

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHESTERFIELD COUNTY
Court of Common Pleas

The Honorable Paul M. Burch, Circuit Court Judge

Case No. 2013-001321

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SC Court of Appeals

Auto-Owners Insurance Company,.....Appellant,

v.

Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee Cail, Naida L. Singleton and Pee Dee
Heating and Cooling Specialists, Inc., Defendants,

Of Whom Elouise Woody Benjamin and Melvin Benjamin are the Respondents.

RECORD ON APPEAL

VOL. II

Dominic A. Starr, SC Bar No. 66231
Alan G. Jones, SC Bar No. 10141
McAngus, Goudelock & Courie LLC
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

Attorneys for Appellant

William P. Hatfield, Esquire
The Hyman Law Firm, LLP
Post Office Box 177
Florence, South Carolina 29503-1770
(843) 662-5000

Robert N. Hill, Esquire
Law Offices of Robert Hill
Post Office Box 51
Newberry, South Carolina 29108
(803) 405-1629

Attorneys for Respondents

INDEX

VOL. I

1. Second Amended Summons & Complaint, C/A 2008-CP-34-181,
November 13, 2009 (underlying personal injury action).....4-12
2. Summons & Complaint (Declaratory Judgment Insurance Coverage),
December 19, 2008 (Auto Policy).....13-29
3. Defendants Benjamins' Answer & Counterclaim, January 8, 2009.....30-34
4. Auto-Owners' Reply to Counterclaim, January 21, 2009.....35-37
5. Order, May 3, 2011, Honorable Paul M. Burch.....38-48
6. Settlement Agreement, Covenant Not to Execute and
Policy Release, June 14, 2011.....49-54
7. Summons & Complaint (Declaratory Judgment Insurance Coverage),
July 8, 2011 (CGL Policy) 55-129
8. Defendants Benjamins' Answer & Counterclaim, July 28, 2011.....130-137
9. Auto-Owners' Reply to the Counterclaim, August 15, 2011.....138-140
10. Auto-Owners' Motion for Summary Judgment, March 28, 2012.....141-150
11. Defendants Benjamins' Motion for Summary Judgment,
November 1, 2012.....151-154
12. Defendants Benjamins' Response in Opposition to
Plaintiff's Motion, January 22, 2013.....155-408

VOL. II

13. Auto-Owners' Reply to Defendants' Response in Opposition,
January 29, 2013.....409-414
14. Transcript of Oral Arguments before The Honorable Paul M. Burch,
January 28, 2013.....415-438
15. Order Granting Summary Judgment, March 22, 2013,
Honorable Paul M. Burch.....439-441

16.	Auto-Owners' Motion to Alter or Amend Judgment, May 22, 2013.....	442-444
17.	Order Denying Motion to Alter or Amend, Honorable Paul M. Burch, June 3, 2013.....	445-451
18.	Notice of Appeal, June 12, 2013.....	452-457
19.	Auto-Owners Automobile Policy No. 44-381-843-00.....	458-522
20.	Auto-Owners General Liability Policy No. 034616-36381843-08.....	523-576

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHESTERFIELD)

IN THE COURT OF COMMON PLEAS

AUTO-OWNERS INSURANCE)
 COMPANY,)

Civil Action No. 2011-CP-13-271

Plaintiff,

vs.

ELOUISE WOODY BENJAMIN,
 MELVIN BENJAMIN, JOSHUA LEE
 CAIL, NAIDA L. SINGLETON AND PEE
 DEE HEATING AND COOLING
 SPECIALISTS, INC.,

Defendants.

PLAINTIFF'S REPLY TO
 DEFENDANT'S RESPONSE IN
 OPPOSITION TO PLAINTIFF'S
 MOTION FOR SUMMARY
 JUDGMENT

2013 FEB 29 AM 10 35
 COURT CLERK
 COURT OF COMMON PLEAS
 CHESTERFIELD COUNTY, S.C.

In their "Response in Opposition to Plaintiff's Motion for Summary Judgment," Defendants Elouise Woody Benjamin and Melvin Benjamin ("Defendants") incorrectly assert that the two Courtney opinions¹ provide guidance for this Honorable Court in its decision as to whether Auto-Owners Insurance Company's ("Auto-Owners") Commercial General Liability ("CGL") policy provides coverage for the auto accident underlying this declaratory judgment action. In actuality, the Courtney opinions apply only to an "automatic termination clause" in an automobile insurance contract. No such clause is at issue in this case. "Similar" insurance in the instant matter is not an ambiguous term for the covered entity as no interpretation by either party is necessary for the determination of coverage. Pee Dee Heating and Cooling Specialists ("Pee Dee") had similar coverage under its auto insurance policy as determined by this Honorable

¹ The first opinion was issued as South Carolina Farm Bureau Mut. Ins. Co. v. Courtney, 342 S.C. 271, 536 S.E.2d 689 (Ct. App. 2000). Certiorari was granted and the decision was affirmed as to result in South Carolina Farm Bureau Mut. Ins. Co. v. Courtney, 349 S.C. 366, 563 S.E.2d 648 (2002). 689 (Ct. App. 2000).

Court; therefore, no coverage can be triggered under the CGL policy and Plaintiff's Motion for Summary Judgment should be granted.

FACTUAL BACKGROUND

The factual background for this matter was previously set out in Auto-Owners' Memorandum in Support of Summary Judgment, filed on March 28, 2012. To relieve the Court of the burden of reading the same facts again, Plaintiff craves reference to the above-reference memorandum.

CASE LAW

The South Carolina Supreme Court has held that "[w]here the language of a contract is free from ambiguity, its construction is for the Court." Charleston & Western Carolina Ry. Co. v. Joyce, 231 S.C. 493, 503 (1957) (citing Batesburg Cotton Oil Co. v. Southern Ry. Co., 103 S.C. 494, 88 S.E. 360 (1916); Huntley v. Sullivan, 170 S.C. 391, 170 S.E. 664 (1933); Stackhouse v. Pure Oil Co., 176 S.C. 318, 180 S.E. 188 (1935)). The Supreme Court has explained:

[I]n cases where there is no ambiguity, contracts of insurance, like other contracts, must be construed according to the terms which the parties have used, to be taken and understood in their plain, ordinary and popular sense. If the intention of the parties is clear, the Courts have no authority to change the contract in any particular and have no power to interpolate into the agreement between the insurer and the insured, a condition or stipulation not contemplated either by the law or by the contract between the parties.

Kingman v. Nationwide Mut. Ins. Co., 243 S.C. 405, 411 (1964) (citations omitted).

Furthermore, insurers may limit their liabilities and impose conditions upon their obligations, so long as they do not contravene a statutory inhibition or violate public policy.

Kingman, 243 S.C. at 405. An insurance contract is read as a whole document so that "one may not, by pointing out a single sentence or clause, create an ambiguity." Yarborough v. Phoenix

Mut. Life Ins. Co., 266 S.C. 584, 592, (1976). If the contract's language is clear and unambiguous, the language alone, understood in its plain, ordinary, and popular sense, determines the contract's force and effect. Schulmeyer v. State Farm Fire & Cas. Co., 353 S.C. 491, 495 (2003).

ANALYSIS

Despite their assertion that “[r]arely can a case be found as on point as the Courtney case,” Defendants’ reliance on Courtney for the proposition that “similar insurance” language is *per se* ambiguous is entirely misplaced. As Defendants’ quotations from the Court of Appeals opinion so clearly show, the Court specifically limited its analysis of “similar insurance” language to “the context of automatic termination clauses...” South Carolina Farm Bureau Mut. Ins. Co. v. Courtney, 342 S.C. 271, 277, 536 S.E.2d 689, 691 (Ct. App. 2000). Indeed, the Court of Appeals opinion references “automatic termination clauses” over ten times. Each of the three cases cited from courts of other jurisdictions² deal specifically, and only, with automatic termination clauses in situations where (1) a covered individual purchases a new auto policy and (2) the original policy carrier canceled the previous policy with no notice to the insured. The distinction between the “automatic termination clause” examined in Courtney and the clause at issue in the present case is stark. The difference in effect is crucial to understanding why the Court of Appeals and Supreme Court chose to limit the context of their opinions.

The automatic termination clause examined in Courtney operates by terminating an existing auto insurance policy if “similar insurance” on the automobile was purchased during the effective dates of the existing policy. This termination often came with no notice to the insured, even if, as in the case of the Courtneys, the person purchasing the insurance did not have the

² Employers Mutual Casualty Co. v. Martin, 671 A.2d 798 (R.I. 1996), Motors Insurance Corp. v. Bodie, 770 F. Supp 547 (E.D. Cal. 1991), and United Fire & Casualty Co. v. Victoria, 576 N.W.2d 118 (Iowa 1998).

consent of the original policy owner to do so. The effect of such a clause could be devastatingly punitive: the termination of an auto policy without the knowledge or consent of the current policyholder could easily place them in a position where they were without coverage through no fault or choice of their own.

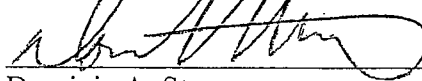
An automatic termination clause is entirely different in intent and effect than the clause at issue in this case, and the language loses its ambiguity as a result. This matter arises out of a clause in Pee Dee's CGL policy which works in concert with the insured's other policies, not as a means to terminate them. Broadly speaking, the CGL Policy provides the insured with coverage for its premises and property as well as claims for personal and bodily injury. The Commercial General Liability Plus Endorsement ("Endorsement") extends coverage for bodily injury and property damage for a hired auto or non-owned auto, "but only if you do not have any other insurance available to you which affords the same or similar coverage." In essence, this clause is designed to protect the insured against the exact scenario examined under Courtney: a lapse in coverage without notice.

The Endorsement in this case is in place to "fill a gap" that would be created only in the event that for some reason an auto policy was not in force to handle a claim for an accident involving a hired auto or non-owned auto. Such an auto policy was in force and has handled this claim under the previous declaratory judgment. Any other reading would make the Endorsement a form of additional insurance to be tacked on to existing coverage. Nowhere in the policy's language is there any indication that this Endorsement was meant to provide additional coverage to other policies. Therefore, the public policy reasons underpinning the Supreme Court's ruling in Courtney that automatic termination clauses violated South Carolina law are not present in this situation. None of Pee Dee's coverage was terminated. Instead the "triggering

event” for this endorsement did not occur. Thus, no gap was created that needed filling.

As the Court of Appeals noted, “in order to determine whether the two [policies] are sufficiently alike to be deemed similar, the policies must be examined as a whole.” Courtney, 342 S.C. at 276, 536 S.E.2d at 691. An examination of the policies as a whole in this matter reveals an ordered and explicit system of coverages that contemplate the scenario before this Honorable Court. The facts in this case are entirely different from those in the Courtney opinions and merit a fresh examination outside the lens of those two cases. For these reasons, and the reasons set forth in Auto-Owners’ Memorandum in Support of Summary Judgment, Auto-Owners is entitled to Summary Judgment.

MCANGUS GOUDELOCK & COURIE, L.L.C.



Dominic A. Starr

Alan G. Jones

Post Office Box 1349

Founders Centre, 2411 N. Oak St, Suite 401 (29577)

Myrtle Beach, South Carolina 29578

(843) 848-6000

ATTORNEYS FOR PLAINTIFF, AUTO-
OWNERS INSURANCE COMPANY

January 24, 2013

CERTIFICATE OF SERVICE

I hereby certify that I have this 25th day of January, 2013 served a copy of the Plaintiff's Reply to Defendant's Response In Opposition to Plaintiff's Motion for Summary Judgment by mailing copies of same, postage prepaid, in the United States mail, with sufficient postage affixed as follows:

William P. Hatfield, Esquire
The Hyman Law Firm, LLP
170 Courthouse Square
Post Office Box 1770
Florence, South Carolina 29503-1770



Mary K. Smith
Legal Assistant to Dominic A. Starr

CLERK OF COURT C.P. & G.S.
CHESTERFIELD COUNTY, SC

A True Copy. Attest
Faye L. Sellers

2013 JAN 29 AM 10 35
FAYE L. SELLERS
CLERK OF COURT
CHESTERFIELD COUNTY, S.C.

THE STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF CHESTERFIELD	)	FOURTH JUDICIAL CIRCUIT
	)	
Auto Owners Insurance Co.	)	JANUARY 28, 2013
	)	
PLAINTIFF	)	
	)	
VERSUS	)	
	)	
Elouise Woody Benjamin,	)	2011-CP-13-271
Melvin Benjamin,	)	
Joshua Lee Cail,	)	
Naida L. Singleton, and	)	
Pee Dee Heating and	)	
Cooling Specialists, Inc.	)	
	)	
DEFENDANTS	)	
	)	

BEFORE

THE HONORABLE PAUL M. BURCH

APPEARANCES

Dominic Allen Starr, Esquire
ATTORNEYS FOR THE PLAINTIFF

William P. Hatfield, Esquire
ATTORNEYS FOR THE DEFENDANT

Pamela Ozment-Cartee
Circuit Court Reporter

Hearing

Page 03

Certificate of Reporter

Page 22

EXHIBITS

<u>NUMBER</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1.	Order	11
2.	Defendant's Answer and Interrogatories	11
3.	Automobile Policy Declaration	11
4.	Policy	11

1 (Whereupon, this hearing began at 2:33 p.m.
2 on Monday January 28, 2013.)

3 THE COURT: All right. What we got today?

4 MR. HATFIELD: Pardon?

5 THE COURT: You ready?

6 MR. HATFIELD: Yeah, we're ready. Ah, Dominic is
7 the moving party as to his Motion.

8 MR. STARR: Yes, Your Honor, Dominic Starr I'm here
9 for Auto Owners Insurance Company. As we mentioned during
10 the roster call, Your Honor, this -- this is a DJ action
11 and the -- the parties have agreed to essentially just each
12 argue Summary Judgment Motions let the Court make a ruling
13 and that would resolve the case. Just to give, Your Honor,
14 a little bit of a background, Your Honor, actually heard a
15 previous DJ action related to this same accident. Um, and
16 on April 4, 2008 an employee of Pee Dee Heating and Cooling
17 Specialist name Joshua Cail was involved in an automobile
18 accident with Mr. Hatfield's client, Mrs. Elouise Benjamin.
19 Mrs. Benjamin was injured in that accident and filed,
20 subsequently filed a lawsuit regarding those injuries.
21 Three days prior to that accident, Your Honor, Auto Owners
22 Insurance Company issued two separate insurance policies to
23 Pee Dee Heating and Cooling. The first was an automobile
24 policy that covered all of Pee Dee Heating and Cooling
25 vehicles and the second was a Commercial General Liability

1 or CGL policy that covered claims against the business.
2 Auto Owners filed a DJ action regarding the auto policy
3 initially, Your Honor, arguing that Mr. Cail was not a
4 permissive user of the vehicle at that time. The facts of
5 that case were that he had been using it over the weekend,
6 had gone to visit a girlfriend and was returning from
7 having visited his girlfriend. And so Auto Owners filed
8 that Motion. There was testimony it was actually in this
9 courtroom, Your Honor, and Your Honor, determined based
10 upon the course of action and pervious actions of other
11 drivers that -- that Mr. Cail was a permissive user and
12 that coverage under the automobile policy applied. On
13 behalf of Auto Owners, we filed a Motion to Reconsider but
14 while that was pending, Your Honor, we reached an agreement
15 between the parties to resolve that claim for the \$300,000
16 policy limits under the auto policy. That -- that has been
17 paid to, um, Ms. Benjamin, via her attorney, Mr. Hatfield.
18 This -- also as part of that agreement this Declaratory
19 Judgment action was filed in which we are seeking the
20 Court's determination regarding the applicability of cover
21 -- of additional coverage under this CGL policy.

22 Your Honor, it is Auto Owners position that there is
23 no additional coverage available for this -- for the
24 injuries resulting from this accident under the CGL policy.
25 Broadly speaking and I'm sure, Your Honor, knows the

1 Commercial Liability Policy essentially protects uninsured
2 property both business and personal property associated
3 with it's business as well as protecting a business against
4 claims related to work of employees, product problems that
5 people have as a result of any work that's been done by the
6 business or behalf of the business. As I mentioned it
7 previously when Pee Dee Heating and Cooling got this CGL
8 policy, on the same day they received the auto policy that
9 will cover their fleet of employee operated vehicles. Your
10 Honor, the CGL policy does not provide additional coverage
11 for this injury -- for these injuries in this accident for
12 two primary reasons. First, the CGL policy specifically
13 excludes injury claims related to the use of an automobile.
14 It's very clearly set out with the CGL policy does not
15 cover the auto fleet and injuries related to auto
16 accidents. However, Your Honor, there is an endorsement
17 that was added to that policy that provides -- that
18 provides an extension of coverage for injury claims to
19 claims that relate to injuries from an employee's use of an
20 automobile. But that coverage, that extension of coverage
21 is limited and it says specifically that, that coverage is
22 available and I quote from the policy, Your Honor, and the
23 policies, Mr. Hatfield, we have joint exhibits that are
24 going to be presented but we've -- we've previously with
25 our Motion, provided a copy of the policy, but the policy

1 specifically says, that, that coverage that extended
2 coverage for injuries -- injury claims related to the use
3 of auto applies, "only if you do not have any other
4 insurance that provides the same or similar coverage."

5 What that is design to do that endorsement is designed to
6 do is to protect Pee Dee Heating and Cooling the insured,
7 from some unexpected situation in which their auto policy
8 did not provide coverage for an accident and a subsequent
9 claim has been made against the company. It is not
10 designed to provide supplemental coverage if an auto policy
11 is in place and that coverage exist. And in this case,
12 there's no surprise to anyone at Pee Dee Heating and
13 Cooling regarding this as both of those policies were
14 purchased on the same day from Auto Owners via an insurance
15 agency. Now, in arguing against our Motion for Summary
16 Judgment and in favor of his Motion, Mr. Hatfield has cited
17 South Carolina Farm Bureau versus Courtney which is a Court
18 of Appeals decision from 2000 and then was actually heard
19 by the Supreme Court in 2002 in which the outcome of the
20 Courtney decision was affirmed on other grounds. And Mr.
21 Hatfield's argument is that the term similar insurance is
22 inherently as define by our Courts, inherently, ambiguous,
23 or vague and is to be construed against the insurance
24 carrier. But, Your Honor, the Courtney case does not apply
25 to the facts of this case for a couple of reasons. First

1 of all the Courtney case is a case in which our Court of
2 Appeals and then subsequently the Supreme Court heard
3 arguments related to the language in the automatic
4 termination clause of an insurance policy. And as, Your
5 Honor, I'm sure is aware an automatic termination clause
6 provide that if a party has similar insurance to what this
7 insurance provides then this insurance will automatically
8 be terminated. And what the Court of Appeals ruled is that
9 the term similar insurance is too vague to be construed in
10 favor of the insurance carrier and so if they are running
11 differences in the policies then the insurance carrier
12 would not be allowed to unilaterally automatically
13 terminate a policy of insurance. In our case, Your Honor,
14 -- well let me just say with respect to Courtney that
15 context is determined to be reviewed by the Court within the
16 context of the automatic termination clause and the Court
17 of Appeals decision says that more than ten times in a four
18 page decision, that they're looking at that in terms of ---
19 in the context of automatic termination clause. The
20 Supreme Court then heard that and actually determined that
21 the automatic termination clauses are invalid on their face
22 in South Carolina. So as of 2002 automatic termination
23 clauses were declared invalid in South Carolina and so the
24 Courtney decision was affirmed but it was affirmed for a
25 difference reason and that reason was the Supreme Court

1 said these clauses are invalid period. Now Courtney is not
2 applicable to this case, Your Honor, because first of all
3 we're not dealing with an automatic termination clause.
4 This has nothing to do with the situation that the Court of
5 Appeals and the Supreme Court was trying to protect against
6 on behalf of the insured and that is when an insured
7 unknowingly loses all of his insurance coverage he has a
8 different policy that an insurance carrier says we think
9 that's similar to ours we're canceling ours and then the
10 other one doesn't apply for some other reason and the
11 insured unbeknownst to him or through no fault of his or
12 her own, sudden fines himself without insurance. That was
13 declared invalid and that prior to being declared invalid,
14 that language was deemed to be read very narrowly in favor
15 of the insured and against the insurance carrier. What we
16 have, Your Honor, is a supplemental layer of protection
17 that's sported to our insured if he the insured found
18 himself in a situation just like the Court of Appeals and
19 Supreme Court we're looking to protect in the Courtney case
20 and that is if for some reason he found that he did not
21 have insurance coverage on his vehicles for whatever reason
22 that the policy that he had in place did not apply, could
23 be for lack of payments, could be for any other number of
24 reasons why the coverage would've -- would've not been
25 triggered this extended coverage said not only will this

1 CGL policy protect your property and protect your company
2 from claims but it will also protect your autos if you do
3 not have any other insurance that provides a similar
4 protection to your autos and that is key, Your Honor, and
5 that is the language that says, any other insurance. In
6 fact, in the Courtney case the Court of Appeals made a
7 specific note and it's in footnote (1) that in that case,
8 South Carolina Farm Bureau, which was the insurance carrier
9 involved in that case, South Carolina Farm Bureau counsel
10 argued that a line of other cases which -- which I refer to
11 as the any other insurance cases, were applicable meaning
12 that this did allow for termination of the coverage. And
13 what the Court says in footnote (1) is this, "Farm Bureau
14 assertion that Camden Wholesale Grocery and National Fire
15 Insurance in Walker versus Queen Insurance Company are
16 analogous is without merit. In these fire insurance cases
17 the Court upheld the denial with coverage based on
18 automatic termination clauses. The clauses therein however
19 expressly stated that the policies would terminate if the
20 insurance procured and I'm quoting, "any other contract of
21 insurance", not, "similar insurance". In those cases our
22 Court of Appeals held that even the very harsh automatic
23 termination clauses were valid in South Carolina, this is
24 prior to the Supreme Court declaring all of them invalid
25 regardless of the language but held that those termination

1 clauses were valid when it was clearly understood that they
2 would go into effect, in other words, cancel insurance if
3 there was any other insurance on the property. That's
4 exactly what we have in this case all be it not with the
5 harsh results of an automatic termination. This is
6 language that clearly provides to the insured that if he
7 has or in this case his company has quote, "any other
8 insurance that provides the same or similar coverage on
9 autos then the CGL extension coverage will not apply."
10 Again that is designed specifically to protect the insured
11 from being caught in a situation where for reason
12 unexpected he found that he had no auto policy coverage for
13 an accident involving one of his drivers. In this case,
14 it's -- it's the opposite of that. The auto policy has
15 been deemed by this Court actually by Your Honor, to have
16 been effect and to apply coverage and not only was there no
17 coverage there was coverage found and the policy limits
18 were paid to the Plaintiff in this case. For those
19 reason's Your Honor, we believe the CGL policy does not
20 provide coverage. First in that auto coverage is
21 specifically excluded and second, that the endorsement
22 which extends to protect for auto coverage applies only if
23 there is no other insurance available that provides a
24 similar type of coverage. And for that reason, Your Honor,
25 the argument we believe that the Courtney case and the

1 language therein applies to this case is -- is not proper
2 for the analysis of the CGL policy that provides an
3 extension of coverage only if no other coverage exist.

4 **THE COURT:** Good.

5 **MR. HATFIELD:** Thank you. Both Mr. and Mrs.
6 Benjamin are present here in the courtroom and as Mr. Starr
7 indicated we have joint exhibits which I can hand up to the
8 Court before, exhibit number 1 is the prior Order the first
9 DJ action where you included that Jonathan Cail, Joshua
10 Cail was, in fact, the permissive user at the time of the
11 crash. Exhibit number 2 are answers to interrogatories in
12 the tort claim which is pending in Marlboro County and the
13 significance of these answers is that both Pee Dee Heating
14 and Cooling Specialist and Naida Lee Singleton acknowledge
15 that only Naida Lee Singleton was the owner of the vehicle
16 that was operated by Mr. Cail at the time of the crash. In
17 other words, Pee Dee Heating and Cooling did not own the
18 vehicle that Joshua Lee Cail was operating and that become
19 important in just a moment. Exhibit number 3, is the Auto
20 Owners automobile policy that was the subject of the first
21 DJ action. . It provides a \$300.000 of coverage and then
22 exhibit 4, is the Auto Owners CGL policy which includes
23 what they call the endorsement plus which extends coverage
24 under limited circumstance that applies in this case and it
25 provides single limit coverage of one million dollars for

1 this occurrence. And let me hand up to the Court -- I will
2 hand it to your law clerk copies of the Courtney decision
3 and we had just put together a very short power point that
4 highlights the written briefs that have been filed in this
5 case. There are two questions we believe that the Court
6 has to answer to decide this action. First and foremost,
7 is Joshua Cail an insured under the CGL policy and if you
8 find that he is then we look at the language of the
9 endorsement which extends coverage unless there is other
10 insurance that is the same or similar as other coverage.
11 This is the endorsement of Section 2 related to higher auto
12 in non-own auto liability coverage. This is the
13 endorsement that extends coverage to bodily injury and
14 liability claims arising out of the maintenance use of an
15 automobile. The automobile in question you may not own.
16 You in the context of this policy is the name insured, Pee
17 Dee Heating and Cooling. It has to be a vehicle that is
18 not registered in your name, and that has not be leased or
19 rented to you for more than ninety consecutive days in
20 which is used in your business. So if -- if Mr. Cail is a
21 permissive user and if he's operating a vehicle that
22 satisfies these three criteria then he is an insured under
23 this policy. Again who is the insured you which is Pee Dee
24 or Sub C, any person using the auto and any person or
25 organization legally responsible for the use of an auto not

1 owned by such person or organization providing the actual
2 use is with your permission. It is under Sub Section C of
3 Section 2 that Joshua Cail is an insured under this
4 extended endorsement. Again the name insured is Pee Dee
5 Heating and Cooling Specialist. The insured by the CGL
6 plus endorsement has two relevant definitions, it includes
7 you which refers to the name insured, and it includes any
8 person using the auto not owned by such person provided the
9 actual use is with your permission. So if we fall within
10 these two definitions, or Mr. Cail falls within these two
11 definitions, then he is an insured and we would then go to
12 the section as to whether or not there's coverage under the
13 policy for this occurrence.

14 Here are the facts, there's no dispute that Joshua
15 Cail was using the auto, actually, he was a Tacoma truck.
16 Cail did not own this automobile. You determine previously
17 that Cail was using this -- this vehicle with Pee Dee's
18 permission. As we say here, his status as a permissive
19 user has been litigated and we handed up the Court the May
20 2, 2011 order in the first DJ action, and the auto must be
21 one that you, now this refers to Pee Dee do not own. Well
22 Pee Dee does not own the vehicle. The vehicle is not
23 registered in Pee Dee's name. It is not leased or rented
24 to Pee Dee, and it has to be used in your business, and the
25 evidence as already been presented earlier that -- that

1 Cail was provided this automobile as set forth in the
2 pervious Order.

3 Now, here are the facts, Cail was driving the '04
4 Tacoma when he crossed the center line and crashed into
5 Mrs. Benjamin's vehicle. The truck was leased to Naida
6 Singleton, not Pee Dee Heating and Cooling Specialist.
7 That is set forth in the answer to the interrogatories and
8 there's no dispute about that fact. So Pee Dee did not own
9 the truck. The truck was not registered to Pee Dee's name.
10 In fact, it was Naida Singleton's name. The truck was not
11 leased or rented to Pee Dee for more than ninety days
12 because it was leased to Naida Singleton who was not the
13 same as Pee Dee. Pee Dee is a corporation. She's an
14 individual, and Cail used this truck as a work vehicle. He
15 performed duties for Pee Dee using this vehicle. The
16 Toyota Tacoma was used in Pee Dee's business an therefore,
17 Cail is an insured under the CGL plus endorsement. All
18 right, so that's -- that's the first hurl we have to clear.

19 Now, is there a coverage for this lose? All right.
20 The significant part of this definition from the higher
21 auto and non-owned auto liability endorsement again the
22 endorsement that extends coverage to cover bodily injury
23 from a use of an automobile where in other sections of the
24 policy if it's specifically excluded it says the CGL plus
25 endorsement does not provide coverage that is the same or

1 similar to the coverage under the Auto Owners automobile
2 policy which insured Pee Dee and Cail.

3 Here are the differences, if there are difference
4 between the auto policy and the CGL policy so that the
5 policies are not similar, we know their not the same
6 because there's no -- no claim that made by Auto Owners
7 that their the same policies. Then there is coverage under
8 that extended endorsement for Mrs. Benjamin. The first
9 major difference is this, the amount of coverage under the
10 auto policy is \$300,000. Under the CGL it's a million.
11 The Court in Courtney and even though that dealt with an
12 automatic termination provision, Courtney is cited because
13 of how it -- it treats the word similar in the context of
14 automobile insurance policies and other insurers. That's
15 the key that's why it was cited. The Court in Courtney
16 said the vast difference of that difference alone is
17 sufficient to find the policies do not provide similar
18 coverage but there's more in this case. Here it is in
19 Courtney the policy is different in coverage by \$85,000.
20 The Court stated where is here a second subsequent
21 automobile insurance policy difference in both the amount
22 of coverage and the kind of coverage provided the policy
23 will not be held to be similar insurance as contemplated in
24 automatic termination provision.

25 So here's what we have other differences, as counsel

1 said in the outset of his argument the CGL policy insures
2 against bodily injury, personal injury, property damage,
3 and advertising injury, and basically covers liability risk
4 that rise out of the operation of Pee Dee's business
5 activities or at it's location. This is not an automobile
6 insurance policy as was the other policy issued by Auto
7 Owners. Again the auto policy covers exactly what the name
8 applies, bodily injury and property damage for the insurers
9 automobile causes -- the insurance automobile causes. The
10 automobile did not belong to Pee Dee. The automobile fail
11 within the definition of, owned by another party. It was
12 not leased consecutively for ninety days and was not owned
13 by the operator of the vehicle. It was owned by Naida
14 Singleton. Again it seeks to protect against injuries
15 rising out of the business where the auto policy protects
16 against liability caused by the insured vehicle. This
17 automobile policy, CGL doesn't have uninsured or
18 underinsured motor's coverage and that it contains an
19 exclusion for any bodily injury or property damage arising
20 out of the ownership maintenance used to entrust with to
21 others any auto own or operated by or rented or loan to any
22 insurer. That's in Section one of the coverage, that's
23 what counsel referred to initially as bases for no coverage
24 here and we don't dispute that except for this plus
25 endorsement here there would no coverage under this CGL.

1 If you contrast this language with the coverage extended
2 under the auto policy, it's say we will pay damages for
3 bodily injuries and property damage for which you've become
4 legally responsible because of or arising out of the
5 ownership maintenance or use of your automobile. So by
6 virtue of the exclusion and the CGL and what is included in
7 the auto policy they clearly are not similar again only
8 because of this endorsement is there limited -- is there
9 coverage when there's very, very narrow exception. You had
10 a permissive user who's operating a vehicle which the
11 permissive user does not own, is not owned by the insured
12 and which was not be leased ninety consecutive days by the
13 insured and that vehicle is used in the insurers business
14 and this case falls squarely within those definitions. So
15 again the coverage is clearly different and in summary he
16 was operating a non-owned or lease vehicle with permission
17 of Pee Dee a policy that did not provide the same or
18 similar coverage. And with these reasons, Your Honor, we
19 submit that our Motion for Summary Judgment should be
20 granted. That the CGL which was written by Auto Owners and
21 they chose to use the language similar without defining
22 that term in the policy. And the Courtney case says that
23 similar own it's face is ambiguous, but even aside from how
24 the Courtney case construes the term similar, if you look
25 just at the language they selected and compare these

1 policies side by side there are vast differences by virtue
2 of what's covered, the amount of the coverage, that
3 indicate that Cail is insured under this policy, and that
4 Ms. Singleton, excuse me, that Mrs. Benjamin who has over
5 half of million dollars in medical expenses, should get the
6 benefit of these million dollars of coverage. Now counsel
7 wanted to say that well this harsh result of automatic
8 termination is when the policy holder thinks he has
9 coverage but doesn't have coverage or whatever, that's not
10 what this policy covers. The results are just as harsh if
11 the Court determines that there's no coverage under the CGL
12 because Jonathan Cail or Joshua Cail falls squarely within
13 the very narrow definition of who's the insurer and who's
14 covered. So that, that's the purpose of this insurance to
15 supplement other insurance provided the permissive user is
16 operating a non-own, non-leased vehicle, that used for
17 business purposes that's involved in a crash and that's
18 precisely what happened here. Thank you, Your Honor.

19 **MR. STARR:** Your Honor, if I could just briefly
20 respond to that. Mr. Hatfield and I agreed with
21 essentially everything that he put up on the power point
22 except for the portion of the language of the policy it is
23 an issue with his argument which he left off of the power
24 point and that is the remainder of the sentence that
25 provides the extension of coverage under the CGL policy.

1 We agreed that Mr. Cail falls under the -- under the
2 definition of being an insured. We agreed with the
3 language as to what vehicles apply and that this is a
4 vehicle that applies. All of that is agreed upon and has
5 always been agreed upon in this case. Now as part of the
6 agreement after, Your Honor -- regarding the auto policy
7 there was a settlement agreement that money was paid. Mr.
8 Cail -- there's a covenant not to execute against the --
9 the Singleton's and Pee Dee Heating and Cooling and Mr.
10 Cail. Now the issue here is whether the CGL policy
11 provides coverage or not and it clearly says that it
12 provides that coverage of all of those preliminary items
13 are met which Mr. Hatfield pointed out and we don't dispute
14 but that coverage is extended and it says it in the policy
15 that you have as a matter of record in the -- in the case
16 but only if you do not have any other insurance available
17 to you which affords the same or similar coverage. The key
18 phrase is any other insurance available to you. Other
19 insurance was available it's the auto policy. That is
20 specifically what the Courtney Court referenced in their
21 footnote which says, it's recognizes that the South
22 Carolina Court's upheld even the harsh automatic
23 termination clauses in policies when the language provided
24 for that termination clause to go into effect if the
25 insured had quote, "any other insurance available." That's

1 the language that is modeled after in this policy. Again,
2 this is simple to protect the insurer in the event that for
3 some reason unexpected at the time of procuring the auto
4 insurance which was the same time as the CGL insurance that
5 for some reason that insurance didn't apply then the
6 company is protected, it's drivers are protected, under
7 this policy if there is not any other insurance available.
8 To rely on Courtney is to completely misread what Courtney
9 refers to which is the term similar insurance. It's not
10 just the word similar and the fact that the word similar is
11 used later in the context of the CGL policy, it's whether
12 it refers to any other insurance which on it's face is not
13 ambiguous or similar insurance which the Court ruled is
14 ambiguous and then later -- and later the Supreme Court
15 said all of those termination clauses are invalid anyway so
16 we don't have to look at them anymore. But with respect to
17 the language of any other insurance available to you that's
18 not ambiguous, that's clear and clearly understood, not
19 only was other insurance available but as a matter of the
20 Court's ruling that insurance was deemed applicable and has
21 been paid out and for that reason the CGL policies
22 endorsement does not apply to provide some additional type
23 of coverage in this case. Thank you, Your Honor.

24 MR. HATFIELD: Let me just hand up for the Court,
25 this is a copy of our power point and we, in fact, did --

1 did display to the Court the exact language referred to and
2 what counsel wants to do, I think, is just to -- to stop
3 reading after the words any other insurance but there's
4 more. It says, "available to you which affords the same or
5 similar coverage". You can't just cherry pick and stop
6 there, you've got to read it in context, you know, as far
7 as interpretation you have to look at the entire policy to
8 determine whether or not there's coverage and there is for
9 this client. Thank you very much.

10 MR. STARR: Thank you, Your Honor.

11 THE COURT: Thank y'all. Obviously, we're gonna
12 take a little time to look at this so.

13 MR. HATFIELD: You can't rule from the bench?

14 THE COURT: I could.

15 MR. STARR: Thank you, Your Honor.

16 MR. HATFIELD: Thank you very much.

17 THE COURT: But I won't.

18 (Whereupon, these proceedings were concluded
19 at 3:07 p.m. on January 28, 2013.)

20 -- END OF TRANSCRIPT --

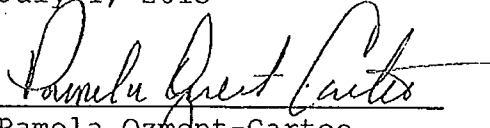
CERTIFICATE OF REPORTER

22

I, the undersigned, Pamela Ozment-Cartee, official Court Reporter for the Fourth Judicial Circuit of South Carolina, do hereby certify, that the foregoing is a true, accurate and complete Transcript of Record in the above captioned case, relative to appeal, in The Court of Common Pleas in Chesterfield County, South Carolina, on Monday the 28th day of January 2013.

I do further certify that am neither, of kin, counsel, nor interest of any party hereto.

July 1, 2013


Pamela Ozment-Cartee
Circuit Court Reporter

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

IN THE COURT OF COMMON PLEAS

AUTO-OWNERS INSURANCE
COMPANY,

Civil Action No. 2011-CP-13-271

FEE PAID

Plaintiff,

vs.

ELOUISE WOODY BENJAMIN,
MELVIN BENJAMIN, JOSHUA LEE
CAIL, NAIDA L. SINGLETON AND PEE
DEE HEATING AND COOLING
SPECIALISTS, INC.,

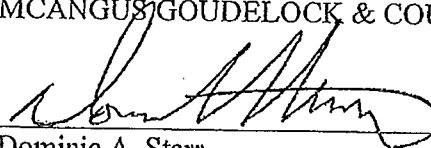
Defendants.

CLERK OF COURT C.P. & G.S.
CHESTERFIELD COUNTY, SC
FAYE L. SELLERS
CLERK OF COURT
CHESTERFIELD COUNTY, S.C.
2013 MAY 22 PM 12 44
PLAINTIFF'S MOTION TO ALTER
OR AMEND JUDGMENT
A True Copy Attest
J. O. Sellers

YOU WILL PLEASE TAKE NOTICE that the undersigned attorneys for Plaintiff, Auto-Owners Insurance Company, ("Plaintiff"), move before the Honorable Paul M. Burch for an Order pursuant to Rules 52(b) and 59(e) of the South Carolina Rules of Civil Procedure altering or amending the Order finding that the CGL policy at issue in the case provides coverage under its terms. Specifically, Plaintiff requests that the judgment be altered or amended to order that the CGL policy does not provide coverage, as "same or similar insurance" was available and utilized for payment. In so finding, South Carolina Farm Bureau Ins. Co. v. Courtney, 342 S.C. 271, 536 S.E.2d 689 (Ct. App. 2000) does not apply to the instant matter because Courtney deals exclusively with automatic termination clauses. Furthermore, Plaintiff will request the Court open the judgment, amend findings of fact and conclusions of law or make new findings and conclusions, and direct the entry of a new judgment.

Plaintiff's motion is based upon the pleadings, discovery, applicable case law, and a full memorandum of law to be submitted to the Court at a later date.

MCANGUS, GOUDELOCK & COURIE, L.L.C.



Dominic A. Starr

Alan G. Jones

Post Office Box 1349

Myrtle Beach, South Carolina 29578

(843) 848-6000

ATTORNEYS FOR PLAINTIFF

AUTO-OWNERS INSURANCE COMPANY

May 17, 2013

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

Auto-Owners Insurance Co.,

Plaintiff,

v.

Elouise Woody Benjamin, Melvin Benjamin,
Joshua Lee Cail, Naida L. Singleton, and Pee
Dee Heating and Cooling Specialists, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) OF THE FOURTH JUDICIAL CIRCUIT

) Case Number: 2011-CP-13-00271
)

**ORDER GRANTING SUMMARY
JUDGMENT**

2013 MAR 22 AM 10 32
FAXED
CLERK
CHESTERFIELD COUNTY
S.C.

This matter is before the Court on Defendants' motions for summary judgment. The parties presented oral arguments on January 28, 2013, at the Chesterfield County Courthouse. After hearing the arguments of counsel, reviewing the memoranda and other documents submitted to the Court, and the applicable authority, the Court hereby grants Defendants' motion for summary judgment and denies Plaintiff's motion for summary judgment as set forth below.

The Court grants Defendants' motion for summary judgment as no genuine issue of material fact exists and Defendants are entitled to judgment as a matter of law. Rule 56(c), SCRPC. Defendants have demonstrated that Plaintiff's CGL policy provides coverage for the accident at issue through the policy's endorsement.

Plaintiff argues that the endorsement does not provide coverage for the accident at issue because of the limiting language within the endorsement that coverage under the CGL policy will be extended "but only if you do not have any other insurance available to you which affords the same or similar coverage." Plaintiff argues that same or similar coverage was available here under Defendants' separate "Auto Policy."

Defendants argue that the Auto Policy does not provide same or similar coverage and that, in any event, such language is ambiguous. Being ambiguous, Defendants argue the “same or similar” provision must be construed in favor of the insured, citing *Beaufort County School District v. United Nat’l Ins. Co.*, 392 S.C. 506, 709 S.E. 2d 85 (Ct. App. 2011). Defendants also argue that our court of appeals and supreme court has already held that the term “similar” is ambiguous, citing the court of appeals’ decision in *Courtney. South Carolina Farm Bureau Ins. Co. v. Courtney*, 342 S.C. 271, 536 S.E.2d 689 (Ct. App. 2000), *aff’d*, 349 S.C. 366, 563 S.E.2d 648 (2002) (*agreeing* with the court of appeals’ construction of the policy). Plaintiff argues that the *Courtney* decisions dealt with only automatic termination clauses and are not applicable to the instant matter.

The Court agrees that the “same or similar” provision in the CGL policy endorsement is ambiguous, requiring this Court to construe the term in favor of Defendants and thereby holding that coverage extends to the present matter. The Court is not persuaded by Plaintiff’s argument that the *Courtney* decisions are inapplicable here and finds them instructive. The court of appeals’ discussion as to the ambiguity of the term “similar” focused on the ambiguous nature of the term itself rather than its unique context within automatic termination clauses, stating, “It is difficult to imagine being called upon to interpret a more imprecise term.” *Id* at 275, 536 S.E.2d at 691. In other words, the court of appeals’ focus was term-centric, and the word “similar” is as ambiguous in the *Courtney* policy as it is in the instant CGL policy. Furthermore, one of the rationales behind the court of appeals’ construction is present here, namely, the “vast difference” in coverage between the two policies. *Id*. Due to the \$700,000 difference in coverage between the two policies, this Court can conclude, and must conclude, that the coverage provided by the two policies is not “similar.”

THEREFORE, Defendants' motion for summary judgment is hereby GRANTED.

IT IS SO ORDERED.



The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
March 20, 2013

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

IN THE COURT OF COMMON PLEAS

AUTO-OWNERS INSURANCE
COMPANY,

Civil Action No. 2011-CP-13-271

FEE PAID

Plaintiff,

vs.

ELOUISE WOODY BENJAMIN,
MELVIN BENJAMIN, JOSHUA LEE
CAIL, NAIDA L. SINGLETON AND PEE
DEE HEATING AND COOLING
SPECIALISTS, INC.,

Defendants.

PLAINTIFF'S MOTION TO ALTER
OR AMEND JUDGMENT

A
Copy Attest
J. J. Sellers
CLERK OF COURT C.P. & G.S.
CHESTERFIELD COUNTY, SC

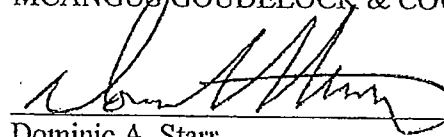
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CLERK OF COURT
CHESTERFIELD COUNTY, S.C.

2013 MAY 22 PM 12:44

YOU WILL PLEASE TAKE NOTICE that the undersigned attorneys for Plaintiff, Auto-Owners Insurance Company, ("Plaintiff"), move before the Honorable Paul M. Burch for an Order pursuant to Rules 52(b) and 59(e) of the South Carolina Rules of Civil Procedure altering or amending the Order finding that the CGL policy at issue in the case provides coverage under its terms. Specifically, Plaintiff requests that the judgment be altered or amended to order that the CGL policy does not provide coverage, as "same or similar insurance" was available and utilized for payment. In so finding, South Carolina Farm Bureau Ins. Co. v. Courtney, 342 S.C. 271, 536 S.E.2d 689 (Ct. App. 2000) does not apply to the instant matter because Courtney deals exclusively with automatic termination clauses. Furthermore, Plaintiff will request the Court open the judgment, amend findings of fact and conclusions of law or make new findings and conclusions, and direct the entry of a new judgment.

Plaintiff's motion is based upon the pleadings, discovery, applicable case law, and a full memorandum of law to be submitted to the Court at a later date.

MCANGUS, GOUDELOCK & COURIE, L.L.C.



Dominic A. Starr
Alan G. Jones
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

ATTORNEYS FOR PLAINTIFF
AUTO-OWNERS INSURANCE COMPANY

May 17, 2013

20403.09016

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD
Auto-Owners Insurance Company

IN THE COURT OF COMMON PLEAS

Plaintiff(s)

vs.

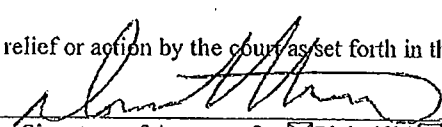
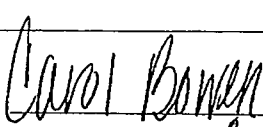
Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee
Cail, Naida L. Singleton and Pee Dee Heating and
Cooling Specialists, Inc.

Defendant(s)

FEE PAID

MOTION AND ORDER INFORMATION FORM
AND COVER SHEET

C/A No: 2011-CP-13-271

Plaintiff's Attorney: Dominic A. Starr Bar No. 60231 Address: McAngus, Goudelock & Courie, LLC Post Office Box 1349 Founders Centre, 2411 N. Oak Street, Suite 401 (29577) Myrtle Beach, South Carolina 29578 (843) 848-6000 Direct Number: (843) 848-6001 Fax: »(843) 449-2306 e-mail: dominic.starr@mgclaw.com other:	Defendant's Attorney: William P. Hatfield, Esquire The Hyman Law Firm, LLP Post Office Box 1770 Florence, SC 29503-1770
☐ MOTION HEARING REQUESTED (attach written motion and complete SECTIONS I and III) ☐ FORM MOTION, NO HEARING REQUESTED (complete SECTIONS II and III) ☐ PROPOSED ORDER/CONSENT ORDER (complete SECTIONS II and III)	
SECTION I: Hearing Information Nature of Motion: Plaintiff's Motion to Alter or Amend Estimated Time Needed: Court Reporter Needed: ☐ YES / ☒ NO	
SECTION II: Motion/Order Type ☒ Written motion attached ☐ Form Motion/Order I hereby move for relief or action by the court as set forth in the attached proposed order.  Signature of Attorney for ☒ Plaintiff / ☐ Defendant Date submitted: 5/17/13	
SECTION III: Motion Fee ☒ PAID – AMOUNT: \$25.00 ☐ EXEMPT: (check reason) ☐ Rule to Show Cause in Child or Spousal Support ☐ Domestic Abuse or Abuse and Neglect ☐ Indigent Status ☐ State Agency v. Indigent Party ☐ Sexually Violent Predator Act ☐ Post-Conviction Relief ☐ Motion for Stay in Bankruptcy ☐ Motion for Publication ☐ Motion for Execution (Rule 69, SCRCP) ☐ Proposed order submitted at request of the court; or, reduced to writing from motion made in open court per judge's instructions Name of Court Reporter: ☐ Other:	
JUDGE'S SECTION ☐ Motion Fee to be paid upon filing of the attached order. ☐ Other:	JUDGE _____ CODE: _____ Date: _____
CLERK'S VERIFICATION Collected by:  ☒ MOTION FEE COLLECTED: 25.00 ☐ CONTESTED – AMOUNT DUE: _____ Date Filed: _____	

2013 MAY 22 PM 12 44
 FAYE L. SELLERS
 CLERK OF COURT
 CHESTERFIELD COUNTY, S.C.

STATE OF SOUTH CAROLINA

COUNTY OF CHESTERFIELD

Auto-Owners Insurance Co.,

Plaintiff,

v.

Elouise Woody Benjamin, Melvin Benjamin,
Joshua Lee Cail, Naida L. Singleton, and Pee
Dee Heating and Cooling Specialists, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) OF THE FOURTH JUDICIAL CIRCUIT

) Case Number: 2011-CP-13-00271

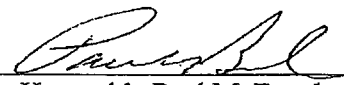
**ORDER DENYING MOTION TO ALTER
OR AMEND**

2013 JUN 3 AM 9 52
FILED L. SELLERS
CLERK OF COURT
CHESTERFIELD COUNTY, S.C.

This matter is before the Court on Plaintiff's Motion to Alter or Amend this Court's Order Granting Defendants' Motion for Summary Judgment, filed March 22, 2013¹. In accordance with Rule 59(f), SCRCP, the Court holds that it is not necessary to hear oral arguments on this matter. After reviewing the memoranda and other documents submitted to the Court, and the applicable authority, the Court hereby denies Plaintiff's Motion.

THEREFORE, Defendant's Motion to Alter or Amend is DENIED.

IT IS SO ORDERED.


The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
May 29, 2013

¹ The Court notes that while the order was signed on March 20, 2013, and filed March 22, 2013, counsel did not receive notice and copy of the order until May 14, 2013, due to an error by the clerk's office.

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHESTERFIELD COUNTY
Court of Common Pleas

The Honorable Paul M. Burch, Circuit Court Judge

Case No. 2011-CP-13-271

RECEIVED
JUN 14 2013
Court of Appeals

Auto-Owners Insurance Company,.....Appellant,

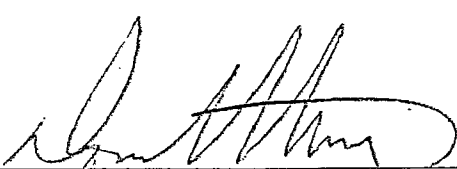
v.

Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee Cail, Naida L. Singleton and Pee Dee
Heating and Cooling Specialists, Inc.,.....Respondents.

NOTICE OF APPEAL

Auto-Owners Insurance Company appeals the Order of the Honorable Paul M. Burch filed March 23, 2013 granting Defendant's Motion for Summary Judgment. The Parties received notice of the Order on May 14, 2013. Appellant submitted its timely Motion to Alter or Amend pursuant to Rule 52(b) and 59(e), South Carolina Rules of Civil Procedure, on May 16, 2013. The Court denied Appellant's Motion to Alter or Amend on June 3, 2013.

June 12, 2013

By: 
Dominic A. Starr, Esquire
Alan G. Jones, Esquire
McANGUS GOUDELOCK & COURIE, L.L.C.
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

Attorneys for Appellant

Other Counsel of Record:

William P. Hatfield, Esquire
The Hyman Law Firm, LLP
Post Office Box 1770
Florence, South Carolina 29503-1770

Louis D. Nettles, Esquire
Folkens Law Firm
Post Office Box 6139
Florence, South Carolina 29502-6139

J. Rufus Bratton, III
Aiken Bridges Elliott Tyler & Saleeby, P.A.
Post Office Drawer 1931
Florence, South Carolina 29503

STATE OF SOUTH CAROLINA
COUNTY OF CHESTERFIELD

Auto-Owners Insurance Co.,

Plaintiff,

v.

Elouise Woody Benjamin, Melvin Benjamin,
Joshua Lee Cail, Naida L. Singleton, and Pee
Dee Heating and Cooling Specialists, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) OF THE FOURTH JUDICIAL CIRCUIT

) Case Number: 2011-CP-13-00271
)

**ORDER GRANTING SUMMARY
JUDGMENT**

2013 MAR 22 AM 10 32
FAXED
CLERK
CHESTERFIELD COUNTY, S.C.

This matter is before the Court on Defendants' motions for summary judgment. The parties presented oral arguments on January 28, 2013, at the Chesterfield County Courthouse. After hearing the arguments of counsel, reviewing the memoranda and other documents submitted to the Court, and the applicable authority, the Court hereby grants Defendants' motion for summary judgment and denies Plaintiff's motion for summary judgment as set forth below.

The Court grants Defendants' motion for summary judgment as no genuine issue of material fact exists and Defendants are entitled to judgment as a matter of law. Rule 56(c), SCRPC. Defendants have demonstrated that Plaintiff's CGL policy provides coverage for the accident at issue through the policy's endorsement.

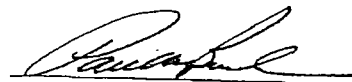
Plaintiff argues that the endorsement does not provide coverage for the accident at issue because of the limiting language within the endorsement that coverage under the CGL policy will be extended "but only if you do not have any other insurance available to you which affords the same or similar coverage." Plaintiff argues that same or similar coverage was available here under Defendants' separate "Auto Policy."

Defendants argue that the Auto Policy does not provide same or similar coverage and that, in any event, such language is ambiguous. Being ambiguous, Defendants argue the "same or similar" provision must be construed in favor of the insured, citing *Beaufort County School District v. United Nat'l Ins. Co.*, 392 S.C. 506, 709 S.E. 2d 85 (Cl. App. 2011). Defendants also argue that our court of appeals and supreme court has already held that the term "similar" is ambiguous, citing the court of appeals' decision in *Courtney. South Carolina Farm Bureau Ins. Co. v. Courtney*, 342 S.C. 271, 536 S.E.2d 689 (Cl. App. 2000), *aff'd*, 349 S.C. 366, 563 S.E.2d 648 (2002) (*agreeing* with the court of appeals' construction of the policy). Plaintiff argues that the *Courtney* decisions dealt with only automatic termination clauses and are not applicable to the instant matter.

The Court agrees that the "same or similar" provision in the CGL policy endorsement is ambiguous, requiring this Court to construe the term in favor of Defendants and thereby holding that coverage extends to the present matter. The Court is not persuaded by Plaintiff's argument that the *Courtney* decisions are inapplicable here and finds them instructive. The court of appeals' discussion as to the ambiguity of the term "similar" focused on the ambiguous nature of the term itself rather than its unique context within automatic termination clauses, stating, "It is difficult to imagine being called upon to interpret a more imprecise term." *Id* at 275, 536 S.E.2d at 691. In other words, the court of appeals' focus was term-centric, and the word "similar" is as ambiguous in the *Courtney* policy as it is in the instant CGL policy. Furthermore, one of the rationales behind the court of appeals' construction is present here, namely, the "vast difference" in coverage between the two policies. *Id*. Due to the \$700,000 difference in coverage between the two policies, this Court can conclude, and must conclude, that the coverage provided by the two policies is not "similar."

THEREFORE, Defendants' motion for summary judgment is hereby GRANTED.

IT IS SO ORDERED.



The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
March 20, 2013

STATE OF SOUTH CAROLINA

COUNTY OF CHESTERFIELD

Auto-Owners Insurance Co.,

Plaintiff,

v.

Elouise Woody Benjamin, Melvin Benjamin,
Joshua Lee Cail, Naida L. Singleton, and Pee
Dee Heating and Cooling Specialists, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) OF THE FOURTH JUDICIAL CIRCUIT

) Case Number: 2011-CP-13-00271

) **ORDER DENYING MOTION TO ALTER
OR AMEND**

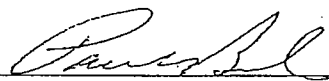
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Judy S. Sullivan
CLERK OF COURT P. S. G.S.
CHESTERFIELD COUNTY, SC

2013 JUN 3 AM 9 52
FILED L. SELLERS
CLERK OF COURT
CHESTERFIELD COUNTY, S.C.

This matter is before the Court on Plaintiff's Motion to Alter or Amend this Court's Order Granting Defendants' Motion for Summary Judgment, filed March 22, 2013¹. In accordance with Rule 59(f), SCRPC, the Court holds that it is not necessary to hear oral arguments on this matter. After reviewing the memoranda and other documents submitted to the Court, and the applicable authority, the Court hereby denies Plaintiff's Motion.

THEREFORE, Defendant's Motion to Alter or Amend is DENIED.

IT IS SO ORDERED.


The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
May 29, 2013

¹ The Court notes that while the order was signed on March 20, 2013, and filed March 22, 2013, counsel did not receive notice and copy of the order until May 14, 2013, due to an error by the clerk's office.

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHESTERFIELD COUNTY
Court of Common Pleas

The Honorable Paul M. Burch, Circuit Court Judge

Case No. 2011-CP-13-271

RECEIVED

JUN 14 2013

Court of Appeals

Auto-Owners Insurance Company,.....Appellant,

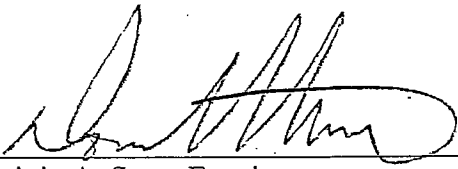
v.

Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee Cail, Naida L. Singleton and Pee Dee
Heating and Cooling Specialists, Inc.,.....Respondents.

NOTICE OF APPEAL

Auto-Owners Insurance Company appeals the Order of the Honorable Paul M. Burch filed March 23, 2013 granting Defendant's Motion for Summary Judgment. The Parties received notice of the Order on May 14, 2013. Appellant submitted its timely Motion to Alter or Amend pursuant to Rule 52(b) and 59(e), South Carolina Rules of Civil Procedure, on May 16, 2013. The Court denied Appellant's Motion to Alter or Amend on June 3, 2013.

June 12, 2013

By: 
Dominic A. Starr, Esquire
Alan G. Jones, Esquire
McANGUS GOUDELOCK & COURIE, L.L.C.
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

Attorneys for Appellant

Other Counsel of Record:

William P. Hatfield, Esquire
The Hyman Law Firm, LLP
Post Office Box 1770
Florence, South Carolina 29503-1770

Louis D. Nettles, Esquire
Folkens Law Firm
Post Office Box 6139
Florence, South Carolina 29502-6139

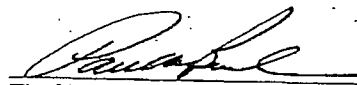
J. Rufus Bratton, III
Aiken Bridges Elliott Tyler & Saleeby, P.A.
Post Office Drawer 1931
Florence, South Carolina 29503

Defendants argue that the Auto Policy does not provide same or similar coverage and that, in any event, such language is ambiguous. Being ambiguous, Defendants argue the "same or similar" provision must be construed in favor of the insured, citing *Beaufort County School District v. United Nat'l Ins. Co.*, 392 S.C. 506, 709 S.E. 2d 85 (Ct. App. 2011). Defendants also argue that our court of appeals and supreme court has already held that the term "similar" is ambiguous, citing the court of appeals' decision in *Courtney. South Carolina Farm Bureau Ins. Co. v. Courtney*, 342 S.C. 271, 536 S.E.2d 689 (Ct. App. 2000), *aff'd*, 349 S.C. 366, 563 S.E.2d 648 (2002) (*agreeing* with the court of appeals' construction of the policy). Plaintiff argues that the *Courtney* decisions dealt with only automatic termination clauses and are not applicable to the instant matter.

The Court agrees that the "same or similar" provision in the CGL policy endorsement is ambiguous, requiring this Court to construe the term in favor of Defendants and thereby holding that coverage extends to the present matter. The Court is not persuaded by Plaintiff's argument that the *Courtney* decisions are inapplicable here and finds them instructive. The court of appeals' discussion as to the ambiguity of the term "similar" focused on the ambiguous nature of the term itself rather than its unique context within automatic termination clauses, stating, "It is difficult to imagine being called upon to interpret a more imprecise term." *Id* at 275, 536 S.E.2d at 691. In other words, the court of appeals' focus was term-centric, and the word "similar" is as ambiguous in the *Courtney* policy as it is in the instant CGL policy. Furthermore, one of the rationales behind the court of appeals' construction is present here, namely, the "vast difference" in coverage between the two policies. *Id*. Due to the \$700,000 difference in coverage between the two policies, this Court can conclude, and must conclude, that the coverage provided by the two policies is not "similar."

THEREFORE, Defendants' motion for summary judgment is hereby GRANTED.

IT IS SO ORDERED.



The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
March 20, 2013

STATE OF SOUTH CAROLINA

COUNTY OF CHESTERFIELD

Auto-Owners Insurance Co.,

Plaintiff,

v.

Elouise Woody Benjamin, Melvin Benjamin,
Joshua Lee Cail, Naida L. Singleton, and Pee
Dee Heating and Cooling Specialists, Inc.,

Defendants.

) IN THE COURT OF COMMON PLEAS
) OF THE FOURTH JUDICIAL CIRCUIT

) Case Number: 2011-CP-13-00271

) **ORDER DENYING MOTION TO ALTER
) OR AMEND**

A True Copy, Attest
[Signature]
CLERK OF COURT, P. & G.S.
CHESTERFIELD COUNTY, SC

2013 JUN 3 AM 9 52
FILED
L. SELLERS
CLERK OF COURT
CHESTERFIELD COUNTY, S.C.

This matter is before the Court on Plaintiff's Motion to Alter or Amend this Court's Order Granting Defendants' Motion for Summary Judgment, filed March 22, 2013¹. In accordance with Rule 59(f), SCRCP, the Court holds that it is not necessary to hear oral arguments on this matter. After reviewing the memoranda and other documents submitted to the Court, and the applicable authority, the Court hereby denies Plaintiff's Motion.

THEREFORE, Defendant's Motion to Alter or Amend is DENIED.

IT IS SO ORDERED.

[Signature]
The Honorable Paul M. Burch
Presiding Judge
Fourth Judicial Circuit

Pageland, South Carolina
May 29, 2013

¹ The Court notes that while the order was signed on March 20, 2013, and filed March 22, 2013, counsel did not receive notice and copy of the order until May 14, 2013, due to an error by the clerk's office.

Auto-Owners

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR
CHERAW SC 29520-7103

Issued 02-14-2008

AUTOMOBILE POLICY DECLARATIONS

Renewal Effective 04-01-2008

POLICY NUMBER 44-381-843-00

Company Use 36-02-SC-0304

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

FOR COMPANY/AGENCY USE ONLY

ATTACHED FORMS MUST BE VIEWED IN MOBIUS APPS SUITE.

For Certified Copy, manually attach the following forms:
79001 (03-99)C

The following attachments were issued with this transaction:
79100 (02-07)D 89009 (07-06)A 89058 (04-07) 59386 (08-06)

Premium/Commission Recap:
\$7936.66 @ 13.0%

Billing Type Company Bill - MONTHLY

Billing Account Number 008812927

Insured Copy Mailed To Agency

Trailback Date 11-14-2007
User ID RENL RENEWAL CYCLE

Reinsurance Dec Copy No

AGENCY 16-0626-00 POLICY 44-381-843-00

13642 (10-08)

GOSNELL INSURANCE
PO BOX 31059
CHARLESTON SC 29417

02-14-2008



P.O. BOX 30660, LANSING, MICHIGAN 48909-8160 © 517-323-1200
AUTO-OWNERS INSURANCE COMPANY
AUTO-OWNERS LIFE INSURANCE COMPANY
HOME-OWNERS INSURANCE COMPANY
OWNERS INSURANCE COMPANY
PROPERTY-OWNERS INSURANCE COMPANY
SOUTHERN-OWNERS INSURANCE COMPANY

PEE DEE HEATING & COOLING
SPECIALTIES INC
128 TROY DR
CHERAW SC 29520-7103

Thank you for allowing Auto-Owners to handle your insurance needs.

Auto-Owners Insurance Group is financially sound with sufficient reserves to be ranked among the leaders in the industry for financial security. Our A++ (Superior) rating by the A.M. Best Company signifies that we have the financial strength to provide the insurance protection you need.

Feel free to contact your independent Auto-Owners agent with questions you may have about any of your insurance needs. Your agency's phone number is (843) 571-5044.

Auto-Owners Insurance - The "No Problem" People ®

Pay your premium in full, by the due date, and you will receive a discount as shown below:

Total Policy Premium	\$7,936.56
Paid in Full Discount	-791.40
Total Policy Premium If Paid In Full	\$7,145.16

***** THIS IS NOT A BILL. *****

Please pay any unpaid bills. Your bill will be mailed separately from Lansing, Michigan on or about March 12, 2008.

~ Serving Our Policyholders and Agents for More Than 90 Years ~

Auto-Owners

Page 1

19020 (10-80)
Issued 02-14-2008INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**AUTOMOBILE POLICY DECLARATIONS**

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 44-381-843-00

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Company Use 36-02-SC-0304

ADDRESS 128 TROY DR

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

CHERAW SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

DESCRIPTION OF ITEM INSURED	AGE	SYMBOL/COST	TERRITORY	CLASS/PG
Hired Automobiles			013 Chesterfield County, SC	SPL

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$43.58
Comprehensive	A.C.V. \$ 100 ded per covered "auto"	11.50
Collision	A.C.V. \$ 250 ded per covered "auto"	21.00
TERRORISM COVERAGE		.38
TOTAL		\$76.44

Additional Forms For This Item: 79520 (12-02) 79521 (03-99) 79539 (03-99)

PREMIUM BASIS: Estimated cost of hire - liability \$ If Any (Subject to audit)
Estimated cost of hire - physical damage \$ If Any (Subject to audit)

130

Employers Non-Ownership Liab.

013
Chesterfield County, SC SPL

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$33.77
TERRORISM COVERAGE		.17
TOTAL		\$33.94

Additional Forms For This Item: 79503 (03-99) 79539 (03-99)

130

Page 2

19020 (10-80)
Issued 02-14-2008

AUTO-OWNERS INS. CO.

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081Company POLICY NUMBER 44-381-843-00
Bill Company Use 36-02-SC-0304

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

1. 1996 FORD E250 VAN
VIN: 1FTFE24Y1THB23481

9

013 8CA
Chesterfield County, SC

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$805.37
Combined Uninsured	\$ 300,000 ea occ	45.13
Motorist BI & PD		
Combined Underinsured	\$ 300,000 ea occ	42.80
Motorist BI & PD		
Comprehensive	A.C.V. - \$ 500 ded Full Glass	157.68
Collision	A.C.V. - \$ 500 ded	205.09
Road Trouble Service	\$ 75 ea occ	4.79
Additional Expense	\$ 30/Day, \$ 900 Maximum	35.91
TERRORISM COVERAGE		5.48
TOTAL		\$1,102.25

Interested Parties: None

Additional Forms For This Item: 79206 (06-92) 79306 (07-05) 79310 (07-05)
 79322 (03-98) 79321 (03-98) 79537 (06-92) 79539 (03-99) 79939 (03-05)

PREMIUM BASIS: Radius of operation - within a 100 mile radius.
 USE CLASS (00360): Heating/Air Conditioning.
 A 5% discount has been applied to automobiles used in contracting business.
 Fleet Factor Applies.

130

0025001

2. 2004 TOYT TACOMA BASE/LTD/SR5
VIN: STEVL52N94Z46470511-36-0 013 052
Chesterfield County, SC

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$752.50
Combined Uninsured	\$ 300,000 ea occ	81.48
Motorist BI & PD		
Combined Underinsured	\$ 300,000 ea occ	116.76
Motorist BI & PD		
Comprehensive	A.C.V. - \$ 500 ded	298.46
Collision	A.C.V. - \$ 500 ded	388.65
Road Trouble Service	\$ 75 ea occ	6.72
Additional Expense	\$ 30/Day, \$ 900 Maximum	35.28
TERRORISM COVERAGE		8.40
TOTAL		\$1,688.25

Interested Parties: See Attached Schedule

Additional Forms For This Item: 79206 (06-92) 79306 (07-05) 79310 (07-05)
 79322 (03-98) 79321 (03-98) 79536 (07-94) 79537 (06-92) 79539 (03-99)
 79939 (03-05)

PREMIUM BASIS: Automobile is principally used for business duties by a 39 year old operator.
 Fleet Factor Applies.
 5% ABS Discount applies to BI, PD, and Coll premiums.
 30% Air Bag Discount applies to PA premium.
 Standard Rates apply.

130

Auto-Owners

Page 3

19020 (10-80)
Issued 02-14-2008INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**AUTOMOBILE POLICY DECLARATIONS**

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 44-381-843-00

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Company Use 36-02-SC-0304

ADDRESS 128 TROY DR

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

CHERAW SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declaration and attachments to your policy. If you have any questions, please consult with your agent.

DESCRIPTION OF ITEM INSURED	AGE	SYMBOL/COST	TERRITORY	CLASS/PG
3. 2006 CHEV EXPRESS G3500 BS/LS VIN: 1GCF815XX61143221	3		013 Chesterfield County, SC	6CA

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$605.37
Combined Uninsured	\$ 300,000 ea occ	45.13
Motorist BI & PD		42.80
Combined Underinsured	\$ 300,000 ea occ	
Motorist BI & PD		218.33
Comprehensive	A.C.V. - \$ 500 ded Full Glass	284.09
Collision	A.C.V. - \$ 500 ded	4.79
Road Trouble Service	\$ 75 ea occ	35.91
Additional Expense	\$ 30/Day, \$ 900 Maximum	6.18
TERRORISM COVERAGE		
TOTAL		\$1,242.60

Interested Parties: See Attached Schedule

Additional Forms For This Item: 79206 (06-92) 79306 (07-05) 79310 (07-05)
79322 (03-98) 79321 (03-98) 79537 (06-92) 79539 (03-99) 79939 (03-05)

PREMIUM BASIS: Radius of operation - within a 100 mile radius.

USE CLASS (00380): Heating/Air Conditioning.

A 5% discount has been applied to automobiles used in contracting business.

Fleet Factor Applies.

130

0026001

Page 4

AUTO-OWNERS INS. CO.

19020 (10-80)
Issued 02-14-2008AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081Company POLICY NUMBER 44-381-843-00
Bill Company Use 36-02-SC-0304

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

4. 2006 CHEV EXPRESS G3500 BS/LS
VIN: 1GCF615X861196158

3

013 6CA
Chesterfield County, SC

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$605.37
Combined Uninsured	\$ 300,000 ea occ	45.13
Motorist BI & PD		
Combined Underinsured	\$ 300,000 ea occ	42.80
Motorist BI & PD		
Comprehensive	A.C.V. - \$ 500 ded Full Glass	218.33
Collision	A.C.V. - \$ 500 ded	284.09
Road Trouble Service	\$ 75 ea occ	4.79
Additional Expense	\$ 30/Day, \$ 900 Maximum	35.91
TERRORISM COVERAGE		6.18
TOTAL		\$1,242.60

Interested Parties: See Attached Schedule

Additional Forms For This Item: 79206 (06-92) 79306 (07-05) 79310 (07-05)
 79322 (03-98) 79321 (03-98) 79537 (06-92) 79539 (03-99) 79939 (03-05)

PREMIUM BASIS: Radius of operation - within a 100 mile radius.

USE CLASS (00380): Heating/Air Conditioning.

A 5% discount has been applied to automobiles used in contracting business.

Fleet Factor Applies.

130

0026001

5. 2007 CHEV CLASSIC SILVERADO 3500
VIN: 1GBHC33U77F133389

2

013 8CA
Chesterfield County, SC

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$605.37
Combined Uninsured	\$ 300,000 ea occ	45.13
Motorist BI & PD		
Combined Underinsured	\$ 300,000 ea occ	42.80
Motorist BI & PD		
Comprehensive	A.C.V. - \$ 500 ded Full Glass	257.75
Collision	A.C.V. - \$ 500 ded	309.62
Road Trouble Service	\$ 75 ea occ	4.79
Additional Expense	\$ 30/Day, \$ 900 Maximum	35.91
TERRORISM COVERAGE		6.51
TOTAL		\$1,307.88

Interested Parties: See Attached Schedule

Additional Forms For This Item: 79206 (06-92) 79306 (07-05) 79310 (07-05)
 79322 (03-98) 79321 (03-98) 79537 (06-92) 79539 (03-99) 79939 (03-05)

PREMIUM BASIS: Radius of operation - within a 100 mile radius.

USE CLASS (00380): Heating/Air Conditioning.

A 5% discount has been applied to automobiles used in contracting business.

Fleet Factor Applies.

130

0032100

Auto-Owners

Page 5

19020 (10-80)
Issued 02-14-2008INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**AUTOMOBILE POLICY DECLARATIONS**

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 44-381-843-00

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Company Use 36-02-SC-0304

ADDRESS 128 TROY DR

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

CHERAW SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

DESCRIPTION OF ITEM INSURED	AGE	SYMBOL/COST	TERRITORY	CLASS/PG
6. 2007 CHEV EXPRESS VAN VIN: 1GBJG31U971126112	2		013 Chesterfield County, SC	6CA

COVERAGES	LIMITS	PREMIUM
Combined Liability	\$ 300,000 ea occ	\$605.37
Combined Uninsured	\$ 300,000 ea occ	45.13
Motorist BI & PD		
Combined Underinsured	\$ 300,000 ea occ	42.80
Motorist BI & PD		
Comprehensive	A.C.V. - \$ 500 ded Full Glass	218.33
Collision	A.C.V. - \$ 500 ded	284.09
Road Trouble Service	\$ 75 ea occ	4.79
Additional Expense	\$ 30/Day, \$ 900 Maximum	35.91
TERRORISM COVERAGE		6.18
TOTAL		\$1,242.60

Interested Parties: See Attached Schedule

Additional Forms For This Item:	79206 (06-92)	79306 (07-05)	79310 (07-05)
79322 (03-98)	79221 (03-98)	79537 (06-92)	79539 (03-99)
			79939 (03-05)

PREMIUM BASIS: Radius of operation - within a 100 mile radius.

USE CLASS (00380): Heating/Air Conditioning.

A 5% discount has been applied to automobiles used in contracting business.

Fleet Factor Applies.

130

0025040

Totals by coverage

COVERAGES	PREMIUM
Combined Liability	\$3,858.68
Combined Uninsured	307.13
Motorist BI & PD	
Combined Underinsured	330.78
Motorist BI & PD	
Comprehensive	1,380.38
Collision	1,776.63
Road Trouble Service	30.67
Additional Expense	214.83
TERRORISM COVERAGE	39.48

Page 8

19020 (10-80)
Issued 02-14-2008

AUTO-OWNERS INS. CO.

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081Company POLICY NUMBER 44-381-843-00
Bill Company Use 36-02-SC-0304

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

	TERM
TOTAL POLICY PREMIUM	\$7,936.56
PAID IN FULL DISCOUNT	-791.40
TOTAL POLICY PREMIUM IF PAID IN FULL	\$7,145.16

The Paid In Full Discount does not apply to fixed fees or statutory charges.

The Paid In Full Discount is based on favorable loss experience for the collective group of policyholders who choose to pay their premium in full directly to the company.

Forms That Apply To All Items: 79001 (03-99) 79702 (04-98) 79517 (01-07)
79524 (06-92) 79540 (03-99) 79419 (03-99) 79100 (02-07) 89009 (07-06)
89058 (04-07)

A 16% Cumulative Multi-Policy Discount applies. Supporting policies are marked with an (X):
Comm Umb() Comm Prop/Comm Liab(X) WC(X) Life() Personal() Farm().

Countersigned By: _____

Auto-Owners

Page 7

19020 (10-80)
Issued 02-14-2008INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**AUTOMOBILE POLICY DECLARATIONS**

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044**POLICY NUMBER** 44-381-843-00INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC**Company Use** 36-02-SC-0304

ADDRESS 128 TROY DR

**Company
Bill**

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

CHERAW SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

SCHEDULE OF INTERESTED PARTIES

Applies to item(s): 0002

WORLD OMNI FINANCIAL CORPORATION
6150 OMNI PARK DRIVE
MOBILE AL 36609
Interest: Lienholder

SIP ID: AL028448

Applies to item(s): 0003

WACHOVIA BANK NA
PO BOX 50010
ROANOKE VA 24022-5010
Interest: Lienholder

SIP ID: VA016109

Applies to item(s): 0003, 0004

BRETT SINGLETON
128 TROY DR
CHERAW SC 29520-7103
Interest: Lessor

SIP ID: SC042494

Applies to item(s): 0004

NETBANK
PO BOX 3240
SAINT JOSEPH MO 64503-0240
Interest: Lienholder

SIP ID: MO020849

Applies to item(s): 0005

GMAC
PO BOX 9101
COCKEYSVILLE MD 21030
Interest: Lienholder

SIP ID: MD033976

Page 8

19020 (10-80)
Issued 02-14-2008

AUTO-OWNERS INS. CO.

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081Company POLICY NUMBER 44-381-843-00
Bill Company Use 36-02-SC-0304

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

Applies to item(s): 0006

FIRST CITIZENS BANK
PO BOX 26592
RALEIGH NC 27611-6592
Interest: Lienholder

SIP ID: NC030147

Auto-Owners

19020 (10-80)
Issued 02-14-2008INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

AUTOMOBILE POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 44-381-843-00

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Company Use 38-02-SC-0304

ADDRESS 128 TROY DR

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
04-01-2008	04-01-2009

CHERAW SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

Scheduled Drivers List

Listed below are drivers currently scheduled on this policy. Please compare the list with
your current records and contact your agent with any changes that need to be made. We
will update the list accordingly for the next renewal.

Name: Last	First	Age	Date of Birth MM-DD-CCYY	State
SINGLETON	BRETT	39	09-01-1968	SC
ALLRED	JAMES	43	11-28-1964	SC
JORDAN	MICHAEL	34	04-16-1973	SC
PRUNTY	CHARLES	34	11-16-1973	SC
BRIGMAN	JOSHUA	35	03-15-1973	SC

* DRIVER ASSIGNED TO PRIVATE PASSENGER VEHICLE FOR RATING PURPOSES.

59388 (8-06)

GOOD NEWS

Your renewal policy qualifies for our **Paid In Full Discount!**

We have found that policyholders who choose to pay their Insurance premiums in full at the inception of the policy, on a collective group basis, have fewer or smaller claims. To recognize this more favorable loss experience, we are able to provide a 10% premium discount to policyholders who choose to pay their premiums in full. This discount does not apply to fixed fees, statutory charges, or reinsurance charges.

The enclosed policy **Declarations** page reflects:

- The total Policy Premium;
- The Paid In Full Discount; and
- The Total Policy Premium If Paid In Full.

Depending on your current billing plan, you will receive either a premium invoice or an electronic funds transfer notice. These are mailed separately and will include a Good News notice which will explain your options and how to make your payment should you choose to take advantage of this discount.

Should you have any questions about this or other issues related to your Auto-Owners policies, please contact your Auto-Owners agent for assistance.

Thank you for choosing Auto-Owners Insurance Group, the **SAFE. SOUND. SECURE.** choice for all your insurance needs!

79001 (3-99)

This policy is a legal contract between you and us. Your policy includes the Declarations, any listed forms and any form issued to endorse the policy. The policy contains all agreements existing between you and us or any of our agents.

READ YOUR POLICY CAREFULLY. This cover sheet provides only a brief outline of some of the important features of your policy. The policy itself sets forth, in detail, the rights and obligations of both you and your Insurance company. **IT IS THEREFORE IMPORTANT THAT YOU READ YOUR POLICY.**

A QUICK GUIDE TO YOUR POLICY

The DECLARATIONS contain:

- YOUR NAME
- POLICY TERM
- YOUR AUTOMOBILE
- COVERAGES
- LIMITS OF LIABILITY
- ENDORSEMENTS THAT APPLY

YOU WILL FIND	ON PAGE
INSURING AGREEMENT	1
SECTION I - DEFINITIONS	1
SECTION II - LIABILITY COVERAGE	2
1. COVERAGE	2
2. EXCLUSIONS	3
3. COVERAGE EXTENSIONS	5
4. LIMIT OF LIABILITY	5
5. FINANCIAL RESPONSIBILITY AND COMPULSORY INSURANCE LAWS	6
6. OTHER INSURANCE	6
SECTION III - DAMAGE TO YOUR AUTOMOBILE	6
1. COVERAGES	6
2. EXCLUSIONS	8
3. COVERAGE EXTENSIONS	9
4. LIMIT OF LIABILITY	10
SECTION IV - INDIVIDUAL NAMED INSURED	11
1. LIABILITY COVERAGE	11
2. DAMAGE TO YOUR AUTOMOBILE	11
SECTION V - WHAT YOU MUST DO AFTER AN ACCIDENT OR LOSS	11
1. NOTIFY US PROMPTLY	11
2. ASSIST AND COOPERATE	12
3. PRESERVE OUR RIGHT TO RECOVER PAYMENTS	12
SECTION VI - GENERAL CONDITIONS	12
1. POLICY PERIOD AND TERRITORY	12
2. CHANGES	12
3. FRAUD	13
4. LEGAL ACTION AGAINST US	13
5. SEVERABILITY	13
6. DUPLICATION OF COVERAGE	13
7. ASSIGNMENT	13

INSURING AGREEMENT

The attached Declarations describe the **automobile(s)** we insure and the Coverages and Limits of Liability for which **you** have paid a premium. We agree to insure the described **automobile(s)** for those Coverages and Limits of Liability subject to the terms and conditions of this policy. In return **you** must pay the premium and comply with all the terms and conditions of this policy.

SECTION I - DEFINITIONS

To understand this policy, **you** must understand the meaning of the following words. These words appear in **bold face type** whenever used in this policy and endorsements attached to this policy.

1. **Automobile** means a **private passenger automobile**, a truck, truck tractor, trailer, farm implement or other land motor vehicle.
2. **Bodily Injury** means physical injury, sickness or disease sustained by a person including resulting death of that person.
3. **Equipment** means an apparatus or device permanently attached to or installed in **your automobile**. **Equipment** includes an apparatus or device specifically for use with **your automobile**.
4. **Farm Implement** means motorized self-propelled farm machinery.
5. **Insured contract** means:
 - a. a lease of premises;
 - b. a sidetrack agreement;
 - c. an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
 - d. any other easement agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - e. an indemnification of a municipality as required by ordinance, except in connection with work for a municipality; or
 - f. that part of any other contract or agreement pertaining to **your business** under which **you** assume the tort liability of another to pay damages because of **bodily injury or property damage** to a third person or organization, if the contract or agreement is made before the **bodily injury or property damage** occurs. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.
6. **Occurrence** means an accident that results in **bodily injury or property damage** and includes, as one **occurrence**, all continuous or repeated exposure to substantially the same generally harmful conditions.
7. **Private passenger automobile** means:
 - a. a passenger or station wagon type automobile with four or more wheels;
 - b. pickup or van type **automobile** with a gross weight of 15,000 pounds or less which is not used in the business of carrying passengers for hire; or
 - c. a motorhome.
8. **Property damage** means damage to or destruction of tangible property including resulting loss of use of that property.
9. **Relative** means a person who resides with you and who is related to **you** by blood, marriage or

adoption. **Relative** includes a ward or foster child who resides with **you**.

10. **Suit** means a civil court proceeding in which damages because of **bodily injury** or **property damage** to which this insurance applies are alleged.

11. **Trailer** means a vehicle which is designed to be connected to and towed by an **automobile**.

12. **You or your** means the first named **insured** shown in the Declarations and if an individual, **your** spouse who resides in the same household.

13. **Your automobile** means the **automobile** described in the Declarations.

14. **We, us or our** means the Company providing this insurance.

SECTION II - LIABILITY COVERAGE

1. COVERAGE

a. Liability Coverage - Bodily Injury and Property Damage

We will pay damages for **bodily injury** and **property damage** for which **you** become legally responsible because of or arising out of the ownership, maintenance or use of **your automobile** (that is not a **trailer**) as an **automobile**. We will pay such damages:

- (1) on **your** behalf;
- (2) on behalf of any **relative** using **your automobile** (that is not a **trailer**);
- (3) on behalf of any person using **your automobile** (that is not a **trailer**) with **your** permission or that of a **relative**; and
- (4) on behalf of any person or organization legally responsible for the use of **your automobile** (that is not a **trailer**) when used by **you**, a **relative**, or with **your** permission or that of a **relative**.

We will settle or defend, as we consider appropriate, any claim or **suit** for damages covered by this policy. We will do this at **our** expense, using attorneys of **our** choice. This agreement to settle or defend claims or **suits** ends when we have paid the limit of **our** liability.

b. Trailers

(1) The Liability Coverage provided by this policy for **your automobile** (that is not a **trailer**) or provided for any other **automobile** (that is not a **trailer**) extends:

- (a) to any **trailer** connected to or accidentally disconnected from such **automobile**. This coverage includes the **trailer** owner.
- (b) to any non-motorized farm machine or farm wagon while connected to or accidentally disconnected from such **automobile**. This coverage includes the non-motorized farm machine or farm wagon owner. No coverage applies to the operation or to the loading or unloading of the non-motorized farm machine or the farm wagon.

(2) The Liability Coverage provided by this policy for **your automobile** (that is not a **trailer**) also extends to any **trailer** not maintained or used for commercial purposes:

- (a) which is owned by **you**.
- (b) which is owned by a **relative** who also owns an **automobile** (that is not a **trailer**) scheduled in the Declarations.
- (c) which is owned by a **relative** who does not own an **automobile** other than the **trailer**.
- (d) which is not owned by an individual described in (a), (b) or (c) above while

the trailer is in the care, custody or control of such individual.

Coverage is extended only when such trailer:

(a) is not connected to an **automobile**. This coverage applies to only **your** liability or **your relative's** liability arising from the ownership or use of the **trailer**.

(b) is connected to an **automobile** (that is not a **trailer**) for which Liability Coverage is not provided by this policy. This coverage applies to only **your** liability or **your relative's** liability arising from use of the **trailer** by a person or organization other than **you** or **your relative**. No coverage applies to the owner or operator of the **automobile** or to the owner of a **trailer** described in (d) above.

c. Other Automobiles Covered

The Liability Coverage provided for **your automobile** also applies to certain other **automobiles**. It applies:

(1) to an **automobile** you do not own which is temporarily used as a substitute for **your automobile**. **Your automobile** must be out of use because of breakdown, repair, servicing, loss or destruction. The owner of the substitute **automobile** is not covered.

(2) to an **automobile** of the same type which **you** acquire after the inception date of the current policy term if:

(a) it replaces **your automobile**. You must report the replacement **automobile** to **us** no later than the expiration date of the policy term during which the **automobile** was acquired; or

(b) it is an additional **automobile** and we insure all **automobiles** you already own provided **you**:

1) report the additional **automobiles** to **us** within 30 days of delivery; and

2) pay any required additional premiums.

This extension does not apply if **you** have other liability insurance that applies to the **automobile** you acquire.

2. EXCLUSIONS

Liability Coverage does not apply:

a. to any person for **bodily injury** or **property damage** arising out of or resulting from an intentional act of that person.

b. to any person operating or employed by an **automobile** garage, repair shop, sales agency, service station or public parking place. This exclusion does not apply to:

(1) **you**;

(2) a **relative**; or

(3) any person associated with or employed by **you**;

while using **your automobile** in such business.

c. to any **automobile** while used as a public or livery conveyance. This exclusion does not apply to car pooling on a share the expense basis.

d. to any **automobile** while:

(1) preparing for;

(2) practicing for; or

(3) participating in;

any prearranged racing, speed or demolition contest.

- e. to any person or organization with respect to the loading or unloading of **your automobile**. We will cover **you** or **your** employee or a lessee or borrower of **your automobile** or that person's employee.
- f. to any person or organization (or that person's or organization's agents, employees or contractors) subject to the security requirements of any motor carrier law or regulation because of transporting property for **you** or for others. This exclusion does not apply to **you**.
- g. to liability which is assumed under any contract or agreement. This exclusion does not apply to such liability for damages that **you**:
 - (1) assumed under a contract or agreement that is an **insured contract**;
 - (2) would have in the absence of a contract or agreement; or
 - (3) assumed in a **private passenger automobile** lease or rental agreement, provided **you** are an individual.
- h. to any person or organization for damage to property that person or organization is transporting. This exclusion does not apply to liability **you** have assumed under a sidetrack agreement.
- i. to any person or organization for damage to property or an **automobile** owned by, rented to or in the care, custody or control of that person or organization.
- j. to any expenses that would be payable under any workers compensation law, unemployment compensation or disability benefits law or under any similar law.
- k. to any person not employed by **you** for **bodily injury** to an employee who is injured on the job except:
 - (1) **bodily injury** to a domestic employee when workers compensation benefits are not required or available; or
 - (2) when such liability is assumed by **you** under an **insured contract**.
- l. to **your** employee for claims brought against him or her by another of **your** employees injured on the job.
- m. to any person or organization for **bodily injury** to:
 - (1) an employee of that person or organization; or
 - (2) a spouse, child, parent, brother or sister of the employee which results from the injury to the employee;

when that injury arises out of and in the course of employment by that person or organization. This exclusion applies:

 - (1) whether a claim is made against such person or organization as employer or otherwise; and
 - (2) to any obligation to share damages with or repay another who must pay damages because of the injury.

This exclusion does not apply to liability **you** have assumed under an **insured contract**.
- n. to **bodily injury** or **property damage** for which insurance is available under any nuclear energy liability policy. This exclusion applies even if the nuclear energy liability policy limits of liability are exhausted.
- o. to **bodily injury** or **property damage** for which financial responsibility or liability insurance is required to be maintained under the Atomic Energy Act of 1954, as amended, or for which governmental indemnity is available.
- p. to liability for **bodily injury** or **property damage** caused by war, whether declared or not declared, insurrection or any of their consequences whether or not assumed under a contract or agreement.

3. COVERAGE EXTENSIONS

In addition to **our** limit of liability, **we** will also pay:

- a. premiums on appeal bonds in any **suit we** defend. **We** will not apply for or furnish such bonds.
- b. premiums on bonds to release attachments, but only for bond amounts that do not exceed the applicable limit of liability. **We** will not apply for or furnish such bonds.
- c. premiums on bail bonds required because of an accident or related traffic law violation, involving **your automobile** during the policy period. **We** will not apply for or furnish such bonds. **Our** maximum payment is \$250 per **occurrence**.
- d. interest on damages owed by **you** because of a judgment in a **suit we** defend and accruing:
 - (1) after the judgment, and until **we** pay, offer or deposit in court, the amount for which **we** are liable under this policy; or
 - (2) before the judgment, where owed by law, but only on that part of the judgment **we** pay.
- e. expenses **you**, a **relative** or a person using **your automobile** with **your** permission, incur for first aid to others at the time of an **occurrence** covered by this policy.
- f. all costs charged against **you** in a **suit we** defend and all reasonable expenses incurred at **our** request including actual loss of earnings up to \$100 per day.

4. LIMIT OF LIABILITY

We will pay damages for **bodily injury** or **property damage** up to the limit of liability stated in the Declarations for this coverage. Such damages shall be paid as follows:

a. For **bodily injury**:

- (1) The limit stated for "each person" is the amount of coverage and the most **we** will pay for all damages because of or arising

out of **bodily injury** to one person in any one **occurrence**.

- (2) The limit stated for "each occurrence" is the total amount of coverage and the most **we** will pay, subject to a.(1) above, for all damages because of or arising out of **bodily injury** to two or more persons in any one **occurrence**.

- b. For **property damage**, the limit stated is the amount of coverage and most **we** will pay for all **property damage** in any one **occurrence**.

- c. The limit of liability applicable to a **trailer**, non-motorized farm machine or farm wagon which is connected to an **automobile** covered by this policy shall be the limit of liability applicable to such **automobile**. The **automobile** and connected **trailer**, non-motorized farm machine or farm wagon are considered one **automobile** and do not increase the limit of liability.

- d. The limit of liability applicable to a **trailer** covered by this policy:

- (1) which is not connected to an **automobile**; or

- (2) which is connected to an **automobile** not covered by this policy;

shall be the limit of liability applicable to **your automobile**. If this policy covers more than one of **your automobiles**, the highest limit of liability applicable to any one such **automobile** shall apply.

- e. The limit of liability for this coverage may not be added to the limits for the same or similar coverage applying to other **automobiles** insured by this policy to determine the amount of coverage available for any one **occurrence** regardless of the number of:

- (1) **automobiles** shown in the Declarations;

- (2) premiums charged in the Declarations or premiums paid;

- (3) claims presented or suits brought;
- (4) persons injured; or
- (5) automobiles involved in the occurrence.

5. FINANCIAL RESPONSIBILITY AND COMPULSORY INSURANCE LAWS

While **your automobile** is subject to laws of another state or Canada, we will:

- a. increase the Limit of Liability for Liability Coverage to comply with the minimum requirements of a financial responsibility or compulsory insurance law of the jurisdiction where **your automobile** is being operated; and
- b. afford the minimum amounts for the types of mandatory coverages required by the jurisdiction where **your automobile** is being operated.

This provision does not apply to any limits required by any law governing motor carriers of property or passengers.

We will not duplicate payments available under this or any other insurance for the same elements of loss.

6. OTHER INSURANCE

Except as stated below, the Liability Coverage provided by this policy for **your automobile** shall be primary and with regard to any other **automobile** to which it applies, coverage shall be excess of any other applicable **automobile** liability insurance.

- a. When this insurance is primary and there is other **automobile** liability insurance which is stated to be applicable on an excess or contingent basis, **our** liability shall not be reduced by the existence of such insurance.
- b. When both this insurance and other insurance apply on the same basis, whether primary, excess or contingent, **we** shall be liable for only **our** share. **Our** share shall be the ratio of the amount of this insurance to the total amount of all collectible **automobile** liability insurance.
- c. Subject to a. and b. above, this coverage shall be primary when any **trailer** is connected to **your automobile** (that is not a trailer).
- d. Subject to b. above, this coverage shall be excess when any **trailer** is connected to an **automobile** (that is not a trailer), except **your automobile** (that is not a trailer).

SECTION III - DAMAGE TO YOUR AUTOMOBILE

1. COVERAGES

a. Fire Coverage

We will pay for loss of or damage to **your automobile** and its equipment caused by:

- (1) fire or lightning.
- (2) smoke or smudge because of a sudden, unusual or faulty operation of any fixed heating equipment where **your automobile** is stored.
- (3) windstorm, hail, earthquake, explosion, external discharge or leakage of water.

We cover damage resulting from the stranding, sinking, burning, collision or derailment of any equipment being used to transport **your automobile** on land or water. We will also pay for general average and salvage charges for which you may be legally responsible.

b. Theft Coverage

We will pay for loss of or damage to **your automobile** and its equipment caused by theft, larceny, robbery or pilferage. We cover your loss when you are tricked into giving your **automobile** to another person.

c. Comprehensive Coverage

We will pay for loss of or damage to **your automobile** and its **equipment** from any cause except upset or collision with another object or with a vehicle to which it is attached.

We will also pay for:

- (1) glass breakage from any cause including upset or collision;
- (2) damage caused by missiles or falling objects; and
- (3) damage caused by collision with an animal or bird.

When a deductible is indicated in the Declarations for this coverage, we will reduce our payment by that amount.

d. Collision Coverage

We will pay for loss or damage to **your automobile** and its **equipment** caused by accidental collision with another object or by accidental upset.

When a deductible is indicated in the Declarations for this coverage, we will reduce our payment by that amount. If **your automobile** is a **private passenger automobile**, the deductible does not always apply. The deductible shall not apply:

- (1) in a collision with another **automobile**:
 - (a) we insure and which **you** do not own, rent or have in **your** care, custody or control; or
 - (b) whose owner or operator has been identified; and
 - 1) is legally responsible for the entire amount of the damage; and
 - 2) is covered by a **property damage** liability policy or bond;

but only if the damage exceeds the deductible amount.

- (2) to **your** legally parked **private passenger automobile** in the event it is accidentally struck by another of **your private passenger automobiles**, provided Collision Coverage applies to both such **automobiles**.

e. Road Trouble Service

We will reimburse **you** up to the amount stated in the Declarations for this coverage in any one emergency:

- (1) for towing **your automobile** to the nearest available garage; and
- (2) for the cost of labor performed on **your automobile** at the place of the emergency.

f. Other Automobiles Covered

The Damage To Your Automobile Coverages provided for **your automobile** also apply to certain other **automobiles**. They apply:

- (1) to an **automobile** you do not own which is temporarily used as a substitute for **your automobile**. **Your automobile** must be out of use because of breakdown, repair, servicing, loss or destruction.
- (2) to an **automobile** of the same type which **you** acquire after the inception date of the current policy term subject to the following:
 - (a) If the **automobile** replaces **your automobile**, we will apply only those coverages that apply to the **automobile** being replaced. **You** must report the replacement **automobile** to us no later than the expiration date of the policy term during which the **automobile** was acquired.
 - (b) If the **automobile** is an additional **automobile** and we insure all **automobiles** **you** already own, we will apply only those coverages which are com-

mon to all of **your automobiles** we insure provided **you**:

- 1) report the additional **automobile** to us within 30 days after **you** take possession; and
- 2) pay any required additional premiums.

You may, at any time during the first 30 days after **you** take possession of the **automobile**, purchase the broadest coverages applicable to any one **automobile** scheduled in the Declarations.

These extensions do not apply when there is other insurance covering **your** interest or the interest of the owner. However, paragraph f.(1) above applies if **you** are legally liable.

2. EXCLUSIONS

Fire, Theft, Comprehensive and Collision Coverages do not apply to:

- a. loss of or damage to **your automobile** because of confiscation or destruction by any civil or governmental authorities because of illegal activities engaged in by:

(1) **you**; or

(2) a **relative**.

This exclusion does not apply to a loss payee's interest in **your automobile**.

- b. loss of or damage to **your automobile** because of or arising out of **your** intentional act or an intentional act committed at **your** direction or with **your** knowledge. This exclusion does not apply to a loss payee's interest in **your automobile**.
- c. conversion, embezzlement or secretion by any person lawfully having **your automobile** under a sale, lease or similar agreement.
- d. any **automobile** while:

(1) preparing for;

(2) practicing for; or

(3) participating in;

any prearranged racing, speed or demolition contest.

- e. loss of use, except as provided in Coverage Extensions.

- f. wear and tear, freezing, mechanical or electrical breakdown, other than burning of wiring, unless this damage follows and results from other loss or damage covered by this policy.

- g. tires, unless the loss or damage is caused by:

(1) fire;

(2) theft; or

(3) malicious mischief; or

is part of other damage covered by this policy.

- h. a stereo tape or disc player:

(1) that is not attached to **your automobile**; and

(2) is not receiving its power from **your automobile's** electrical system.

- i. stereo tapes, cassettes, discs or cartridges or related items.

- j. any caddy, case or container designed for storing or carrying stereo tapes, cassettes, discs or cartridges.

- k. unless described in the Declarations and a premium charged:

(1) a camper body; or

(2) a pickup cover with built-in cooking and sleeping equipment.

- l. A citizens-band radio, mobile or cellular telephone, television or other similar device for sending or receiving communications, including related items. However, these devices are covered if:

- (1) standard or optional equipment from the manufacturer of **your automobile** for that make, model and model year;
- (2) permanently installed in the dash or console opening designed for such equipment; or
- (3) described in the Declarations and a premium charged.

- m. a radio, stereo, stereo tape deck, compact disc player or other similar device designed for the reproduction of sound, including related items. However these devices are covered if:

- (1) standard or optional equipment for the manufacturer of **your automobile** for that make, model and model year; or
- (2) permanently installed in **your automobile**.

Our liability under m.(2) above shall not exceed \$1000 unless a greater amount is shown in the Declarations and a premium charged.

- n. Any device designed or used to detect or locate radar or any other speed measuring or calculating apparatus.

- o. radioactive contamination.

- p. loss caused by:

- (1) declared or undeclared war or insurrection; or
- (2) explosion of a nuclear weapon or its consequences.

3. COVERAGE EXTENSIONS

a. Trailers

The Damage To Your Automobile Coverages provided to **your automobile** extend to certain trailers you do not own. The trailer must:

- (1) be designed for use with a **private passenger automobile**;
- (2) used with **your private passenger automobile**; and
- (3) be other than a trailer of the home, office, store, display, or passenger type.

Our limit of liability for all loss and damage under this coverage extension is \$500 in any one occurrence.

b. Loss Of Use By Theft

Under Theft Coverage or Comprehensive Coverage, we will reimburse you for transportation expenses if **your private passenger automobile** is stolen. We will pay up to \$20 per day but not more than \$600 in one occurrence. We will pay such expenses incurred beginning 48 hours after you report the theft to us and to the police and ending when **your automobile** is returned to use or we pay for its loss.

c. Transportation Cost

Under the coverages for Damage To Your Automobile we will reimburse you for expenses you incur for transportation from where **your automobile** was disabled to your home or intended destination. The maximum payment is \$25 for each occurrence.

d. Personal Property

If **your automobile** is a **private passenger automobile**, we will extend the Comprehensive Coverage and the Collision Coverage that apply to **your automobile** to loss of or damage to personal property contained in or on **your automobile**. This coverage extension is subject to the following:

- (1) The personal property must be owned by you, a relative, or your employee.

- (2) Comprehensive Coverage is extended only for loss or damage because of:

- (a) fire;
- (b) lightning;
- (c) theft or attempted theft.

Unless the entire automobile is stolen, there must be visible signs of someone breaking into the automobile for (2)(c) above to apply.

- (3) This coverage extension does not apply to:

- (a) stereo tapes, cassettes, discs or cartridges or related items.
- (b) a citizens-band radio, mobile or cellular telephone, television or other similar device for sending or receiving communications, including related items.
- (c) a radio, stereo, stereo tape deck, compact disc player or other similar device designed for the reproduction of sound, including related items.
- (d) property used in a business, trade or profession.
- (e) money or jewelry.
- (f) any device designed or used to detect or locate radar or any other speed measuring or calculating apparatus.
- (g) property specifically insured.

- (4) Our limit of liability for all loss or damage under this coverage extension is \$200 in any one occurrence.

4. LIMIT OF LIABILITY

- a. We will pay no more than the lowest of the following:

- (1) the actual cash value of stolen or damaged property;
- (2) the necessary cost, at local prices, to repair or replace the property or damaged parts with material of similar kind and quality; or
- (3) the Limit of Liability stated in the Declarations.

- b. We will, at our option, replace your automobile with a new one of equal value or pay you your original purchase price if:

- (1) your automobile is a private passenger automobile;
- (2) you purchased it new;
- (3) we determine the loss or damage can not be repaired; and
- (4) the loss or damage occurs within 90 days of the purchase date.

- c. Your automobile may have been altered, remodeled, converted or modified so that its value is substantially increased over that of a standard automobile of the same make and model. In that case, we will pay only a proportional share of any loss or damage. We will pay the proportion that the value of a standard automobile bears to the value of your automobile. This applies only when alteration, remodeling, conversion or modification affects the amount of the loss. It does not apply when an additional premium is charged based on the increased value.

- d. If a loss can be paid under either Comprehensive or Collision Coverage, payment will be made under the coverage that pays you the most.

SECTION IV - INDIVIDUAL NAMED INSURED

If the first named **Insured** in the Declarations is an individual and the **automobile** described in the Declarations is a **private passenger automobile** the following extensions of coverage apply.

1. LIABILITY COVERAGE - BODILY INJURY AND PROPERTY DAMAGE

- a. The Liability Coverage provided for your **automobile** (that is not a trailer) also applies to an **automobile** (that is not a trailer) not:

- (1) owned by or furnished or available for regular use to **you** or anyone living with **you**. However, **we** will cover your liability for **your** use of an **automobile** (that is not a trailer) owned by or furnished for the regular use of a **relative**.
- (2) used in an **automobile** garage repair shop, sales agency, service station or public parking business **you** own or operate.

- b. **We** extend this coverage only:

- (1) to **you**;
- (2) to **relatives** who do not own an **automobile** (that is not a trailer); and
- (3) to anyone legally responsible for the use of the **automobile** (that is not a trailer) by the persons in (1) and (2) above.

- c. **We** do not cover:

- (1) the owner of the **automobile** (that is not a trailer).
- (2) an **automobile** used in **your** business or occupation or that of a **relative**, unless it is:
 - (a) a **private passenger automobile**; and

- (b) used by **you**, such **relative** or the chauffeur or household employee of either.

- (3) **you** or a **relative** using an **automobile** (that is not a trailer) without a reasonable belief of permission to do so.

2. DAMAGE TO YOUR AUTOMOBILE

- a. The Damage to Your Automobile Coverages provided for **your automobile** also apply to an **automobile** not:

- (1) owned by or furnished or available for regular use to **you** or anyone living with **you**.
- (2) used in an **automobile** garage, repair shop, sales agency, service station or public parking business **you** own or operate.

- b. **We** extend this coverage only:

- (1) to **you**; and
- (2) to **relatives** who do not own an **automobile**.

- c. **We** do not cover an **automobile** used in your business or occupation or that of a **relative** unless it is:

- (1) a **private passenger automobile**; and
- (2) used by **you**, such **relative**, or the chauffeur or household employee of either.

- d. These extensions do not apply when there is other insurance covering **your** interest or the interest of the owner. However, they do apply if **you** are legally liable.

SECTION V - WHAT YOU MUST DO AFTER AN ACCIDENT OR LOSS

1. NOTIFY US PROMPTLY

- a. You and any person seeking coverage under this policy must notify **us** promptly as to how, when and where the accident happened. **We**

must have the names and addresses of any injured person and of any witnesses. Notice and documentation of loss must be given if we require it. Any loss or damage caused by theft, larceny, robbery, pilferage or trickery must be promptly reported to the police.

- b. If claim is made or suit is brought against you or any person entitled to coverage, we must be advised promptly. All papers in connection with claims or suits must be sent to us without delay.
- c. Under Uninsured Motorist Coverage and/or Underinsured Motorist Coverage, any person making claim must:
 - (1) give us written notice and documentation of loss;
 - (2) submit to examinations by physicians we select as often as we require; and
 - (3) authorize us to obtain medical reports and other pertinent records.

We must be given copies of the legal papers if suit is brought against any person believed to be legally responsible.

2. ASSIST AND COOPERATE

- a. You and any person seeking coverage under this policy must cooperate with us in the in-

vestigation, settlement or defense of any claim or suit. This includes submitting to a statement under oath and giving us access to any documents which we request.

- b. When a claim is made for damage to your automobile, you must let us examine the vehicle before repairs are made or evidence of loss removed,
- c. Following damage to your automobile, every reasonable effort must be made to protect the vehicle against further loss. We will pay the reasonable expenses incurred to do this.

3. PRESERVE OUR RIGHT TO RECOVER PAYMENTS

- a. If we make a payment under this policy and the person to or for whom payment is made has a right to recover damages from another, we will be entitled to that right. That person shall do everything necessary to transfer that right to us and shall do nothing to prejudice it.
- b. The person to or for whom payment is made under Uninsured Motorist Coverage and/or Underinsured Motorist Coverage must hold in trust for us his rights of recovery against any legally liable person. He must do all that is proper to secure such rights and must do nothing to prejudice them. He must take any required action in his name to recover damages and reimburse us out of any proceeds to the extent of our payment.

SECTION VI - GENERAL CONDITIONS

1. POLICY PERIOD AND TERRITORY

This policy applies only to accidents and losses which happen during the policy period as shown in the Declarations. They must take place within the United States of America, its territories or possessions, Canada or Mexico or between their ports.

2. CHANGES

- a. This policy contains all the agreements between you and us or any of our agents relating to this insurance. The terms of this policy

may not be changed except by written endorsement issued by us.

- b. We may adjust your premium during the policy term because of changes in the factors that were used to determine such premium. These factors include but are not limited to:

- (1) the principal place of garaging your automobile;
- (2) coverages, limits of liability and deductibles;

(3) the type, make and model of **your automobile** and its use;

(4) the operators of **your automobile**.

Premium adjustments will be made at the time of such changes or when we become aware of the changes, if later. We will use the governing rules and rates in effect on the inception date of the policy term.

3. FRAUD

We will not cover any person seeking coverage under this policy who has made fraudulent statements or engaged in fraudulent conduct with respect to procurement of this policy or to any occurrence for which coverage is sought.

4. LEGAL ACTION AGAINST US

- a. No legal action may be brought against us until there has been full compliance with all the terms of this policy. Further, under the Liability Coverage no legal action may be brought until we agree a person entitled to coverage has an obligation to pay or until the amount of that obligation has been determined by judgement after trial. No one has any right under this policy to bring us into any action to determine the liability of any person we have agreed to protect.
- b. Bankruptcy or insolvency of any person we have agreed to protect will not relieve us of any obligation under the terms of this policy.

5. SEVERABILITY

Except as to our limit of liability, the coverage provided by this policy applies separately to each

person against whom claim is made or suit is brought.

6. DUPLICATION OF COVERAGE

- a. If this policy and any other policy or form of coverage provided by us or a company affiliated with us, provide coverage for the same loss or damage, our maximum limit of liability under all the policies or forms of coverage shall not exceed the highest limit of liability under any single policy or form of coverage applicable to the loss or damage.
- b. This condition does not apply to any policy or form of coverage issued by us or a company affiliated with us to specifically provide excess insurance over this policy.

7. ASSIGNMENT

No interest in this policy may be assigned without our written consent. But, if you should die within the policy term, the policy will cover as though named in the Declarations:

- a. your spouse, if you are an individual;
- b. your legal representative but only with respect to his legal responsibility for the maintenance or use of your automobile; and
- c. any person having proper temporary custody of your automobile until a legal representative is appointed;

provided we are given written notice of your death within 60 days. This requirement does not apply with regard to your spouse.



79100 (2-07)

South Carolina

**OFFER OF OPTIONAL ADDITIONAL UNINSURED AND
UNDERINSURED AUTOMOBILE INSURANCE COVERAGES****I. EXPLANATION OF COVERAGES.** Please read this form carefully.**AUTOMOBILE LIABILITY INSURANCE**

Automobile liability insurance coverage pays others for the damages for which you are legally responsible. These are two types of coverage: (1) bodily injury coverage which pays people upon whom your motor vehicle inflicts bodily injury; and (2) property damage coverage which pays people for damage your automobile causes to their motor vehicles or property. To drive your automobile in this State, you must have insurance for bodily injury in limits of at least \$25,000 for each person and \$50,000 for two or more people whom you may injure in any single accident. You must also have at least \$25,000 in property damage insurance for each accident you may cause. These limits can be described as \$25,000/\$50,000/\$25,000. You have the right to buy additional limits of automobile liability insurance. You must pay a higher premium for these increased limits of protection.

This State's laws also require that you must be offered "uninsured motorist coverage" and "underinsured motorist coverage." You must pay an additional premium for each of these coverages.

UNINSURED MOTORIST COVERAGE

Uninsured motorist coverage compensates you, or other person insured under your policy, for amounts that you may be legally entitled to collect as damages from an owner or operator of an uninsured motor vehicle. An uninsured motor vehicle is a motor vehicle which either has no liability insurance coverage or is operated by a hit-and-run driver. By law, your automobile insurance must provide uninsured motorist coverage in limits of at least \$25,000/\$50,000/\$25,000. You have the right to buy additional uninsured motorist coverage in various limits, up to and including the limits for the liability coverage you carry under your automobile policy. Some of the more commonly sold additional limits, together with the additional premiums which you will be charged, are shown on this form. If you are interested in other limits which are not shown on this form, then fill in those limits. If we market those limits in this State, your agent will fill-in the amount of increased premium. Uninsured motorist coverages have a \$200 deductible for property damage claims.

UNDERINSURED MOTORIST COVERAGE

Underinsured motorist coverage compensates you, or other persons insured under your policy, including passengers within your motor vehicle, for amounts which, may be legally collected as damages from an owner or operator of an at-fault underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle that is covered by some form of liability insurance which is not sufficient to fully compensate you for your damages. You have a right to buy any coverage limits up to and including the limits of liability coverage you carry under your automobile policy. Some of the more commonly sold limits, together with the additional premiums you will be charged, are shown on this form. If you are interested in other limits which are not shown on this form, then fill-in those limits. If we provide those limits in this State, your agent will fill-in the amount of increased premium.

If you reject either of these coverages and you are involved in an automobile accident, this form may be used by us as evidence against you to deny your claim for additional uninsured motorist coverage or your claim for underinsured motorist coverage.

If you do not complete this form and return it to Auto-Owners Insurance Company or your Insurance agent within 30 days from your receipt of it, the law requires that additional uninsured motorist coverage and underinsured motorist coverage must be automatically added on to your automobile insurance policy at the same limits as the automobile liability insurance which you purchased. You will be required to pay additional premium for each of these two coverages. If you do not pay that additional premium, your entire automobile Insurance policy may then be cancelled.

In the future, if you wish to increase or to decrease your limits of additional uninsured or underinsured motorist coverage, you must contact either your Insurance agent or Auto-Owners Insurance Company. You will not be presented with another copy of this form.

If you have any questions, you should contact your Insurance agent or Auto-Owners Insurance Company who must answer any questions you may have or contact the State of South Carolina Department of Insurance at:

Office of Consumer Services
South Carolina Department of Insurance
Post Office Box 100105
Columbia, South Carolina 29202-3105
(803) 737-6180
(800) 768-3467
E-Mail Address: CnsmMail@dol.state.sc.us

Please complete **BOTH** sides of this form and return it to your insurance agent or Auto-Owners Insurance Company **WITHIN 30 DAYS FROM YOUR RECEIPT OF IT.**

II. OFFER OF ADDITIONAL UNINSURED MOTORIST COVERAGE

Limits of Coverage Amount of Increased Premium

(These increased premium charges must be filled-in by your insurance agent prior to your decision and signature.)

\$50,000/\$100,000/\$25,000
\$100,000/\$300,000/\$25,000
\$250,000/\$500,000/\$50,000
\$75,000
\$100,000
\$250,000
\$300,000
\$500,000

Do you wish to purchase additional uninsured motorist coverage? Yes No
If your answer is "yes", then specify the limits which you desire. These limits cannot exceed your automobile insurance liability limits. I select ____/____/____.

Signature

Today's Date

IMPORTANT: Both sides of document must be completed.

III. OFFER OF UNDERINSURED MOTORIST COVERAGE

Limits of Coverage

\$50,000/\$100,000/\$25,000
 \$100,000/\$300,000/\$25,000
 \$250,000/\$500,000/\$50,000
 \$75,000
 \$100,000
 \$250,000
 \$300,000
 \$500,000

Amount of Increased Premium

(These increased premium charges must be filled-in by your insurance agent prior to your decision and signatures.)

Do you wish to purchase additional underinsured motorist coverage? Yes ☐ No ☐

If your answer is "yes", then specify the limits which you desire. These limits cannot exceed your automobile insurance liability limits. I select / /

Signature _____

Today's Date _____

IV. APPLICANT'S ACKNOWLEDGEMENT

I hereby acknowledge that I have read, or have had read to me, the above explanations and offers of additional uninsured motorist coverage and underinsured motorist coverage. I have indicated whether or not I wish to purchase each coverage in the spaces provided. I further understand that the above explanations of these coverages are intended only to be brief descriptions of coverages, and that payment of benefits under any of these coverages is subject both to the terms and conditions of my automobile insurance policy and to the State of South Carolina's laws.

Type or Print Your Name: _____

Your Signature: _____

Today's Date: _____

Your Address: _____

Policy Number:
 (If known)

IMPORTANT: Both sides of document must be completed.

South Carolina
AMENDMENT OF DEDUCTIBLE - SAFETY GLASS
Automobile Policy

79206 (6-92)

It is agreed:

A deductible stated in the Declarations for Comprehensive Coverage or Collision Coverage does not apply to loss of or damage to the safety glass of **your automobile**.

All other policy terms and conditions apply.

South Carolina
UNDERINSURED MOTORIST COVERAGE
Automobile Policy

79306 (7-05)

It is agreed:

1. DEFINITIONS

The following definitions apply in addition to those contained in **SECTION I - DEFINITIONS** of the policy.

- a. **Occupying** means being in or on an **automobile** as a passenger or operator, or being engaged in the immediate acts of entering, boarding or alighting from an **automobile**.
- b. **Underinsured automobile** means an **automobile** to which a liability bond or liability insurance policy applies at the time of the **occurrence**:

- (1) with limits of liability at least equal to or greater than the limits required by the South Carolina Motor Vehicle Financial Responsibility Act; and
- (2) such limits of liability are less than the amount of damages the injured person is legally entitled to recover for **bodily injury** or **property damage**.

Underinsured automobile does not include an **automobile**:

- (1) owned or leased by, furnished to or available for regular use of **you** or anyone living with **you**;
- (2) owned by the state of South Carolina or any of its political subdivisions when operated by a person with proper authorization;
- (3) operated on rails or crawler treads;
- (4) located for use as a residence or premises;
- (5) that is designed mainly for use off public roads except while actually on public roads; or
- (6) that is an **uninsured automobile**. By this we mean an **automobile**:
 - (a) to which no **bodily injury** or **property damage** liability insurance policy applies:
 - 1) at the time of the **occurrence**; or
 - 2) in at least the minimum amounts required by South Carolina Motor Vehicle Responsibility Act.
 - (b) for which there is no bond or deposit of cash or securities in lieu of **bodily injury** and **property damage** liability insurance policy.
 - (c) insured by a company that is declared insolvent, or is in delinquency proceedings, suspension, or receivership or is proven unable fully to respond to a judgment.

- (d) Insured by a company that has successfully issued a denial of coverage.
- (e) that is a hit and run automobile. By this we mean an automobile whose owner or operator is unknown;
 - 1) which causes **bodily injury** by actual physical contact with the injured person or the automobile the injured person is occupying; or
 - 2) which causes **property damage** by actual physical contact with property of yours or a relative.

Actual physical contact is not necessary if the **occurrence** was witnessed by a person other than the owner or operator of the insured automobile and such person signs an affidavit attesting to the truth of the facts of the **occurrence** contained in the affidavit.

2. COVERAGE

- a. We will pay damages any person is legally entitled to recover from the owner or operator of an underinsured automobile for:
 - (1) **bodily injury** sustained while occupying an automobile which is covered by **SECTION II - LIABILITY COVERAGE** of the policy; and
 - (2) **property damage** to your automobile and to property of yours or a relative.
- b. If the first named insured in the Declarations is an individual, this coverage is extended as follows:
 - (1) We will pay compensatory damages you are legally entitled to recover from the owner or operator of any underinsured automobile for **bodily injury** you sustain:
 - (a) when you are not occupying an automobile that is covered by **SECTION II - LIABILITY COVERAGE** of the policy; or
 - (b) when occupying an automobile you do not own which is not covered by **SECTION II - LIABILITY COVERAGE** of the policy.
 - (2) The coverage extended in 2.b.(1) above is also afforded to a relative who does not own an automobile.
- c. The **bodily injury** and **property damage** must be accidental and arise out of the ownership, maintenance or use of the underinsured automobile.
- d. Whether an injured person is legally entitled to recover damages and the amount of the damages shall be determined by agreement between the injured person and us.

3. EXCLUSIONS

Underinsured Motorist Coverage does not apply:

- a. to any person injured while occupying or injured by any automobile which is owned or leased by such person injured if such automobile:
 - (1) is designed primarily for use on public roads;

- (2) is required to be registered and licensed prior to its use on public roads; and
- (3) is not insured for Underinsured Motorist Coverage by the policy.
- b. to directly or indirectly benefit an insurer or self-insurer under any workers compensation law.
- c. to directly or indirectly benefit any insurer of property.
- d. to damage to property for which the owner has been compensated by other property or physical damage insurance.
- e. to the first \$200 of the amount of all **property damage** in any one occurrence.

4. LIMIT OF LIABILITY

- a. Our limit of liability for Underinsured Motorist Coverage shall not exceed the lowest of the following:

- (1) the amount by which the damages for **bodily injury** or **property damage** exceed the total limits of all liability bonds and liability insurance policies available to the owner or operator of the **underinsured automobile** at the time of the **occurrence**; or

- (2) the Limits of Liability stated in the Declarations for Underinsured Motorist Coverage as follows:

- (a) We will pay damages for **bodily injury** up to the limit of liability stated in the Declarations as follows:

- 1) The limit stated for "each person" is the amount of coverage and the most we will pay for all damages because of or arising out of **bodily injury** to one person in any one occurrence.
- 2) The limit stated for "each occurrence" is the total amount of coverage and the most we will pay, subject to 4.a.(2)(a)1) above, for all damages because of or arising out of **bodily injury** to two or more persons in any one occurrence.

However, if the first named insured in the Declarations is an individual and the policy insures more than one **your automobile** for this coverage, our limit of liability for injury to only **you** and **your relative** is as follows:

- 1) If **you** or a **relative** is injured while occupying your automobile:

- a) the "each person" limit of liability shall be the sum of the "each person" limit of liability applying to such **automobile** and that portion of the "each person" limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
- b) the "each occurrence" limit of liability shall be the sum of the "each occurrence" limit of liability applying to such **automobile** and that portion of the "each occurrence" limit of liability that applies to each additional **your automobile** that does exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.

- 2) If **you** or a **relative** is injured while not occupying an automobile:

- a) the "each person" limit of liability shall be the sum of the highest "each person" limit of liability applicable to any one **your automobile** and that portion of the "each person" limit of

liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.

b) the "each occurrence" limit of liability shall be the sum of the highest "each occurrence" limit of liability applicable to any one **your automobile** and that portion of the "each occurrence" limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.

3) If **you** or a **relative** is injured while **occupying** an **automobile** not owned by **you** or a **relative** the limit of liability shall be the highest "each person" and "each occurrence" limit of liability applicable to any one **your automobile**.

(b) We will pay damages for **property damage** up to the limit of liability stated in the Declarations which is the amount of coverage and the most we will pay for all claims of one or more persons or organizations in any one **occurrence**.

b. No Limit of Liability is increased because of the number of:

(1) **automobiles** shown in the Declarations, except as provided in 4.a. above;

(2) premiums charged in the Declarations;

(3) claims made or **suits** brought;

(4) persons injured; or

(5) **automobiles** involved in the **occurrence**.

c. The amount we pay will not duplicate any amounts paid or payable for the same **bodily injury**:

(1) under **SECTION II - LIABILITY COVERAGE** of the policy;

(2) under any workers compensation, disability benefits or similar law; or

(3) by or on behalf of any person or organization who may be legally responsible for the **bodily injury**.

d. With respect to any limit stated in the Declarations that exceeds the limit required by the South Carolina Motor Vehicle Financial Responsibility Act, the injured person is protected only to the extent such limit:

(1) applies to the **automobile** involved in the **occurrence**; or

(2) applies to any one **your automobile**, if none of them were involved in the **occurrence**.

5. OTHER UNDERINSURED MOTORIST COVERAGE

a. If this coverage and other underinsured motorist coverage applies on a primary basis, we will pay our share. Our share shall be the ratio of our limit of liability to the total of all limits which apply on a primary basis.

b. If this coverage and other underinsured motorist coverage applies on an excess basis, we will pay our share. Our share shall be the ratio of our limit of liability to the total of all limits which apply on an excess basis.

- c. The coverage applicable to **automobiles you** do not own shall apply as excess over any other coverage that applies. If there is other coverage, such coverage shall first be exhausted. Total damages payable shall not exceed the limit of liability of the applicable policy with the highest limit.

6. CONDITIONS

The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

a. TIME LIMITATION FOR ACTIONS AGAINST US

Any person seeking Underinsured Motorist Coverage must:

- (1) present a claim for damages according to the terms and conditions of the policy; and
- (2) conform with any applicable statute of limitations applying to **bodily injury** claims in the state in which the accident occurred.

b. ARBITRATION

- (1) If we and a person entitled to Underinsured Motorist Coverage under this endorsement do not agree:

- (a) that the person is entitled to recover damages; or
- (b) to the amount of those damages

the matter may be arbitrated provided both we and the injured person agree to arbitration. If so, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that a judge of a court having jurisdiction make the selection.

- (2) Each party will pay its own arbitrator and share equally all other expenses of arbitration.
- (3) Arbitration will take place in the county and state in which the person entitled to coverage lives. Local rules of procedure and evidence will apply.
- (4) A decision by any two of the arbitrators will be binding and may be enforced by either party in a court of competent jurisdiction.

All other policy terms and conditions apply.

South Carolina
UNINSURED MOTORIST COVERAGE
Automobile Policy

79310 (7-05)

It is agreed:

1. DEFINITIONS

The following definitions apply in addition to those contained in **SECTION I - DEFINITIONS** of the policy.

a. Occupying means being in or on an **automobile** as a passenger or operator, or being engaged in the immediate acts of entering, boarding or alighting from an **automobile**.

b. Uninsured automobile means an **automobile**:

(1) to which no **bodily injury** and **property damage** liability insurance policy applies:

(a) at the time of the **occurrence**; or

(b) in at least the minimum amounts required by South Carolina Motor Vehicle Financial Responsibility Act.

(2) for which there is no bond or deposit of cash or securities in lieu of **bodily injury** and **property damage** liability insurance policy.

(3) insured by a company that is declared insolvent, or is in delinquency proceedings, suspension, or receivership or is proven unable fully to respond to a judgment.

(4) insured by a company that has successfully issued a denial of coverage.

(5) that is a **hit and run automobile**. By this we mean an **automobile** whose owner or operator is unknown:

(a) which causes **bodily injury** by actual physical contact with the injured person or the **automobile** the injured person is **occupying**; or

(b) which causes **property damage** by actual physical contact with property of **yours** or a **relative**.

Actual physical contact is not necessary if the **occurrence** was witnessed by a person other than the owner or operator of the insured **automobile** and such person signs an affidavit attesting to the truth of the facts of the **occurrence** contained in the affidavit.

An **occurrence** involving a **hit and run automobile** must be reported to the appropriate police authority within a reasonable time after the **occurrence**. You must not be negligent in failing to determine the identity of the other **automobile** and the operator of that **automobile** at the time of the **occurrence**.

Uninsured automobile does not include an **automobile**:

(1) owned or leased by, furnished to or available for regular use of **you** or anyone living with **you**;

- (2) owned by the state of South Carolina or any of its political subdivisions when operated by a person with proper authorization;
- (3) operated on rails or crawler treads;
- (4) located for use as a residence or premises;
- (5) that is designed mainly for use off public roads except while actually on public roads; or
- (6) that is an **underinsured automobile**. An underinsured **automobile** is an **automobile** to which a liability bond or a liability insurance policy applies at the time of the **occurrence**:
 - (a) with limits of liability at least equal to or greater than the limits required by the South Carolina Motor Vehicle Financial Responsibility Act; and
 - (b) such limits of liability are less than the amount of damages the injured person is legally entitled to recover for **bodily injury** or **property damage**.

2. COVERAGE

- a. We will pay damages any person is legally entitled to recover from the owner or operator of an **uninsured automobile** for:
 - (1) **bodily injury** sustained while **occupying** an **automobile** that is covered by **SECTION II - LIABILITY COVERAGE** of the policy; and
 - (2) **property damage** to **your automobile** and to property of **yours** or a **relative**.
- b. If the first named insured in the Declarations is an individual, this coverage is extended as follows:
 - (1) We will pay compensatory damages **you** are legally entitled to recover from the owner or operator of any **uninsured automobile** for **bodily injury** **you** sustain:
 - (a) when **you** are not **occupying** an **automobile** that is covered by **SECTION II - LIABILITY COVERAGE** of the policy; or
 - (b) when **occupying** an **automobile** **you** do not own which is not covered by **SECTION II - LIABILITY COVERAGE** of the policy.
 - (2) The coverage extended in 2.b.(1) above is also afforded to a **relative** who does not own an **automobile**.
- c. The **bodily injury** and **property damage** must be accidental and arise out of the ownership, maintenance or use of the **uninsured automobile**.
- d. Whether an injured person is legally entitled to recover damages and the amount of the damages shall be determined by agreement between the injured person and **us**. We will not be bound by any judgments for damages obtained or settlements made without our written consent.

3. EXCLUSIONS

Uninsured Motorist Coverage does not apply:

- a. to any person injured while **occupying** or injured by any **automobile** which is owned or leased by such person injured if such **automobile**:
 - (1) is designed primarily for use on public roads;
 - (2) is required to be registered and licensed prior to its use on public roads; and
 - (3) is not insured for Underinsured Motorist Coverage by the policy.
- b. to any person who settles the **bodily injury** or **property damage** claim without our written consent.
- c. to directly or indirectly benefit an insurer or self-insurer under any workers compensation, disability benefits or similar law.
- d. to the first \$200 of the total amount of all **property damage** in any one **occurrence**.
- e. to directly or indirectly benefit any insurer of property.
- f. to damage to property for which the owner has been compensated by other property or physical damage insurance.

4. LIMIT OF LIABILITY

- a. We will pay damages for **bodily injury** up to the limit of liability stated in the Declarations as follows:
 - (1) The limit stated for "each person" is the amount of coverage and the most we will pay for all damages because of or arising out of **bodily injury** to one person in any one **occurrence**.
 - (2) The limit stated for "each occurrence" is the total amount of coverage and the most we will pay, subject to 4.a.(1) above, for all damages because of or arising out of **bodily injury** to two or more persons in any one **occurrence**.

However, if the first named insured in the Declarations is an individual and the policy insures more than one **your automobile** for this coverage, our limit of liability for injury to only **you** and **your relative** is as follows:

- (1) If **you** or a **relative** is injured while **occupying your automobile**:
 - (a) the "each person" limit of liability shall be the sum of the "each person" limit of liability applying to such **automobile** and that portion of the "each person" limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (b) the "each occurrence" limit of liability shall be the sum of the "each occurrence" limit of liability applying to such **automobile** and that portion of the "each occurrence" limit of liability that applies to each additional **your automobile** that does exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.

- (2) If **you** or a **relative** is injured while not **occupying** an **automobile**:
- (a) the "each person" limit of liability shall be the sum of the highest "each person" limit of liability applicable to any one **your automobile** and that portion of the "each person" limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (b) the "each occurrence" limit of liability shall be the sum of the highest "each occurrence" limit of liability applicable to any one **your automobile** and that portion of the "each occurrence" limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
- (3) If **you** or a **relative** is injured while **occupying** an **automobile** not owned by **you** or a **relative** the limit of liability shall be the highest "each person" and "each occurrence" limit of liability applicable to any one **your automobile**.
- b. We will pay damages for **property damage** up to the limit of liability stated in the Declarations which is the amount of coverage and the most we will pay for all claims of one or more persons or organizations in any one **occurrence**.
- c. No Limit of Liability is increased because of the number of:
- (1) **automobiles** shown in the Declarations, except as provided in 4.a. above;
 - (2) premiums charged in the Declarations;
 - (3) claims made or suits brought;
 - (4) persons injured; or
 - (5) **automobiles** involved in the **occurrence**.
- d. The amount we pay will not duplicate any amounts paid or payable for the same **bodily injury**:
- (1) under **SECTION II - LIABILITY COVERAGE** of the policy;
 - (2) under any workers compensation, disability benefits or similar law; or
 - (3) by or on behalf of any person or organization who may be legally responsible for the **bodily injury**.
- e. With respect to any limit stated in the Declarations that exceeds the limit required by the South Carolina Motor Vehicle Financial Responsibility Act, the injured person is protected only to the extent such limit:
- (1) applies to the **automobile** involved in the **occurrence**; or
 - (2) applies to any one **your automobile**, if none of them were involved in the **occurrence**.

5. OTHER UNINSURED MOTORIST COVERAGE

- a. If this coverage and other uninsured motorist coverage applies on a primary basis, we will pay our share. Our share will be the ratio of our limit of liability to the total of all limits which apply on a primary basis.
- b. If this coverage and other uninsured motorist coverage applies on an excess basis, we will pay our share. Our share shall be the ratio of our limit of liability to the total of all limits which apply on an excess basis.
- c. The coverage applicable to automobiles you do not own shall apply as excess over any other coverage that applies. If there is other coverage, such coverage shall first be exhausted. Total damages payable shall not exceed the limit of liability of the applicable policy with the highest limit.

6. CONDITIONS

The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

a. TIME LIMITATION FOR ACTIONS AGAINST US

Any person seeking Uninsured Motorist Coverage must:

- (1) present a claim for damages according to the terms and conditions of the policy; and
- (2) conform with any applicable statute of limitations applying to **bodily injury** claims in the state in which the accident occurred.

b. ARBITRATION

- (1) If we and a person entitled to Uninsured Motorist Coverage under this endorsement do not agree:

(a) that the person is entitled to recover damages; or

(b) to the amount of those damages

the matter may be arbitrated provided both we and the injured person agree to arbitration. If so, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that a judge of a court having jurisdiction make the selection.

- (2) Each party will pay its own arbitrator and share equally all other expenses of arbitration.
- (3) Arbitration will take place in the county and state in which the person entitled to coverage lives. Local rules of procedure and evidence will apply.
- (4) A decision by any two of the arbitrators will be binding and may be enforced by either party in a court of competent jurisdiction.

All other policy terms and conditions apply.

South Carolina
COMBINED LIMIT UNDERINSURED MOTORIST
Automobile Policy

79321 (3-98)

It is agreed:

When "Combined Underinsured Motorist" is shown under coverages in the Declarations, Paragraph 4. LIMIT OF LIABILITY of the UNDERINSURED MOTORIST COVERAGE endorsement is deleted and replaced by the following:

4. LIMIT OF LIABILITY

a. Our limit of liability for Underinsured Motorist Coverage shall not exceed the lowest of the following:

- (1) The amount by which the damages for all **bodily injury** and all **property damage** exceed the total limits of all liability bonds and policies available to the owner or operator of the **underinsured automobile** at the time of the **occurrence**; or
- (2) The Limit of Liability stated in the Declarations for Underinsured Motorist Coverage. The Limit of Liability is the amount of coverage and the most we will pay for all damages because of or arising out of all **bodily injury** and all **property damage** in any one **occurrence**.

However, if the first named insured in the Declarations is an individual and the policy insures more than one **your automobile** for this coverage, our limit of liability for injury to only **you** and **your relative** is as follows:

- (a) If **you** or a **relative** is injured while occupying or getting into or out of a **your automobile**, the limit of liability shall be the sum of the limit of liability applying to such **automobile** and that portion of the limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (b) If **you** or a **relative** is injured while not occupying or not getting into or out of an **automobile**, the limit of liability shall be the sum of the highest limit of liability applicable to any one **your automobile** and that portion of the limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (c) If **you** or a **relative** is injured while occupying or getting into or out of an **automobile** not owned by **you** or a **relative** the limit of liability shall be the highest limit of liability applicable to any one **your automobile**.
- b. No Limit of Liability is increased because of the number of:
- (1) **automobiles** shown in the Declarations, except as provided in 4.a. above;
 - (2) premiums charged in the Declarations;
 - (3) claims made or suits brought;
 - (4) persons injured; or
 - (5) **automobiles** involved in the **occurrence**.

c. The amount we pay will not duplicate any amounts paid or payable for the same **bodily injury**:

- (1) under **SECTION II - LIABILITY COVERAGE** of the policy;
- (2) under any workers compensation, disability benefits or similar law; or
- (3) by or on behalf of any person or organization who may be legally responsible for the **bodily injury**.

d. With respect to any limit stated in the Declarations that exceeds the limit required by the South Carolina Motor Vehicle Financial Responsibility Act, the injured person is protected only to the extent such limit:

- (1) applies to the **automobile** involved in the **occurrence**; or
- (2) applies to any one **your automobile**, if none of them were involved in the **occurrence**.

All other policy terms and conditions apply.

South Carolina
COMBINED LIMIT UNINSURED MOTORIST
Automobile Policy

79322 (3-95)

It is agreed:

When "Combined Uninsured Motorist" is shown under Coverages in the Declarations, paragraph 4. LIMIT OF LIABILITY of the UNINSURED MOTORIST COVERAGE endorsement is deleted and replaced by the following:

4. LIMIT OF LIABILITY

- a. The Limit of Liability stated in the Declarations for Uninsured Motorist Coverage is the amount of coverage and the most we will pay for all damages because of or arising out of all **bodily injury** and all **property damage** in any one **occurrence**.

However, if the first named Insured in the Declarations is an individual and the policy insures more than one **your automobile** for this coverage, our limit of liability for injury to only **you** and **your relative** is as follows:

- (1) If **you** or a **relative** is injured while occupying or getting into or out of a **your automobile**, the limit of liability shall be the sum of the limit of liability applying to such **automobile** and that portion of the limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (2) If **you** or a **relative** is injured while not occupying or not getting into or out of an **automobile**, the limit of liability shall be the sum of the highest limit of liability applicable to any one **your automobile** and that portion of the limit of liability that applies to each additional **your automobile** that does not exceed the limit required by the South Carolina Motor Vehicle Financial Responsibility Act.
 - (3) If **you** or a **relative** is injured while occupying or getting into or out of an **automobile** not owned by **you** or a **relative** the limit of liability shall be the highest limit of liability applicable to any one **your automobile**.
- b. No Limit of Liability is increased because of the number of:
- (1) **automobiles** shown in the Declarations, except as provided in 4.a. above;
 - (2) premiums charged in the Declarations;
 - (3) claims made or **suits** brought;
 - (4) persons injured; or
 - (5) **automobiles** involved in the **occurrence**.
- c. The amount **we** pay will not duplicate any amounts paid or payable for the same **bodily injury**:
- (1) under **SECTION II - LIABILITY COVERAGE** of the policy;
 - (2) under any workers compensation, disability benefits or similar law; or
 - (3) by or on behalf of any person or organization who may be legally responsible for the **bodily injury**.
- d. With respect to any limit stated in the Declarations that exceeds the limit required by the South Carolina Motor Vehicle Financial Responsibility Act, the injured person is protected only to the extent such limit:
- (1) applies to the **automobile** involved in the **occurrence**; or
 - (2) applies to any one **your automobile**, if none of them were involved in the **occurrence**.

All other policy terms and conditions apply.

South Carolina

79388 (8-98)

**IMPORTANT NOTICE - OPTIONAL UNINSURED
Underinsured Motorist Coverage**

In addition to the insurance coverage required by law to protect you against a loss caused by an uninsured motorist, if you have purchased liability insurance coverage that is higher than that required by law to protect you against liability arising out of the ownership, maintenance, or use of the motor vehicles covered by the policy, and you have not already purchased uninsured motorist insurance coverage equal to your liability insurance coverage:

- (1) Your uninsured and underinsured motorist insurance coverage has increased to the limits of your liability coverage and this increase will cost you an extra premium charge; and
- (2) Your total premium charge for your motor vehicle insurance coverage will increase if you do not notify your agent or insurer of your desire to reduce coverage with twenty days of the mailing of the policy or the premium notice, as the case may be;
- (3) If this is a new policy and you have already signed a written rejection of such higher limits in connection with it, paragraphs (1) and (2) of this notice do not apply.

AMENDMENT OF TRAILER LIABILITY COVERAGE
Automobile Policy

79419 (3-99)

It is agreed:

Under **SECTION II - LIABILITY COVERAGE, 1. COVERAGE**, paragraph **b. Trailers** is deleted and replaced by the following:

b. Trailers

- (1) The Liability Coverage provided by this policy for **your automobile** (that is not a **trailer**) or provided for any other **automobile** (that is not a **trailer**) extends:
 - (a) to any **trailer** connected to or accidentally disconnected from such **automobile**. This coverage includes the **trailer** owner.
 - (b) to any non-motorized farm machine or farm wagon while connected to or accidentally disconnected from such **automobile**. This coverage includes the non-motorized farm machine or farm wagon owner. No coverage applies to the operation or to the loading or unloading of the non-motorized farm machine or the farm wagon.
- (2) The Liability Coverage provided by this policy to **your automobile** (that is not a **trailer**) also extends:
 - (a) to any **trailer** not maintained or used for commercial purposes:
 - 1) which is owned by **you**.
 - 2) If **you** are an individual:
 - a) which is owned by a **relative** who also owns an **automobile** (that is not a **trailer**) scheduled in the Declarations; or
 - b) which is owned by a **relative** who does not own an **automobile** other than the **trailer**.
 - 3) which is owned by any other individual who owns an **automobile** (that is not a **trailer**) which is scheduled in the Declarations or a relative of such individual who does not own an **automobile** other than the **trailer**. As used in only this subparagraph 3), **relative** means a person who resides with such individual and who is related to that individual by blood, marriage or adoption including a ward or foster child who resides with the individual.
 - 4) which is not owned by an individual or organization described in 1, 2) or 3) above while the trailer is in the care, custody or control of such individual or organization.

Coverage is extended only when such **trailer**:

- 1) is not connected to an **automobile**. This coverage applies only to an individual or organization described in 1), 2), or 3) above for liability for ownership or use of the **trailer**.
 - 2) is connected to an **automobile** (that is not a **trailer**) to which Liability Coverage is not provided by this policy. This coverage applies to only the **trailer** owner's liability arising from use of the **trailer** by an individual or organization other than the **trailer** owner. No coverage applies to the owner or operator of the **automobile** or to the owner of a **trailer** described in 4) above.
- (b) to any **trailer** maintained or used for commercial purposes:
- 1) which is owned by **you**; or
 - 2) which is owned by any other insured named in the Declarations, other than an additional insured.
 - 3) which is not owned by an individual or organization described in 1) or 2) above while the **trailer** is in the care, custody or control of such individual or organization.

Coverage is extended only when such **trailer**:

- 1) Is not connected to an **automobile**. This coverage applies only to an individual or organization described in 1) or 2) above for liability for ownership or use of the **trailer**.
- 2) Is connected to an **automobile** (that is not a **trailer**) to which Liability Coverage is not provided by this policy. This coverage applies to only to the **trailer** owner's liability arising from use of the **trailer** by an individual or organization other than the **trailer** owner. No coverage applies to the owner or operator of the **automobile** or the owner of a **trailer** described in 3) above.

(3) Trailer Premium

The premium for this coverage is based upon the **trailer** exposure you tell us you have at the beginning of each policy term. The total premium for this coverage shall be computed when we determine your actual **trailer** exposure at the end of each policy term based upon the rules and rates in effect at inception of that policy term.

All other policy terms and conditions apply.

EMPLOYERS' NONOWNERSHIP LIABILITY
Automobile Policy

79503 (3-89)

It is agreed:

1. COVERAGE

- a. **SECTION II - LIABILITY COVERAGE** extends to:
- (1) a **private passenger automobile** or motorcycle:
 - (a) **you** do not own or hire;
 - (b) while used by any person in **your** business; and
 - (2) a commercial **automobile** (that is not a trailer);
 - (a) **you** do not own or hire;
 - (b) while infrequently or occasionally used by **your** employee in **your** business.
- b. This coverage extension applies only to:
- (1) **you**; and
 - (2) **your** executive officers and partners, if **you** are a corporation or partnership.

2. EXCLUSIONS

This coverage extension does not apply:

- a. to any **automobile** or motorcycle **you** own or hire;
- b. to any **automobile** or motorcycle **you** operate, if **you** are an individual; or
- c. to **your** executive officers and partners for any **automobile** they own.
- d. to any **automobile** covered by any other provision or extension of the policy.

3. OTHER INSURANCE

This extension of coverage is excess of any other available insurance.

All other policy terms and conditions apply.

79517 (1-07)

**AMENDATORY ENDORSEMENT - MOBILE SPECIAL EQUIPMENT
and ROAD CONSTRUCTION, MAINTENANCE AND SPECIAL
EQUIPMENT
Automobile Policy**

It is agreed:

1. DEFINITIONS

Under **SECTION I - DEFINITIONS**, the following definitions are added:

- a. **Road construction, maintenance and special equipment** means any of the following types of automobiles, whether self-propelled or not:
- (1) one that travels on crawler treads;
 - (2) one designed primarily for use off public roads;
 - (3) one maintained for use solely on or next to premises you own, rent or lease;
 - (4) forklift;
 - (5) farm machinery;
 - (6) bulldozer;
 - (7) crane;
 - (8) power shovel, steam shovel or gas shovel;
 - (9) ditch or trench digger;
 - (10) loader;
 - (11) digger;
 - (12) drill;
 - (13) road grader;
 - (14) road scraper;
 - (15) road roller;
 - (16) road oiler;
 - (17) asphalt spreader;
 - (18) tar spreader;
 - (19) concrete mixer;
 - (20) fertilizer spreader or applicator;
 - (21) platform lift;
 - (22) snow plow;
 - (23) one maintained primarily to provide mobility to permanently attached equipment such as:
 - a) cherry pickers and similar devices to raise and lower workers;
 - b) tree or other spraying equipment;
 - c) air compressors;
 - d) pumps;
 - e) generators;
 - f) welding equipment;
 - g) lighting equipment;
 - h) building cleaning equipment;
 - i) well drilling equipment;
 - j) geophysical exploration equipment;
 - k) septic tank cleaning equipment;
 - l) vacuum cleaning equipment;
 - m) sandblasting equipment; or
 - (24) any similar equipment.
- b. **Mobile special equipment** means self-propelled road construction, maintenance and special equipment that:

- (1) is owned by you;
- (2) is not scheduled in the Declarations for Liability coverage;
- (3) is being operated on a public roadway at the time of the **occurrence**; and
- (4) is subject to a financial responsibility or compulsory insurance law at the time of the **occurrence**.

2. **SECTION II - LIABILITY COVERAGE** is amended as follows:

a. **SECTION II - LIABILITY COVERAGE** is extended to **mobile special equipment**.

b. The following provision is added to 1. **COVERAGE, c. Other Automobiles Covered**:

to any **road construction, maintenance and special equipment**:

(1) which is not self-propelled; and

(2) while towed by **your automobile**;

provided that **your automobile** is insured for Liability Coverage by the policy.

c. The following exclusions are added to 2. **EXCLUSIONS**:

(1) to any **occurrence** arising out of the operation, maintenance or use of any **road construction, maintenance and special equipment**. This exclusion does not apply if the operation is solely for the purpose of locomotion on a public roadway at the time of the **occurrence** if the **road construction, maintenance and special equipment** is insured for Liability Coverage by the policy.

(2) to any **occurrence** arising out of the operation, maintenance or use of any **mobile special equipment** not being operated on a public roadway at the time of the **occurrence**.

(3) to any **occurrence** covered by insurance provided by any other policy, form or endorsement.

d. Under 4. **LIMIT OF INSURANCE**, the following provision is added:

The limit of liability applicable to **mobile special equipment** shall not exceed the highest limit of liability stated in the Declarations for any one of **your automobiles** as applied according to **SECTION II - LIABILITY COVERAGE, 4. LIMIT OF LIABILITY** of the policy.

e. **5. FINANCIAL RESPONSIBILITY AND COMPULSORY INSURANCE LAWS** is deleted and replaced by the following as it applies **mobile special equipment** only.

5. FINANCIAL RESPONSIBILITY AND COMPULSORY INSURANCE LAWS

While **mobile special equipment** is subject to laws of another state or Canada, we will:

a. increase the Limit of Liability for Liability Coverage to comply with the minimum requirements of a financial responsibility or compulsory insurance law of the jurisdiction where the **mobile special equipment** is being operated; and

b. afford the minimum amounts for the types of mandatory coverages required by the jurisdiction where the **mobile special equipment** is being operated.

f. Under 8. **OTHER INSURANCE**, the following provision is added:

Coverage provided for **road construction, maintenance and special equipment** and **mobile special equipment** shall apply only if no other insurance applies.

All other policy terms and conditions apply.

HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

79520 (12-02)

Automobile Policy

It is agreed:

1. **SECTION III - DAMAGE TO YOUR AUTOMOBILE; 1. COVERAGES, c. Comprehensive Coverage and d. Collision Coverage** extend to an **automobile you** hire, lease or borrow or which is hired, leased or borrowed on **your** behalf with **your** expressed permission for use in **your** business except an **automobile** owned by:

- a. **you**;
- b. **your** executive officers or partners; or
- c. a household member of 1.a. and 1.b. above.

2. **SECTION III - DAMAGE TO YOUR AUTOMOBILE, 1. COVERAGES, f. Other Automobiles Covered; and 3. COVERAGE EXTENSIONS** are deleted.

3. **SECTION III - DAMAGE TO YOUR AUTOMOBILE, 4. LIMIT OF LIABILITY** is deleted and replaced by:

4. LIMIT OF LIABILITY

- a. **We** will pay no more than the lowest of the following:

- (1) the actual cash value of stolen or damaged property; or
- (2) the necessary cost to repair or replace the property or damaged parts with material of the same kind and quality.

In no event will **we** pay more than \$200,000 per **automobile**.

- b. The Comprehensive Coverage and Collision Coverage deductibles stated in the Declarations apply separately to each **automobile** covered by this insurance.

4. The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

a. Premium

- (1) The premium stated in the Declarations for this coverage is provisional. **We** shall compute the earned premium for each policy term on the basis of the total cost **you** incur to hire **automobiles** during that term. **We** shall use the rate for this coverage in effect on the inception date of the term.
- (2) Additional premium will be charged or a refund made, whichever is appropriate. However, **we** shall retain the minimum premium for this coverage extension.

b. Examination of Your Books and Records

We may examine and audit **your** books and records to determine the premium for this coverage extension at any time:

- (1) during the policy term; and
- (2) within one year after expiration of this insurance.

c. OTHER INSURANCE

This coverage extension is excess over any other insurance available to **you** or the owner of the **automobile**. However, if such other insurance is subject to a deductible greater than the deductible which applies to this coverage, **we** will pay the difference between the two deductibles.

d. SETTLEMENT

We may adjust the claim under this coverage with either **you** or the owner of the **automobile** you hire, lease or borrow, whomever **we** choose.

All other policy terms and conditions apply.

HIRED AUTOMOBILE LIABILITY COVERAGE
Automobile Policy

79521 (3-88)

It is agreed:

1. **SECTION II - LIABILITY COVERAGE; 1. COVERAGE; a. Liability Coverage - Bodily Injury and Property Damage** extends to an **automobile** (that is not a **trailer**) **you** hire, lease or borrow or which is hired, leased or borrowed on **your** behalf with **your** expressed permission for use in **your** business. This coverage extension does not apply to:
 - a. any **automobile** (that is not a **trailer**):
 - (1) **you** own;
 - (2) owned by **your** executive officers or partners; or
 - (3) **you** lease while such **automobile** (that is not a **trailer**):
 - (a) is leased to **you** in writing in accordance with a written agreement in which the lessor holds **you** harmless; and
 - (b) is used pursuant to operating rights (permits) granted to **you** by a public authority.
 - b. the owner of an **automobile** (that is not a **trailer**) **you** hire, lease or borrow or the owner's agents or employees.
 - c. a lessee from whom **you** sublease an **automobile** (that is not a **trailer**) or the lessee's agents or employees.
 - d. any **automobile** that is covered by any other provision or extension of the policy.
2. The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.
 - a. **Premium Determination**
 - (1) The premium stated in the Declarations for this coverage extension is provisional. **We** shall compute the earned premium for each policy term on the basis of the total cost **you** incur to hire **automobiles** (that are not **trailers**) during that term. **We** shall use the rate for the coverage in effect on the inception date of the term.
 - (2) Additional premium will be charged or a refund made, whichever is appropriate. However, **we** shall retain the minimum premium for this coverage extension.
 - b. **Examination of Your Books and Records**

We may examine and audit **your** books and records to determine the premium for this coverage at any time:

 - (1) during the policy term, and
 - (2) within one year after the expiration of this insurance.
 - c. **Other Insurance**

This coverage extension is excess of any other available insurance.

All other terms and conditions of the policy apply.

POLLUTION LIABILITY EXCLUSION
Automobile Policy

79524 (6-92)

It is agreed:

SECTION II - LIABILITY COVERAGE does not apply to:

1. **Bodily injury or property damage** resulting from the actual, alleged or threatened discharge, release, escape, seepage, migration, or dispersal of **pollutants**:
 - a. that are, or are contained in any property that is:
 - (1) being transported or towed by, handled or prepared for placement into or upon, or taken from the **automobile**;
 - (2) otherwise in the course of transit by **you** or on **your** behalf; or
 - (3) being disposed of, stored, treated or processed into or upon the **automobile**;
 - b. before such **pollutants** or property containing **pollutants** are moved from the place they are accepted by **you** or anyone acting on **your** behalf for placement into or onto the **automobile**; or
 - c. after such **pollutants** or property containing **pollutants** are removed from the **automobile** to where they are delivered, disposed of or abandoned by **you** or anyone acting in **your** behalf.
 - 1.a. above does not apply to **pollutants** that are needed or result from the normal mechanical, electrical or hydraulic functioning of the **automobile** or its parts, if the discharge, release, escape, seepage, migration or dispersal of such **pollutants** is directly from a part of the **automobile** designed to hold, store, receive or dispose of such **pollutants** by the **automobile** manufacturer.
 - 1.b. and 1.c. above do not apply, if as a direct result of the maintenance or use of the **automobile**, **pollutants** or property containing **pollutants** which are not in or upon the **automobile**, are upset, overturned or damaged at any premises not owned by or leased to **you**. The discharge, release, escape, seepage, migration or dispersal of the **pollutants** must be directly caused by such upset, overturn or damage.
2. Any loss, cost or expense arising out of any:
 - a. request, demand or order that **you** or anyone else test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - b. 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**.

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

All other policy terms and conditions apply.

LOSS OF USE - RENTAL FEE REIMBURSEMENT

Automobile Policy

79538 (7-94)

It is agreed:

1. COVERAGE

If **your automobile** is a **private passenger automobile** insured for Comprehensive Coverage and Collision Coverage by the policy; and

- a. those coverages extend to a **private passenger automobile** you rent from a licensed rental **automobile** agency; and
- b. that rental **automobile** sustains loss or damage covered by the policy;

we will reimburse **you** for payment of the daily or weekly rental fee that would have been paid if the rental **automobile** had not sustained loss or damage.

2. CONDITIONS

The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

- a. **You** must be required by the rental agreement to continue payment of the daily or weekly rental fee when loss or damage to the rental **automobile**:
 - 1) prevents rental of that **automobile** to others; and
 - 2) the loss or damage is covered by the policy.
- b. **You** must report the **occurrence** that results in the rental **automobile** being unavailable for use to **us** as soon as practicable.
- c. **We** will provide this coverage for a period beginning the day following the **occurrence** and ending, regardless of the policy expiration date, at the earliest of the following:
 - 1) the day repairs to the rental **automobile** are completed;
 - 2) the day **we** make payment for replacement of the rental **automobile**; or
 - 3) thirty (30) days after the date coverage begins.

However, coverage will not exceed a period longer than that required to repair or replace the rental **automobile**, exercising due diligence and dispatch.

- d. **You** must submit proper receipts to **us** for all expenses claimed under this coverage.
- e. If **you** are covered by **your** employer's Insurance policy, then the Company writing **your** employer's Insurance policy has primary responsibility to pay claims arising from the use of the rented vehicle. The coverage provided by this endorsement shall be excess over any coverage provided by **your** employer's policy.

All other policy terms and conditions apply.

ADDITIONAL EXPENSE COVERAGE
Automobile Policy

79537 (8-92)

It is agreed:

SECTION III - DAMAGE TO YOUR AUTOMOBILE, 3. COVERAGE EXTENSIONS, b. Loss of Use By Theft is deleted and replaced by the following:

b. Loss Of Use

(1) If Comprehensive Coverage or Collision Coverage, provided by this policy, apply to loss of or damage to **your automobile**, **we** will reimburse **you** for the actual amount paid for necessary additional transportation expenses subject to the following.

(a) If **your automobile** is stolen, **we** will reimburse **you** for expenses incurred during the period:

- 1) beginning 48 hours after **you** report the theft to **us** and the police; and
- 2) ending, regardless of the policy expiration date, on the day:

- a) **your automobile** is returned; or
- b) **we** offer to pay for its loss.

(b) If **we** determine **your automobile** is a constructive total loss by reason other than theft, **we** will reimburse **you** for expenses incurred during the period:

- 1) beginning the day the **occurrence** is reported to **us**; and
- 2) ending, regardless of the policy expiration date, on the day **we** offer to pay for its loss.

(c) If **your automobile** sustains other covered loss or damage, **we** will reimburse **you** for expenses incurred during the period:

- 1) beginning the day **your automobile** becomes unavailable for use, provided **you** have reported the loss or damage to **us**; and
- 2) ending, regardless of the policy expiration date, on the day repairs are completed.

However, **we** will not reimburse expenses for a period longer than that required to repair **your automobile** exercising due diligence and dispatch.

(d) Our reimbursement will not exceed the:

- 1) per day limit; and
- 2) total limit for any one **occurrence**;

stated in the Declarations for this coverage.

(2) **We** will reimburse **you** for reasonable expenses, other than transportation expenses, incurred during a period of 24 hours following the covered **occurrence** in which **your automobile** was accidentally damaged. These expenses must be unavoidably incurred as a direct result of that damage. They may include but are not limited to food and lodging.

(3) **You** must submit proper receipts to **us** for all expenses claimed under b.(1) and b.(2) above.

(4) Application of a Comprehensive Coverage or Collision Coverage deductible does not affect this coverage.

All other policy terms and conditions apply.

79539 (3-99)

COMBINED LIMIT OF LIABILITY

Automobile Policy

It is agreed:

Under SECTION II - LIABILITY COVERAGE, 4. LIMIT OF LIABILITY is deleted and replaced by the following:

LIMIT OF LIABILITY

We will pay damages for **bodily injury** or **property damage** up to the limit of liability stated in the Declarations for this coverage. Such damages shall be paid as follows:

- a. The limit stated for "each occurrence" is the total amount of coverage and the most we will pay for damages because of or arising out of all **bodily injury** and **property damages** in any one **occurrence**.
- b. Subject to the provisions of a. above, the limit of liability applicable to a **trailer**, non-motorized farm machine or farm wagon which is connected to an **automobile** covered by this policy shall be the limit of liability stated in the Declarations for this coverage as it applies to such **automobile**. The **automobile** and connected **trailer**, non-motorized farm machine or farm wagon are considered one **automobile** and do not increase the limit of liability.
- c. The limit of liability applicable to a **trailer** covered by this policy:
 - (1) which is not connected to an **automobile**; or
 - (2) which is connected to an **automobile** not covered by this policy;shall be the limit liability applicable to **your automobile**. If this policy covers more than one of **your automobiles**, the highest limit of liability applicable to any one such **automobile** shall apply.
- d. The limit of liability for this coverage may not be added to the limits for the same or similar coverage applying to other **automobiles** insured by this policy to determine the amount of coverage available for any one occurrence regardless of the number of:
 - (1) **automobiles** shown in the Declarations;
 - (2) premiums charged in the Declarations or premiums paid;
 - (3) claims presented or **suits** brought;
 - (4) persons injured; or
 - (5) **automobiles** involved in the **occurrence**.

All other policy terms and conditions apply.

NEWLY ACQUIRED AUTOMOBILE COVERAGE
Automobile Policy

79540 (3-92)

It is agreed:

1. COVERAGE

Provided all **automobiles** you own that are licensed for use on public roadways, except any that are out of service because of mechanical breakdown or damage sustained in an accident, are scheduled in the Declarations on the inception date of the current policy term:

- a. we will extend the following coverages to any additional **automobile** (that is not a **trailer**) which you acquire during the policy term:

- (1) Liability Coverage;
- (2) \$100 Deductible Comprehensive Coverage;
- (3) \$250 Deductible Collision Coverage;
- (4) Uninsured Motorist Coverage and Underinsured Motorist Coverage; and
- (5) Automobile Medical Payments or any mandatory no-fault insurance coverages.

- b. we will extend the following coverages to any additional **trailers** which you acquire during the policy term:

- (1) \$100 Deductible Comprehensive Coverage; and
- (2) \$250 Deductible Collision Coverage.

These coverages shall apply as they are provided by the policy for the **automobiles** which are scheduled in the Declarations. Coverage shall apply only for the remainder of the policy term. However, with regard to comprehensive and collision coverages:

- a. we shall extend only those coverages (regardless of deductible) common to all of **your automobiles** scheduled in the Declarations,
- b. you may at any time during the first 30 days after you take possession of the **automobile**, purchase the broadest coverages applicable to any one **automobile** scheduled in the Declarations.

2. CONDITIONS

The following conditions apply to this coverage extension in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

- a. If a claim is made under the terms of this coverage extension, you shall be charged the appropriate premium for the **automobile** involved in the loss. The premium charge shall be made from the date you took possession of the **automobile** through the end of the current policy term.
 - b. We may examine and audit your books and records to determine the premium for this coverage at any time:
 - (1) during the policy term; and
 - (2) within one year after the expiration of this insurance.
 - c. You shall report all additional **automobiles** to us within 30 days following the expiration of each policy term.
 - d. We shall compute the actual earned premium for each policy term on a pro-rata basis determined by the number of additional **automobiles** you acquire during such policy term.
3. Under **SECTION II-LIABILITY COVERAGE, 1. COVERAGES c. Other Automobiles Covered**, subparagraph (2)(b) is deleted.
 4. Under **SECTION III-DAMAGE TO YOUR AUTOMOBILE, 1. COVERAGES, f. Other Automobiles Covered**, subparagraph (2)(b) is deleted.

All other policy terms and conditions apply.

South Carolina
POLICY CANCELLATION AND NONRENEWAL
Automobile Policy

79702 (4-98)

1. DEFINITIONS

The following definition applies to the provisions of this endorsement.

Small commercial risk means:

- a. garage risks including nonmotor vehicle insurance when written in combination with automobile liability coverage;
- b. ambulance risks;
- c. commercial risks which have a load capacity less than ten thousand pounds and are not required to have a mandatory filing by a governmental authority other than an SR-22;
- d. church buses used by a church to transport adults or children to and from services and in activities incidental to church functions, so long as a mandatory filing by any governmental authority other than an SR-22 is not required; and
- e. privately owned school buses used to carry school children and students, their parents or guardians, members of the faculty, school board members, nurses, doctors, and dentists, as well as guests in connection with any school activity and operations incidental thereto, including games, outings, and similar road trips, so long as a mandatory filing by any governmental authority other than an SR-22 is not required.

Small commercial risk does not include pulpwood trucks or dump trucks.

2. The following conditions apply in addition to those contained in **SECTION VI - GENERAL CONDITIONS** of the policy.

a. CANCELLATION

- (1) If this policy covers a **small commercial risk**, has been in effect 60 days or less and is not a renewal:
 - (a) the policy may be canceled only if:
 - 1) a check or bank draft tendered by **you** for payment of premium is returned unpaid for insufficient funds or other reason by **your** financial institution; or
 - 2) **you** produce satisfactory proof from the Department of Highways and Public Transportation that **you** have sold or otherwise disposed of **your automobile** or surrendered its tags and registration.
 - (b) **we** may cancel this policy by mailing or delivering written notice stating the reason for cancellation to **you** at the address shown in the Declarations at least 15 days prior to the effective date of the cancellation. However, **we** shall cancel this policy only for:
 - 1) nonpayment of premium; or
 - 2) suspension or revocation of:
 - a) **your** driver's license; or
 - b) the driver's license of any other operator who either:
 - i) lives in **your** household; or
 - ii) customarily operates **your automobile**.
- (2) If this policy covers only **automobiles** other than **small commercial risks**, has been in effect 60 days or less and is not a renewal:

(a) the policy may be canceled only if:

- 1) a check or bank draft tendered by you for payment of premium is returned unpaid for insufficient funds or other reason by your financial institution; or
- 2) you produce satisfactory proof from the department that you have sold or otherwise disposed of your automobile or surrendered its tags and registration.

(b) we may cancel this policy by mailing or delivering written notice stating the reason for cancellation to you at the address shown in the Declarations:

- 1) at least 10 days prior to the effective date when cancellation is for nonpayment of premium; or
- 2) at least 30 days prior to the effective date when cancellation is for other than nonpayment of premium.

However, if this policy has been in effect for 90 days or more, we may cancel for only one or more of the following reasons:

- 1) material misrepresentation of fact, if known to us, would have caused us not to issue the policy;
- 2) substantial change in the risk insured, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;
- 3) substantial breaches of contractual duties, conditions or warranties by you; or
- 4) loss of our reinsurance covering all or a significant portion of the particular policy insured or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.

b. **NONRENEWAL**

- (1) If this policy covers a **small commercial risk**, we may nonrenew this policy for any reason specified in Part A, Section III of South Carolina Regulation 69-13 (1988) by mailing or delivering written notice stating the reason for nonrenewal to you at the address shown in the Declarations at least 15 days prior to the expiration of the policy.
- (2) If this policy covers only **automobiles** other than **small commercial risks**, we may nonrenew this policy by mailing or delivering written notice stating the reason for nonrenewal to you at the address shown in the Declarations at least 30 days prior to the expiration of the policy.

All other policy terms and conditions apply.

78939 (3-05)

**SECTION III - DAMAGE TO YOUR AUTOMOBILE AMENDATORY
ENDORSEMENT
Automobile Policy**

It is agreed:

1. Under **SECTION III - DAMAGE TO YOUR AUTOMOBILE**, 1. COVERAGES a., b., c. and d. are deleted and replaced by the following:

1. COVERAGES

a. Fire Coverage

We will pay for direct physical damage to **your automobile** and its **equipment** caused by:

- (1) fire or lightning.
- (2) smoke or smudge because of a sudden, unusual or faulty operation of any fixed heating equipment where **your automobile** is stored.
- (3) windstorm, hail, earthquake, explosion, external discharge or leakage of water. We cover damage resulting from the stranding, sinking, burning, collision or derailment of any equipment being used to transport **your automobile** on land or water. We will also pay for general average and salvage charges for which **you** may be legally responsible.

b. Theft Coverage

We will pay for direct physical loss of or direct physical damage to **your automobile** and its **equipment** caused by theft, larceny, robbery or pilferage. We cover **your** loss when **you** are tricked into giving **your automobile** to another person.

c. Comprehensive Coverage

We will pay for direct physical loss of or direct physical damage to **your automobile** and its **equipment** from any cause except upset or collision with another object or with a vehicle to which it is attached.

We will also pay for:

- (1) glass breakage from any cause including upset or collision;
- (2) damage caused by missiles or falling objects; and
- (3) damage caused by collision with an animal or bird.

When a deductible is indicated in the Declarations for this coverage, we will reduce our payment by that amount.

d. Collision Coverage

We will pay for direct physical damage to **your automobile** and its **equipment** caused by accidental collision with another object or by accidental upset.

When a deductible is indicated in the Declarations for this coverage, we will reduce our payment by that amount. If **your automobile** is a **private passenger automobile**, the deductible does not always apply. The deductible shall not apply:

(1) In a collision with another automobile:

(a) we insure and which **you** do not own; rent or have in **your** care, custody or control; or

(b) whose owner or operator has been identified; and

1) is legally responsible for the entire amount of the damage; and

2) is covered by a **property damage** liability policy or bond;

but only if the damage exceeds the deductible amount.

(2) to **your** legally parked **private passenger automobile** in the event it is accidentally struck by another of **your private passenger automobiles**, provided Collision Coverage applies to both such **automobiles**.

2. Under SECTION III - DAMAGE TO YOUR AUTOMOBILE, 2. EXCLUSIONS, the following exclusion is added:

any real or perceived reduction in market value of **your automobile** after it has been repaired as compared to the real or perceived market value of **your automobile** prior to such loss or damage.

All other policy terms and conditions apply.

89009 (7-06)

EXCLUSION OF NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM

Automobile Policy

It is agreed:

- A. Under **SECTION I - DEFINITIONS**, the following definition is added:

Terrorism means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segments thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government or the civilian population, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- B. Under **SECTION II - LIABILITY COVERAGE, 2. EXCLUSIONS**, the following exclusion is added:

Liability Coverage does not apply to any person or organization for **bodily injury or property damage** caused directly or indirectly by **terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**. All

bodily injury or property damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. This exclusion applies only when one or more of the following are attributed to an incident of **terrorism**:

1. The **terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
 2. Radioactive material is released, and it appears that one purpose of the **terrorism** was to release such material;
 3. The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials.
- C. Under **SECTION III - DAMAGE TO YOUR AUTOMOBILE, 2. EXCLUSIONS**, the following exclusion is added:

Fire, Theft, Comprehensive and Collision Coverages do not apply to loss of or damage to any automobile caused directly or indirectly by **terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. This exclusion applies only when one or more of the following are attributed to an incident of **terrorism**:

1. The **terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination;
 2. Radioactive material is released, and it appears that one purpose of the **terrorism** was to release such material;
 3. The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials.
- D. Multiple Incidents of **terrorism** which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, regardless of whether this endorsement was in effect during the entirety of that time period or not.
- All other policy terms and conditions apply.

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Page 1 of 2

R9058 (4-07)

AMENDATORY ENDORSEMENT
SECTION II - LIABILITY COVERAGE
Automobile Policy

It is agreed:

Under **SECTION II - LIABILITY COVERAGE, 2. EXCLUSIONS**, I. is deleted and replaced by the following:

- I. to any person or organization for damage to property or an **automobile** owned by, rented to or in the care, custody or control of that person or organization. This exclusion does not apply to **property damage** to a residence or private garage, caused by a **private passenger automobile**, when the residence or private garage is rented to or is in the care, custody or control of that person or organization.

All other policy terms and conditions apply.

Page 1 of 1

Auto-Owners

Page 1

55040 (11/87)

Issued 02-15-2008

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE

16-0626-00

MKT TERR 081

(843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

CHERAW, SC 29520-7103

Company
Bill

POLICY TERM

12:01 a.m. 12:01 a.m.

04-01-2008 to 04-01-2009

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL GENERAL LIABILITY COVERAGE

LIMITS OF INSURANCE

General Aggregate	\$2,000,000
(Other Than Products-Completed Operations)	
Products-Completed Operations Aggregate	2,000,000
Personal Injury And Advertising Injury	1,000,000
Each Occurrence	1,000,000

Commercial General Liability Plus Endorsement 55091

Damage to Premises Rented to You	300,000	Any One Premises
(Fire, Lightning, Explosion, And Water Damage)		
Medical Payments	10,000	Any One Person
Hired Auto & Non-Owned Auto	1,000,000	Each Occurrence

Expanded Coverage Details See Form:

Extended Watercraft
Personal Injury Protection
Broadened Supplementary Payments
Broadened Knowledge Of Occurrence
Additional Products-Completed Operations Aggregate

Twice the "General Aggregate Limit", shown above, is provided at no additional
charge for each 12 month period in accordance with form 55300.

AUDIT TYPE: Annual Audit

FORMS THAT APPLY TO THIS COVERAGE: CG2503 (11-85) 59350 (01-06) IL0021 (11-85)
IL0249 (06-89) IL0017 (11-85) 55146 (06-04) 55189 (09-04) 55238 (06-04)
55296 (07-05) 55300 (07-05) 55202 (12-04) 55168 (12-04) 55091 (08-05)
55371 (01-07)

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 001 BLDG 001 128 Troy Dr
Cheraw, SC 29520-7103

TERRITORY: 001 COUNTY: Chesterfield

Classification	Subline	Premium Basis	Rates	Premium
CODE 00501 Commercial General Liability Plus Endorsement Included At 7% Of The Premises Operation Premium	Prem/Op	Prem/Op Prem Inc	Inc	Inc

Auto-Owners

Page 1

55039 (11-87)

Issued 02-15-2008

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE

16-0626-00

MKT TERR 081

(843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008	to 04-01-2009

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMON POLICY INFORMATION

BUSINESS DESCRIPTION: Heating/Air Contract

ENTITY: Corporation

PROGRAM: Contractors Special

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PART(S).	PREMIUM
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
COMMERCIAL PROPERTY COVERAGE	\$1,301.00
MINIMUM PROPERTY PLUS PREMIUM ADJUSTMENT (CP)	39.00
COMMERCIAL GENERAL LIABILITY COVERAGE	5,851.00
COMMERCIAL INLAND MARINE COVERAGE	698.00
TOTAL	\$7,889.00
PAID IN FULL DISCOUNT	\$766.00
TOTAL POLICY PREMIUM IF PAID IN FULL	\$7,123.00

The Paid in Full Discount does not apply to fixed fees, statutory charges or minimum premiums.
The Paid in Full Discount is based on favorable loss experience for the collective group of policyholders who choose to pay their premiums in full directly to the Company.

PREMIUM SHOWN ABOVE FOR COMMERCIAL GENERAL LIABILITY COVERAGE IS AN ADVANCED PREMIUM DEPOSIT AND MAY BE SUBJECT TO AUDIT.

FORMS THAT APPLY TO ALL COVERAGE PART SHOWN ABOVE (EXCEPT GARAGE LIABILITY, DEALER'S BLANKET, COMMERCIAL AUTOMOBILE, IF APPLICABLE)
55000 (01-87) IL0017 (11-85)

A 12% CUMULATIVE MULTI-POLICY DISCOUNT APPLIES. SUPPORTING POLICIES ARE MARKED WITH AN (X): COMM UMB() COMM AUTO(X) WC(X) LIFE() PERSONAL() FARM()

A Merit Rating Plan Factor of 0.90 Applies.

Countersigned By: _____

H.O. LEGAL

Auto-Owners

Page 2

55198 (01-07)

Issued 02-15-2008

INSURANCE COMPANY

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE

16-0626-00

MKT TERR 081

(843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008	to 04-01-2009

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

**PROPERTY PLUS COVERAGE
PACKAGE DECLARATION**

The coverages indicated below apply separately to the location(s) and sublocation(s) designated in the Commercial Property Coverage Declarations. The corresponding limit of insurance for any one coverage applies to all covered loss:

- a. at the location designated in the Commercial Property Coverage Declarations, or
- b. away from the location designated in the Commercial Property Coverage Declarations

regardless of the number of locations or sublocations designated in the Commercial Property Coverage Declarations.

** The deductible (DED) which applies to each coverage indicated below is the same as the deductible which applies to each location and sub-location shown on the Commercial Property Coverage Declarations, unless otherwise indicated:

COVERAGE	LIMIT	DED
ARSON REWARD	\$5,000	NONE
BUSINESS INCOME & EXTRA EXPENSE	\$30,000	NONE
BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS	\$5,000	**
BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE	UP TO 1,000 FEET	**
DEBRIS REMOVAL	\$25,000	NONE
FIRE EXTINGUISHER RECHARGE	\$2,500	NONE
GLASS BREAKAGE	\$1,000 PER PANE	**
	\$5,000 PER OCCURRENCE	
INVENTORY	UP TO 25% OF BPP LIMIT	NONE
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$500,000 FOR 90 DAYS	**
NEWLY ACQUIRED BUSINESS PERSONAL PROPERTY	\$500,000 FOR 90 DAYS	**
OFF-PREMISES UTILITY SERVICE CHARGE FAILURE	\$5,000	**
ORDINANCE OR LAW	\$25,000	**
OUTDOOR PROPERTY	\$5,000	**
TREES, SHRUBS OR PLANTS	\$500 PER ITEM	**
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$15,000	**
POLLUTANT CLEAN UP AND REMOVAL	\$25,000	NONE
PROPERTY IN TRANSIT	\$25,000	**

Continued on next page

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AUTO-OWNERS INS. CO.

Page 3

55198 (01-07)

Issued 02-15-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081

Company POLICY NUMBER 034616-36381843-08
Bill

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

PROPERTY PLUS COVERAGE
PACKAGE DECLARATION

COVERAGE	LIMIT	DED
PROPERTY OFF PREMISES	\$25,000	**
REFRIGERATED PRODUCTS	\$5,000	**
REKEYING OF LOCKS	\$1,000	NONE
WATER BACK-UP FROM SEWERS OR DRAINS	\$10,000	**
ACCOUNTS RECEIVABLE	\$30,000	**
SIGNS (ATTACHED AND DETACHED)	\$5,000 PER SIGN	**
ELECTRONIC DATA PROCESSING EQUIPMENT	\$10,000	**
SALESPERSON'S SAMPLES	\$10,000	**
VALUABLE PAPERS	\$30,000	**
EMPLOYEE DISHONESTY	\$10,000	**
FORGERY AND ALTERATION	\$10,000	**
MONEY AND SECURITIES	\$10,000 ON PREMISES \$10,000 OFF PREMISES	**
FIRE DEPARTMENT SERVICE CHARGE	\$2,500	NONE

FORMS THAT APPLY TO THIS COVERAGE PART:

54182 (06-00)	54205 (11-02)	54188 (06-00)	54199 (06-00)	54198 (06-00)
54190 (06-00)	54223 (06-00)	54184 (06-00)	54185 (06-00)	54206 (06-00)
54208 (06-00)	54191 (06-00)	54195 (06-00)	54197 (06-00)	54192 (06-00)
54196 (06-00)	54189 (06-00)	54183 (06-00)	54186 (06-00)	54218 (06-00)
54207 (06-00)	54217 (06-00)	54216 (06-00)	54214 (06-00)	54221 (06-00)
54220 (06-00)	54219 (06-00)	54193 (06-00)		

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Auto-Owners

Page 1

54104 (07-87)

Issued 02-15-2008

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044
INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Renewal Effective 04-01-2008

POLICY NUMBER 034616-36381843-08

ADDRESS 128 TROY DR
CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008	to 04-01-2009

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL PROPERTY COVERAGE**COVERAGES PROVIDED**

INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGES FOR WHICH A LIMIT OF
INSURANCE IS SHOWN.

LOCATION 001

ADDITIONAL FORMS THIS LOCATION: None

LOC 001 BLDG 001 128 Troy Dr
Cheraw, SC 29520-7103

OCCUPIED AS: Heating/Air Contract

COVERAGE: Bldg Agreed Value & Total Amt of Ins Carried \$54,000

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$500	0.295	\$159.00
Basic Group II	80%	500	0.165	89.00
Special	80%	500	0.056	30.00
Theft	80%	500		Included

OPTIONAL COVERAGE:

Replacement Cost

Inflation Guard Factor
Building
1.055

CAUSE OF LOSS	LIMITS	DEDUCTIBLE	RATE	PREMIUM
Equipment Breakdown	Excluded			
Property Plus Coverage Package	See Dec Page	500		14.00

COVERAGE: Personal Prop.

Limit of Insurance

\$76,280

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$500	0.348	\$265.00
Basic Group II	80%	500	0.130	99.00
Special	80%	500	0.058	44.00
Special Including Theft	80%	500	0.287	219.00

OPTIONAL COVERAGE:

Replacement Cost

Inflation Guard Factor
Personal Property
1.023

CAUSE OF LOSS	LIMITS	DEDUCTIBLE	RATE	PREMIUM
Equipment Breakdown	Excluded			
Property Plus Coverage Package	See Dec Page	500		31.00

AUTO-OWNERS INS. CO.

Page 2

54104 (07-87)

Issued 02-15-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081

Company POLICY NUMBER 034616-36381843-08
Bill

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

COMMERCIAL PROPERTY COVERAGE

ADDITIONAL FORMS THIS BUILDING: IL0249 (06-89) IL0003 (11-85) 54835 (07-06)
59350 (01-06) 54093 (03-07) CP0090 (07-88) CP0010 (10-91) CP0110 (07-88)
54082 (02-05)

SECURED INTERESTED PARTIES: See Attached Schedule

RATING INFORMATION

Territory: 130
Program: Contractors
Class Rate - Building: 0.387

County: Chesterfield
Construction: Non-Comb
PC: 04 Class Code: 0563
Class Rate - Contents: 0.458

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350, 54835, 59390 \$10.00

LOCATION 001 PREMIUM \$960.00

LOCATION 002

ADDITIONAL FORMS THIS LOCATION: None

LOC 002 BLDG 001 170 Troy Dr
Cheraw, SC 29520-7103

OCCUPIED AS: One Family Dwelling

COVERAGE: Bldg Agreed Value & Total Amt of Ins Carried \$54,000

CAUSES OF LOSS	COINSURANCE	DEDUCTIBLE	RATE	PREMIUM
Basic Group I	80%	\$500	0.459	\$248.00
Basic Group II	80%	500	0.081	44.00
Special	80%	500	0.056	30.00
Theft	80%	500		Included

OPTIONAL COVERAGE:

Replacement Cost

Inflation Guard Factor
Building
1.055

CAUSE OF LOSS	LIMITS	DEDUCTIBLE	RATE	PREMIUM
Equipment Breakdown	Excluded			
Property Plus Coverage Package	See Dec Page	500		16.00

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Auto-Owners

Page. 3

54104 (07-87)

Issued 02-15-2008

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008	to 04-01-2009

CHERAW, SC 29520-7103

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL PROPERTY COVERAGE

ADDITIONAL FORMS THIS BUILDING: 59350 (01-06) 54835 (07-06) IL0249 (06-89)
IL0003 (11-85) 54093 (03-07) CP0090 (07-88) CP0010 (10-91) CP0110 (07-88)
54082 (02-05)

SECURED INTERESTED PARTIES: See Attached Schedule

RATING INFORMATION

Territory: 130
Program: Special
Dwelling Rate - Building: 0.579

County: Chesterfield
Construction: Frame
PC: 04 Class Code: 0196

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350, 54835, 59390 \$3.00

LOCATION 002 PREMIUM \$341.00

H.O. LEGAL

AUTO-OWNERS INS. CO.

Page 4

59187 (07-87)

Issued 02-15-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081

Company POLICY NUMBER 034616-36381843-08
Bill

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

SECURED INTERESTED PARTIES AND/OR ADDITIONAL PARTIES

Applies to Loc/Bldg(s):

001/001, 002/001

CAROLINA BANK

PO BOX 1028

DARLINGTON, SC 29540

Interest: Mortgagee

H.O. LEGAL

Auto-Owners

Page 1

55040 (11/87)

Issued 02-15-2008

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044
INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

Renewal Effective 04-01-2008

POLICY NUMBER 034616-36381843-08

ADDRESS 128 TROY DR
CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008 to 04-01-2009	

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL GENERAL LIABILITY COVERAGE**LIMITS OF INSURANCE**

General Aggregate	\$2,000,000
(Other Than Products-Completed Operations)	
Products-Completed Operations Aggregate	2,000,000
Personal Injury And Advertising Injury	1,000,000
Each Occurrence	1,000,000

Commercial General Liability Plus Endorsement 55091

Damage to Premises Rented to You (Fire, Lightning, Explosion, And Water Damage)	300,000 Any One Premises
Medical Payments	10,000 Any One Person
Hired Auto & Non-Owned Auto	1,000,000 Each Occurrence

Expanded Coverage Details See Form:

- Extended Watercraft
- Personal Injury Protection
- Broadened Supplementary Payments
- Broadened Knowledge Of Occurrence
- Additional Products-Completed Operations Aggregate

Twice the "General Aggregate Limit", shown above, is provided at no additional
charge for each 12 month period in accordance with form 55300.

AUDIT TYPE: Annual Audit

FORMS THAT APPLY TO THIS COVERAGE: CG2503 (11-85) 59350 (01-06) IL0021 (11-85)
IL0249 (06-89) IL0017 (11-85) 55146 (06-04) 55189 (09-04) 55238 (06-04)
55296 (07-05) 55300 (07-05) 55202 (12-04) 55168 (12-04) 55091 (08-05)
55371 (01-07)

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 001 BLDG 001 128 Troy Dr
Cheraw, SC 29520-7103

TERRITORY: 001 COUNTY: Chesterfield

Classification	Subline	Premium Basis	Rates	Premium
CODE 00501 Commercial General Liability Plus Endorsement Included At 7% Of The Premises Operation Premium	Prem/Op	Prem/Op Prem Inc	Inc	Inc

H.O. LEGAL

AUTO-OWNERS INS. CO.

Page 2

55040 (11/87)

Issued 02-15-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081

Company POLICY NUMBER 034616-36381843-08
Bill

INSURED PEE DEE HEATING & COOLING

Term 04-01-2008 to 04-01-2009

COMMERCIAL GENERAL LIABILITY COVERAGE

	CODE 61212	Prem/Op	Area	Each 1000	
Building Or Premises - Bank			1,800	29.610	\$53.00
Or Office - Mercantile Or			1,800	.255	\$1.00
Manufacturing (Lessor's Risk Only)					
(For-Profit)					

	CODE 95647	Prem/Op	Payroll	Each 1000	
Heating Or Combined Heating And Air			139,777	20.695	\$2,893.00
Conditioning Systems Or Equipment -			139,777	17.482	\$2,444.00
Dealers Or Distributors And					
Installation Servicing Or Repair-No					
Liquified Petroleum Gas(Lpg)					
Equipment Sales Or Work					

	CODE 49950	Prem/Op			
Additional Interests					
Managers/Lessors Of Premises			139,777	2.069	\$289.00
Bratt & Naida Single					

	Prem/Op	Flat Charge	
Sched Add'l Ins-Excl Prod/Cops			\$20.00
Total Facility			

	Prem/Op	Flat Charge	
Nest International			\$20.00

	Prem/Op	Flat Charge	
John Tyler Enterpris			\$20.00

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350, 55405, 59390 \$57.00

LOCATION 001 PREMIUM \$5,797.00

LOCATION OF PREMISES YOU OWN, RENT OR OCCUPY

LOC 002 BLDG 001 170 Troy Dr
Cheraw, SC 29520-7103

TERRITORY: 001 COUNTY: Chesterfield

Classification	Subline	Premium Basis	Rates	Premium
		Dwellings	Each 1	
CODE 63010			46.641	\$47.00
Dwellings - One-Family	Prem/Op	1	.400	\$1.00
(Lessor's Risk Only)	Prod/Comp Op	1		

Auto-Owners

Page 3

55040 (11/87)

Issued 02-15-2008

INSURANCE COMPANY

TAILORED PROTECTION POLICY DECLARATIONS

6101 ANACAPRI BLVD., LANSING, MI 48917-3999

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE

16-0626-00

MKT TERR 081

(843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008	to 04-01-2009

In consideration of payment of the premium shown below, this policy is renewed. Please attach this Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL GENERAL LIABILITY COVERAGE

CODE 49950

Additional Interests

Managers/Lessors Of Premises

Brett & Naida Single

Prem/Op

1

4.664

\$5.00

FOREIGN TERRORISM - CERTIFIED ACTS

SEE FORM 59350, 55405, 59390

\$1.00

LOCATION 002 PREMIUM

\$54.00

Auto-Owners

Page 1

16198 (07-87)

Issued 02-15-2008

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

TAILORED PROTECTION POLICY DECLARATIONS

Renewal Effective 04-01-2008

AGENCY GOSNELL INSURANCE
16-0626-00 MKT TERR 081 (843) 571-5044

POLICY NUMBER 034616-36381843-08

INSURED PEE DEE HEATING & COOLING
SPECIALTIES INC

ADDRESS 128 TROY DR

CHERAW, SC 29520-7103

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
04-01-2008 to 04-01-2009	

In consideration of payment of the premium shown below, this policy is renewed. Please attach this
Declarations and attachments to your policy. If you have any questions, please consult with your agent.

COMMERCIAL INLAND MARINE COVERAGE

COVERAGES PROVIDED

INSURANCE APPLIES TO COVERED PROPERTY FOR WHICH A LIMIT OF INSURANCE IS SHOWN.

FORMS THAT APPLY TO INLAND MARINE: 16080 (08-86) 59350 (01-06)

LOCATION OF PREMISES

LOC 001 BLDG 001 128 Troy Dr
Cheraw, SC 29520-7103

COVERAGE: Tools and Equipment (TE)- Actual Cash Value

Insured's Equipment - Special Form	LIMIT	DEDUCTIBLE	RATE	PREMIUM
Unscheduled items up to \$1000 each	\$20,000	\$250	variable	\$691.00

ADDITIONAL FORMS FOR THIS COVERAGE: 16010 (10-97)

RATING INFORMATION

Territory: 013

Program: Contractors

County: Chesterfield

TOTAL FOR THIS COVERAGE: \$691.00

FOREIGN TERRORISM - CERTIFIED ACTS SEE FORM 59350, 16381, 59390 \$7.00

LOCATION 001 PREMIUM \$698.00

A single deductible applies per claim. If more than one item is involved in a claim, the single highest applicable deductible amount is used.

TOOLS AND EQUIPMENT SUBTOTAL \$691.00

TOOLS AND EQUIPMENT BALANCE TO MINIMUM \$0.00

H.O. LEGAL

**COMMERCIAL GENERAL LIABILITY
55168 (12-04)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

1. Designation of Premises (Part Leased to You):
LOCATIONS 1 & 2
2. Name of Person or Organization (Additional Insured):
BRETT & NAIDA SINGLETON
3. Additional Premium:

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

- A. SECTION II - WHO IS INSURED** is amended to include as an additional insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf

of the person or organization shown in the Schedule.

- B. Under SECTION III - LIMITS OF INSURANCE**, the following is added:

The limits of liability for the additional insured are those specified in the written contract or agreement between the insured and the manager or lessor of premises, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the limits of insurance shown in the Declarations.

**COMMERCIAL GENERAL LIABILITY
55202 (12-04)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED
EXCLUSION - PRODUCTS-COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization (Additional Insured):

TOTAL FACILITY INC / NEST INTERNATIONAL / JOHN TYLER ENTERPRISES INC /

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

- A. Under SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, the following exclusion is added:**

2. Exclusions

This insurance does not apply to:

The Additional Insured for the "products-completed operations hazard".

- B. Under SECTION II - WHO IS AN INSURED, the following is added:**

The person or organization shown in the above Schedule is an Additional Insured, but only with respect to liability arising out of "your work" for that insured by or for you.

- C. Under SECTION III - LIMITS OF INSURANCE, the following is added:**

The limits of liability for the Additional Insured are those specified in the written contract or agreement between the insured and the owner, lessee or contractor, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the limits of insurance shown in the Declarations.

- D. Under SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance, the following is added:**

This insurance is primary for the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that person or organization by or for you. Other insurance available to the person or organization shown in the Schedule will apply as excess insurance and not contribute as primary insurance to the insurance provided by this endorsement.

55371 (1-07)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PROJECTS AND OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

The following exclusion is added to paragraph **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions:**

This insurance does not apply to:

Projects And Operations Covered By a Consolidated (Wrap-up) Insurance Program

"Bodily injury" or "property damage" arising out of your ongoing operations or completed operations including those within the "products-completed operations hazard" for which a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1) Provides coverage identical to that provided by this Coverage Part;
- (2) Has limits adequate to cover all claims; or
- (3) Remains in effect.

This exclusion shall not apply at the location described in the Schedule of this endorsement.

All other policy terms and conditions apply.

SCHEDULE

Description and Location of Projects and Operation(s):

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

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Page 1 of 1

**COMMERCIAL GENERAL LIABILITY
55091 (10-08)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

1. EXTENDED WATERCRAFT LIABILITY

Under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, 2. Exclusions, g), exclusion (2) is deleted and is replaced by the following:

(2) A watercraft you do not own that is:

(a) Less than 50 feet long; and

(b) Not being used to carry persons or property for a charge;

2. HIRED AUTO AND NON-OWNED AUTO LIABILITY

Coverage for "bodily injury" and "property damage" liability provided under **SECTION I COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, is extended as follows under this item, but only if you do not have any other insurance available to you which affords the same or similar coverage.

Coverage

We will pay those sums the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" arising out of the maintenance or use of an "auto":

a. You do not own;

b. Which is not registered in your name; or

c. Which is not leased or rented to you for more than ninety consecutive days

and which is used in your business.

Exclusions

With respect to only **HIRED AUTO AND NON-OWNED AUTO LIABILITY**, the exclusions which apply to **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, other than the Nuclear Energy Liability Exclusion

Endorsement, do not apply. The following exclusions apply to this coverage:

This coverage does not apply to:

a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

c. (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) That are, or are contained in any property that is:

1) Being transported or towed by, handled or prepared for placement into or upon, or taken from the "auto";

2) Otherwise in the course of transit by you or on your behalf; or

3) Being disposed of, stored, treated or processed into or upon the "auto";

(b) Before such "pollutants" or property containing "pollutants" are moved from the place they are accepted by you or anyone acting on your behalf for placement into or onto the "auto"; or

(c) After such "pollutants" or property containing "pollutants" are removed from the "auto" to where they are delivered, disposed of or abandoned by you or anyone acting in your behalf.

c. (1) (a) above does not apply to "pollutants" that are needed or result from the normal mechanical, electrical or hydraulic functioning of the "auto" or its parts, if the discharge, release, escape, seepage, migration or dispersal of such "pollutants" is directly from a part of the "auto" designed to hold, store, receive or dispose of such "pollutants" by the "auto" manufacturer.

c. (1) (b) and c. (1) (c) above do not apply, if as a direct result of maintenance or use of the "auto", "pollutants" or property containing "pollutants" which are not in or upon the "auto", are upset, overturned or damaged at any premises not owned by or leased to you. The discharge, release, escape, seepage, migration or dispersal of the "pollutants" must be directly caused by such upset, overturn or damage.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) 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".

d. "Bodily injury" or "property damage" however caused, arising directly or indirectly, out of:

(1) War, including undeclared or civil war;

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

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

e. "Bodily injury" or "property damage" for which the insured is 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:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. However, if the insurance under this policy does not apply to the liability of the insured, it also does not apply to such liability assumed by the insured under an "insured contract".

(2) That the insured would have in the absence of the contract or agreement.

f. "Property damage" to:

(1) Property owned or being transported by, or rented or loaned to any insured; or

(2) Property in the care, custody or control of any insured

other than "property damage" to a residence or a private garage by a private passenger "auto" covered by this coverage.

g. "Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of employment by the insured; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract".
- (2) "Bodily injury" to any "employee" of the insured arising out of and in the course of his domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

Who Is An Insured

With respect to only this coverage, **SECTION II - WHO IS AN INSURED**, is deleted and replaced by the following:

SECTION II - WHO IS AN INSURED

Each of the following is an insured with respect to this coverage:

- a. You.
- b. Your partners if you are designated in the Declarations as a partnership or a joint venture.
- c. Your members if you are designated in the Declarations as a limited liability company.
- d. Your "executive officers" if you are designated in the Declarations as an organization other than a partnership, joint venture or limited liability company.
- e. Any person using the "auto" and any person or organization legally responsible for the use of an "auto" not owned by such person or organization, provided the actual use is with your permission.

None of the following is an insured:

- a. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-"employee" of such person injured in the course of employment.
- b. Any person using the "auto" and any person other than you, legally responsible for its use with respect to an "auto" owned or registered in the name of:
 - (1) Such person; or
 - (2) Any partner or "executive officer" of yours or a member of his or her household; or
 - (3) Any "employee" or agent of yours who is granted an operating allowance of any sort for the use of such "auto".
- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate.
- d. The owner or lessee (of whom you are a sublessee) of a hired "auto" or the owner of an "auto" you do not own or which is not registered in your name which is used in your business or any agent or employee of any such owner or lessee.

e. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

Additional Definitions

The following definition applies to only this coverage:

"Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".

Limits of Insurance

With respect to only this coverage, **SECTION III - LIMITS OF INSURANCE**, is deleted and replaced by the following:

SECTION III - LIMITS OF INSURANCE

a. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- (1) Insureds;
- (2) Claims made or "suits" brought; or
- (3) Persons or organizations making claims or bringing "suits".

b. We will pay damages for "bodily injury" or "property damage" up to the limits of liability stated in the Declarations for this coverage. Such damages shall be paid as follows:

- (1) When Hired Auto and Non-Owned Auto Each Occurrence Limit is shown in the Declarations, such limit is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" and "property damage" in any one "occurrence".
- (2) When Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence Limit and Property Damage Hired Auto and Non-Owned Auto Each Occurrence Limit are shown in the Declarations:
 - (a) The limit shown for Bodily Injury Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "bodily injury" in any one "occurrence".
 - (b) The limit shown for Property Damage Hired Auto and Non-Owned Auto Each Occurrence is the total amount of coverage and the most we will pay for all damages because of or arising out of all "property damage" in any one "occurrence".

3. BROADENED SUPPLEMENTARY PAYMENTS

Under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B. PERSONAL INJURY AND ADVERTISING**

INJURY LIABILITY and SUPPLEMENTARY PAYMENTS - COVERAGES A AND B:

Paragraph 4., the amount we will pay for the actual loss of earnings is increased from \$250 per day to \$400 per day.

4. ADDITIONAL PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT

If the endorsement, EXCLUSION - PRODUCTS COMPLETED OPERATIONS HAZARD, CG 21 04, is not attached to this policy, then the following is added to **SECTION III - LIMITS OF INSURANCE**:

Commencing with the effective date of this policy, we will provide one additional Products-Completed Operations Aggregate Limit, for each annual period, equal to the amount of the Products-Completed Operations Aggregate Limit shown in the Declarations. The maximum Products-Completed Operations Aggregate Limit for any annual period will be no more than two times the original Products-Completed Operations Aggregate Limit.

5. PERSONAL INJURY EXTENSION

a. If the endorsement EXCLUSION - PERSONAL INJURY AND ADVERTISING INJURY, 55350, is attached to this policy, then this provision, 5. PERSONAL INJURY EXTENSION, does not apply.

b. If the endorsement EXCLUSION - PERSONAL INJURY AND ADVERTISING INJURY, 55350, is not attached to this policy, then under **SECTION V - DEFINITIONS, 15. "Personal injury"** is deleted and replaced by the following:

15. "Personal injury" means, other than "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy; or
- f. Discrimination, humiliation, sexual harassment and any violation of civil rights caused by such discrimination, humiliation or sexual harassment.

6. BROADENED KNOWLEDGE OF OCCURRENCE

Under **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**, the following paragraph is added:

Paragraphs **a.** and **b.** of this condition will not serve to deny any claim for failure to provide us with notice as soon as practicable after an "occurrence" or an offense which may result in a claim:

- a.** If the notice of a new claim is given to your "employee"; and
- b.** That "employee" fails to provide us with notice as soon as practicable.

This exception shall not apply:

- a.** To you; or
- b.** To any officer, director, partner, risk manager or insurance manager of yours.

7. DAMAGE TO PREMISES RENTED TO YOU

Under **SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, the last paragraph is deleted and replaced by the following:

Exclusions **c.** through **n.** do not apply to damage by fire, lightning, explosion, smoke or water damage to premises rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **7. DAMAGE TO PREMISES RENTED TO YOU, a. Limits of Insurance.**

The following additional exclusions apply to "property damage" arising out of Water Damage to premises rented to you or temporarily occupied by you with permission of the owner:

(1) "Property damage" to:

- (a)** The interior of the premises caused by or resulting from rain or snow, whether driven by wind or not; or
- (b)** Heating, air conditioning, plumbing or fire protection systems, or other equipment or appliances.

(2) "Property damage" caused by or resulting from any of the following:

- (a)** Mechanical breakdown, including bursting or rupture caused by centrifugal force;
- (b)** Cracking, settling, expansion or shrinking;
- (c)** Smoke or smog;
- (d)** Birds, insects, rodents or other animals;
- (e)** Wear and tear;
- (f)** Corrosion, rust, decay, fungus, deterioration, hidden or latent defect or any quality in property that causes such property to destroy or damage itself; or
- (g)** Water that flows or leaks from any heating, air conditioning, plumbing or fire

protection system caused by or resulting from freezing, unless:

- 1) You make a reasonable effort to maintain heat in the building or structure; or
- 2) You drain the equipment and shut off the water supply if the heat is not maintained.

(3) "Property damage" caused directly or indirectly by any of the following:

- (a) Water that backs up from a drain or sewer;
- (b) Mud flow or mudslide;
- (c) Volcanic eruption, explosion or effusion;
- (d) Any earth movement, such as earthquake, landslide, mine subsidence, earth sinking, earth rising or earth shifting;
- (e) Regardless of the cause, flood, surface water, waves, tides, tidal waves, storm surge, overflow of any body of water, or their spray, all whether wind driven or not;
- (f) Water under the ground surface pressing on, or seeping or flowing through:
 - 1) Walls, foundations, floors or paved surfaces;
 - 2) Basements, whether paved or not; or
 - 3) Doors, windows or other openings.

(4) "Property damage" for which the insured is obligated to pay as damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of this contract or agreement.

a. Limits of Insurance

With respect to this coverage only, under **SECTION III - LIMITS OF INSURANCE**, paragraph 6. is deleted and replaced by the following:

6. The most we will pay under Coverage A for damages because of "property damage" to premises rented to you or temporarily occupied by you with permission of the owner arising out of or caused by fire, lightning, explosion, smoke and water damage is the amount shown in the Declarations under Damage to Premises Rented to You.

b. Under SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, 4. Other Insurance, paragraph b., the word fire is amended to include fire, lightning, explosion, smoke or water damage.

8. BLANKET ADDITIONAL INSURED - LESSOR OF LEASED EQUIPMENT

a. SECTION II - WHO IS AN INSURED is amended to include as an additional insured any

person or organization with whom you have agreed:

(1) In a written contract or agreement, executed prior to loss, to name as an additional insured; or

(2) In an oral contract or agreement, executed prior to loss, to name as an additional insured only if a Certificate of Insurance was issued prior to loss indicating that the person or organization was an additional insured

but only with respect to liability for:

(1) "Bodily injury";

(2) "Property damage";

(3) "Personal injury"; or

(4) "Advertising injury"

caused in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

b. With respect to the insurance afforded to an additional insured, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

c. The following is added to **SECTION III - LIMITS OF INSURANCE**:

The Limits of Insurance for the additional insured are those specified in the written contract or agreement between the insured and the lessor, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

9. BLANKET ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES

a. **SECTION II - WHO IS AN INSURED** is amended to include as an additional insured any person or organization with whom you have agreed:

(1) In a written contract or agreement, executed prior to loss, to name as an additional insured; or

(2) In an oral contract or agreement, executed prior to loss, to name as an additional insured only if a Certificate of Insurance was issued prior to loss indicating that the person or organization was an additional insured

but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you.

b. This provision is subject to the following additional exclusions, applicable to this provision only:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises.

(2) Structural alterations, new constructions or demolition operations performed by or on behalf of the additional insured.

c. The following is added to **SECTION III - LIMITS OF INSURANCE**:

The Limits of Insurance for the additional insured are those specified in the written contract or agreement between the insured and the manager or lessor of the premises, not to exceed the limits provided in this policy. These limits are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

10. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Under **SECTION II - WHO IS AN INSURED**, Paragraph 4. is deleted and replaced by the following:

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

11. BLANKET WAIVER OF SUBROGATION

The following is added to **SECTION IV - COM-MERCIAL GENERAL LIABILITY CONDITIONS, 8. Transfer Of Rights of Recovery Against Others To Us**.

When you have agreed to waive your right of subrogation in a written contract, executed prior to loss, with any person or organization, we waive any right to recovery we may have against such person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

All other policy terms and conditions apply.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

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

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. We may at our discretion investigate any claim or "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III - Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or

resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is 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:

(1) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. However, if the insurance under this policy does not apply to the liability of the insured, it also does not apply to such liability assumed by the insured under an "insured contract".

(2) That the insured would have in the absence of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of employment by the insured; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

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

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location

has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property 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 "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of,

"pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) 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".

However, this paragraph does not apply to liability for damages because of covered "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property 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 any insured. Use includes operation and "loading and unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

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

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, occupy or use, including any cost or expense incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Property that any of your:

- (a) "Employees";
- (b) "Volunteer workers";
- (c) Partners or members (if you are a partnership or joint venture); or
- (d) Members (if you are a limited liability company)

own, rent, occupy or use. However, this exclusion **j.(2)**, shall not apply to your liability for damage to such property;

- (3) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (4) Property loaned to you;
- (5) Personal property in the care, custody or control of, or over which physical control is

being exercised for any purpose by any insured;

(6) That particular part of real property on which any insured or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(7) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (2), (4) and (5) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance.

Paragraph (3) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (4), (5), (6) and (7) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (7) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use,

withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property"

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal Injury And Advertising Injury

"Bodily injury" arising out of "personal injury" or "advertising injury".

p. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ a person;
 - (b) Termination of a person's employment;
 - (c) Employment-related practice, policy, act or omission, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person; or
 - (d) Criminal or civil action brought against a person by or at the direction of the insured directly or indirectly related to any offense described in (a), (b), or (c) above; or
- (2) Anyone as a consequence of "bodily injury" to a person at whom any of the employment-related practices described in Paragraphs (a), (b), (c), or (d) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity;
- (2) Whether the offense is alleged to arise out of the employment during the course or scope of employment, outside the course or scope of employment or after termination of employment;
- (3) Whether directly or indirectly related to a person's prospective, current or past employment; and
- (4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

q. Asbestos

Any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos-related particles, dust, irritants, contaminants, "pollutants", toxic elements or materials.

r. Communicable Disease

"Bodily Injury" arising out of or resulting from the transmission of any communicable disease by any insured.

s. Silica Or Silica-Related Dust

Any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any "silica" or "silica-related dust".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance.

COVERAGE B. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. We may at our discretion investigate any claim or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

b. This insurance applies to "personal injury" and "advertising injury" only if:

(1) The "personal injury" or "advertising injury" is caused by an offense arising out of your business; and

(2) The offense causing the "personal injury" or "advertising injury" was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to "personal injury" or "advertising injury":

a. Knowing Violation Of Rights Of Another Or Expected Or Intended Injury

(1) Caused by or at the direction of any insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury"; or

(2) Expected or intended by any insured. This exclusion a.(2), does not apply to "personal injury".

b. Material Published With Knowledge Of Falsity

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

Arising out of a criminal act or violation of a penal statute or ordinance committed by or at the direction of the insured.

e. Contractual Liability

For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach of Contract

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods - Failure To Conform To Statements Or Representations

Arising out of the failure of goods, products or services to conform with any statement or representation of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

Arising out of the wrong description of the price of goods, products or services.

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

Arising out of the infringement of copyright, patent, "trademark", trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement" of

copyright, "trade dress" or slogan.

j. Insureds In Media And Internet Type Businesses

Committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 15. a., b. and c. of "personal injury" under Section V - Definitions.

For the purposes of j.(1) of this exclusion, the placing of frames, borders, links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control for any purpose.

l. Unauthorized Use Of Another's Name Or Product

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

(1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(2) For any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) 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".

n. Employment-Related Practices

(1) Arising out of any:

(a) Refusal to employ a person;

(b) Termination of a person's employment;

(c) Employment-related practice, policy, act or omission, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person; or

(d) Criminal or civil action brought against a person by or at the direction of the insured directly or indirectly related to any offense described in (a), (b), or (c) above; or

(2) To anyone as a consequence of "personal injury" or "advertising injury" to a person at whom any of the employment-related practices described in Paragraphs (a), (b), (c), or (d) above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity;

(2) Whether the offense is alleged to arise out of the employment during the course or scope of employment, outside the course or scope of employment or after termination of employment;

(3) Whether directly or indirectly related to a person's prospective, current or past employment; and

(4) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

o. Asbestos

For any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos-related particles, dust, irritants, contaminants, "pollutants", toxic elements or materials.

p. Communicable Disease

Arising out of or resulting from the transmission of any communicable disease by any insured.

q. War

However, caused, arising directly or indirectly, out of:

(1) War, including undeclared or civil war;

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

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental

authority in hindering or defending against any of these.

r. Silica Or Silica-Related Dust

Any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any "silica" or "silica-related dust".

COVERAGE C. MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers compensation or disability benefit law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletics contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

h. Asbestos

For any claim, "suit", action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos related particle, dust, irritant, contaminant, pollutant, toxic element or material.

i. Communicable Disease

Arising out of or resulting from the transmission of any communicable disease by any insured.

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

If Coverage A or B apply, we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$2000 for premiums on bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We have no obligation to apply for or furnish these bonds.
3. Premiums on appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We have no obligation to apply for or furnish these bonds.
4. All reasonable expenses incurred by the insured at our request including actual loss of earnings up to

\$250 a day because of time off from work.

5. All costs taxed against the insured in the "suit".

6. Prejudgment interest awarded against the insured 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.

7. 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 judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business, or your "volunteer workers" only while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for "bodily injury", "personal injury" or "advertising injury":

(1) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(2) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1) above;

(3) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1) or (2) above; or

(4) Arising out of his or her providing or failing to provide professional health care services.

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix 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 General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products completed operations hazard"; and
- c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to 2. above, the Personal Injury and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization:

5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. The Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

8. Beginning with the effective date of this policy, we will provide twice the General Aggregate Limit (other than Products-Completed Operations), shown in the Declarations.

If this policy is written for more than one 12 month period, the General Aggregate Limit for each 12 month period shall never exceed twice the General Aggregate Limit shown in the Declarations. The General Aggregate Limit applies separately to each 12 month period starting with the beginning of the policy period shown in the Declarations.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. If any claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of any claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of any claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any correspondence, demands, notices, summonses or papers in connection with any claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of any claim or defense of any "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part 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 an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. 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 that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.

- (2) Any other primary insurance available to an insured, other than an additional insured, covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) 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 of this Coverage Part.

c. 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.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Motor Vehicle Laws

We will provide coverage:

- a. Up to the minimum required limits; and
- b. Subject to all the terms and conditions of the policy

to comply with any motor vehicle insurance law to the extent such law applies to the "mobile equipment" covered by this Coverage Part.

However, this coverage only applies in the absence of any other applicable insurance.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.

2. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services in your "advertisement";
- b. Oral or written publication, in any manner, of material that violates a person's right of privacy in your "advertisement";
- c. The use of another's advertising idea in your "advertisement"; or

d. Infringing upon another's copyright, "trade dress" or slogan in your "advertisement".

3. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

4. "Bodily injury" means bodily injury, bodily sickness or bodily disease sustained by a person, including death resulting from any of these at any time.

5. "Coverage territory" means:

a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in a. above;

(2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or

(3) "Personal injury" or "advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

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

7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

8. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

9. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

10. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement; or
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

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

12. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

13. "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;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers; or

f. Vehicles not described in a., b., c., or d. 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":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; or

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

15. "Personal injury" means other than "bodily injury" arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy.

16. "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.

17. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, shown in the Declarations, states that products-completed operations are included.

18. "Property 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 shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

19. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

20. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

23. "Trademark" means any registered or unregistered word, name, symbol, sign, device or any combination thereof used to identify or distinguish a person's or organization's goods, products or services from those of others and to indicate or identify the origin or source of such goods, products or services, even if the origin or source is unknown. "Trademark" includes registered "trade dress" and "trade dress" which is used with or incorporates any "trademark".

24. "Trade dress" means the unregistered and nonfunctional distinctive packaging, appearance, image, design, color scheme or shape or combination thereof used to identify or distinguish a person's or organization's goods, products or services from those of others and to indicate or identify the origin or

source of such goods, products or services, even if the source is unknown. "Trade dress" does not include:

- a. Registered "trade dress";
- b. "Trademark"; or
- c. "Trade dress" which is used with or incorporates any "trademark".

25. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

26. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

27. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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Page of 18

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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHESTERFIELD COUNTY
Court of Common Pleas

The Honorable Paul M. Burch, Circuit Court Judge

Case No. 2013-001321

RECEIVED

JAN 16 2013

SC Court of Appeals

Auto-Owners Insurance Company,.....Appellant,

v.

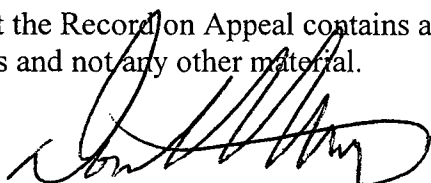
Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee Cail, Naida L. Singleton and Pee Dee Heating and Cooling Specialists, Inc., Defendants,

Of Whom Elouise Woody Benjamin and Melvin Benjamin are the Respondents.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all materials proposed to be included by any of the parties and not any other material.

January 14, 2014



Dominic A. Starr, SC Bar #66231
Alan G. Jones, SC Bar #10141
McAngus, Goudelock & Courie LLC
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

Attorneys for Appellant

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHESTERFIELD COUNTY
Court of Common Pleas

The Honorable Paul M. Burch, Circuit Court Judge

Case No. 2013-001321

RECEIVED

JAN 16 2014

SC Court of Appeals

Auto-Owners Insurance Company,.....Appellant,

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Elouise Woody Benjamin, Melvin Benjamin, Joshua Lee Cail, Naida L. Singleton and Pee Dee Heating and Cooling Specialists, Inc., Defendants,

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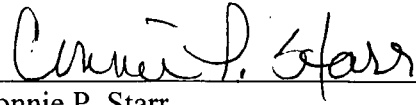
PROOF OF SERVICE

I certify that I have served the Record on Appeal by depositing a copy of it in the United States Mail, postage prepaid, on the 15th day of January 2014, addressed to the attorneys of record:

William P. Hatfield, Esquire
The Hyman Law Firm, LLP
Post Office Box 1770
Florence, South Carolina 29503-1770

Robert N. Hill, Esquire
Law Offices of Robert Hill
Post Office Box 51
Newberry, South Carolina 29108

January 15, 2014

A handwritten signature in cursive script, reading "Connie P. Starr", written over a horizontal line.

Connie P. Starr
Paralegal to Dominic A. Starr
McAngus, Goudelock & Courie LLC
Post Office Box 1349
Myrtle Beach, South Carolina 29578
(843) 848-6000

Attorneys for Appellant