schedule of Eligible Equipment Types attached to this Policy;
2. Contraband or property while used for illegal activities; or
3. Property held by YOU as inventory for sale, lease or rental.

C. LIMITS OF INSURANCE

WE will not pay more than the VALUATION of each **Covered Equipment** up to the Limits of Insurance shown in the Policy Declarations.

D. POLICY PERIOD

This Policy is issued for one (1) year from the effective date shown in the Policy Declarations subject to the rights of cancellation as set forth in SECTION V. GENERAL CONDITIONS, PARAGRAPH B. It shall be renewed automatically for each succeeding policy period beyond the initial one (1) year term unless either party gives notification of cancellation or nonrenewal.

E. WHEN COVERAGE BEGINS

Coverage under this Policy is effective for **Covered Equipment** that is reported to US and financed under **Lease Agreements** that are inception prior to the effective date of cancellation or nonrenewal of the Policy. Coverage for specific **Covered Equipment** begins on the **Inception Date** of the **Lease Agreement** relating to the **Covered Equipment** provided YOU report such lease or finance agreement to US or OUR agent within sixty (60) days after coverage begins.

F. PERILS INSURED

This Policy insures against all risks of direct physical **Loss** of or damage to **Covered Equipment** from any external cause except as provided elsewhere in the Policy. WE will not pay for any claims YOU or **YOUR LESSEES** become legally liable to pay because of bodily injury or property damage.

G. EQUIPMENT NOT COVERED

WE will not pay for **Loss** to any of the following:

1. Equipment, which is waterborne. But, WE will pay for **Loss** to **Covered Equipment** while it is on ferries operated in connection with railroads, or on public ferries operating on scheduled routes.
2. Aircraft or watercraft, including their motors, equipment and accessories.
3. **Autos**, trucks, or any self-propelled vehicles or machines primarily designed and licensed for road use. Trailers or semi-trailers will be included for an additional premium as **Covered Equipment** if included on the same **Lease Agreement** with other items of **Covered Equipment** and primarily used for the purpose of providing mobility to such other **Covered Equipment**.
4. Equipment used in mining, logging, lumbering or oil or gas explorations or processing. But, WE will pay for **Loss** to **Covered Equipment** located and used in enclosed buildings, whose use is incidental to activities in these industries.
5. Underground equipment or equipment while located underground. But, WE will pay for **Loss** to **Covered Equipment** located below ground level in enclosed buildings that are not completely underground.

H. HOW WE DEFINE CERTAIN COVERED CAUSES OF LOSS:

In the event of any of the **Covered Causes of Losses** listed below, the following definitions will apply to the terms "**Loss**," "any one **Loss**" or "one **Occurrence**":

1. **Windstorm**: the total of all **Losses** resulting in whole or in part from a windstorm, tornado, cyclone, hurricane or hailstorm which takes place during one atmospheric disturbance over a continuous period of seventy-two (72) hours.
2. **Flood**: the total of all **Losses** resulting in whole or in part from floodwaters during one continuous period of one hundred sixty-eight (168) hours, and within one river basin. Flood means (1) waves, (2) the rising, overflowing or breaking of boundaries of lakes, ponds, reservoirs, rivers, harbors, streams and similar bodies of water or (3) spray from any of these -- all whether driven by wind or not.
3. **Lightning**: the total of all **Losses** resulting in whole or in part from lightning in the course of one atmospheric disturbance during one continuous period of twenty-four (24) hours.
4. **Volcanic Action**: all volcanic eruptions that occur within any seventy-two (72) hour period. This cause of **Loss** does not include the cost to remove ash, dust or particulate matter that does not cause direct physical **Loss** or damage to the **Covered Equipment**. Volcanic Action means direct **Loss** resulting from the eruption of a volcano when the **Loss** is caused by:
 - a. Airborne volcanic blast or airborne shock waves; or
 - b. Ash, dust or particulate matter; or
 - c. Lava flow.

I. EXCLUSIONS

WE do not cover **Loss** caused by or resulting from:

1. **Loss** of market, delay in transit, obsolescence, business interruption or any other consequential or indirect **Loss**.
2. Consulting or programming fees as a result of implementing, installing, or maintaining computer software.
3. The **Loss** of data or **Media** due to defects, **Bugs**, computer **Viruses**, or the actual corruption of the data or **Media** from unintentional or intentional programming errors.
4. Any **Loss** or damage caused directly or indirectly to any computer application software or related software due to the inability to correctly recognize, process, distinguish, interpret, or accept one or more dates or times.
5. Wear and tear, inherent vice, latent defect, gradual deterioration or depreciation, insect, vermin, animal, or by processing or any work upon the property unless fire or explosion ensues and then only for direct **Loss** or damage caused by such ensuing fire or explosion.
6. Dampness of atmosphere, dryness of atmosphere, wet or dry rot, freezing, heating, evaporating, marring, scratching, rust or corrosion, contamination, change in color or finish, unless caused by or resulting from a **Covered Cause of Loss**.
7. **Misappropriation**, secretion, **Conversion**, infidelity or any dishonest or criminal act committed by YOU, **YOUR LESSEES**, or any of YOUR or **YOUR LESSEES'** partners, shareholders, directors, trustees or authorized representatives. This exclusion does not apply to YOUR or **YOUR LESSEES'** employees, provided they are not also YOUR or **YOUR LESSEES'** partners, shareholders, directors, trustees or authorized representatives.

8. War and military action including, but not limited to:
 - a. Declared war, undeclared war, civil war, insurrection, rebellion or revolution;
 - b. A warlike act by a military force or military personnel;
 - c. Destruction, seizure, or use of the covered property for a military purpose; or
 - d. The accidental discharge of a nuclear weapon.
9. Civil authority including, but not limited to:
 - a. Seizure or destruction under quarantine or customs regulations;
 - b. Confiscation or destruction by order of a government or public authority; or
 - c. Risks of contraband or illegal transportation or trade.
10. Nuclear reaction, radiation or radioactive contamination, however caused. If **Loss** by fire results, WE will pay for the resulting **Loss**.
11. Shortage of equipment, which is discovered upon taking inventory.
12. **Theft** or vandalism and malicious mischief to pay telephones, vending machines, vending apparatus or coin- or currency-operated apparatus and any device attached to or controlled by them, while located outside of an enclosed building, whether attached to a building or not.
13. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased to YOU or **YOUR LESSEES**, or operated under YOUR or **YOUR LESSEES'** control. If **Loss** by fire or combustion explosion results, WE will pay for that resulting **Loss**. WE will also pay for **Loss** caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
14. Any earth movement, resulting from an earthquake, such as earth sinking, earth rising or earth shifting. If **Loss** by fire, explosion or water results, WE will pay for the resulting **Loss**.

J. DEDUCTIBLE

Each claim for **Loss**, separately occurring, to **Covered Equipment** financed under a single **Lease Agreement** shall be adjusted separately, and from the amount of each such adjusted claim, the deductible stated in the Declarations, shall be deducted.

SECTION III - PREMIUM PAYMENT AND REPORTING REQUIREMENTS

A. MONTHLY PREMIUM REMITTANCE REPORT

YOU must report to US, or OUR agent, on or before the 5th day of each month, via data transfer, or report, in the format provided to YOU by US or OUR agent, or by data entry into OUR web based enrollment system, any previously unreported **Lease Agreements** for which coverage may be eligible under this Policy.

B. COVERAGE CONFIRMATION

Receipt of, and/or premium acceptance on equipment, which is, not specified **Covered Equipment** under this Policy, is not confirmation of coverage. YOU are responsible for accurately reporting **Covered Equipment** under this Policy.

C. YOUR DUTY TO PAY PREMIUM

The amount of premium YOU will pay to US for this Policy will be determined by the rates applied by US for the various types of **Covered Equipment**. YOU agree to pay OUR agent or US the insurance premium for **Covered Equipment** as invoiced by OUR agent or US. If YOU fail to make payment to OUR agent or US within 15 days of receipt of OUR invoice, WE shall have the right to terminate this Policy subject to the cancellation provisions for nonpayment of premium, contained herein. Any premium earned up to the effective date of such termination shall be due and payable by YOU. WE will rescind the notice of cancellation for nonpayment if YOU pay all premium due before the effective date of cancellation.

D. WHEN WE MAY ADJUST PREMIUM

WE have the right to change the premium rates for various types of equipment covered under this Policy once during each Policy year. If WE do change the rates, WE must give YOU ninety (90) days notice. A change of premium rates will become effective only for coverage on **Covered Equipment** becoming effective ninety (90) days after WE have



given OUR notice to YOU. Coverage on **Covered Equipment** with an effective date before a change of premium rates becomes effective will not have premiums changed during the remaining period of coverage for such **Covered Equipment**.

SECTION IV - LOSS CONDITIONS

A. ABANDONMENT

There can be no **Abandonment** of any property to US.

B. APPRAISAL

If YOU and WE disagree on the value of the **Covered Equipment** or the amount of **Loss**, either may make written demand for an appraisal of the **Loss**. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the **Covered Equipment** and amount of **Loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding.

Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally. If there is an appraisal, WE will still retain OUR right to deny the claim.

C. ASSIGNMENT

Coverage under this Policy is assignable only with OUR consent. Coverage does remain in force if YOU assign the **Lease Agreement** to another lessor, provided all terms and conditions of the **Lease Agreement** remain unchanged and they are named as an additional insured under this Policy.

D. DUTIES IN THE EVENT OF LOSS

YOU must see that the following are done in the event of **Loss** to **Covered Equipment**:

1. Notify the police if a law may have been broken.
2. Give US prompt notice of the **Loss**. Include a description of the **Covered Equipment** involved.
3. As soon as possible, give US a description of how, when and where the **Loss** occurred.
4. Take all reasonable steps to protect the **Covered Equipment** from further damage and keep a record of YOUR expenses necessary to protect the **Covered Equipment**, 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** 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.
5. Make no statement that will assume any obligation or admit any liability for any **Loss** for which WE may be liable, without OUR consent.
6. Permit US to inspect the **Covered Equipment** and records proving **Loss**.
7. 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.
8. Send US a signed, sworn statement of **Loss** containing the information WE request to settle the claim. YOU must do this within sixty (60) days after OUR request. WE will supply YOU with the necessary forms.
9. Promptly send US any legal papers or notices received concerning the **Loss**.
10. Cooperate with US in the investigation or settlement of the claim.
11. Provide US or OUR agent with any documentation that will assist in adjusting the claim or proving the **Loss** including, but not limited to, original invoices and/or **Lease Agreements** relating to the specific **Covered Equipment**.



E. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this Policy's coverages apply to the same **Loss**, WE will not pay more than the actual amount of the **Loss**.

F. LOSS PAYMENT

WE will pay or make good any **Loss** covered under this Policy within thirty (30) days after:

1. WE reach agreement with YOU;
2. The entry of final judgment; or
3. The filing of an appraisal award.

WE will not be liable for any part of a **Loss** that has been paid or made good by others.

WE will not pay for any **Loss** to specific **Covered Equipment**, in any one **Occurrence**, if the amount of **Loss** is less than or equal to the Deductible amount shown in the Policy Declarations. If the amount of the **Loss** exceeds the Deductible amount, WE will pay the total amount of the **Loss** not to exceed the **Lease Value** of the **Covered Equipment** or the applicable Limits of Insurance as shown in the Policy Declarations, whichever is less. If one **Occurrence** involves coverage on more than one **Covered Equipment**, this provision will be applied to each specific **Covered Equipment** separately.

G. OTHER INSURANCE

If YOU have other insurance covering the same **Loss** as the insurance under this Policy, WE will pay first. However, WE shall have the right to recover OUR **Loss** payment from the other insurance carrier. OUR right of recovery will be limited to the pro-rata share that the other insurance carrier's policy limits bear to the total amount of insurance available for the **Loss**. OUR coverage will apply only to the extent WE provide coverage under this Policy for the involved **Covered Cause of Loss**. WE will not pay more than the Limits of Insurance.

H. PAIR, SETS OR PARTS

1. Pair or Set. In case of **Loss** to any part of a pair or set WE may:
 - a. Repair or replace any part to restore the pair or set to its value before the **Loss**; or
 - b. Pay the difference between the value of the pair or set before and after the **Loss**.
2. Parts. In case of **Loss** to any part of the **Covered Equipment** consisting of several parts when complete, WE will only pay for the value of the lost or damaged part.

I. REINSTATEMENT OF LIMIT AFTER LOSS

The Limits of Insurance will not be reduced by the payment of any claim.

J. RIGHTS OF RECOVERY AND SUBROGATION

If YOU or any loss payees have rights to recover damages from another for a **Loss** for which WE make payment under this Policy, those rights are transferred to US to the extent of OUR payment. YOU or the loss payee must do everything necessary to secure OUR rights and must do nothing before or after a **Loss** to impair them. If YOU have rights to recover damages from **YOUR LESSEE** for a **Loss** for which WE make payment under this Policy, WE have no such rights to recover from **YOUR LESSEE** to the extent of OUR payment or to any extent. WE waive any rights of subrogation against **YOUR LESSEE**.

K. VALUATION

Should specific **Covered Equipment** be involved in a **Loss**, the value of the specific **Covered Equipment** shall be the lesser of the following amounts:

1. The amount actually spent in repairing the specific **Covered Equipment**, when repairable, or replacing any part of the specific **Covered Equipment**; or
2. The **Replacement Cost** of the specific **Covered Equipment**. In the event the equipment is used, we will pay no more than the **Lease Value** under the **Lease Agreement**.
3. The **Net Payoff** for the specific **Covered Equipment** at the time of the **Loss**

SECTION V - GENERAL CONDITIONS

A. TERMINATION OF COVERAGE FOR SPECIFIC Covered Equipment

1. Coverage under this Policy for specific **Covered Equipment** shall automatically and without prior notice terminate concurrently with the earliest of the following:
 - a. The time that YOU take back possession of the **Covered Equipment** from YOUR LESSEE;
 - b. The time when YOUR interest in the **Covered Equipment** ceases.
2. Coverage under this Policy for specific **Covered Equipment** shall be terminated at YOUR request, on the date requested, but not more than 60 days prior to the date such **Covered Equipment** was reported to US.
3. Except for the reason of non-payment of premium, if YOU or WE cancel or nonrenew this Policy in accordance with the conditions under, SECTION V – GENERAL CONDITIONS, PARAGRAPH B, coverage on **Covered Equipment** issued prior to the effective date of cancellation of this Policy, will remain in effect until individually cancelled or until the **Original Termination Date** of the initial term of each **Lease Agreement of Covered Equipment**, whichever is earlier.
4. If WE cancel this Policy for non-payment of premium in accordance with the conditions under SECTION V – GENERAL CONDITIONS, PARAGRAPH B, coverage on **Covered Equipment** issued prior to the effective date of cancellation of this Policy, will remain in effect for a period of time for which premium has been paid, not to exceed the expiration of the initial term of each **Lease Agreement of Covered Equipment**, unless coverage is individually cancelled for **Covered Equipment**.

B. CANCELLATION AND NONRENEWAL OF THE POLICY

1. **HOW YOU MAY CANCEL THIS POLICY:** YOU may cancel this Policy by giving US or OUR agent advance written notice of cancellation, at least, 90 days before the effective date of such cancellation.
2. **HOW WE MAY CANCEL THIS POLICY:** WE may cancel this Policy by mailing or delivering to YOU at the mailing address shown in the Policy Declarations, written notice, at least 10 days prior to the effective date of cancellation for non-payment of premium or 90 days prior to the effective date of cancellation for any other reason.
3. **NONRENEWAL OF POLICY:** If WE decide not to renew this Policy, WE will mail or deliver to the Insured shown in the Policy Declarations written notice of nonrenewal not less than thirty (30) days before the annual expiration date of the Policy.
4. **MAILING OF NOTICES:** WE will mail cancellation and/or nonrenewal notices to YOU at the last address known to US. Delivery or proof of mailing will be sufficient proof of notice.
5. **REFUND OF UNEARNED PREMIUM:** Any unearned premium resulting from any cancellation or termination of coverage on specific **Covered Equipment** will be paid to YOU. The premium earned will be based on the percentage of the term for which coverage has been provided under this Policy, with the percentage determined by the number of months coverage was in effect divided by the total number of months in the term of the coverage.

C. CHANGES TO THE POLICY

This Policy contains all the agreements between YOU and US concerning the insurance afforded. This Policy's terms can be amended or waived only by endorsement issued by US and made part of this Policy.



D. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Policy is void for YOU, **YOUR LESSEE** or any party with an interest under this Policy in the specific **Covered Equipment**, in any case of fraud, intentional concealment **Misrepresentation** or false swearing of a material fact, by YOU or **YOUR LESSEE**, at any time, concerning:

1. The application for coverage under this Policy;
2. The **Covered Equipment**;
3. YOUR interest in the **Covered Equipment**; or
4. Circumstances of a **Loss** or claim under this Policy.

E. EXAMINATION OF 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.

F. LEGAL ACTION AGAINST US

No one may bring a legal action against US under this Policy unless:

1. There has been full compliance with all the terms of this Policy; and
2. The action is brought within two years after YOU first have knowledge of the **Loss**.

G. MAILING OF NOTICES

All notices and other communications hereunder shall be in writing mailed to the addresses shown in the Declarations. Proof of mailing will be sufficient proof of notice.

H. NO BENEFIT TO BAILEE

No person or organization, other than YOU or your assigned, having custody of **Covered Equipment**, will benefit from this insurance.

I. TERMS OF POLICY CONFORM TO STATUTE

The terms of this Policy that are in conflict with the statutes of the state wherein this Policy is issued are hereby amended to conform to such statutes.

SECTION VI – LEASE LANGUAGE REQUIREMENTS

A. WARRANTY DISCLAIMER

All **Lease Agreements** used to lease or finance **Covered Equipment** shall contain a warranty disclaimer of like substance and wording to the following:

“ . . . Lessor makes no representation or warranty of any kind, expressed or implied, with respect to the condition of the equipment, its merchantability, the fitness of the equipment for a particular purpose. . . ”

B. INDEMNITY AGREEMENT

All **Lease Agreements** used to lease or finance **Covered Equipment** shall contain an indemnity agreement of like substance and wording to the following:

“ . . . Lessee agrees to indemnify and hold Lessor harmless from all costs, losses, claims, expenses, damages, suits or liabilities, including reasonable attorneys’ fees, unless prohibited by applicable law, arising out of or in connection with the use or operation of the leased equipment. . . ”



SECTION VII - DEFINITIONS

- A. Abandonment** means when **YOUR LESSEE**, or **YOUR LESSEE'S** partners, shareholders, directors, trustees or authorized representatives, relinquishes, surrenders, deserts or gives up **Covered Equipment**.
- B. Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. **Auto** does not include **Mobile Equipment**.
- C. Bug** means an error in a computer system (usually software).
- D. Conversion** means when **YOUR LESSEE**, or **YOUR LESSEE'S** partners, shareholders, directors, trustees or authorized representatives, transfers, or attempts to transfer, ownership of the **Covered Equipment** to **THEIR** benefit.
- E. Covered Cause of Loss** means an **Occurrence** that causes **Loss** to **Covered Equipment** and is not otherwise excluded under this Policy.
- F. Covered Equipment** means:
1. Equipment leased or financed by **YOU** under a single **Lease Agreement** to other parties who are **YOUR LESSEES**; and
 2. Equipment you have reported to **US** or **OUR** agent as described in SECTION III. PREMIUM PAYMENT AND REPORTING REQUIREMENTS; and
 3. Equipment described in the Schedule of Eligible Equipment Types attached to this Policy; and
 4. Equipment not excluded here or elsewhere in this Policy.
- G. Inception Date** means the date the **Covered Equipment** is delivered to **YOUR LESSEE**.
- H. Lease Agreement** means a contract that is a lease, lease schedule or finance agreement between **YOU** and **YOUR LESSEE** for **Covered Equipment**, and which sets forth the terms, conditions, **Inception Date** and expiration date for such contract.
- I. Lease Value** means the original purchase cost of the equipment at the inception of the **Lease Agreement**.
- J. Loss** means **Theft**, damage or destruction of **Covered Equipment**.
- K. Media** means the method for storing computer readable data, including, but not limited to, magnetic tape, disk, and cards.
- L. Misappropriation** means the use of **Covered Equipment** for a purpose other than for which it is intended or legally required to be used.
- M. Misrepresentation** means a false statement of a substantive fact made with the intent to deceive or mislead.
- N. 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; or
 2. Vehicles maintained for use solely on or next to premises **YOU** own or rent; or
 3. Vehicles that travel on crawler treads; or
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - b. Power cranes, shovels, loaders, diggers or drills; or
 - c. Road construction or resurfacing equipment such as graders, scrapers or rollers; or
 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; or



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:
 - i. Snow removal; or
 - ii. Road maintenance, but not construction or resurfacing; or
 - iii. 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.
5. **Net Payoff** means the amount of YOUR interest in the **Covered Equipment** involved in the **Loss** at the time of **Loss**, as represented by the portion of **YOUR LESSEE'S** unpaid balance, according to the original payment schedule of the **Lease Agreement** secured by the **Covered Equipment** or the unpaid balance reported by YOU on any **Lease Agreement** extensions, provided YOU have reported such extensions and paid the premium due. The **Net Payoff** will not include any payments that are delinquent by more than thirty (30) days, unearned interest and finance charges, lease pre-payment provisions or other miscellaneous unearned fees or charges including but not limited to credit life premiums, collateral protection charges and warranty or service contract charges.
6. **Occurrence** means any accident, **Loss** or disaster, or series of accidents, **Losses** or disasters, arising out of one event.
7. **Original Termination Date** means the expiration date of the initial term of the **Lease Agreement** for **Covered Equipment**.
8. **Replacement Cost** means the cost to replace **Covered Equipment** with the same kind and quality equipment at the time of the **Loss**, but in no event shall this amount ever exceed the Limits of Insurance under this Policy.
9. **Theft** means burglary (which is the use of force or violence to break into or out of premises which are not open, and illegally taking away **Covered Equipment**), robbery (which is forcibly taking **Covered Equipment** by violence or fear or threat of violence to a person) or any other illegal taking of **Covered Equipment**.
10. **Virus** means a small program that can replicate itself, and infect other programs to cause unexpected results.
11. **YOUR LESSEE** means a person, company or other legal entity that has entered into a written agreement with YOU for the leasing or financing of equipment under THEIR care, custody and control. **YOUR LESSEE** is not a **Loss** payee, insured or additional insured under this Policy.

IN WITNESS WHEREOF, WE have caused this Policy to be executed by its President and Secretary, respectively.

Carl H. Lindner III
President

Karen Holley Horrell
Secretary

Policy Number:

Effective Date:



**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY**

ADDITIONAL INSURED ENDORSEMENT

With respect to coverage provided by this endorsement, the provisions of the Policy apply unless modified by the endorsement. Words or phrases used in this endorsement that are in **bold type** have special meaning, as defined in the Policy. This endorsement modifies insurance provided under the following:

**LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY
LEASE BROKER FINANCED EQUIPMENT LIABILITY SUPPLEMENTAL INSURANCE POLICY**

Additional Insured

Name:	
Address:	
Phone #:	
Contact:	

It is agreed and understood that throughout this Policy the words "YOU," "YOUR" and "YOURS" refers to the Named Insured shown in the Policy Declarations and the Additional Insured shown above, but only with respect to the Additional Insured's interest in the **Covered Equipment**. With respect to the coverage afforded to the Additional Insured, this coverage does not apply to any **Loss** which takes place on or after the Expiration Date of the **Lease Agreement**.

Policy Number:
Effective Date:



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF ELIGIBLE EQUIPMENT TYPES

With respect to coverage provided by this endorsement, the provisions of the Policy apply unless modified by the endorsement. Words or phrases used in this endorsement that are in **bold type** are defined in the Policy.

This endorsement modifies insurance provided under the following:

LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY
LEASE BROKER FINANCED EQUIPMENT LIABILITY SUPPLEMENTAL INSURANCE POLICY

No other type of equipment is eligible for consideration as **Covered Equipment** under this Policy unless it is displayed below:

In accordance with the rates and rules manual on file for the state in which YOUR address is located, as shown in the Declarations, the following types of equipment are considered eligible **Covered Equipment**:

SCHEDULE OF ELIGIBLE EQUIPMENT TYPES		
Agricultural Equipment	Graphics Equipment	Point of Sale Equipment
Amusement Equipment	Greenhouses	Portable External Equipment
Audio & Visual Equipment	HVAC Systems	Printing Equipment
Automotive Repair Equipment	Inflatable Equipment	Radio Equipment
Banking Equipment	Laptops	Restaurant Equipment
Binding Equipment	Laundry Equipment	Retain Equipment
Broadcasting Equipment	Lawn Maintenance	Salon Equipment
Carnival Equipment	Machine Tool Equipment	Salvage, Recycling
Construction Equipment	Manufacturing Equipment	Security Equipment
Dental Equipment	Medical Equipment	Server Computers
Desktop Computers	Miscellaneous Equipment	Survey Equipment
Embroidery Equipment	Mobile Offices	Tanning Equipment
External ATM	Molding Equipment	Telecommunication
External Vending Equipment	Office Equipment	Trailers (non-trucking)
Fencing	Office Furniture & Fixtures	Veterinary Equipment
Fitness Equipment	Outdoor Recreational	Waste Removal
Golf Carts	Photography Equipment	Welding Equipment

The following types of equipment are also considered eligible **Covered Equipment** under this Policy:

Policy No.:

Effective Date:



LEASE BROKER FINANCED EQUIPMENT LIABILITY SUPPLEMENTAL INSURANCE POLICY

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

The words YOU and YOUR refer to the Insured named in the Declarations. The words WE, US, and OUR refer to the company providing this insurance. The words **YOUR LESSEES (YOUR LESSEE)**, ITS AND THEIR refer to entities or persons having care, custody and control of **Equipment**. Other words and phrases that are in **bold type** have special meaning. Refer to the DEFINITION SECTION of the Supplemental Policy. No person or organization, other than YOU will benefit from this Supplemental Policy.

SECTION I – INSURING AGREEMENT AND INSURED PARTY

A. INSURING AGREEMENT

1. WE will pay those sums YOU become legally obligated to pay as damages because of **Injury** or **Damage**, caused by an **Occurrence** to which this Supplemental Policy applies. .
2. WE have the right and duty to defend YOU against any **Suit** seeking those damages. However, WE will have no duty to defend YOU against any **Suit** seeking damages for **Injury** or **Damage** not covered by this Supplemental Policy. WE may investigate and settle any claim or **Suit**. OUR payment of the Limits of Insurance ends OUR duty to defend or settle.
3. This insurance applies to **Injury** or **Damage** only if it is caused by an **Occurrence**:
 - a. That takes place in the **Coverage Territory**; and
 - b. Occurs during the Supplemental Policy period.

No other coverage is provided unless it's stated in the **SUPPLEMENTARY PAYMENTS** provision.

B. INSURED PARTY: Only YOU are an insured under this Supplemental Policy. This Supplemental Policy does not provide any benefits to or for any of the following:

1. **YOUR LESSEES**; or
2. Any **Employee** or agent of **YOUR LESSEES**; or
3. Any person using, operating, or having custody of **Equipment** with the permission of any of the above; or
4. Other companies affiliated to YOU; or
5. Any person or organization who is the manufacturer, servicer, retailer, distributor, or marketer of the **Equipment**.

SECTION II – SUPPLEMENTAL POLICY COVERAGE

A. WHEN COVERAGE BEGINS

1. For **Agreements** effective on or after the effective date of this Supplemental Policy, coverage will begin at 12:001 AM Standard time at the location of the **Equipment**:
 - a. On the date the **Equipment** is delivered to **YOUR LESSEE**; or
 - b. The execution date of the **LESSEE'S Agreement**,whichever date is later.

YOU must report the **Agreement** to US or OUR agent by data transfer:

- a. Within 30 days after coverage begins; or
 - b. Prior to sending the first invoice to **YOUR LESSEE**,
- whichever is earlier.

Otherwise, coverage for the **Agreement** will be effective on the date YOU send US the **Report**.

2. For **Agreements** effective before the effective date of this Supplemental Policy:
 - a. Coverage will begin at 12:01 AM Standard Time;



- b. At the location of the **Equipment**; and
- c. On the date YOU send US the **Report** providing it is sent on or after the effective date of this Supplemental Policy.

Otherwise, coverage for the **Agreement** will be effective on the effective date of this Supplemental Policy.

3. When other insurance covering the **Equipment** on any **Agreement** expires or cancels, coverage will begin at 12:01 AM Standard Time, at the location of the **Equipment**:
 - a. On the date the other insurance covering the **Equipment** expires; or
 - b. The effective date of this Supplemental Policy,whichever date is later.

YOU must send US the **Report** on the **Agreements** within 30 days after coverage begins. Otherwise, coverage for the **Agreements** will be effective on the date YOU include the **Agreements** on the **Report**.

B. WHEN COVERAGE ENDS

All coverage on **Equipment** will end on the earliest of the following:

1. At 12:01 AM Standard Time, on the **Termination Date** of each **Agreement** on **Equipment**; or
2. At 12:01 AM Standard Time, on the date that coverage is canceled or **Voided**; or
3. At the time and date YOU repossess or accept surrender of the **Equipment**; or
4. At the time and date when YOUR interest in the **Equipment** ends; or
5. When the Limits of Insurance are exhausted.

C. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below establish the most WE will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or **Suits** brought; or
 - c. Persons or organizations making claims or bringing **Suits**.
2. The Each Occurrence Limit is the most WE will pay for the sum of all **Injury** and **Damage** arising out of any one **Occurrence**.
3. The General Aggregate Limit is the most WE will pay for the sum of all **Injury** and **Damage** losses arising out of **Occurrences** in a one-year period. The General Aggregate Limit will apply to the first one-year period beginning with the original effective date of this Supplemental Policy. Thereafter, the Limit will be restored for each one-year period beginning on the first anniversary of the original effective date of this Supplemental Policy and for each subsequent one-year period. Limits will not carry over from year to year.

The Limits of Insurance of this Supplemental Policy apply to all **Agreements** on **Equipment** for which coverage is issued during the Supplemental Policy period.

D. SUPPLEMENTARY PAYMENTS

WE will pay, with respect to any claim WE investigate or settle, or any **Suit** against YOU that WE defend:

1. OUR defense expenses.
2. All reasonable expenses incurred by YOU at OUR request to help US in the investigation or defense of the claim or **Suit**.
3. All costs taxed against YOU in the **Suit**.
4. Prejudgment interest awarded against YOU on that part of the judgment WE pay. If WE make an offer to pay the applicable limit of insurance, WE will not pay any prejudgment interest based on that period of time after the offer.



5. All interest on the full amount of any judgment that accrues after entry of the judgment and before WE have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

E. EXCLUSIONS

This insurance does not apply to:

1. **EXPECTED OR INTENDED INJURY:** **Injury** or **Damage** expected or intended by YOU. This exclusion does not apply to **Injury** resulting from the use of reasonable force to protect persons or property.
2. **CONTRACTUAL LIABILITY:** **Injury** or **Damage** for which YOU are obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that YOU would have in the absence of the contract or agreement.
3. **WORKERS COMPENSATION AND SIMILAR LAWS:** Any obligation of YOURS under workers compensation, disability benefits or unemployment compensation law or any similar law.
4. **EMPLOYER'S LIABILITY:** **Injury** to:
 - a. YOUR **Employees** or **Employees** of **YOUR LESSEES** arising out of and in the course of:
 - 1) Employment by YOU or **YOUR LESSEES**; or
 - 2) Performing duties related to the conduct of YOUR or THEIR business.
 - b. The spouse, child, parent, brother, or sister of that **Employee** as a consequence of paragraph a. above.

This exclusion applies:

- a. Whether YOU or **YOUR LESSEES** may be liable as employers or in any other capacity;
 - b. To any obligation to share **Damages** with or repay someone else who must pay **Damages** because of the **Injury**.
5. **POLLUTION:**
 - a. **Injury** or **Damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**:
 - 1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to YOU or **YOUR LESSEES**;
 - 2) At or from any premises, site or location which is or was at any time used by or for YOU, **YOUR LESSEES** or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for YOU, **YOUR LESSEES** or any person or organization for whom YOU may be legally responsible; or
 - 4) At or from any premises, site or location on which YOU or **YOUR LESSEES** or any contractors or subcontractors working directly or indirectly on YOUR or **YOUR LESSEES'** behalf are performing operations:
 - a) If the **Pollutants** are brought on or to the premises, site or location in connection with such operations by YOU, **YOUR LESSEES**, a contractor or a subcontractor; or
 - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or access the effects of **Pollutants**.

Subparagraph 4) a) does not apply to **Injury** or **Damage** arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **Equipment** or its parts, if such fuels, lubricants or other operating fluids escape from an **Equipment** part designed to hold, store, or receive them.



This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants, or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such contractor, subcontractor, YOU or **YOUR LESSEES**.

Subparagraphs 1) and 4) a) do not apply to **Injury** or **Damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

- b. Any loss, cost or expense arising out of any:
 - 1) Request, demand or order that YOU or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**; or
 - 2) Claim or **Suit** by or on behalf of a governmental authority for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**.
- 6. **AIRCRAFT, AUTO OR WATERCRAFT: Injury** or **Damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft owned or operated by or rented or loaned to YOU or **YOUR LESSEES**. Use includes operation and loading or unloading.
- 7. **MOBILE EQUIPMENT: Injury** or **Damage** arising out of:
 - a. The transportation of **Mobile Equipment** by an **Auto** owned by or rented or loaned to YOU or **YOUR LESSEES**; or
 - b. The use of **Mobile Equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed demolition, or stunting activity.
- 8. **WAR: Injury** or **Damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, or revolution.
- 9. **DAMAGE TO PROPERTY: Damage** to:
 - a. Property YOU own, rent, lease, or occupy; or
 - b. Property owned, rented, or occupied by **YOUR LESSEES**; or
 - c. **Equipment**.
- 10. **PRODUCT LIABILITY: Injury** or **Damage** that YOU are obligated to pay because the **Equipment** is defective if any of the following conditions are true:
 - a. YOU are the manufacturer of the **Equipment**; or
 - b. YOU assemble all or part of the **Equipment**; or
 - c. YOU perform maintenance or repairs on the **Equipment**; or
 - d. YOU provide safety training or perform safety inspections on the **Equipment**; or
 - e. YOU own, are owned by, or are under common ownership with an entity for which a. b. c. or d. above are true.

SECTION III – REPORTING REQUIREMENTS AND PREMIUM PAYMENT

A. MONTHLY REPORTING

YOU must report to US, or OUR agent, at least once per month via data transfer in the format provided to YOU by US, or OUR agent, all lease or finance agreements for which coverage may be eligible under this Supplemental Policy.

B. COVERAGE CONFIRMATION

WE, or OUR agent, will confirm coverage on equipment leased or financed by YOU, at least once per month as reported in the data transfer.



C. YOUR DUTY TO PAY PREMIUM

The amount of premium YOU will pay to US will be determined by the rates applied by US for the various types of **Equipment**. YOU must pay the premium for **Equipment** as invoiced by US, or OUR agent, for coverage. If YOU do not pay the premium in the time required, 10 days after WE, or OUR agent sends YOU notice, WE may cancel coverage for those **Agreements** for which premiums have not been paid.

D. WHEN WE MAY ADJUST PREMIUM

WE have the right to change the premium for various types of **Equipment** once during each Supplemental Policy year. If WE do change the rates, WE must give YOU 90 days written notice. The premium change will be effective only for **Equipment** added 90 days after WE have given OUR notice to YOU. Premiums will remain the same during the coverage period on **Equipment** added prior to the effective date of the change in premium.

SECTION IV – LEASE LANGUAGE REQUIREMENTS

A. AGREEMENT FORM

YOU will provide to US or OUR agent copies of all **Agreements** used to lease or finance **Equipment**. If YOU make any revisions to such agreements, YOU will provide to US or OUR agent copies of revised agreements 15 days prior to using the revised agreements.

B. WARRANTY DISCLAIMER

Agreements must contain a warranty disclaimer of similar to the following:

“...Lessor makes no representation or warranty of any kind, expressed or implied, with respect to the condition of the equipment, its merchantability, the fitness of the equipment for a particular purpose...”

C. INDEMNITY AGREEMENT

Agreements must contain an indemnity agreement similar to the following:

“...Lessee agrees to indemnify and hold Lessor harmless from all costs, losses, claims, expenses, damages, suits, or liabilities, including reasonable attorneys’ fees, unless prohibited by applicable law, arising out of or in connection with the use or operation of the leased equipment...”

SECTION V – GENERAL CONDITIONS

A. DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

1. YOU must see to it that WE are notified as soon as practicable of an **Occurrence**, which may result in a claim. The notice should include:
 - a. How, when and where the **Occurrence** took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any **Injury** or **Damage** arising out of the **Occurrence**.
2. If a claim is made or **Suit** is brought against YOU, YOU must:
 - a. Immediately record the specifics of the claim or Suit and the date received; and
 - b. Notify US as soon as practicable, but no later than 15 days after YOU are notified.
3. YOU must:



- a. Immediately send US copies of any demands, notices, summonses or legal papers received in connection with the claim or **Suit**;
 - b. Permit US to obtain records and other information;
 - c. Help US in the investigation or settlement of the claim or defense against the **Suit**; and
 - d. Assist US, at OUR request, in the enforcement of any right against any person or organization, which may be liable to YOU because of injury or damage to which this insurance may apply.
4. YOU will not, except at YOUR own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than acts to provide first aid, protect property or prevent **Injury**, without OUR consent.

B. CANCELLATION AND NONRENEWAL OF THE SUPPLEMENTAL POLICY

1. HOW YOU MAY CANCEL THIS SUPPLEMENTAL POLICY

YOU may cancel this Supplemental Policy by delivering or mailing to US or OUR agent written notice of when the cancellation will be effective. It may not be effective less than 90 days after the date of such notice.

If YOU cancel, coverage on **Equipment** issued prior to the effective date of cancellation will remain in effect until individually canceled or until the **Termination Date** of the **Agreement**, whichever is earlier.

2. HOW WE MAY CANCEL THIS SUPPLEMENTAL POLICY

WE may cancel this Supplemental Policy by mailing or delivering to YOU written notice of cancellation, accompanied by the reasons for cancellation, at least:

- a. 10 days before the effective date of cancellation if WE cancel for nonpayment of premium; or
- b. 90 days before the effective date of cancellation if WE cancel for any other reason.

If WE cancel, the Supplemental Policy, coverage on **Equipment** issued prior to the effective date of cancellation will remain in effect until individually canceled or until the **Termination Date** of the **Agreement**, whichever is earlier.

3. NONRENEWAL OF THIS SUPPLEMENTAL POLICY

If WE decide not to renew this Supplemental Policy, WE will mail or deliver YOU written notice of the nonrenewal not less than 30 days before the annual expiration date of the Supplemental Policy.

If WE decide not to renew this Supplemental Policy, coverage on **Equipment** issued prior to the effective date of cancellation will remain in effect until individually canceled or until the **Termination Date** of the **Agreement**, whichever is earlier.

4. MAILING OF NOTICES

WE will mail cancellation and/or nonrenewal notices to YOU at the last address known to US. Delivery or proof of mailing will be sufficient proof of notice.

5. CANCELLATION DUE TO OTHER COVERAGE

If WE or OUR agent are notified that there is other insurance on the **Equipment** which meets YOUR lease or finance agreement requirements, then OUR coverage on **Equipment** will be canceled as of the date of such other insurance and all related unearned premiums as of such cancellation date will be refunded to YOU.

6. REFUND OF UNEARNED PREMIUM



Any unearned premium resulting from any cancellation or early ending of coverage on specific **Equipment** will be paid to YOU. The premium earned will be based on the percentage of the term for which coverage has been provided under this Supplemental Policy, with the percentage determined by the number of days coverage was in effect divided by the total number of days in the term of the coverage.

C. LEGAL ACTION AGAINST US

No person or organization has a right under this Supplemental Policy:

1. To join US as a party or otherwise bring US into a **Suit** asking for **Damages** from an Insured; or
2. To sue US on this Supplemental Policy unless all of its terms have been fully complied with.

A person or organization may sue US to recover on an agreed settlement or on a final judgment against YOU obtained after an actual trial. However, WE will not be liable for losses that are not covered under this Supplemental Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by YOU, US, and the claimant or the claimant's legal representative.

D. OTHER INSURANCE

If other valid and collectible insurance is available to you for a loss WE cover under this Supplemental Policy, OUR obligations are limited as follows:

1. **PRIMARY INSURANCE:** This insurance is primary to other policies on which YOU are the insured. If this insurance is primary, OUR obligations are not affected unless any of the other insurance is also primary. Then, WE will share with all other insurance by the method described in 3. below.
2. **EXCESS INSURANCE:** This insurance is excess over any other insurance available to YOU under policies on which YOU are not the insured, including but not limited to policies held by **YOUR LESSEE** or companies that are affiliated with YOU.

When this insurance is excess, WE will have no duty to defend YOU against any **Suit** if any other insurer has a duty to defend YOU against that **Suit**. If no other insurer defends, WE will undertake to do so, but WE will be entitled to YOUR rights against all those other insurers.

When this insurance is excess over other insurances, WE will pay only OUR share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance.

WE will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

3. **METHOD OF SHARING:** If all of the other insurance permits contribution by equal shares, WE will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, WE will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

E. REPRESENTATIONS

By accepting this Supplemental Policy, YOU agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations YOU made to US; and



3. WE have issued this Supplemental Policy in reliance upon YOUR representations.

F. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If YOU have rights to recover all or part of any payment WE have made under this Supplemental Policy, those rights are transferred to US. YOU must do nothing after the loss to impair those rights. At our request, YOU will bring **Suit** or transfer those rights to US and help US enforce those rights.

G. RIGHTS OF RECOVERY AGAINST YOUR LESSEE

If YOU have rights to recover **Damages** from **YOUR LESSEE** for a loss for which WE make payment under this Supplemental Policy, WE have no such rights to recover from **YOUR LESSEE** to the extent of OUR payment or to any extent.

H. INSPECTION OF RECORDS

YOU must keep records of all **Agreements** with **YOUR LESSEES** and records of all **Equipment**. These records must be available for inspection by US or OUR agent at all reasonable times.

I. TO WHOM PROVISIONS ARE APPLICABLE

The provisions of this Supplemental Policy shall inure to the benefit of and be binding upon YOU and US. No other person or entity shall have any rights under this Supplemental Policy unless expressly granted in writing by US.

J. HOW THIS SUPPLEMENTAL POLICY MAY BE CHANGED

This Supplemental Policy contains all the agreements between YOU and US concerning the insurance provided. This Supplemental Policy's terms and conditions may be amended or waived only by endorsement issued by US and agreed upon by YOU and US, and made a part of this Supplemental Policy.

K. TERMS OF SUPPLEMENTAL POLICY CONFORM TO STAUTE

Terms and conditions of this Supplemental Policy, which are in conflict with the statutes of the state in which this Supplemental Policy is issued, are amended to conform to those statutes.

SECTION VI – DEFINITIONS

Words and phrases that are capitalized or bolded have special meaning, as defined her or in other sections of the Supplemental Policy.

- A. Accident** includes continuous or repeated exposure to the same conditions.
- B. Agreement** means a contract that is a lease, lease schedule or finance agreement between YOU and **YOUR LESSEE** for **Equipment**, and which sets forth the terms and conditions of such contract.
- C. Auto** means a land motor vehicle, trailer, or semi trailer designed for travel on public roads, including any attached machinery or equipment. **Auto** does not include **Mobile Equipment**.
- D. Injury** means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time. Damages because of bodily injury include damages claimed by a reserve or organization for care, loss of services, or death resulting at any time from the bodily injury.
- E. Coverage Territory** means the United States of America (including its territories and possessions) and Canada.



F. Equipment means:

- a. Equipment leased or financed by YOU under a single lease or finance agreement for a period of at least 1 year to other parties who are **YOUR LESSEES**;
- b. Equipment YOU have reported to US or OUR agent as described SECTION III, Paragraph A. Monthly Reporting; and
- c. Equipment not excluded here or elsewhere under this Supplemental Policy. The following items are not **Equipment** and hereby excluded from coverage under this Supplemental Policy:
 - i. Aircraft, **Auto**, or watercraft, including their motors, equipment, and accessories;
 - ii. Equipment used in mining, logging, lumbering or oil and gas explorations or processing;
 - iii. Underground equipment or equipment while located underground. But WE will cover **Injury** or **Damage** arising out of the use or operation of **Equipment** located below ground level in enclosed buildings that are not completely underground;
 - iv. Any equipment that is leased, hired, rented, or borrowed with an operator.

G. Employee includes a leased worker.

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads; or
- b. Vehicles maintained for use solely on or next to premises YOU own or rent; or
- c. Vehicles that travel on crawler treads; or
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - i. Power cranes, shovels, loaders, diggers or drills; or
 - ii. Road construction or resurfacing equipment such as graders, scrapers or rollers; or
- e. 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:
 - i. Air compressors, pumps and generators, including spraying welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - ii. Cherry pickers and similar devices used to raise or lower workers; or
- f. Vehicles not described in 1, 2, 3, or 4. above and 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**:
 - i. Equipment designed primarily for:
 1. Snow removal; or
 2. Road maintenance, but not construction or resurfacing; or
 3. Street cleaning;
 - ii. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - iii. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

I. Occurrence means an **Accident**, resulting in **Injury** or **Damage** caused by and resulting directly from the operation, use, or existence of **Equipment** leased by YOU to YOUR LESSEES.

J. Termination Date means the date on which the lease or finance agreement is scheduled to terminate as determined at the inception of that lease or finance agreement.

K. Pollutants mean 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.

L. Damage means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use deemed to occur at the time of the **Occurrence** that caused it.



M. REPORT means the monthly report requirement described in **SECTION III – REPORTING REQUIREMENTS AND PREMIUM PAYMENT**.

N. Suit means a civil proceeding in which damages because of **Injury** or **Damage** to which this insurance applies are alleged. Suit includes:

- a. An arbitration proceeding in which such damages are claimed and to which YOU submit with OUR consent; or
- b. Any other alternative dispute resolution proceeding in which such damages is claimed and to which YOU submit with OUR consent.

O. Void means when coverage under this Supplemental Policy is rescinded in such a way that there was never any coverage in force or effect.

P. YOUR LESSEES (YOUR LESSEE) means persons, companies or other legal entities that have entered into written agreements with YOU for the leasing or financing of equipment under THEIR care, custody, and control. **YOUR LESSEES** are not loss payees, insureds or additional insureds under this Supplemental Policy.

This Supplemental Policy, together with any written applications, contracts, or representations in connection therewith, contains all agreements existing between YOU and US or any agents relating to this insurance.

This Supplemental Policy is made and accepted subject to all conditions and agreements in the Supplemental Policy together with other provisions, agreements, or conditions, which may be endorsed hereon or added hereto.

IN WITNESS WHEREOF, WE have caused this Supplemental Policy to be executed by OUR President and Secretary, respectively.

Handwritten signature of Carl H. Lindner III in black ink.

Carl H. Lindner III
President

Handwritten signature of Karen Holley Horrell in black ink.

Karen Holley Horrell
Secretary

Policy Number:

Effective Date:

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

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

The Office of Foreign Assets Control (OFAC) administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals. OFAC acts under Presidential wartime and national emergency powers. OFAC has identified and listed numerous:

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

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

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. Sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

With respect to coverage provided by this endorsement, the provisions of the Policy apply unless modified by the endorsement. Words or phrases used in this endorsement that are in **bold type** have special meaning, as defined in the Policy.

This endorsement modifies insurance provided under the following:

LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY

And if attached to the Policy

LEASE BROKER FINANCED EQUIPMENT LIABILITY SUPPLEMENTAL INSURANCE POLICY

Under **SECTION V – GENERAL CONDITIONS, B. CANCELLATION AND NONRENEWAL OF THE POLICY**, paragraphs 2. and 3. are deleted and replaced by the following:

2. HOW WE MAY CANCEL THIS POLICY:

a. Cancellation Of Policies In Effect For 60 Days Or Less

If this Policy has been in effect for 60 days or less, and is not a renewal or a continuation of a Policy WE have previously issued, WE may cancel this Policy by mailing or delivering to YOU at the mailing address shown in the Policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- 1) 10 days before the effective date of cancellation if WE cancel for:
 - (a) Nonpayment of premium; or
 - (b) Discovery of fraud by:
 - (1) Any insured or his or her representative in obtaining this insurance; or
 - (2) YOU or YOUR representative in pursuing a claim under this Policy.
- 2) 20 days before the effective date of cancellation if WE cancel for any other reason.

b. Cancellation Of Policies In Effect For More than 60 Days

If this Policy has been in effect for more than 60 days, or is a renewal or a continuation of a Policy WE issued, WE may cancel this Policy only for one or more of the following reasons:

- 1) Nonpayment of premium;
- 2) Fraud or material misrepresentation made by YOU or with YOUR knowledge in obtaining the Policy, continuing the Policy or in presenting a claim under the Policy;
- 3) 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 **Covered Equipment** which substantially increases any hazard insured against under the Policy;
- 5) A material violation of a material provision of the Policy.

Subject to Paragraph 3) above, if WE cancel for:

- 1) Nonpayment of premium, WE will mail or deliver written notice of cancellation, stating the reason for cancellation, to YOU and any lienholder or loss payee named in the Policy at least 10 days before the effective date of cancellation.
- 2) Any other reason, WE will mail or deliver notice of cancellation to YOU and any lienholder or loss payee named in the Policy at least 20 days before the effective date of cancellation.

- c. If this Policy is cancelled, WE will send YOU any premium refund due.

WE will refund the pro rata unearned premium if the Policy is:

- 1) Cancelled by US or at OUR request;
 - 2) Cancelled but rewritten with US or in OUR company groups;
 - 3) Cancelled because YOU no longer have an insurable interest in the **Covered Equipment** that is the subject of this insurance; or
 - 4) Cancelled after the first year of a pre-paid policy that was written for a term of more than one year.
- d. If the Policy is cancelled at YOUR request, other than a cancellation described in **c.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.
- e. The cancellation will be effective even if WE have not made or offered a refund.
- f. If YOU cancel the Policy, WE will retain no less than \$100 of the premium.

3. WHEN WE DO NOT RENEW

If WE decide not to renew or continue this Policy, WE will mail to YOU and to any lienholder of loss payee named in the Policy, written notice of nonrenewal at least 60 days before:

- a. It's expiration date; or
- b. Its anniversary date, if it is a Policy written for a term of more than one year and with no fixed expiration date.

The **LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY** is amended as follows:

Under **SECTION IV. – LOSS CONDITIONS**, the **APPRAISAL** conditions is deleted in its entirety and replaced by the following:

A. APPAISAL

1. If WE and YOU disagree on the value of the **Covered Equipment** or the amount of **Loss**, either party may make a written request for an appraisal of the **Loss**. However, an appraisal will be made only if both WE and YOU agree, voluntarily, to have the **Loss** appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the **Covered Equipment** and the amount of **Loss**. If they fail to agree, they will submit their differences to the umpire.
2. An appraisal decision will not be binding on either party.
3. If there is an appraisal, WE will retain OUR right to deny the claim.
4. Each party will:
 - a. Pay its chosen appraiser; and
 - b. Bear the other expenses of the appraisal and umpire equally.

Under **SECTION V – GENERAL CONDITIONS**, the following condition is added and supersedes any condition to the contrary:

MULTI-YEAR POLICIES

WE may issue this Policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with OUR rates and rules.



ARKANSAS FRAUD STATEMENT

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.

Policy No.:

Effective Date:

SERFF Tracking Number: *GRTA-125777930* *State:* *Arkansas*
Filing Company: *Great American Spirit Insurance Company* *State Tracking Number:* *EFT \$50*
Company Tracking Number: *IM-AR-0706-POSA*
TOI: *09.0 Inland Marine* *Sub-TOI:* *09.0005 Other Commercial Inland Marine*
Product Name: *IM-AR-0706-POSA*
Project Name/Number: *IM-AR-0706-POSA/IM-AR-0706-POSA*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: GRTA-125777930 State: Arkansas
Filing Company: Great American Spirit Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: IM-AR-0706-POSA
TOI: 09.0 Inland Marine Sub-TOI: 09.0005 Other Commercial Inland Marine
Product Name: IM-AR-0706-POSA
Project Name/Number: IM-AR-0706-POSA/IM-AR-0706-POSA

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 08/15/2008

Comments:

Attachment:
AR PCTD 1.pdf

Satisfied -Name: Form Explanatory Memo **Review Status:** Approved 08/15/2008

Comments:

Attachment:
POSA AR Form Memo.pdf

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
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3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

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

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 type="text"/> Renewal: <input 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 #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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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 #	
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

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

4a.	Rate Change by Company (As Proposed)						
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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						
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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)			
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		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	
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7.	Effective Date of last rate revision	
-----------	--------------------------------------	--

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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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	

GREAT AMERICAN SPIRIT INSURANCE COMPANY®
LEASE BROKER FINANCED EQUIPMENT INSURANCE POLICY
LIABILITY AND PROPERTY PROGRAM
COMMERCIAL INLAND MARINE FORM FILING
EXPLANATORY MEMORANDUM

PROGRAM OVERVIEW

This program is in response to perspective insureds that frequently request an insurance program that provides property and/or liability coverage for financed equipment portfolios that is deliverable at the point of sale thus satisfying the requirements to complete the financing process. The finance document governs that amount and type of property and/or liability coverage required. The program is a by-product of our previously filed and approved Point of Sale and Automatic Insurance Programs. Although the insurance coverage provided is identical, the chart below provides a brief summary of the variations in the programs.

LEASE BROKER FINANCED EQUIPMENT PROPERTY AND LIABILITY INSURANCE PROGRAM	POINT OF SALE PROGRAM
Physical damage waiver is offered to the lessee as an option by the broker. Lessor schedules physical damage coverage on an item-by-item basis. Lessor does not have an equipment portfolio.	Physical damage waiver is offered to the lessee as an option at the time the equipment is leased. Lessor schedules physical damage coverage on an item-by-item basis. Coverage is offered for each piece of equipment in the portfolio.
Mandatory Deductibles \$2,000 - Laptops \$ 500 - All Other Equipment	No mandatory deductibles.
Optional Deductible applies for each claim for Loss – Deductible is percentage of equipment value – Options 1.50% to 20% available.	Optional Deductible applies for each claim for Loss –Flat Dollar Amount ranging from \$500 to \$2,000.
Rating based on risk of loss.	Rating based on class of equipment
Loss Settlement – Lesser of Repair, Replace, or Net Payoff in the loss settlement calculation.	Loss Settlement – Lesser of Repair, Replace, or Stipulated Loss Value in the loss settlement calculation.
Increased Term, Payment Frequency & ACV Settlement Rating Factors	No Increased Term, Payment Frequency & ACV Settlement Rating Factors
No Portfolio Size Factor	Portfolio Size Rating Factor
\$75 annual minimum premium	No annual minimum premium
The coverage on a specific financed equipment is in force the earlier of: <ul style="list-style-type: none"> ▪ Lease inception date; or ▪ Delivery date of the equipment to the lessee; or ▪ Reported coverage effective date 	Coverage always begins on the inception date of the Lease Agreement
Leased and Financed Equipment held by a Broker or their assigned	Leased and Financed Equipment held by Lessors

GREAT AMERICAN SPIRIT INSURANCE COMPANY®
LEASE BROKER FINANCED EQUIPMENT INSURANCE POLICY
LIABILITY AND PROPERTY PROGRAM
COMMERCIAL INLAND MARINE FORM FILING
EXPLANATORY MEMORANDUM

This program is designed for commercial equipment lessors and their lease brokers initiating small and mid-ticket equipment financing. This program insures the broker and assigned interest in the financed equipment. Standard finance agreements require the lessee to provide property and/or liability insurance coverage on the financed equipment depending upon the financing structure. At the time of entering into the finance agreement, the lessee has the choice to provide proof of their own insurance or to voluntarily enroll the financed asset under the lessor's insurance program. The lessee makes this choice in writing at the point of sale. If the lessee chooses to have the lessor insure the equipment, then the lessor requests coverage from the insurance company. This program is offered on a wide range of equipment assets.

The coverage on this program will be available from the effective date displayed on the Declarations page, and is continuous until cancelled by the Lessor. The coverage on a specific financed equipment is in force the earlier of:

- Lease inception date; or
- Delivery date of the equipment to the lessee; or
- Reported coverage effective date

COVERAGE

The coverage in this program is determined on a lease enrollment basis. The lessor will indicate if the financed asset should have property and/or liability coverage when the asset is enrolled in the insurance program.

Property Coverage: the lessor's leased asset is protected by a broad form (open peril policy) with certain specified exclusions. This policy's coverage automatically includes theft, power surge, flood, and the coverages provided under the standard Inland Marine Policy. Settlements are based on the lesser of 1) repair or replacement of any part of the covered equipment, 2) replacement cost of the covered equipment, or 3) net payoff of the remaining lease payments. This coverage is primary position coverage.

Liability Coverage: the lessor is protected from damages because of Bodily Injury or Property Damage caused by an accident occurrence from the operation, use, or existence of the leased equipment. This policy's coverage includes defense costs of any suit seeking these damages. This coverage is primary position coverage.

GREAT AMERICAN SPIRIT INSURANCE COMPANY®
LEASE BROKER FINANCED EQUIPMENT INSURANCE POLICY
LIABILITY AND PROPERTY PROGRAM
COMMERCIAL INLAND MARINE FORM FILING
EXPLANATORY MEMORANDUM

FORMS

We propose to introduce the following forms and endorsements to be used with this program. The forms are designed to comply with applicable state statutes and regulations.

1. **LEASE BROKER FINANCED EQUIPMENT INSURANCE POLICY DECLARATIONS PAGE: POSA-GN-0001 (06/07) and AMENDED DECLARATIONS PAGE: POSA-GN-0001A (06/07):**
The Declarations Page to be used with this new program displays all of the pertinent information concerning the program. The Declarations displays the coverage, premium/rate information and a listing of all attachments.
2. **LEASE BROKER FINANCED EQUIPMENT PROPERTY INSURANCE POLICY: POSA-GN-0002 (06/07)**
The policy provides a description of the coverage and any exceptions, limitations or restrictions.
3. **LEASE BROKER FINANCED EQUIPMENT LIABILITY SUPPLEMENTAL INSURANCE POLICY: POSA-ER-2002 (10/07)**
This is an optional supplemental liability policy that the lessor can add to their Lease Broker Financed Equipment Insurance Property Policy. The lessor can choose to be protected from damages because of Bodily Injury or Property Damage caused by an accidental occurrence from the operating or use of the leased equipment. This supplemental policy's coverage includes defense costs of any suit asking for the damages. This coverage is primary position coverage. The supplemental policy provides a description of the coverage and any exceptions, limitations or restrictions.
4. **ADDITIONAL INSURED ENDORSEMENT: POSA-GN-0003 (06/07)**
The endorsement extends Lease Broker Financed Equipment Property and Liability Supplemental Insurance Coverage to lessors who are assigned the insured's interest in the **Lease Agreements** during the policy period.
5. **SCHEDULE OF ELIGIBLE EQUIPMENT TYPES: POSA-GN-0004 (06/07)**
The endorsement displays a list of equipment types that are eligible for coverage under this program.
6. **ARKANSAS CHANGES ENDORSEMENT: POSA-AR-1003 (05/08)**
This endorsement amends several provisions of the policy to comply with cancellation and non-renewal sections of Arkansas Insurance Laws.
7. **ARKANSAS FRAUD STATEMENT: POSA-AR-8003 (05/08)**
This endorsement provides the Arkansas fraud notice.