

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

AT RICHMOND, May 15, 1986
ADMINISTRATIVE ORDER NO. 9144

AUTOMOBILE INSURANCE

ESTABLISHMENT BY THE STATE CORPORATION COMMISSION OF STANDARD FORMS OF POLICIES, RIDERS, ENDORSEMENTS, AND OTHER SPECIAL OR SUPPLEMENTAL AGREEMENTS AND PROVISIONS FOR USE BY ALL INSURANCE COMPANIES IN INSURING (1) AGAINST LOSS OR DAMAGE RESULTING FROM ACCIDENT TO, OR INJURY SUFFERED BY, ANY PERSON, AND FOR WHICH THE PERSON INSURED IS LIABLE, (2) AGAINST LOSS BY LIABILITY FOR DAMAGE TO PROPERTY RESULTING FROM THE OWNERSHIP, MAINTENANCE OR USE OF ANY MOTOR VEHICLE, AND (3) AGAINST LOSS OF OR DAMAGE TO ANY MOTOR VEHICLE OWNED BY THE INSURED, PURSUANT TO THE PROVISIONS OF SECTIONS 38.1-382 TO 38.1-387, INCLUSIVE, OF THE CODE OF VIRGINIA.

WHEREAS, Pursuant to the provisions of Sections 38.1-382 to 38.1-387, inclusive, of the Code of Virginia, the State Corporation Commission, by other Administrative Orders, has established certain forms of policies, riders, endorsements, and other special or supplemental agreements and provisions for use by all insurance companies in insuring (1) against loss or damage resulting from accident to, or injury suffered by, any person, and for which the person insured is liable, (2) against loss by liability for damage to property resulting from the ownership, maintenance, or use of any motor vehicle, and (3) against loss of or damage to any motor vehicle owned by the insured;

AND IT APPEARING to the State Corporation Commission that the use of certain other forms, policies, riders, endorsements, and other special or supplemental agreements and provisions for use in writing the types of insurance herein referred to is so extensive that standard forms thereof should be established;

IT IS, THEREFORE, ORDERED, That the following forms of policies and endorsements for use as standard forms be, and they hereby are, filed by the State Corporation Commission in its office at Richmond, Virginia:

See AO 9603 for current edition. VA-MB-1 (5-86) - New Car Mechanical Breakdown Insurance Policy

See AO 9603 for current edition. VA-MB-2 (5-86) - Used Car Mechanical Breakdown Insurance Policy

VA-MB-3 (5-86) - Towing Endorsement

VA-MB-4 (5-86) - Used Car Rental Reimbursement Endorsement

IT IS FURTHER ORDERED, That, except as hereinafter provided, the proposed new forms of policies, endorsements, or other special or supplemental agreements and provisions hereinbefore referred to shall become the standard forms thereof for use by all insurance companies applicable to policies effective on and after October 1, 1986, and thereafter no insurance company shall use any form covering substantially the same agreement provided for by such standard form, unless it be in the precise language of the standard form.

IT IS FURTHER ORDERED, That all policy forms and endorsements currently approved for individual insurers for mechanical breakdown insurance pursuant to the provisions of Sections 38.1-387 and 38.1-387.1, are hereby withdrawn for policies effective on and after October 1, 1986.

IT IS FURTHER ORDERED, That there being, in the opinion of the State Corporation Commission, no further necessity for the continuance of the following form of

policy and endorsement, it is hereby withdrawn on and after October 1, 1986:

VA-MB (11-74) - Automobile Mechanical Breakdown Insurance Policy

IT IS FURTHER ORDERED, That if objection to the provisions of any proposed new standard form be filed in writing by any insurance company within twenty days from the day upon which this Order is entered, such form shall not become standard as provided herein and proceedings in reference thereto shall be instituted but such objection shall not serve to prevent those proposed standard forms to which no objection has been filed from becoming standard forms on and after October 1, 1986 in accordance with the provisions hereof.

IT IS FURTHER ORDERED, That the Bureau of Insurance shall immediately notify all parties to whom attested copies of the Order are directed to be sent on receipt of an objection, in writing, from any insurance company to the provisions of any proposed form.

IT IS FURTHER ORDERED, That for the word "company" appearing in any standard form, there may be substituted a more accurate descriptive term for the type of insurer.

IT IS FURTHER ORDERED, That attested copies of this order be sent to all rate service organizations, the Bureau of Insurance, and all companies which are affected thereby.

A True Copy
Teste:

George H. Bryant

Clerk of the
State Corporation Commission

NEW CAR MECHANICAL BREAKDOWN INSURANCE POLICY

Company, hereinafter called the Company, in consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all the terms of this policy, agrees with the insured named in the declarations as follows:

Definitions

"insured" means the person named in the declarations.

"owned automobile" means a new automobile of the private passenger, pick-up truck rated at 3/4 ton or less, or van type described in the declarations provided it is not used for commercial purposes. "Owned automobile" does not include an automobile the insured rents from someone else for less than one year.

"mechanical breakdown or failure" means the failure of any original or replacement covered part to work as it was designed to work.

"cost" means the usual and reasonable charges for the parts and labor necessary to repair or replace the covered part with other of like kind and quality. Replacement parts may be new, used or remanufactured parts.

"deductible" means the amount shown on the Declarations page that shall be deducted from the cost of repair or replacement of each covered part or from the total cost of two or more covered parts whose mechanical breakdown occurred at the same time.

"new automobile" means a current model vehicle bought or leased by the first retail user provided the vehicle, on the effective date of this policy, is covered for the full term of the manufacturer's new vehicle warranty.

Coverage I - Mechanical Breakdown

To pay for the cost of repairing or replacing the hereinafter described parts of the owned automobile when such repair or replacement is required due to a mechanical breakdown or failure of any such parts during the policy period, but only for the amount of such costs in excess of the deductible stated in the declarations.

ASSEMBLY

LIST OF COVERED PARTS

- | | |
|-----------------|--|
| 1. Engine | All internal oiled parts, water pump, fuel pump, manifolds, engine block, cylinder head, rotary engine housings, flywheel, turbocharger and all internal parts and diesel fuel injection pump. |
| 2. Transmission | The transmission case, internal parts and the torque converter. |
| 3. Drive Axle | Front and rear drive axle housings and all internal parts, propeller shafts, axle shaft, and universal joints. |

4. **Steering** The steering gear housing and its internal parts, power steering pump, valve body, piston and rack.
5. **Brakes** Master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings and disc brake calipers.
6. **Electrical** Generator or alternator, voltage regulator, windshield wiper motor, wiring harnesses, starter motor and manually-operated switches.
7. **Air Conditioner** Compressor, condenser, evaporator and POA valve. The air conditioner must be factory installed.
8. **Front Suspension** MacPherson Struts, upper mount and bearing assembly, upper and lower control arms, control arm shafts and bushings, upper and lower ball joints and steering knuckle.

Coverage II - Rental Reimbursement

To reimburse the insured, in the event of a covered mechanical breakdown or failure of a part described in Coverage I, for reasonable expenses incurred for the rental of a substitute equivalent type automobile, subject to the following provisions:

- (1) such reimbursement shall be payable
 - (a) only if such owned automobile is withdrawn from normal use overnight;
 - (b) for the period required to repair the owned automobile; provided, however, such reimbursement for any one period shall not exceed the amount of expense (exclusive of mileage charges) actually incurred by the insured nor, in any event, for more than \$15 for any one day or \$75 for any one period;
 - (c) in addition to any liability applicable under Coverage I and shall not be subject to the application of any deductible.

Exclusions

This policy does not apply:

1. to costs covered by any warranty or guarantee of the Manufacturer or any other party.
2. to a mechanical breakdown or failure caused by a lack of customary and reasonable maintenance.
3. to a mechanical breakdown or failure caused by collision, fire, theft, vandalism, riot or civil commotion, explosion, lightning, earthquake, windstorm, hail, water, flood, freezing, falling missiles or objects, larceny, malicious mischief, or from any cause whatsoever except as provided in Coverage I of this policy.

4. if the odometer has stopped or been changed and as a result the owned automobile's actual mileage is misrepresented.
5. to any cost of parts or labor for the adjustment or alignment of any part or parts unless required in connection with the repair of a covered part.
6. to engine tuneup unless required in connection with the repair of a covered part.
7. to front suspension alignment unless required in connection with the repair of a covered part.
8. to storage charges.
9. to seals, gaskets, oil, grease, or refrigerant unless required in connection with the repair of a covered part.
10. to a mechanical breakdown or failure due to misuse or abuse.
11. to a mechanical breakdown or failure caused or contributed to by the use of improper or contaminated fuel.
12. to a mechanical breakdown or failure resulting from racing or other competition.
13. to a mechanical breakdown or failure caused by hauling and/or towing anything heavier than the manufacturer recommends.
14. if the owned automobile is used to carry passengers for hire, for deliveries, construction (other than driving to and from work), hauling or any other commercial purposes.
15. if the owned automobile is equipped with a snow plow.
16. if the insured rents the owned automobile to someone else.
17. if the insured rents the owned automobile from someone else for less than one year.
18. if the owned automobile is used as a police car or other emergency vehicle.
19. if the mechanical breakdown or failure is caused by or contributed to by the alteration or modification of the owned automobile.
20. if the owned automobile is a truck rated at more than 3/4 ton.
21. to loss of time, inconvenience, lodging, food or other consequential loss resulting from mechanical breakdown or failure.

22. if a mechanical breakdown or failure existed prior to, or was caused by a condition known to the insured before the effective date of this policy.
23. to damage caused or contributed to by operating the owned automobile without the proper level of lubricant or coolant.
24. to costs incurred to improve operating performance following normal wear and tear. This includes, but is not limited to, valve or ring repairs designed to improve engine compression or reduce oil consumption.

Other Insurance

The Company will pay only a portion of the costs if the insured has other insurance covering a mechanical breakdown or failure. The Company's share of the costs shall bear the same relationship to the total costs that the Company's limit of liability bears to the total of all applicable limits of liability.

If the manufacturer, repairer or any party agrees to cover all or some of the costs of a mechanical breakdown or failure after a warranty or guarantee has expired, the Company will pay only for any extra cost.

Conditions

1. **Policy Period, Mileage, Territory:** The term of this policy varies based upon the time and mileage for which it is issued. Coverage begins on the Effective Date and Odometer Reading shown in the Declarations. It expires when the time or mileage limit is reached, whichever comes first.

This policy applies only to mechanical breakdown or failure experienced within the United States of America, its territories or possessions and Canada.

2. **Assistance and Cooperation of the Insured:** The insured shall cooperate with the Company, and, upon the Company's request, assist in making settlements and in enforcing any right or contribution or indemnity against any manufacturer who may be responsible to the insured for the cost of repairs and/or replacement with respect to which insurance is afforded under this policy. Unless expressly authorized in advance by the Company, the insured shall not, except at his own cost, assume any obligation or incur any expense with respect to the foregoing.
3. **Action Against Company:** No action shall lie against the Company, unless as a condition precedent thereto, there shall have been full compliance with all the terms of this policy nor until thirty (30) days after proof of a mechanical breakdown or repair is filed and the amount is determined as provided in this policy.
4. **Insured's Duties in the Event of Mechanical Breakdown:** In the event of a mechanical breakdown or failure the insured shall (a) use all reasonable means to protect the owned automobile from further damage resulting from mechanical breakdown or failure, (b) give notice thereof as soon as practicable to the

Company or any of its authorized agents, (c) file with the Company, within 30 days after mechanical breakdown or failure, his sworn proof of claim and including such information as the Company may reasonably require and if requested; provide proof of customary and reasonable maintenance, and (d) upon the Company's request, make the owned automobile available for inspection.

5. **Appraisal:** If the insured and the Company fail to agree as to the amount of charges, either may, within 60 days after proof of claim is filed, demand an appraisal of the amount. In such event the insured and the Company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the amount of claim and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of claim. The insured and the Company shall pay his chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

The Company shall not be held to have waived any of its rights by any act relating to the appraisal.

6. **Payment of Claim:** The Company may reimburse the insured for the reasonable cost of repair or replacement or, at its option, authorize and pay for the repair or replacement.
7. **No Benefit to Bailee:** The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or bailee for hire.
8. **Subrogation:** In the event of any payment under this policy the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatsoever else is necessary to secure such rights. The insured shall do nothing after a mechanical breakdown or failure to prejudice such rights.
9. **Changes:** The terms of this policy shall not be waived or changed, except by endorsement issued to form a part of the policy.
10. **Assignment:** Coverage under this policy may not be assigned or transferred; if however, the insured shall die, this policy shall cover (1) the surviving spouse as the insured, (2) his legal representatives as the insured but only while acting within the scope of his duties as such.
11. **Cancellation:** This policy may be cancelled by the insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

This policy may be cancelled by the Company by mailing to the insured at the address shown in this policy, written notice stating when not less than 30 days thereafter such cancellation may be effective provided that (1) if the named insured fails to discharge when due any of his obligations in connection with

payment of premium for this policy or any installment thereof, whether payable directly to the Company or its agent or indirectly under any premium finance plan or extension of credit, or (2) this policy has been in effect less than 60 days at the time notice of cancellation is mailed this policy may be cancelled by the Company by mailing to such insured written notice stating when not less than 15 days thereafter such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by such insured or by the Company shall be equivalent to mailing.

If this policy is cancelled, the insured may be entitled to a premium refund for the unused coverage. Unused coverage is the lesser of the unused days or the unused miles of coverage available. Premium adjustment shall be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment of premium or tender of unearned premium is not a condition of cancellation.

12. Cancellation by Company Limited: After this policy has been in effect for sixty days the Company shall not exercise its right to cancel the insurance unless (1) the named insured fails to discharge when due any of his obligations in connection with the payment of premium for this policy or any installment thereof, whether payable directly to the Company or its agents or indirectly under any premium finance plan or extension of credit, or (2) the driver's license of the named insured or of any other operator who either resides in the same household or customarily operates the owned automobile has had his driver's license suspended or revoked during the policy period.
13. Declarations: By acceptance of this policy, the insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested.

USED CAR MECHANICAL BREAKDOWN INSURANCE POLICY

Company, hereinafter called the Company, in consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all the terms of this policy, agrees with the insured named in the declarations as follows:

Definitions

"insured" means the person named in the declarations.

"owned automobile" means a used automobile of the private passenger, pick-up truck rated at 3/4 ton or less, or van type described in the declarations provided it is not used for commercial purposes. "Owned automobile" does not include an automobile the insured rents from someone else for less than one year.

"used automobile" means a vehicle other than a new automobile.

"mechanical breakdown or failure" means the failure of any original or replacement covered part to work as it was designed to work.

"cost" means the usual and reasonable charges for the parts and labor necessary to repair or replace the covered part with other of like kind and quality. Replacement parts may be new, used or remanufactured parts.

"deductible" means the amount shown on the Declarations page that shall be deducted from the cost of repair or replacement of each covered part or from the total cost of two or more covered parts whose mechanical breakdown occurred at the same time.

"new automobile" means a current model vehicle bought or leased by the first retail user provided the vehicle, on the effective date of this policy, is covered for the full term of the manufacturer's new vehicle warranty.

Coverage I - Mechanical Breakdown

To pay for the cost of repairing or replacing the hereinafter described parts of the owned automobile when such repair or replacement is required due to a mechanical breakdown or failure of any such parts during the policy period, but only for the amount of such costs in excess of the deductible stated in the declarations.

ASSEMBLY

LIST OF COVERED PARTS

- | | |
|-----------------|--|
| 1. Engine | All internal oiled parts, water pump, fuel pump, manifolds, engine block, cylinder head, rotary engine housings, flywheel, turbocharger and all internal parts and diesel fuel injection pump. |
| 2. Transmission | The transmission case, internal parts and the torque converter. |
| 3. Drive Axle | Front and rear drive axle housings and all internal parts, propeller shafts, axle shaft, and universal joints. |

Exclusions

This policy does not apply:

1. to costs covered by any warranty or guarantee of the Manufacturer or any other party.
2. to a mechanical breakdown or failure caused by a lack of customary and reasonable maintenance.
3. to a mechanical breakdown or failure caused by collision, fire, theft, vandalism, riot or civil commotion, explosion, lightning, earthquake, windstorm, hail, water, flood, freezing, falling missiles or objects, larceny, malicious mischief, or from any cause whatsoever except as provided in Coverage I of this policy.
4. if the odometer has stopped or been changed and as a result the owned automobile's actual mileage is misrepresented.
5. to any cost of parts or labor for the adjustment or alignment of any part or parts unless required in connection with the repair of a covered part.
6. to engine tuneup unless required in connection with the repair of a covered part.
7. to front suspension alignment unless required in connection with the repair of a covered part.
8. to storage charges.
9. to seals, gaskets, oil, grease, or refrigerant unless required in connection with the repair of a covered part.
10. to a mechanical breakdown or failure due to misuse or abuse.
11. to a mechanical breakdown or failure caused or contributed to by the use of improper or contaminated fuel.
12. to a mechanical breakdown or failure resulting from racing or other competition.
13. to a mechanical breakdown or failure caused by hauling and/or towing anything heavier than the manufacturer recommends.
14. if the owned automobile is used to carry passengers for hire, for deliveries, construction (other than driving to and from work), hauling or any other commercial purposes.

15. if the owned automobile is equipped with a snow plow.
16. if the insured rents the owned automobile to someone else.
17. if the insured rents the owned automobile from someone else for less than one year.
18. if the owned automobile is used as a police car or other emergency vehicle.
19. if the mechanical breakdown or failure is caused by or contributed to by the alteration or modification of the owned automobile.
20. if the owned automobile is a truck rated at more than 3/4 ton.
21. to loss of time, inconvenience, lodging, food or other consequential loss resulting from mechanical breakdown or failure.
22. if a mechanical breakdown or failure existed prior to, or was caused by a condition known to the insured before the effective date of this policy.
23. to damage caused or contributed to by operating the owned automobile without the proper level of lubricant or coolant.
24. to costs incurred to improve operating performance following normal wear and tear. This includes, but is not limited to, valve or ring repairs designed to improve engine compression or reduce oil consumption.

Other Insurance

The Company will pay only a portion of the costs if the insured has other insurance covering a mechanical breakdown or failure. The Company's share of the costs shall bear the same relationship to the total costs that the Company's limit of liability bears to the total of all applicable limits of liability.

If the manufacturer, repairer or any party agrees to cover all or some of the costs of a mechanical breakdown or failure after a warranty or guarantee has expired, the Company will pay only for any extra cost.

Conditions

1. **Policy Period, Mileage, Territory:** The term of this policy varies based upon the time and mileage for which it is issued. Coverage begins on the Effective Date and Odometer Reading shown in the Declarations. It expires when the time or mileage limit is reached, whichever comes first.

This policy applies only to mechanical breakdown or failure experienced within the United States of America, its territories or possessions and Canada.

2. **Assistance and Cooperation of the Insured:** The insured shall cooperate with the Company, and, upon the Company's request, assist in making settlements and in enforcing any right or contribution or indemnity against any manufacturer who

may be responsible to the insured for the cost of repairs and/or replacement with respect to which insurance is afforded under this policy. Unless expressly authorized in advance by the Company, the insured shall not, except at his own cost, assume any obligation or incur any expense with respect to the foregoing.

3. **Action Against Company:** No action shall lie against the Company, unless as a condition precedent thereto, there shall have been full compliance with all the terms of this policy nor until thirty (30) days after proof of a mechanical breakdown or repair is filed and the amount is determined as provided in this policy.
4. **Insured's Duties in the Event of Mechanical Breakdown:** In the event of a mechanical breakdown or failure the insured shall (a) use all reasonable means to protect the owned automobile from further damage resulting from mechanical breakdown or failure, (b) give notice thereof as soon as practicable to the Company or any of its authorized agents, (c) file with the Company, within 30 days after mechanical breakdown or failure, his sworn proof of claim and including such information as the Company may reasonably require and if requested, provide proof of customary and reasonable maintenance, and (d) upon the Company's request, make the owned automobile available for inspection.
5. **Appraisal:** If the insured and the Company fail to agree as to the amount of charges, either may, within 60 days after proof of claim is filed, demand an appraisal of the amount. In such event the insured and the Company shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the amount of claim and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of claim. The insured and the Company shall pay his chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

The Company shall not be held to have waived any of its rights by any act relating to the appraisal.
6. **Payment of Claim:** The Company may reimburse the insured for the reasonable cost of repair or replacement or, at its option, authorize and pay for the repair or replacement.
7. **No Benefit to Bailee:** The insurance afforded by this policy shall not inure directly or indirectly to the benefit of any carrier or bailee for hire.
8. **Subrogation:** In the event of any payment under this policy the Company shall be subrogated to all the insured's rights of recovery therefor against any person or organization and the insured shall execute and deliver instruments and papers and do whatsoever else is necessary to secure such rights. The insured shall do nothing after a mechanical breakdown or failure to prejudice such rights.
9. **Changes:** The terms of this policy shall not be waived or changed, except by endorsement issued to form a part of the policy.

10. **Assignment:** Coverage under this policy may not be assigned or transferred; if however, the insured shall die, this policy shall cover (1) the surviving spouse as the insured, (2) his legal representatives as the insured but only while acting within the scope of his duties as such.
11. **Cancellation:** This policy may be cancelled by the insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter the cancellation shall be effective.

This policy may be cancelled by the Company by mailing to the insured at the address shown in this policy, written notice stating when not less than 30 days thereafter such cancellation may be effective provided that (1) if the named insured fails to discharge when due any of his obligations in connection with payment of premium for this policy or any installment thereof, whether payable directly to the Company or its agent or indirectly under any premium finance plan or extension of credit, or (2) this policy has been in effect less than 60 days at the time notice of cancellation is mailed this policy may be cancelled by the Company by mailing to such insured written notice stating when not less than 15 days thereafter such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by such insured or by the Company shall be equivalent to mailing.

If this policy is cancelled, the insured may be entitled to a premium refund for the unused coverage. Unused coverage is the lesser of the unused days or the unused miles of coverage available. Premium adjustment shall be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment of premium or tender of unearned premium is not a condition of cancellation.

12. **Cancellation by Company Limited:** After this policy has been in effect for sixty days the Company shall not exercise its right to cancel the insurance unless (1) the named insured fails to discharge when due any of his obligations in connection with the payment of premium for this policy or any installment thereof, whether payable directly to the Company or its agents or indirectly under any premium finance plan or extension of credit, or (2) the driver's license of the named insured or of any other operator who either resides in the same household or customarily operates the owned automobile has had his driver's license suspended or revoked during the policy period.
13. **Declarations:** By acceptance of this policy, the insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the Company or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested.

TOWING ENDORSEMENT

The Company will pay for towing due to a covered mechanical breakdown or failure of parts described under Coverage I necessitated by the disablement of the owned automobile, up to the limit stated in the policy declarations.

USED CAR RENTAL REIMBURSEMENT ENDORSEMENT

It is agreed that the Company will reimburse the insured, in the event of a covered mechanical breakdown or failure of a part described in Coverage I of the policy, for reasonable expenses incurred for the rental of a substitute equivalent type automobile, subject to the following provisions:

1. such reimbursement shall be payable
 - (a) only if such owned automobile is withdrawn from normal use overnight;
 - (b) for the period required to repair the owned automobile; provided, however, such reimbursement for any one period shall not exceed the amount of expense (exclusive of mileage charges) actually incurred by the insured nor, in any event, for more than \$15 for any one day or \$75 for any one period;
 - (c) in addition to any liability applicable under Coverage I of the policy and shall not be subject to the application of any deductible.