

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

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**SPECIMEN ONLY**

# VIRGINIA PHYSICAL DAMAGE COVERAGE – AUTOS HELD FOR SALE BY NON-DEALERS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to the coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<b>Named Insured:</b>
<b>Endorsement Effective Date:</b>
<b>Countersignature Of Authorized Representative</b>
<b>Name:</b>
<b>Title:</b>
<b>Signature:</b>
<b>Date:</b>

## SCHEDULE

	Types Of Autos		Interests Covered			
	New Autos	Used Autos Demonstrators	Your Interest In Covered Autos You Own	Your Interest Only In Financed Covered Autos	Your Interest And The Interest Of Any Creditor Named As A Loss Payee	All Interests In Any Auto Not Owned By You Or Any Creditor While In Your Possession On Consignment For Sale
Coverages						
Comprehensive						
Specified Causes Of Loss						
Collision						

<b>Location Number</b>	<b>Address Where You Conduct Operations (Main Location)</b>	
<b>Coverage</b>	<b>Limit Of Insurance And Deductible</b>	<b>Premium</b>
<b>Comprehensive Or Specified Causes Of Loss</b>	\$	Minus Deductible For Each Covered Auto For Loss Caused By Theft Or Mis- chief Or Vandalism Subject To Maximum Deductible For All Such Loss In Any One Event; Or Minus Deductible For All Perils For Each Covered Auto Subject To Maximum Deductible For All Such Loss In Any One Event
	\$	
	\$	
	\$	
	\$	
		\$

<b>Location Number</b>	<b>Address Where You Conduct Operations</b>	
<b>Coverage</b>	<b>Limit Of Insurance And Deductible</b>	<b>Premium</b>
<b>Comprehensive Or Specified Causes Of Loss</b>	\$	Minus Deductible For Each Covered Auto For Loss Caused By Theft Or Mis- chief Or Vandalism Subject To Maximum Deductible For All Such Loss In Any One Event; Or Minus Deductible For All Perils For Each Covered Auto Subject To Maximum Deductible For All Such Loss In Any One Event
	\$	
	\$	
	\$	
	\$	
		\$

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Location Number	Address Where You Conduct Operations			
Coverage	Limit Of Insurance And Deductible			Premium
Comprehensive Or Specified Causes Of Loss	\$	Minus		\$
	\$	Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism Subject To Maximum Deductible For All Such Loss In Any One Event;		
	\$	Or		
Collision (All Locations)	\$	Minus		\$
	\$	Deductible For Each Covered Auto.		
	Blanket Annual Collision Rates			
	First \$50,000	\$50,001 to \$100,000	Over \$100,000	Adjustment Factor

<b>Total Premium For All Locations</b>	\$
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Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

<b>Our limit of insurance for "loss" at locations other than those stated above.</b>
\$ Additional locations where you store covered "autos"
\$ In transit

**PREMIUM BASIS** – Reporting (Quarterly or Monthly) or Nonreporting (Indicate Basis Agreed Upon by "X").  
 **REPORTING BASIS** (Quarterly or Monthly as indicated below by "X")

You must report to us on our form the location of your covered "autos" and their total value at each such location. For your main sales location identified as location no. 1, you must include the total value of all covered "autos" you have furnished or made available to yourself, your executives, your "employees" or family members and other non-"employees", and covered "autos" that are temporarily displayed or stored at locations other than those stated in the Schedule. For your main sales location you must include the total value of all service vehicles.

**YOUR REPORTING BASIS IS:**  
 **QUARTERLY**

You must give us your first report by the fifteenth of the fourth month after the policy begins. Your subsequent reports must be given to us by the fifteenth of every third month. Your reports must contain the value for the last business day of every third month coming within the policy period.

**MONTHLY**  
You must give us your reports by the fifteenth of every month. Your reports will contain the total values you had on the last business day of the preceding month.

Premiums will be calculated pro rata of the annual premium for the exposures contained in each report. At the end of each policy year we will add the monthly premiums or the quarterly premiums to determine your final premium due for the entire policy year. The estimated total premiums shown above will be credited against the final premium due.

**NONREPORTING BASIS**

Stated limit of insurance shown above applies.

<b>Loss Payee</b> – Any loss is payable as interest may appear to you and:

With respect to "autos" held for sale by non-dealers:

- A. This endorsement provides only those coverages where a premium is shown in the Schedule. The provisions of the Physical Damage Coverage Section apply. Each of the physical damage coverages shown in the Schedule applies only to the types of "autos" and interests indicated above by "X".
- B. The following exclusions are added to **Section III – Physical Damage Coverage**:
  - 1. We will not pay for "loss" to a covered "auto" caused by or resulting from:
    - a. Someone causing you to voluntarily part with it by trick or scheme or under false pretenses; or
    - b. Your acquiring an "auto" from a seller who did not have legal title.
  - 2. We will not pay for:
    - a. Your expected profit, including loss of market value or resale value.
    - b. "Loss" to any covered "auto" displayed or stored at any location not shown in the Schedule if the "loss" occurs more than 45 days after your use of the location begins.
    - c. Under Collision Coverage, "loss" to any covered "auto" while being driven or transported from the point of purchase or distribution to its destination if such points are more than 50 road miles apart.
    - d. Under Specified Causes Of Loss Coverage, "loss" to any covered "auto" caused by or resulting from the collision or upset of any vehicle transporting it.

C. The following is added to the Limit Of Insurance provision of **Section III – Physical Damage Coverage**:

- 1. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" at any one location is the amount shown in the Schedule for that location. Regardless of the number of covered "autos" involved in the "loss", the most we will pay for all "loss" in transit is the amount shown in the Schedule for "loss" in transit.

**2. Quarterly Or Monthly Reporting Premium Basis**

If on the date of your last report, the actual value of the covered "autos" at the "loss" location exceeds what you last reported, when a "loss" occurs we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing your total reported value for the involved location by the value you actually had on the date of your last report.

If the first report due is delinquent on the date of "loss", the most we will pay will not exceed 75 percent of the Limit Of Insurance shown in the Schedule for the applicable location.

**3. Non-Reporting Premium Basis**

If, when "loss" occurs, the total value of your covered "autos" exceeds the Limit Of Insurance shown in the Schedule, we will pay only a percentage of what we would otherwise be obligated to pay. We will determine this percentage by dividing the limit by the total values you actually had when "loss" occurred.

**D. The following is added to the Deductible provision of Section III – Physical Damage Coverage:**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Schedule provided that:

1. The Comprehensive or Specified Causes Of Loss Coverage deductible applies only to "loss" caused by:
  - a. Theft or mischief or vandalism; or
  - b. All perils.

2. Regardless of the number of covered "autos" damaged or stolen, the per "loss" deductible for Comprehensive or Specified Causes Of Loss Coverage shown in the Schedule is the maximum deductible applicable for all "loss" in any one event caused by:

- a. Theft or mischief or vandalism; or
- b. All perils.

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