

02-1623-Cd
KAYTES COOPERMAN INSURANCE vs. WALLACE TRANSPORTANT.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC.,
also known as KCI INSURANCE AGENCY,
INC.,

Plaintiff,

vs.

WALLACE TRANSPORTATION, INC.,

Defendant.

CIVIL ACTION - LAW

No. 02-1623-CD

COMPLAINT IN CIVIL ACTION

Filed on Behalf of Plaintiff,
KAYTES COOPERMAN INSURANCE,
INC. also known as KCI INSURANCE
AGENCY, INC.

COUNSEL OF RECORD FOR THIS
PARTY:

John R. Keating, Esquire
PA I.D. No. 52779

VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219
(412) 391-2121
(412) 391-3578 Fax

Firm I.D. No. 916

FILED

OCT 17 2002

William A. Shaw
Prothonotary

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION**

KAYTES COOPERMAN INSURANCE, INC.,)	CIVIL ACTION - LAW
also known as KCI INSURANCE AGENCY,)	
INC.,)	
)	
Plaintiff,)	
)	No.
vs.)	
)	
WALLACE TRANSPORTATION, INC.,)	
)	
Defendant.)	

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claim set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, THEN YOU SHOULD GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP:

LAWYER REFERRAL SERVICE:
PENNSYLVANIA LAWYER REFERRAL SERVICE
Pennsylvania Bar Association
P.O. Box 186
Harrisburg, PA 17108
(800) 692-7375

NOTICE TO DEFEND:
David S. Meholick, Court Administrator
CLEARFIELD COUNTY COURTHOUSE
Clearfield, PA 16830

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION**

KAYTES COOPERMAN INSURANCE, INC., also known as KCI INSURANCE AGENCY, INC.,)	CIVIL ACTION - LAW
)	
Plaintiff,)	
)	No.
vs.)	
)	
WALLACE TRANSPORTATION, INC.,)	
)	
Defendant.)	

COMPLAINT IN CIVIL ACTION

PARTIES

1. Plaintiff, KAYTES COOPERMAN INSURANCE, INC. (hereinafter "Plaintiff") is a corporation with offices at P.O. Box 74649, Cleveland, Ohio 44194.

2. Defendant, WALLACE TRANSPORTATION, INC. (hereinafter "Defendant") is a Pennsylvania Corporation with its offices at RD #1 - Box 179, Woodland, Clearfield County, Pennsylvania 16881.

FACTS:

3. Before on or about November 1, 2001 and November 19, 2002, Plaintiff, at the request of Defendant and in its capacity as a licensed insurance agent, secured insurance coverage for the Defendant for the policy period of November 1, 2001 through November 19, 2002 (the dated the policies were cancelled).

4. The policies were obtained by Plaintiff at the Defendant's request and were issued by General Security Insurance for the above described coverage as agency billed policies having a policy number of TP008417.

5. A copy of the policies were provided to the Defendant at the time they were issued and have not been attached hereto because of their volume.

6. The subject policies were issued based on an estimated premium subject to an end term audit being conducted by Plaintiff to determine any changes that were made to the policies by way of endorsement.

7. Where the estimate premium is based on projected exposure that the risk will bring to the carrier, the end term audit is the means by which the policy premiums are adjusted in accordance with the actual exposure that occurs during the period based on the records of the insured/Defendant.

8. The total earned premium due on the coverage for the period they were in effect was \$223,674.84.

9. The subject policies were cancelled effective January 17, 2002 by reason of the Defendant's failure or refusal to make the payments for the coverage that was afforded it.

10. As an agency billed policy, Plaintiff is obligated to the carrier to pursue recovery of any balances that became due under the coverage initially or upon the end-term audit.

11. After crediting Defendant for the amounts previously paid in the form of cash (\$28,314.50) and for the amount of cancellation credit that was issued (\$166,716.00), there remains a balance due Plaintiff of \$28,644.34 (\$223,674.84 - \$28,314.50 - \$166,716.00).

12. Attached hereto, made a part hereof and marked as Exhibit "1" is a true and correct copy of Plaintiff's Statement of Defendant's account reflecting the above.

13. Plaintiff has demanded payment of the above from the Defendant (\$28,644.34) but it has failed or which is attached hereto, made a part hereof and marked as Exhibit "1".

14. In addition to the above, Plaintiff demands interest at the legal rate of

Six percent (6%) from an average due date of February 17, 2002.

WHEREFORE, Plaintiff demands judgment in its favor and against the Defendant, WALLACE TRANSPORTATION, INC. in the sum of \$28,644.34 plus interest at the legal rate of six percent (6%) per annum from an average due date of February 17, 2002 plus cost.

VOLLMER RULONG & KEATING, P.C.

BY: 

Attorney for Plaintiff

Wallace Transportation, Inc.

7/19/02

<u>Date</u>	<u>Item Description</u>	<u>Invoice #</u>	<u>Item Balance</u>
11/19/02	Auto Policy Renewal - Amgro	8272	\$ 142,650.00
	Auto Policy Fee - Amgro	8272	\$ 11,200.00
	Phys Dam Policy Renewal -Amgro	8272	\$ 46,868.00
	GL Policy Renewal- Amgro	8272	\$ 677.00
	G/L Policy Fee - Amgro	8278	\$ 50.00
	Cargo Policy Renewal - Amgro	8272	\$ 21,900.00
4/15/02	Auto Endorsement	9072	\$ 342.00
	Auto Endorsement		\$ (12.16)
	TOTAL DUE		\$ 223,674.84

PAYMENTS RECEIVED

11/19/01	Check #3090	\$	(28,314.50)
11/26/01	WT#623395 Amgro	\$	(166,716.00)
	TOTAL PAYMENTS RECEIVED	\$	(195,030.50)

TOTAL DUE TO KCI INSURANCE **\$ 28,644.34**

UNSWORN VERIFICATION

I, Debbie Ranger, state that I am the
Controller of Plaintiff, **KAYTES COOPERMAN INSURANCE, INC.**

the Plaintiff herein. I have reviewed the annexed pleading and believe the facts contained therein are true and correct to the best of my knowledge, information and belief. I believe that the corporation will be able to prove these facts at trial. This declaration is made by me with the knowledge that it is subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

KAYTES COOPERMAN INSURANCE, INC.

BY: Debbie Ranger
TITLE: Controller

WJS
FILED
OCT 17 2002
11:30 AM
cc shf
~~cc shf~~
Atty pd. 8.00

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE,
INC., a/k/a KCI INSURANCE
AGENCY, INC.,
Plaintiff

-vs-

WALLACE TRANSPORTATION,
INC.,
Defendant

*

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*

*

*

*

Docket No. 02-1623-CD

Type of pleading;
PRELIMINARY OBJECTIONS
OF DEFENDANT

Filed on behalf of:
DEFENDANT, Wallace
Transportation, Inc.

Counsel of record for
this party:

Dwight L. Koerber, Jr.,
Esquire
PA I.D. No. 16332

110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

FILED

NOV 08 2002

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE,
INC., a/k/a KCI INSURANCE
AGENCY, INC.,
Plaintiff

-vs-

WALLACE TRANSPORTATION,
INC.,
Defendant

*

*

*

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Docket No. 02-1623-CD

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*

PRELIMINARY OBJECTIONS OF DEFENDANT

COMES NOW, Wallace Transportation, Inc., by and through its attorney, Dwight L. Koerber, Jr., Esquire, and files the within Preliminary Objections to the Complaint filed by plaintiff.

1. Plaintiff has filed its Complaint herein, seeking to collect certain monies allegedly due on insurance policies that defendant entered into with plaintiff, which were later cancelled before expiration of their term.

2. Plaintiff chose not to attach the insurance policies to the Complaint, claiming that they were voluminous.

3. As a matter of fact, the insurance policies go to the heart of this case, because the specific policies that were cancelled are critically important.

4. Rule 1028 of the Pennsylvania Rules of Civil Procedure provides that Preliminary Objections are appropriate when the

pleading fails to conform with the requirements of law.

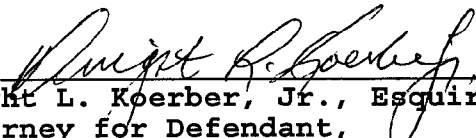
5. The Complaint herein is deficient because plaintiff has failed to comply with the provisions of Pa.R.C.P. 1019(i), which requires the plaintiff to attach a copy of the writing (insurance contracts) that it is relying upon in filing its claim.

6. In addition to failing to furnish a copy of the insurance contracts in question, plaintiff has also failed to provide a copy of the statement showing what the earned premiums are, as alleged in paragraphs 8 and 11 of the Complaint. The allegations set forth therein are clearly based upon a writing, are allegations which go to the heart of the case, and are allegations for which Pa.R.C.P. 1019(i) require that a copy be attached as part of the Complaint.

7. For the reasons set forth hereinabove, it is clear that plaintiff has failed to comply with the provisions of Pa.R.C.P. 1019(i), and for that reason defendant's Preliminary Objections should be granted.

WHEREFORE, Defendant Wallace Transportation, Inc. prays that its Preliminary Objections be granted and that the Complaint herein be dismissed.

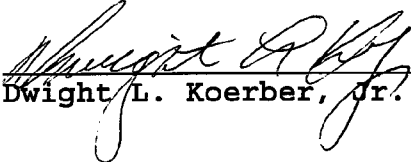
Respectfully submitted,

By: 
Dwight L. Koerber, Jr., Esquire
Attorney for Defendant,
WALLACE TRANSPORTATION, INC.

CERTIFICATE OF SERVICE

I certify that on this 8th day of November, 2002, a copy of the foregoing Preliminary Objections of Defendant was served by United States First Class Mail upon counsel for plaintiff at the following name and address:

John R. Keating, Esquire
VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219


Dwight L. Koerber, Jr., Esquire

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
Docket No. 02-1623-CD

KAYTES COOPERMAN INSURANCE, INC.,
a/k/a KCI INSURANCE AGENCY, INC.,
Plaintiff

-vs-

WALLACE TRANSPORTATION, INC.,
Defendant

PRELIMINARY OBJECTIONS
OF DEFENDANT

DL

0/3:03-841

*rec
Att. Koerber*

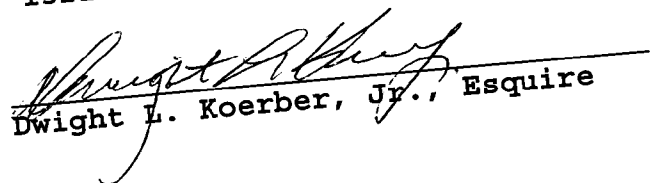
Law Office

DWIGHT L. KOERBER, JR.
ATTORNEY-AT-LAW
110 NORTH SECOND STREET
P. O. BOX 1320
CLEARFIELD, PENNSYLVANIA 16830

CERTIFICATE OF SERVICE

I certify that on this 5th day of November, 2002, a copy of the foregoing Entry of Appearance was served by United States First Class Mail upon counsel for plaintiff at the following name and address:

John R. Keating, Esquire
VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219


Dwight L. Koerber, Jr., Esquire

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE,
INC., a/k/a KCI INSURANCE
AGENCY, INC.,
Plaintiff

-vs-

WALLACE TRANSPORTATION,
INC.,
Defendant

Docket No. 02-1623-CD

Type of pleading;
ENTRY OF APPEARANCE

Filed on behalf of:
DEFENDANT, Wallace
Transportation, Inc.

Counsel of record for
this party:

Dwight L. Koerber, Jr.,
Esquire
PA I.D. No. 16332

110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

FILED

NOV 08 2002

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE,
INC., a/k/a KCI INSURANCE
AGENCY, INC.,
Plaintiff

-vs-

WALLACE TRANSPORTATION,
INC.,
Defendant

*

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Docket No. 02-1623-CD

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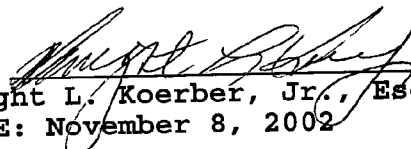
ENTRY OF APPEARANCE

TO THE PROTHONOTARY:

Please enter my appearance on behalf of Defendant Wallace
Transportation, Inc.

Respectfully submitted,

By:


Dwight L. Koerber, Jr., Esquire
DATE: November 8, 2002

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
Docket No. 02-1623-CD

KAYTES COOPERMAN INSURANCE, INC.,
a/k/a KCI INSURANCE AGENCY, INC.,
Plaintiff

-VS-

WALLACE TRANSPORTATION, INC.,
Defendant

ENTRY OF APPEARANCE

Law Office

DWIGHT I. KOERBER, JR.

ATTORNEY-AT-LAW

110 NORTH SECOND STREET

P. O. Box 1320

CLEARFIELD, PENNSYLVANIA 16830

01/30/04
3cc
Amy Koerber

(137)

7/19/02

Wallace Transportation, Inc.

<u>Date</u>	<u>Item Description</u>	<u>Invoice #</u>	<u>Item Balance</u>
11/19/01	Auto Policy Renewal - Amgro	8272	\$ 142,650.00
	Auto Policy Fee - Amgro	8272	\$ 11,200.00
	Phys Dam Policy Renewal -Amgro	8272	\$ 46,868.00
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	G/L Policy Fee - Amgro	8278	\$ 50.00
	Cargo Policy Renewal - Amgro	8272	\$ 21,900.00
	TOTAL DUE		\$ 223,345.00
 PAYMENTS RECEIVED			
11/19/01	Check #3090		\$ (28,314.50)
11/26/01	WT#623395 Amgro		\$ (166,716.00)
	TOTAL PAYMENTS RECEIVED		\$ (195,030.50)
 TOTAL DUE TO KCI INSURANCE			\$ 28,314.50

DEC-12-2002 08:54

KAYTES COOPERMAN

856 596 2218 P.03/04

4191

P.O. BOX 2434
CHERRY HILL, NJ 08034

55-33/212

NUMBER

TWENTY-EIGHT THOUSAND THREE HUNDRED FOURTEEN DOLLARS and 50 CENTS

PAY

DATE

AMOUNT

TO THE
ORDER OF

12/03/02

\$28,314.50*

AMGRO Finance Company
100 N Parkway
Worcester, MA 01615

PREMIUM TRUST ACCOUNT

Balance due on non collected funds for Wallace

Transportation

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUCH OR PRESS HERE - RED IMAGE DISAPPEARS WITH HEAT

⑈004797⑈ ⑆021200339⑆ 42800 18880⑈

KCI INSURANCE AGENCY, INC.
CHERRY HILL NJ 08034

NUMBER

4787

Account	Date	Schedule	Invoice #	P.O. #	Description	Debit	Credit
2-1-1-121 •	12/03/02				Return Prem Auto Policy	28,314.50	
Check Amount	28,314.50						

KCI INSURANCE AGENCY, INC.
CHERRY HILL NJ 08034

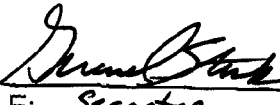
4797

EXHIBIT " L " PAGE

UNSWORN VERIFICATION

I, Gerard Stechmann, state that I am the
Secretary of KAYTES COOPERMAN INSURANCE, INC. a/k/a
KCI INSURANCE AGENCY, INC. the Plaintiff herein. I have reviewed the annexed
Amended Complaint and believe the facts contained therein are true and correct to the
best of my knowledge, information and belief. I believe that the corporation will be able
to prove these facts at trial. This declaration is made by me with the knowledge that it
is subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to
authorities.

KAYTES COOPERMAN INSURANCE, INC.
a/k/a KCI INSURANCE AGENCY, INC

BY: 
TITLE: Secretary

CERTIFICATE OF SERVICE

I, the undersigned counsel do hereby certify that a true and correct copy of the foregoing **AMENDED COMPLAINT** was served this 12th day of December, 2002 by first class, U.S. mail, postage prepaid to the counsel of record addressed as follows:

Dwight L. Koerber, Jr., Esquire
110 North Second Street
P. O. Box 1320
Clearfield, PA 16830

By: 

John R. Keating, Esquire

FILED

NO
cc

11:46
DEC 16 2002

William A. Shaw
Prothonotary

POLICY NUMBER: HDP000026

Covered Auto No	DESCRIPTION				PURCHASED			TERRITORY Town & State Where the Covered Auto will be principally garaged	
	Year	Model	Trade Name,	Body Type Serial Number (S), Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)		
1	1997	PETERBILT	TRACTOR	28983	N/A	N/A	N/A	WOODLABD	PA
2	1997	PETERBILT	TRACTOR	38319	N/A	N/A	N/A	WOODLABD	PA
3	1994	PETERBILT	TRACTOR	61466	N/A	N/A	N/A	WOODLABD	PA
4	1995	KENWORTH	TRACTOR	657474	N/A	N/A	N/A	WOODLABD	PA
5	1998	TRASCRAFT	TRAILER	01247	N/A	N/A	N/A	WOODLABD	PA
6	1998	EAST	TRAILER	22513	N/A	N/A	N/A	WOODLABD	PA
7	1998	EAST	TRAILER	22830	N/A	N/A	N/A	WOODLABD	PA
8	1998	EAST	TRAILER	24204	N/A	N/A	N/A	WOODLABD	PA
9	1999	EAST	TRAILER	24209	N/A	N/A	N/A	WOODLABD	PA
10	1995	KENWORTH	TRACTOR	657475	N/A	N/A	N/A	WOODLABD	PA
11	2000	PETERBILT	TRACTOR	510075	N/A	N/A	N/A	WOODLABD	PA
12	1999	EAST	TRAILER	25988	N/A	N/A	N/A	WOODLABD	PA
13	2000	PETERBILT	TRACTOR	510074	N/A	N/A	N/A	WOODLABD	PA
14	1999	EAST	TRAILER	M25172	N/A	N/A	N/A	WOODLABD	PA
15	2000	PETERBILT	TRACTOR	510076	N/A	N/A	N/A	WOODLABD	PA

COVERAGES-PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the deductible entry in the corresponding ITEM TWO column applies instead)

Add'l Coverage(s) - Premium, Limit, Deductible:

CA 190 (Ed. 1-87) UNIFORM PRINTING & SUPPLY INC

Includes copyrighted material of Insurance Services Office, Inc. with its permission Copyright, Insurance Services Office, Inc. 1985

POLICY NUMBER: HDP000026

Covered Auto No	DESCRIPTION				PURCHASED			TERRITORY Town & State Where the Covered Auto will be principally garaged	
	Year	Model	Trade Name,	Body Type	Original Cost	New	Actual Cost &		
	Serial Number (S),	Vehicle Identification Number (VIN)							
16	1998	BENSON	TRAILER	NA0720	N/A	N/A	N/A	WOODLABD	PA
17	1998	RAVENS	TRAILER	80396	N/A	N/A	N/A	WOODLABD	PA
18	2000	PETERBILT	TRACTOR	549024	N/A	N/A	N/A	WOODLABD	PA
19	1992	EAST	TRAILER	J12864	N/A	N/A	N/A	WOODLABD	PA
20	1997	PETERBILT	TRACTOR	549025	N/A	N/A	N/A	WOODLABD	PA
21	2000	PETERBILT	TRACTOR	549026	N/A	N/A	N/A	WOODLABD	PA
22	2000	PETERBILT	TRACTOR	549027	N/A	N/A	N/A	WOODLABD	PA
23	1997	PETERBILT	TRACTOR	428921	N/A	N/A	N/A	WOODLABD	PA
24	2000	FONTAINE	TRAILER	589130	N/A	N/A	N/A	WOODLABD	PA
25	2000	RAVENS	TRAILER	500416	N/A	N/A	N/A	WOODLABD	PA
26	2000	RAVEN	TRAILER	500415	N/A	N/A	N/A	WOODLABD	PA
27	2000	RAVEN	TRAILER	500414	N/A	N/A	N/A	WOODLABD	PA
28	2000	RAVEN	TRAILER	500413	N/A	N/A	N/A	WOODLABD	PA
29	2000	RAVEN	TRAILER	500423	N/A	N/A	N/A	WOODLABD	PA
30	1997	PETERBILT	TRACTOR	428921	N/A	N/A	N/A	WOODLABD	PA

COVERAGES-PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the deductible entry in the corresponding ITEM TWO column applies instead)

Add'l Coverage(s) – Premium, Limit, Deductible:

CA 190 (Ed. 1-87) UNIFORM PRINTING & SUPPLY INC

Includes copyrighted material of Insurance Services Office, Inc. with its permission Copyright, Insurance Services Office, Inc. 1985

POLICY NUMBER: HDP000026

[illegible]

COVERAGES-PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the deductible entry in the corresponding ITEM TWO column applies instead)

Add'l Coverage(s) - Premium, Limit, Deductible:

CA 190 (Ed. 1-87) UNIFORM PRINTING & SUPPLY INC

Includes copyrighted material of Insurance Services Office, Inc. with its permission Copyright, Insurance Services Office, Inc. 1985

COMMERCIAL LINES POLICY

HUDSON **INSURANCE COMPANY**

22 Cortlandt Street
New York, NY 10007

THIS POLICY CONSISTS OF:

- **DECLARATIONS**
- **COMMON POLICY CONDITIONS (WHERE APPLICABLE)**
- **ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:**
- **ONE OR MORE COVERAGE FORMS**
- **APPLICABLE FORMS AND ENDORSEMENTS**

HIC 00 00 02 01

EXHIBIT " D " PAGE 27

Premium Finance Agreement

11/10 P. 02/04
Please Check Type:
☐ Consumer-Personal
☒ Commercial

INSURED (Name & Residence or Business Address) WALLACE TRANSPORTATION, INC. Rd #1 Box 179 Woodland, PA 16381		AGENT or BROKER (Name & Place of Business) KAYTES-COOPERMAN INSURANCE Greentree Executive Campus Lincoln Drive, West, Ste. 2003a Marlton, NJ 08053 Phone Number: 8004858278 Fax Number: 8565962218		Company Use Only Account # Agent code: Z3008T
--	--	--	--	---

TOTAL SALE PRICE The total of insurance premiums(s), including your down payment of \$56,629.00 \$225,345.00	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$169,719.00	FINANCE CHARGE The dollar amount the credit will cost you. (Includes a \$10 fee which may be retained as a minimum service charge) \$8,416.95	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled. \$178,132.95	ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 11.75%
---	--	---	---	---

3000²⁰
for Amgro to collect

First Payment Due	Amount of Each Payment	Number of Payments	Payments Due
12/14/01	\$19,792.55	9	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly

PREPAYMENT: You have a right to pay off in advance the full amount due and obtain a partial refund of the finance charge which refund credit shall be computed pursuant to the actuarial method.

SECURITY: You are assigning as security for the total amount payable hereunder any and all unearned premiums and dividends which may become payable under the policies listed in the schedule below and loss payments under said policies which reduce the unearned premiums.

LATE CHARGE: You agree, that upon default in payment of any installment for more than 5 days, to pay a delinquency charge of \$1.00 to a maximum of 5% of such installment.

SEE THE REMAINDER OF THIS AGREEMENT FOR ANY ADDITIONAL INFORMATION ABOUT NONPAYMENT, DEFAULT, AMGRO, INC.'S RIGHT TO ACCELERATE THE MATURITY OF THE OBLIGATION, PREPAYMENT, ASSIGNMENTS AND SECURITY INTERESTS.

Policy Prefix and Number	Full Name of Insurance Company	Address of Company Reporting Office	Coverage	Effective Date	Expiration Date	Term in Months	Cash Price (Premium)
POLICY NUMBER 1	GENERAL SECURITY	1353-00	Fire, WC, Etc.	11/14/01	11/14/02	12	\$142,550.00
POLICY NUMBER 2	PROF INS UNDERW	3492-00	AUTO	11/14/01	11/14/02	12	\$11,200.00
	HUDSON INS CO	0045-00	PHYS	11/14/01	11/14/02	12	\$46,868.00
	PROF INS UNDERW	3492-00					Tax Fee
TOTAL CASH PRICE							\$226,345.00

☐ If checked, please see page 3 for additional policies.

NOTICE TO INSURED: (1) Read this agreement before you sign. (2) Do not sign this agreement if it contains blank spaces. (3) You are entitled to a copy of this agreement at the time you sign. (4) Keep a copy of this agreement to protect your legal rights. (5) You have a right to pay off in advance the full amount due and obtain a partial refund of the finance charge. (6) No refund will be made less than \$1.00.

NOTE: THE AGREEMENT CONSISTS OF TWO PAGES. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ PAGE TWO.

SIGNATURE OF INSURED(S):

[Signature]

DATE SIGNED:

16 November, 2001

INSURANCE AGENT'S REPRESENTATIONS TO AMGRO, INC.

Submitted herewith is a Premium Finance Agreement together with check or money order payable to AMGRO, Inc. representing the down payment. Please notify the insured if the agreement is acceptable to you. A copy of this agreement has been retained by the insured. In connection with policies financed, I/we hereby covenant:

- Name of issuing or general agent, if other than the undersigned producer.
- That deposit or provisional items are not less than annual anticipated earned premiums.
- That no non-cancelable policies are scheduled.
- That all of the policies meet your eligibility requirements.
- To refund to AMGRO, Inc. the gross return premiums becoming payable on policies financed hereunder.

SIGNATURE OF INSURANCE AGENT:

[Signature]

DATE SIGNED:

11/15/01

AMG-137

Sign & fax back today
Page 1

EXHIBIT "E" PAGE 1

954-443-8620



2307 Menoher Blvd.
Johnstown, PA 15905
Phone: 814-255-7878 Fax: 814-255-6010

Credit Memo 61859
Date 03/28/2002

G/L

Producer: 1189
KAYTES - COOPERMAN
P. O. BOX 2434
CHERRY HILL, NJ 08034

Insured: 28871
WALLACE TRANSPORTATION INC
RD 1 BOX 179
WOODLAND, PA 16881

Policy Transactions	
Policy Number	1248CG0000080
Transaction Type	CANC
Effective Date	02/05/2002
Expiration Date	11/14/2002
Underwriter	CONNIE
Prov-Prod-LOB-Cov	COM-P&C-GL-GL
Provider Name	COMMERCIAL CASUALTY
Coverage Name	GENERAL LIABILITY
Commission %	10.00%
Premium	\$ (471.00)
Commission	47.10
Policy Fee	0.00
Stamping Fee	0.00
Inspection Fee	0.00
Provider Fee	0.00
SL Tax	0.00
State Tax	0.00
Net Due	\$ (423.90)

**PLEASE RETURN 1 COPY
OF THIS INVOICE
WITH YOUR PAYMENT.**

EXHIBIT " F " PAGE 1

Totals	
Premium	(471.00)
Fees	0.00
Taxes	0.00
Gross Due	(471.00)
Producer Commission	47.10
Less Payments	0.00
Less Adjustments	0.00
Net Due on 04/12/2002	(423.90)

Business from 04/01/2002 thru 04/30/2002

KAYTES - COOPERMAN
P. O. BOX 2434
CHERRY HILL, NJ 08034

Phone 724-940-1770 Fax 724-940-1779

Interstate Insurance Management, Inc.
2307 Menoher Blvd.
Johnstown, PA 15905

Phone 814-255-7878 Fax 814-255-6010

EXHIBIT "F" PAGE 2

Auto

CANCELLATION ENDORSEMENT

MAILING INSTRUCTIONS:

TO: GENERAL SECURITY INSURANCE COMPANY
199 WATER STREET, 21 FLOOR
NEW YORK NY 10038

TO: KCI INSURANCE AGENCY
P.O. BOX 2434
CHERRY HILL NJ 08053

FROM: Professional Insurance Underwriters, Inc.

GENERAL INFORMATION:

INSURED: WALLACE TRANSPORTATION, INC

POLICY NO: TP1008417

INCEPTION DATE: 11/14/01

EXPIRATION DATE: 11/14/02

RECEIVED IN G/A OFFICE: 12/25/01

CANC. DATE REQUESTED: 12/25/01

TIME DIFFERENCE:

CANCELLATION DATE: 12/25/01

CANC. BASIS: Pro-Rata

REASON: NonPayment of Premium to Agent

COMPUTATIONS:	TYPE	AMOUNT	% RETURN	\$ RETURN
		142650.00	-88.80%	-126673.20

less Deductible
Dep. Pile repair
received from Gross
Wallace

<22,500>
\$ 104,173.20

Net Check Received per attached
95,839.34

EXHIBIT "6" PAGE 1

Margaret J. [Signature]
2

Professional Insurance Underwriters, Inc.				3/7/02	Attn: Debbie R.						
Analysis of Wallace Transportation, Inc.					From: Risa						
Tran Date	Eff Date	Policy #	Tran #	Tran Type	Gross \$	Net \$	Check Date	Check #			
11/19/01	11/14/01	TP1008417	1999107	DeDep	\$22,500.00	\$22,500.00	* Deductibles				
11/19/01	11/14/01	TP1008417	1999107	LC-EP	\$11,200.00	\$9,600.64	PAID				
11/19/01	11/14/01	TP1008417	1999107	Premium	\$142,650.00	\$131,238.00	PAID				
1/8/02	12/25/01	TP1008417	9114108	Cancel	(\$126,673.20)	(\$116,539.34)					
Total billed premium for TP1008417						\$46,799.30					
12/11/01	11/14/01	TP1008417	458108	Receipt	(\$11,200.00)	(\$11,200.00)	12/11/01	A4441		PAID BY KCI	
12/11/01	11/14/01	TP1008417	459108	Receipt	(\$131,238.00)	(\$131,238.00)	12/11/01	A4441		PAID BY KCI	
2/19/02	2/19/02	TP1008417		Disburse	\$95,638.70	\$95,638.70	2/19/02	36535		canx ret premium	
Total payments applied for TP1008417						(\$46,799.30)					

Loss Control

KCI Paid 11,200.00 L/C should have no dis c.

P/U charged 9,600.64

<1,599.36> CR wgt in P/U acct

Gross Cancel

126,673.20

Net Cancel

116,539.34

Debit - <22,500.00>
Expense

Actual - 104,173.20

<22,500.00> sent direct to Pma

94,039.34

1,599.36

95,638.70 Net check from P/U

**CANCELLATION CHANGE SLIP -
COMMERCIAL**

DO NOT ATTACH TO POLICY

Cargo

PRODUCER

TravelersPropertyCasualty
A Member of Travelers Group

PRODUCER TO NOTE: The return premium indicated below may include installments not yet due. Check your records before making a refund to the insured.

POLICY NUMBER QT-660-572X1338-TIL-01	OFFICE/CODE/DISTRICT MORRIS PLN/S JERS /120 /	DATE/WRITER 02-22-02 CG
--	---	-----------------------------------

NAMED INSURED
WALLACE TRANSPORTATION INC.

AGENT & CODE
KCI INSURANCE AGENCY INC RV121

PREMIUM FINANCED BY:

EFF.DATE CANC. 02-05-02	POLICY EFF. 11-14-01	POLICY EXPIR. 11-14-02	REINSURANCE	MODE OF ADJUSTMENT NA	MODE OF CANCELLATION PRO RATA
-----------------------------------	--------------------------------	----------------------------------	--------------------	---------------------------------	---

REASON FOR CANCELLATION

FINANCE COMPANY REQUEST - NON PAYMENT
SIGNATURE PLAN

A/C MONTH	RET. PREM.	COMM.	ITEM
02/02	16929	.1750	PREM

A/C MONTH	RET. PREM.	COMM.	ITEM

TOTAL EAR. PREM.
4971

TOTAL RET. PREM.
16929.00

This document is issued only by the Company
or Companies which issued this policy.

EXHIBIT " H " PAGE 1

COMMERCIAL LINES AGENCY BILL

Account Month: FEBRUARY 2002

Date of Bill: 03/08/02

Due Date of Bill: 04/15/02

Page: 01 OF 02

Agency Code: RV121

Office Code: 120/01

KCI INSURANCE AGENCY INC
PO BOX 2434
CHERRY HILL, NJ 08053-0000

Amount Due	\$28,318.51
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Please review last page for additional information.

INSURED	EFF. DATE	POLICY NUMBER	TRANS.	GROSS PREMIUM	COMM. RATE	COMM. AMT.	NET PREMIUM	CC
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Phys Dam
 WALLACE TRANSPORTATION, INC
 RD # 1 BOX 179
 WOODLAND PA 16881

Invoice #: 11799111
 Invoice Date: 7/17/2002
 Due Date: 7/17/2002

Bill To
 KCI INSURANCE AGENCY
 P.O. BOX 2434
 CHERRY HILL NJ 08053

Remit To
 Professional Insurance Underwriters
 1600 West Commercial Blvd.
 Fort Lauderdale FL 33309

Line Code	Sub	Net Broker/Financed	Tran Code	Eff Date	Amount	Broker Commission	Amount
BusAuto	AUTP	<input checked="" type="checkbox"/> <input type="checkbox"/>	Cancel	07/11/2002	(\$16,055.01)	(\$1,605.50)	(\$14,449.51)
Invoice total:					(\$16,055.01)		(\$14,449.51)

Please Detach and Return Bottom Portion with Payment within 15 days

Invoice #: 11799111
 Due Date: 7/17/02
 Invoice Date: 7/17/2002

Amount Due: (\$14,449.51)

Amount Paid:

Remit To
 Professional Insurance Underwriters
 1600 West Commercial Blvd.
 Fort Lauderdale FL 33309-

Bill To KCI INSURANCE AGENCY
 Insured: WALLACE TRANSPORTATION, INC
 Re: HDP000026

KCI Insurance Agency Inc
P.O. Box 2434
Cherry Hill, NJ 08034
Phone : 856-985-9172 Fax : 856-596-2218

MEMO		Page 1
ACCOUNT NO. WALLA-1	OF SG	DATE 11/15/01

Wallace Transportation, Inc.
RD #1, Box 179
Woodland, PA 16881

Wyatt

Re: Premium payment

I have attached the best finance agreement that we could get with anyone. The downpayment is \$56,629 with 9 remaining payments of \$19,792.55 each. The only other thing I can do is get half of the down \$56,629 now (\$28,314.50) and the other half in 2 weeks (\$28,314.50).

There still is an escrow deposit due to the insurance company for deductibles of \$22,500. This can be paid half cash, half Letter of Credit from your Bank or all of it on a letter of Credit from your Bank.

Please fax a copy of your downpayment check and fax it to me so I can prove to the accounting department it is on it's way so they don't send for a cancellation notice. Call us with any questions. Thank you.

Steve Grello

EXHIBIT " J " PAGE _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 46 04 98

PENNSYLVANIA CHANGES "CANCELLATION AND NONRENEWAL"

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART*
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

* This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A) or public employee dishonesty (Coverage Forms O and P).

- A. The Cancellation Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. Cancellation Of Policies In Effect For Less Than 60 Days

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. Cancellation Of Policies In Effect For 60 Days Or More

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

EXHIBIT " D " PAGE 20

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

B. The following are added and supersede any provisions to the contrary:

1. **Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. **Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

EXHIBIT D PAGE 21

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 99 44 12 93

LOSS PAYABLE CLAUSE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

TRUCKERS COVERAGE FORM

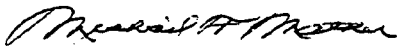
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

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

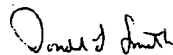
- A. We will pay, as interest may appear, you and the loss payee named in the policy for "loss" to a covered "auto."
- B. The insurance covers the interest of the loss payee unless the "loss" results from conversion, secretion or embezzlement on your part.
- C. We may cancel the policy as allowed by the CANCELLATION Common Policy Condition.
Cancellation ends this agreement as to the loss payee's interest. If we cancel the policy, we will mail you and the loss payee the same advance notice.
- D. If we make any payments to the loss payee, we will obtain his or her rights against any other party.

EXHIBIT " D " PAGE 22

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



President



Secretary

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. if the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. to consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. if any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.



EXHIBIT " C " PAGE 30

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
DELUXE PROPERTY COVERAGE PART

A. We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any insured or to others:

- (1) Computer hardware, including microprocessors;
- (2) Computer application software;
- (3) Computer operating systems and related software;
- (4) Computer networks;
- (5) Microprocessors (computer chips) not part of any computer system; or
- (6) Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual

problems described in Paragraph A.1. of this endorsement.

B. If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:

1. In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or

2. Under the Commercial Property Coverage Part:

a. In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss – Special Form; or

b. In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes of Loss – Broad Form; or

3. In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft under the Deluxe Property Coverage Part;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.

C. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.

HUDSON INSURANCE COMPANY

NEW YORK, NEW YORK 10006

POLICY NO. HDP000026

Renewal of _____

COMMERCIAL LINES POLICY COMMON POLICY DECLARATIONS

Named Insured and P.O. Address (No., Street, Town, County, State, ZIP)

WALLACE TRANSPORTATION, INC

RD # 1 BOX 179

WOODLAND

PA 16881

Producer Code, Name and Address

KCI INSURANCE AGENCY

P.O. BOX 2434

CHERRY HILL

NJ 08053

Policy Period: From: 11/14/01

To: 11/14/02

at 12:01 A.M., Standard Time at your mailing address shown above.

Business Description: Trucker

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Part	\$ 0.00
Commercial General Liability Coverage Part	\$ 0.00
Commercial Crime Coverage Part	\$ 0.00
Commercial Inland Marine Coverage Part	\$ 0.00
Commercial Automobile Coverage Part	\$ 45,976.00
Surcharge	\$ 0.00
County Tax	\$ 0.00
City Tax	\$ 0.00
TOTAL	\$ 45,976.00

Premium shown is payable: \$ _____ at inception: \$ _____ 1st Anniversary: \$ _____ 2nd Anniversary: \$ _____

Form(s) and Endorsement(s) made a part of this policy at time of issue*:

SEE HICTRK-001 10 00 FOR FORMS AND ENDORSEMENTS INCLUDED AT TIME OF ISSUE.

* Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.

Secretary

EXHIBIT " D " PAGE 1

President

Date

Countersignature by Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORMS(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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100 10 98

**COMMERCIAL AUTO COVERAGE PART
TRUCKERS COVERAGE FORM DECLARATIONS**

Policy No. HDP000026

Effective Date **11/14/01**

CA 00 13 12 90
☐ The Declarations includes a second part designed "Part 2"
 12:01 A.M. Standard Time

ITEM ONE -- Named Insured and Mailing Address/Policy Period -- shown in Policy Declarations.

Form of Business: ☐ Individual ☐ Partnership ☒ Corporation ☐ Other

ITEM TWO -- SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Truckers Coverage Form next to the name of the coverage.

COVERAGES		COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Truckers Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY ANY ONE ACCIDENT OR LOSS		PREMIUM
LIABILITY		Excl	\$		\$ 0.00
PERSONAL INJURY PROTECTION (P.I.P.) ††		Excl	SEPARATELY STATED IN EACH P.I.P. END. MINUS \$ DEDUCTIBLE		\$
ADDED P.I.P. (or equivalent added No-fault cov.)		Excl	SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT		\$
PROPERTY PROTECTION INS. (P.P.I.) (Michigan Only)		Excl	SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT		\$
Medical PAYMENTS		Excl	\$		\$
UNINSURED MOTORISTS (UM)		Excl	\$		\$
UNDERINSURED MOTORISTS (when not included in UM cov.)		Excl	\$		\$
TRAILER INTERCHANGE	COMPREHENSIVE COVERAGE	Excl	ACTUAL CASH VALUE, COST OF REPAIR OR	\$ WHICHEVER IS LESS	\$
	SPECIFIED CAUSES OF LOSS COVERAGE	Excl		WHICHEVER IS LESS, MINUS \$25 DED. FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM	\$
	COLLISION COVERAGE	Excl		\$ WHICHEVER IS LESS, MINUS DEDUCTIBLE FOR EACH COVERED AUTO	\$
PHYSICAL DAMAGE	COMPREHENSIVE COVERAGE	42	ACTUAL CASH VALUE OR COST OF REPAIR, WHICHEVER IS LESS MINUS	\$ 1000 DED. FOR EACH COVERED AUTO, BUT NO DED APPLIES TO LOSS CAUSED BY FIRE OR LIGHTING	\$ 45,976.00
	SPECIFIED CAUSES OF LOSS COVERAGE	Excl		\$25 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM	\$
	COLLISION COVERAGE	42		\$ 1000.00 DEDUCTIBLE FOR EACH COVERED AUTO	\$ Incl.
	TOWING AND LABOR (Not Applicable in California)	Excl		\$ for each disablement of a "private passenger auto"	\$

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE* :

See HICTRK-001 (10/00) for forms and endorsements included at the time of issue.

PREMIUM FOR ENDORSEMENTS	\$
ESTIMATED TOTAL PREMIUM	\$ 45,976.00

ITEM THREE -- SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TERRITORY: Town & State Where the Covered Auto will be principally garaged			
	Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)	Original Cost New	Actual Cost &	NEW (N) USED (U)					
1	See CA 164 (1) (ed. 12-90) for schedule of Covered Autos You Own								
2	Own Extension of Declarations								
3									
Covered Auto No.	CLASSIFICATION							EXCEPT FOR Towing all physical damage loss is payable to you and the loss payee named below as interests may appear at the time of the loss	
	Radius of Operation (In Miles)	Business use s = service r = retail c = commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor		Code
					Liab.	Phy. Damage			
1									
2									
3									

COVERAGES -- PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding **ITEM TWO** column applies instead)

Covered Auto No.	LIABILITY		P.I.P.		ADDED P.I.P.	P.P.I. (Mich. only)		AUTO MED PAY		COMPREHENSIVE		SPEC. CAUSES OF LOSS	COLLISION		TOWING & LABOR	
	Limit (In Thousands)	Premium	Limit* minus deductible shown below	Premium	Limit** Premium	Limit* minus deductible shown below	Premium	Limit (In Thousands)	Premium	Limit* minus deductible shown below	Premium	Limit** Premium	Limit* minus deductible shown below	Premium	Limit per disablement	Premium
1																
2																
3																
Total Premium			XXX			XXX		XXX		XXX			XXX		XXX	

Add'l Coverage(s) -- Premium, Limit, Deductible:

* Limited stated in each applicable P.I.P. or P.P.I. Endorsement. ** Limit stated in **ITEM TWO**.

* Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

CA 164 (1) (Ed. 12-90) UNIFORM PRINTING & SUPPLY, INC

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SCHEDULE OF POLICY FORMS AND ENDORSEMENTS

Form(s) and Endorsement(s) made a part of Policy No. HDP000026 At the time of issue.

<u>FORM ID</u>	<u>VERSION</u>	<u>DESCRIPTION</u>
HIC 00 00 02 01	2/1/01	COMMERCIAL LINES POLICY JACKET
HIC 01 00 10 98	10/1/98	Common Policy Declarations
CA 00 13 12 90	12/1/90	Truckers Coverage Form Declarations
CA 190 01 87	1/1/87	Schedule of Covered Autos
IL 00 03 04 98	4/1/98	Calculation Of Premium
IL 00 17 11 98	11/1/98	Common Policy Conditions
CA 00 12 07 97	7/1/97	Truckers Coverage Form
CA 99 28 02 99	2/1/99	Stated Amount Insurance
CA 01 80 09 97	9/1/97	Pennsylvania Changes
IL 02 46 04 98	4/1/98	Pennsylvania Changes" Cancellation And Nonrenewal
CA 99 44 12 93	12/1/93	Loss Payable Clause

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 03 04 98

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY"NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

EXHIBIT " D " PAGE 4

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

EXHIBIT " D " PAGE 5

TRUCKERS 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. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI "Definitions."

SECTION I "COVERED AUTOS"

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL

DESCRIPTION

41 = ANY "AUTOS".

42 = OWNED "AUTOS" ONLY. Only the "autos" you own (and for Liability Coverage any "trailers" you don't own while connected to a power unit you own). This includes those "autos" you acquire ownership of after the policy begins.

43 = OWNED COMMERCIAL "AUTOS" ONLY. Only those trucks, tractors and "trailers" you own (and for Liability Coverage any "trailers" you don't own while connected to a power unit you own). This includes those trucks, tractors and "trailers" you acquire ownership of after the policy begins.

44 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the No-Fault law in the state where they are licensed or principally garaged.

45 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject Uninsured Motorists Coverage.

This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

46 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).

47 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "private passenger type auto" you lease, hire, rent or borrow from any member of your household, any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or agents or members of their households.

48 = "TRAILERS" IN YOUR POSSESSION UNDER A WRITTEN TRAILER OR EQUIPMENT INTERCHANGE AGREEMENT. Only those "trailers" you do not own while in your possession under a written "trailer" or equipment interchange agreement in which you assume liability for "loss" to the "trailers" while in your possession.

49 = YOUR "TRAILERS" IN THE POSSESSION OF ANYONE ELSE UNDER A WRITTEN TRAILER INTERCHANGE AGREEMENT. Only those "trailers" you own or hire while in the possession of anyone else under a written "trailer" interchange agreement. When Symbol "49" is entered next to a Physical Damage Coverage in ITEM TWO of the Declarations, the Physical Damage Coverage exclusion relating to "loss" to a "trailer" in the possession of anyone else does not apply to that coverage.

EXHIBIT " D " PAGE 6

- 50 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "private passenger type autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols **41**, **42**, **43**, **44**, or **45** are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if symbol **46** is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II "LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. WHO IS AN INSURED

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "private passenger type auto".
 - (2) Your "employee" or agent if the covered "auto" is a "private passenger type auto" and is owned by that "employee" or agent or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability

EXHIBIT " D " PAGE 7

company), a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".

- (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "private passenger type auto" owned by him or her or a member of his or her household.
- c. The owner or anyone else from whom you hire or borrow a covered "auto" that is a "trailer" while the "trailer" is connected to another covered "auto" that is a power unit, or, if not connected:
 - (1) Is being used exclusively in your business as a "trucker"; and
 - (2) Is being used pursuant to operating rights granted to you by a public authority.
- d. The owner or anyone else from whom you hire or borrow a covered "auto" that is not a "trailer" while the covered "auto":
 - (1) Is being used exclusively in your business as a "trucker"; and
 - (2) Is being used pursuant to operating rights granted to you by a public authority.
- e. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

However, none of the following is an "insured":

- a. Any "trucker" or his or her agents or "employees", other than you and your "employees":
 - (1) If the "trucker" is subject to motor carrier insurance requirements and meets them by a means other than "auto" liability insurance.
 - (2) If the "trucker" is not insured for hired "autos" under an "auto" liability insurance form that insures on a primary basis the owners of the "autos" and their agents and "employees" while the "autos" are being used exclusively in the "truckers" business and pursuant to operating rights granted to the "trucker" by a public authority.
- b. Any rail, water or air carrier or its "employees" or agents, other than you and your "employees", for a "trailer" if "bodily injury" or "property damage" occurs while the "trailer" is detached from a covered "auto" you are using and:

- (1) Is being transported by the carrier; or
- (2) Is being loaded on or unloaded from any unit of transportation by the carrier.

2. COVERAGE EXTENSIONS

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (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 any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

EXHIBIT " D " PAGE 8

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. CONTRACTUAL

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. 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; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. WORKERS' COMPENSATION

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph a. 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.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. FELLOW EMPLOYEE

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. CARE, CUSTODY OR CONTROL

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. HANDLING OF PROPERTY

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. OPERATIONS

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

10. COMPLETED OPERATIONS

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In the exclusion, your work means:

EXHIBIT " D " PAGE 9

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) 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.

11. POLLUTION

"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 that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

13. RACING

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

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C. LIMIT OF INSURANCE

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III "TRAILER INTERCHANGE COVERAGE"

A. COVERAGE

1. We will pay all sums you legally must pay as damages because of "loss" to a "trailer" you don't own or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The "trailer's" collision with another object; or
 - (2) The "trailer's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".

- c. **Collision Coverage**

Caused by:

- (1) The "trailer's" collision with another object; or
 - (2) The "trailer's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. **COVERAGE EXTENSIONS**

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for you:

- a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance.
 - c. All reasonable expenses incurred at our request, including actual loss of earnings up to \$250 a day because of time off from work.
 - d. All costs taxed against the "insured" in any "suit" against the "insured" we defend.
 - e. All interest on the full amount of any judgment that accrues after entry of the judgment; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

- B. **EXCLUSIONS**

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

- a. **Nuclear Hazard**

- (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

- b. **War Or Military Action**

- (1) War, including undeclared or civil war;

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- (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.

- 2. We will not pay for loss of use.
- 3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

C. LIMIT OF INSURANCE AND DEDUCTIBLE

The most we will pay for "loss" to any one "trailer" is the least of the following amounts minus any applicable deductible shown in the Declarations:

- 1. The actual cash value of the damaged or stolen property at the time of the "loss".
- 2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
- 3. The Limit of Insurance shown in the Declarations.

SECTION IV "PHYSICAL DAMAGE COVERAGE"

A. COVERAGE

- 1. We will pay for "loss" to a covered "auto" or its equipment under:
 - a. **Comprehensive Coverage**
From any cause except:
 - (1) The covered "auto's" collision with another object; or
 - (2) The covered "auto's" overturn.
 - b. **Specified Causes Of Loss Coverage**
Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or

- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. TOWING "PRIVATE PASSENGER AUTOS"

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the "private passenger type" is disabled. However, the labor must be performed at the place of disablement.

3. GLASS BREAKAGE "HITTING A BIRD OR ANIMAL" "FALLING OBJECTS OR MISSILES"

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. COVERAGE EXTENSION

We will also pay up to \$15 per day to a maximum of \$450 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the "private passenger type". We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

B. EXCLUSIONS

- 1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

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a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or Military Action

- (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.

2. We will not pay for "loss" to any of the following:

- a. Any covered "auto" while in anyone else's possession under a written trailer interchange agreement. But this exclusion does not apply to a loss payee; however, if we pay the loss payee, you must reimburse us for our payment.
- b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for any such contest or activity.
- c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
- e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.

- f. Any accessories used with the electronic equipment described in paragraph e. above.

Exclusions 2.e. and 2.f. do not apply to:

- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
- b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.

3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one "accident" is the lesser of:

1. The actual cash value of the damaged or stolen property as of the time of "loss"; or
2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

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D. DEDUCTIBLE

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 Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION V "TRUCKERS CONDITIONS"

The following conditions apply in addition to the Common Policy Conditions:

A. LOSS CONDITIONS

1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
- (4) Authorize us to obtain medical records or other pertinent information.
- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is a "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examination under oath at our request and give us a signed statement of your answers.

3. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. LOSS PAYMENT "PHYSICAL DAMAGE COVERAGES"

At our option we may:

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- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. GENERAL CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligation under this Coverage Form.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. NO BENEFIT TO BAILEE"PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. OTHER INSURANCE"PRIMARY AND EXCESS INSURANCE PROVISIONS

- a. This Coverage Form's Liability Coverage is primary for any covered "auto" while hired or borrowed by you and used exclusively in your business as a "trucker" and pursuant to operating rights granted to you by a public authority. This Coverage Form's Liability Coverage is excess over any other collectible insurance for any covered "auto" while hired or borrowed from you by another "trucker". However, while a covered "auto" which is a "trailer" is connected to a power unit, this Coverage Form's Liability Coverage is:

- (1) On the same basis, primary or excess, as for the power unit if the power unit is a covered "auto".
- (2) Excess if the power unit is not a covered "auto".

- b. Any Trailer Interchange Coverage provided by this Coverage Form is primary for any covered "auto".
- c. Except as provided in paragraphs a. and b. above, this Coverage Form provides primary insurance for any covered "auto" you own and excess insurance for any covered "auto" you don't own.
- d. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- e. Regardless of the provisions of paragraphs a., b. and c. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- f. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

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6. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures you told us you have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "loss" to or "accidents" involving, a covered "auto" while being transported between any of these places.

8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION VI "DEFINITIONS"

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semitrailer designed for travel on public roads but does not include "mobile equipment".
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand or order; or
2. Any claim or "suit" by or on behalf of a governmental authority demanding, that the "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".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

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Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

F. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

G. "Insured Contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;

6. That part of any contract or agreement, entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

a. That indemnifies any person or organization 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; or

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

H. "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".

I. "Loss" means direct and accidental loss or damage.

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

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1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in paragraphs 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.
- K. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- L. "Private passenger type" means a private passenger or station wagon type "auto" and includes an "auto" of the pickup or van type if not used for business purposes.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense", to which this insurance applies, are alleged.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the "insured" submits with our consent.
- O. "Trailer" includes semitrailer or a dolly used to convert a semitrailer into a trailer. But for Trailer Interchange Coverage only, "trailer" also includes a container.
- P. "Trucker" means any person or organization engaged in the business of transporting property by "auto" for hire.
- Q. "Temporary worker" means a person who is furnished to you for a finite time period to support or supplement your work force in special work situations such as "employee" absences, temporary skill shortages and seasonal workloads.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

A. CHANGES IN LIABILITY COVERAGE

2. The following is added to Supplementary Payments:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

B. CHANGES IN CONDITIONS

1. The following is added to the Loss Conditions section:

Paragraph **A.2.b.(5)** of the Duties In The Event Of An Accident, Claim, Suit, Or Loss condition, is replaced by the following:

After we show good cause, submit to examination at our expense, by physicians of our choice.

The following is added to the Transfer Of Rights Of Recovery Against Others To Us condition:

If we make any payment due to an "accident" and the "insured" recovers from another party in a separate claim or "suit", the insured shall

hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

2. The following is added to the General Conditions section:

CONSTITUTIONALITY CLAUSE

The premium for, and the coverages of, this Coverage Form have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law.

In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.

EXHIBIT ' D

" PAGE 19

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC.,
also known as KCI INSURANCE AGENCY,
INC.,

Plaintiff,

vs.

WALLACE TRANSPORTATION, INC.,

Defendant.

CIVIL ACTION - LAW

No. 02-1623-CD

**AMENDED COMPLAINT
IN CIVIL ACTION**

Filed on Behalf of Plaintiff,
KAYTES COOPERMAN INSURANCE,
INC. also known as KCI INSURANCE
AGENCY, INC.

COUNSEL OF RECORD FOR THIS
PARTY:

John R. Keating, Esquire
PA I.D. No. 52779

VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219
(412) 391-2121
(412) 391-3578 Fax

Firm I.D. No. 916

FILED

DEC 16 2002

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC.,)	CIVIL ACTION - LAW
also known as KCI INSURANCE AGENCY,)	
INC.,)	
)	
Plaintiff,)	
)	No. 02-1623-CD
vs.)	
)	
WALLACE TRANSPORTATION, INC.,)	
)	
Defendant.)	

NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claim set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, THEN YOU SHOULD GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP:

LAWYER REFERRAL SERVICE:
PENNSYLVANIA LAWYER REFERRAL SERVICE
Pennsylvania Bar Association
P.O. Box 186
Harrisburg, PA 17108
(800) 692-7375

NOTICE TO DEFEND:
David S. Meholick, Court Administrator
CLEARFIELD COUNTY COURTHOUSE
Clearfield, PA 16830

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA, CIVIL DIVISION**

KAYTES COOPERMAN INSURANCE, INC., also known as KCI INSURANCE AGENCY, INC.,)	CIVIL ACTION - LAW
)	
)	
Plaintiff,)	
)	No. 02-1623-CD
vs.)	
)	
WALLACE TRANSPORTATION, INC.,)	
)	
Defendant.)	

AMENDED COMPLAINT IN CIVIL ACTION

PARTIES

1. Plaintiff, KAYTES COOPERMAN INSURANCE, INC. (hereinafter "Plaintiff") is a corporation with offices at P.O. Box 74649, Cleveland, Ohio 44194.

2. Defendant, WALLACE TRANSPORTATION, INC. (hereinafter "Defendant") is a Pennsylvania Corporation with its offices at RD #1 - Box 179, Woodland, Clearfield County, Pennsylvania 16881.

FACTS:

3. Before on or about November 1, 2001 and November 19, 2002, Plaintiff, at the request of Defendant and in its capacity as a licensed insurance agent, secured insurance coverage for the Defendant for the policy period of November 1, 2001 through November 19, 2002 (the dated the policies were cancelled).

4. The policies were obtained by Plaintiff at the Defendant's request and were issued by various insurance copies for the above described coverage as agency billed policies.

5. A copy of the policies were provided to the Defendant at the time they were issued and have been attached hereto and are as follows:

- Exhibit "A" **Commercial Casualty Insurance Company of North Carolina**
Commercial Liability Policy No. 1248CG000008-0 for the period of
11/14/01 to 11/14/02
- Exhibit "B" **General Security Insurance Company**
Commercial Lines Policy TP1008417 for the period of 11/14/01 to
11/14/02
- Exhibit "C" **Travelers Property Casualty**
Commercial Inland Marine policy No. QT-660-572X1338-TIL-01
for the period of 11/14/01 to 11/14/02
- Exhibit "D" **Hudson Insurance Company**
Commercial Lines Auto Policy No. HDP000026 for the period of
11/14/01 to 11/14/02

6. The subject policies were issued based on an estimated premium, part of which having been financed by the Defendant through a premium finance company "AMGRO Premium Financing."

7. Attached hereto made a part hereof and marked as Exhibit "E" pages 1 and 2 is a true and correct copy of the Premium Finance Agreement (hereinafter "Agreement")

8. The policies were also subject to an end term audit being conducted by Plaintiff to determine any changes that were made to the policies by way of endorsement.

9. Where the estimate premiums are based on projected exposure that the risk will bring to the carrier, the end term audit is the means by which the policy premiums are adjusted in accordance with the actual exposure that occurs during the period based on the records of the insured/Defendant.

10. The subject policies were cancelled by reason of the Defendant's failure or refusal to make the required payments in accordance with the Agreement that had been entered.

11. By policy, the effective dates of cancellation and record thereof are as follows:

- Exhibit "F" **Commercial Casualty Insurance Company of North Carolina**
Cancellation effective 02/05/02
- Exhibit "G" **General Security Insurance Company**
Cancellation effective 12/25/01
- Exhibit "H" **Travelers Property Casualty**
Cancellation effective 02/05/02
- Exhibit "I" **Hudson Insurance Company**
Cancellation effective 7/11/02

12. The total amount of cancellation credits issued was \$126,626.30 which was reduced by \$22,500.00 due to unpaid auto deductibles that were owed by the Defendant.

13. The gross credit issued was \$104,126.30 from which was deducted the \$28,314.50 for a down payment that the Defendant had failed to make.

14. When the Plaintiff and Defendant were first setting up how the premiums at issue would be paid, there was a requirement that the Defendant make a down payment of \$56,629.00.

15. The Defendant could not afford to pay the \$56,629.00 down payment in one lump sum so an agreement was reached where in the Defendant would pay that amount in two monthly installments of \$28,314.50.

16. Attached hereto, made a part hereof and marked as Exhibit "J" is a true and correct copy of Plaintiff's November 15, 2001 memorandum to Defendant explaining the terms of payment.

17. The Defendant made the first \$28,314.50 payment on November 19, 2001 but has never made the second payment.

18. As an agency billed policy, Plaintiff was obligated to pay the Premium

Finance Company (AMGRO) the amount of the unpaid down payment of \$28,314.50.

19. Plaintiff has demanded payment of the above from the Defendant (\$28,314.50) but it has failed or which is attached hereto, made a part hereof and marked as Exhibit "K".

20. A true and correct copy of Plaintiff's check number 4797 to AMGRO in the amount of \$28,314.50 is attached hereto, made a part hereof and has been marked as Exhibit "L".

21. In addition to the above, Plaintiff demands interest at the legal rate of Six percent (6%) from an average due date of February 17, 2002.

WHEREFORE, Plaintiff demands judgment in its favor and against the Defendant, WALLACE TRANSPORTATION, INC. in the sum of \$28,314.50 plus interest at the legal rate of six percent (6%) per annum from an average due date of February 17, 2002 plus cost.

VOLLMER RULONG & KEATING, P.C.

BY: _____

Attorney for Plaintiff

Insurance provided by the Company designated below

COMMERCIAL CASUALTY INSURANCE COMPANY OF
NORTH CAROLINA
COMMERCIAL LIABILITY POLICY
POLICY DECLARATIONS

350 Research Court
Suite 200
Norcross, GA 30092

POLICY NUMBER: 1248CG000008-0

Named Insured and Mailing Address:

WALLACE TRANSPORTATION, INC
RD #1 BOX 179
WOODLAND, PA 16881

Producer Name and Address:

INTERSTATE INSURANCE MANAGEMENT, INC.
2307 MENOHER BLVD.
JOHNSTOWN, PA 15905

Producer Code: 1248

Insured is: ☒ Corporation ☐ Partnership ☐ Sole Proprietor ☐ Association

Business of Insured: TRUCKMEN OF MUNICIPAL WASTE

Policy Period: This policy is in force from 11/14/2001 to 11/14/2002 at 12:01 AM at
your mailing address shown above.

These Declarations, together with the Common Policy Conditions, and the General Liability Coverage Part (which consists of coverage forms and endorsements, if any, issued to form a part of it) complete the policy.

LIMITS OF INSURANCE

General Aggregate Limit (Other than Products-Completed Operations).....	\$	2,000,000
Products-Completed Operations Aggregate Limit.....	\$	INCLUDED
Personal & Advertising Injury Liability Limit.....	\$	1,000,000
Each Occurrence Limit.....	\$	1,000,000
Fire Damage Limit (Any One Fire).....	\$	100,000
Medical Expense Limit (Any One Person).....	\$	5,000
Total Provisional Policy Premium.....	\$	677.00
Premium Payable at Inception.....	\$	677.00
Expense Constant.....	\$	50.00
Total Payable Now.....	\$	727.00

The policy is subject to Annual audit.

Forms and endorsements attached to this policy at time of issue: CCI002 10-92, CCI071PA 09-01, CG 00 01 01-96, CG 03 00 01-96, CG 21 47 10-93, CG 21 49 11-88, CG 21 60 09-98, CG 21 04 11-85, GFN962 11-00, GFN963 00-07, GFN964 11-00, GFN967 06-01, GFN968 08-01, IL 00 17 11-85, IL 00 21 11-85, IL 02 46 06-89, IL 09 10 01-81

Countersigned by


Authorized Representative

Date: 1/7/2002

Insured COPY

CCI 071-PA 09 01

EXHIBIT " A " PAGE 1

COMMERCIAL CASUALTY INSURANCE COMPANY

Named Insured: WALLACE TRANSPORTATION, INC

POLICY: 1248CG000008-0

Commercial Liability Declarations Schedule
(Continued)**Hazards**

	Classification	Code	Premium		Premium
			Basis	Rate	Deposit
PA	TRUCKERS - EXCLUDING THE OWNERSHIP, MAINTENANCE, USE OR ENTRUSTMENT TO OTHERS OF ANY AUTO AS PROVIDED IN THE COMMERCIAL GENERAL LIABILITY COVERAGE	99793	32,000	21.16	677.00

TBD = To be determined at Audit

(c) cost
(e) each
(p) payroll
(r) receipts
(s) sales(c) per \$1,000
(e) per each
(p) per \$1,000
(r) per \$1,000
(s) per \$1,000

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 WHO IS AN INSURED (SECTION II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (SECTION V).

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. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION III); 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 Coverages 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"; and

(2) The "bodily injury" or "property damage" occurs during the policy period.

c. 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) That the insured would have in the absence of the contract or agreement; or

(2) 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. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 03 00 01 96
DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Coverage	Amount and Basis of Deductible	
Bodily Injury Liability	\$	per claim
	\$	per occurrence
Property Damage Liability	\$	250 per claim
	\$	per occurrence
Bodily Injury Liability and Property Damage Liability Combined	\$	per claim
	\$	per occurrence

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

APPLICATION OF ENDORSEMENT (Enter below any limitations of the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

A. Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.

B. You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the schedule above applies as follows:

1. **PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:

- Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "Bodily Injury";
- Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or

c. Under Bodily Injury Liability and/or Property Damage Liability Coverage combined, to all damages sustained by any one person because of:

- "Bodily Injury";
- "Property Damage"; or
- "Bodily Injury" and "Property Damage" combined

as the result of any one "occurrence".

If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.

With respect to "property damage", person includes an organization.

2. **PER OCCURENCE BASIS.** If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 47 10 93
EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to paragraph 2.,
Exclusion of COVERAGE A - BODILY INJURY
AND PROPERTY DAMAGE LIABILITY (Section 1 -
Coverages):

This insurance does not apply to:

"Bodily Injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts
or omissions, such as coercion, demotion,
evaluation, reassignment, discipline, defama-
tion, harassment, humiliation or discrimina-
tion directed at that person; or

(2) The spouse, child, parent, brother or sister of
that person as a consequence of "bodily injury"
to that person at whom any of the employment-
related practices described in paragraphs (a),
(b), or (c) above is directed.

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 be-
cause of the injury.

B. The following exclusion is added to paragraph 2.,
Exclusion of COVERAGE B - PERSONAL AND AD-
VERTISING INJURY LIABILITY (Section 1 -
Coverages):

This insurance does not apply to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or
discipline,

(c) Employment-related practices, policies, acts
or omissions, such as coercion, demotion,
evaluation, reassignment, discipline, defama-
tion, harassment, humiliation or discrimina-
tion directed at that person; or

(2) The spouse, child, parent, brother or sister of
that person as a consequence of "personal
injury" to that person at whom any of the
employment-related practices described in
paragraphs (a), (b), or (c) above is directed.

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 be-
cause of the injury.

EXHIBIT " A " PAGE 5

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 21 49 11 88
TOTAL POLLUTION EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under COVERAGE A (Section I) is replaced by the following:

f. (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.

(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.

Pollutants means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

EXHIBIT " A " PAGE 6

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - YEAR 2000 COMPUTER - RELATED AND OTHER ELECTRONIC PROBLEMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,
**Exclusion of Section 1 - Coverage A - Bodily
Injury And Property Damage Liability** and
Paragraph 2., **Exclusion of Section 1 - Coverage B
- Personal and Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to "bodily injury",
"property damage", "personal injury", or
"advertising injury" (or "personal and advertising
injury" if defined as such in your policy) arising
directly or indirectly out of:

a. Any actual or alleged failure, malfunction or
inadequacy of:

(1) Any of the following, whether belonging
to any insured or to others:

- (a) Computer hardware, including micro-
processors;
- (b) Computer application software;
- (c) Computer operating systems and
related software;

(d) Copmputer networks;

(e) Microprocessors (computer chips) not
part of any computer systems; or

(f) Any other computerized or electronic
equipment or components; or

(2) Any other products, and any services, data or
functions that directly or indirectly use or rely
upon, in any manner, any of the items listed in
Paragraph 2.a.(1) of this endorsement due to
the inability to correctly recognize, process,
distinguish, interpret or accept the year 2000
and beyond.

b. Any advice, consultation, design, evaluation,
inspection, installation, maintenance, repair,
replacement or supervision provided or done by
you or for you to determine, rectify or test for any
potential or actual problems described in
Paragraph 2.a. of this endorsement.

EXHIBIT " A " PAGE 7

ENDORSEMENT FOR CONTINUING OR PROGRESSIVELY DETERIORATING DAMAGES

This endorsement modifies insurance under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS / COMPLETED OPERATIONS COVERAGE PART**

Modification of Definition of Occurrence

The definition of Occurrence in Policy Form CG 00 01 (01 96) is deleted in its entirety and replaced by the following:

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

In the event of continuing or progressively deteriorating damage over any length of time, such damage shall be deemed to be one occurrence, and shall be deemed to occur only when such damage first commences.

Policy Number: 1248CG000008-0

**DELETION OF AGGREGATE LIMIT
FOR PRODUCTS – COMPLETED OPERATIONS HAZARD**

It is agreed that this policy does not provide a separate Products – Completed Operations.
Aggregate Limit

It is further agreed that all operations and exposures considered part of the "Products –
Completed Operations Hazard" shall be subject to and included in the General Aggregate Limit
exclusively.

GFN 963 (07/00)

This endorsement changes the policy. Please read it carefully.

PRE-EXISTING DAMAGES EXCLUSION

This insurance does not apply to "bodily injury", "property damage" or "personal or advertising the injury" which began prior to the inception date of this policy, and which is alleged to continue into policy.

The exclusion applies whether or not:

1. the damage or its cause was known to any insured before the inception date of this policy;
2. repeated or continued exposure to conditions causing such "bodily injury", "property damage" or "personal and advertising injury" occurred during the policy period or caused additional or progressive "bodily injury", "property damage" or "personal and advertising injury" during the policy period; or
3. the insured's legal obligation to pay damages was established as of the inception date of this policy.

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.

FUNGUS EXCLUSION

This insurance does not apply to:

1. "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" arising directly or indirectly out of any actual, alleged or threatened discharge, dispersal, seepage, migration, release, growth, infestation, spread or escape of fungus including, but not limited to mold, mushrooms, mildew, rust, yeast or smut or their spores, scent or byproducts, or any materials goods or products containing, harboring or nurturing any such fungus including, but not limited to mold, mushrooms, mildew, rust, yeast or smut or their spores, scent or byproducts.
2. Any loss, cost, expense arising directly or indirectly out of any, some, or all;
 - 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 fungus including, but not limited to, mold, mushrooms, mildew, rust, yeast or smut or their spores, scent or byproducts; or
 - b. Claim or "suit" by or on behalf of either a private person, private entity or governmental authority for damages because of testing for, monitoring, clean up, removal, containment, treatment, detoxification or neutralization, or in any way responding to, or assessing the effects of fungus including, but not limited to, mold, mushrooms, mildew, rust, yeast or smut or their spores, scent or byproducts.
3. Rot, decay, corrosion, or other gradual deterioration, delamination, or adhesive failure, weakening, or deformation of wood products or other material caused by continuous, prolonged, or repeated contact with water or moisture even if the water or moisture also contains substances or chemical elements other than water.

Policy Number: 1248CG000008-0

ENDORSEMENT NO. 01

THIS ENDORSEMENT, EFFECTIVE (STANDARD TIME) 12:01 AM

ATTACHED TO AND FORMING A PART OF POLICY NUMBER:

ISSUED TO:

CLASSIFICATION CODE LIMITATION

It is understood and agreed that this insurance does not apply to "bodily injury" or "property damage" including the "products and completed operations hazard" and arising out of or resulting from "your work" or "your product" on:

- I. Any Classification or Class Code not listed in the Common Policy Declarations.

Authorized Representative

GFN 968 (08 01)

EXHIBIT "A" PAGE 12

IL 00 17 11 85
COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 21 11 85
NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage:"

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operations of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous

properties" of "nuclear material," if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured;" or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties;

"Nuclear material" means "source material," "Special nuclear material" or "by-product material;"

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 46 06 89
PENNSYLVANIA CHANGES--CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL CRIME COVERAGE PART*
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

*This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A) or public employee dishonesty (Coverage Forms O and P).

- A. The CANCELLATION Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. CANCELLATION OF POLICIES IN EFFECT FOR LESS THAN 60 DAYS

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium

finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained

PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. surveys;
2. consultation or advice; or
3. inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. if the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. to consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. if any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

COMMERCIAL LINES POLICY
COMMON POLICY DECLARATIONS
General Security Insurance Company

Renewal of Number

Administrative Offices
2 World Trade Center
New York, NY 10048

Policy No. TP1008417

Named Insured and Mailing Address (No., Street Town or city, County, State, Zip Code)
WALLACE TRANSPORTATION, INC

Producer:
KCI INSURANCE AGENCY

RD # 1 BOX 179

WOODLAND PA 16881

Policy Period*: From 11/14/01 to 11/14/02
address shown above.

at 12:01 A.M. Standard Time at your mailing

IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS
PREMIUM MAY BE SUBJECT TO ADJUSTMENT.


						PREMIUM	
Commercial Truckers Coverage Part						\$	142,650.00
Commercial Automobile Coverage Part						\$	0.00
Commercial Property Coverage Part						\$	0.00
Commercial General Liability Coverage Part						\$	0.00
Commercial Crime Coverage Part						\$	0.00
Commercial Inland Marine Coverage Part						\$	0.00
SURCHARGE \$	0.00	COUNTY TAX \$	0.00	CITY TAX \$	0.00	\$	0.00
TOTAL PREMIUM						\$	142,650.00

Forms(s) and Endorsement(s) made a part of this policy at time of issue *:

SEE GS 001 02 97 FOR FORMS AND ENDORSEMENTS INCLUDED AT TIME OF ISSUE.

*Omits applicable Forms and Endorsement if shown in specific Coverage Part/Coverage Form Declarations.

Countersigned *


Authorized Representative 5

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS IF APPLICABLE TOGETHER WITH THE COMMON POLICY CONDITIONS
COVERAGE FORMS(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY

J DL 192 (a)-o(Ed. 2-97)

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EXHIBIT " B " PAGE 1

COMMERCIAL AUTO COVERAGE PART TRUCKERS COVERAGE FORM DECLARATIONS

Policy No. TP1008417

Effective Date: 11/14/01

CA00 13 12 90
The Declarations
includes a second
part designed
"Part 2"
1201 AM Standard Time

ITEM ONE - Named Insured and Mailing Address/Policy Period - shown in Policy Declarations.
Form of Business: ☐ Individual ☐ Partnership ☒ Corporation ☐ Other

ITEM TWO - SCHEDULE OF COVERAGES AND COVERED AUTOS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Truckers Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS (Entry of one or more of the symbols from the COVERED AUTOS Section of the Truckers Coverage Form shows which autos are covered autos)	LIMIT THE MOST WE WILL PAY ANY ONE ACCIDENT OR LOSS	PREMIUM
LIABILITY	46 47 50	\$ 1000000	\$ 133,114.00
PERSONAL INJURY PROTECTION (P.I.P.) ††	46	SEPARATELY STATED IN EACH P.I.P. END. MINUS \$ 5000 DEDUCTIBLE	\$ 9248.00
ADDED P.I.P. (or equivalent added No-fault cov.)	Excl	SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	\$
PROPERTY PROTECTION INS. (P.P.I.) (Michigan Only)	Excl	SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS DEDUCTIBLE FOR EACH ACCIDENT	\$
Medical PAYMENTS	Excl	\$	\$
UNINSURED MOTORISTS (UM)	46	\$ 35000	\$ 288.00
UNDERINSURED MOTORISTS (when not included in UM cov.)	46	\$ 35,000	\$ INCL
TRAILER INTERCHANGE	COMPREHENSIVE COVERAGE	Excl	\$
	SPECIFIED CAUSES OF LOSS COVERAGE	Excl	\$
	COLLISION COVERAGE	Excl	\$
PHYSICAL DAMAGE	COMPREHENSIVE COVERAGE	Excl	\$
	SPECIFIED CAUSES OF LOSS COVERAGE	Excl	\$
	COLLISION COVERAGE	Excl	\$
	TOWING AND LABOR (Not Applicable in California)	Excl	\$

FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:

See GS 001 (02/97) for forms and endorsements included at the time of issue.

PREMIUM FOR ENDORSEMENTS	\$
ESTIMATED TOTAL PREMIUM	\$ 142,650.00

ITEM THREE - SCHEDULE OF COVERED AUTOS YOU OWN

Covered Auto No.	DESCRIPTION		PURCHASED			TT (or equivalent No-fault cov.)		
	Year Model; Trade Name; Body Type Serial Number (S); Vehicle Identification Number (VIN)		Original Cost New	Actual Cost &	NEW (N) USED (U)	TERRITORY: Town & State Where the Covered Auto will be principally garaged		
1	See CA 164 (1) (ed. 12-90) for schedule of Covered Autos You							
2	Own Extension of Declarations							
3								
Covered Auto No.	CLASSIFICATION							
	Radius of Operation (In Miles)	Business use s = service r = retail c = commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor Liab. Phy. Damage		Secondary Rating Factor	Code
1								
2								
3								

COVERAGES - PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead)

	LIABILITY	P.I.P.	ADDED P.I.P.	P.P.I. (Mich. only)	AUTO MED PAY	COMPREHENSIVE	SPEC. CAUSES OF LOSS	COLLISION	TOWING & LABOR
Covered Auto No.	Limit (In Thousands)	Limit* minus deductible shown below	Limit** Premium	Limit* minus deductible shown below	Limit (In Thousands)	Limit* minus deductible shown below	Limit** Premium	Limit* minus deductible shown below	Limit per disablement
1									
2									
3									
Total Premium		XXX		XXX	XXX	XXX		XXX	XXX

Add'l Coverage(s) - Premium, Limit, Deductible:

* Limited stated in each applicable P.I.P. or P.P.I. Endorsement. ** Limit stated in ITEM TWO.

* Forms and Endorsements applicable to this Coverage Part omitted if shown elsewhere in the policy.

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE POLICY PERIOD.

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CA 00 13 12 90
PART 2

★ ★

12:01 A.M., Standard Time

TOTAL ESTIMATED PREMIUM	
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INCL

EXHIBIT " B " PAGE 3

POLICY FORMS SCHEDULE

GSTRK010 02 96	Changes in Liability Coverage
GSTRK009 02 97	General Endorsement
GS-SP 100 08 96	General Security Signature Page
IL 00 21 04 98	Nuclear Energy Liability Exclusion
GSTRK014 02 97	Changes in Definitions
Insured Letter - Loss Control	Loss Control Notice
GSTRK008 02 96	Trucker Coverage Form
GSTRK006 02 97	Changes in Liability Coverage (section II) Care, Custody or Control
GSTRK016 02 97	Effective Time Changes
GSTRK011 02 96	Limit of Insurance
GSTRK015 02 97	Unauthorized Conditions
CA 21 93 11 98	Pennsylvania Underinsured Motorists Cov." Nonstacked
CA 22 37 03 95	PA Basic 1st Party Benefit
CA 164 (1) 12 90	Schedule of Covered Autos
CA 00 13 12 90	Truckers Coverage Form Declarations
JDL 192 02 97	Common Policy Declaration
GS 001 02 97	Policy Forms Schedule
IL 00 17 11 98	Common Policy Conditions
IL 00 03 04 98	Calculation Of Premium
CA 01 80 09 97	Pennsylvania Changes
IL 02 46 04 98	Pennsylvania Changes" Cancellation And Nonrenewal
CA 21 92 11 98	Pennsylvania Uninsured Motorists Cov." Nonstacked
CA 00 12 07 97	Truckers Coverage Form
GSTRK019 02 97	Truckers Conditions
GSTRK017 02 97	Punitive Damages Limitation
GSTRK005 02 97	Changes in Covered Autos
CA 00 13 12 90 Part 2	Commercial Auto Coverage Truckers Declarations (Cont'd)
GSTRK013 02 97	Premium Audit

IN A KEY POSITION:

ITEM THREE - SCHEDULE OF COVERED AUTOMOBILES, TRUCKS AND BOATS

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TRUCKERS 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. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI "Definitions."

SECTION I "COVERED AUTOS"

ITEM TWO of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS

SYMBOL	DESCRIPTION
--------	-------------

41 = ANY "AUTOS".

42 = OWNED "AUTOS" ONLY. Only the "autos" you own (and for Liability Coverage any "trailers" you don't own while connected to a power unit you own). This includes those "autos" you acquire ownership of after the policy begins.

43 = OWNED COMMERCIAL "AUTOS" ONLY. Only those trucks, tractors and "trailers" you own (and for Liability Coverage any "trailers" you don't own while connected to a power unit you own). This includes those trucks, tractors and "trailers" you acquire ownership of after the policy begins.

44 = OWNED "AUTOS" SUBJECT TO NO-FAULT. Only those "autos" you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the No-Fault law in the state where they are licensed or principally garaged.

45 = OWNED "AUTOS" SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW. Only those "autos" you own that, because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject Uninsured Motorists Coverage.

This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

46 = SPECIFICALLY DESCRIBED "AUTOS". Only those "autos" described in ITEM THREE of the Declarations for which a premium charge is shown (and for Liability Coverage any "trailers" you don't own while attached to any power unit described in ITEM THREE).

47 = HIRED "AUTOS" ONLY. Only those "autos" you lease, hire, rent or borrow. This does not include any "private passenger type auto" you lease, hire, rent or borrow from any member of your household, any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or agents or members of their households.

48 = "TRAILERS" IN YOUR POSSESSION UNDER A WRITTEN TRAILER OR EQUIPMENT INTERCHANGE AGREEMENT. Only those "trailers" you do not own while in your possession under a written "trailer" or equipment interchange agreement in which you assume liability for "loss" to the "trailers" while in your possession.

49 = YOUR "TRAILERS" IN THE POSSESSION OF ANYONE ELSE UNDER A WRITTEN TRAILER INTERCHANGE AGREEMENT. Only those "trailers" you own or hire while in the possession of anyone else under a written "trailer" interchange agreement. When Symbol "49" is entered next to a Physical Damage Coverage in ITEM TWO of the Declarations, the Physical Damage Coverage exclusion relating to "loss" to a "trailer" in the possession of anyone else does not apply to that coverage.

50 = NONOWNED "AUTOS" ONLY. Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "private passenger type autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

B. OWNED AUTOS YOU ACQUIRE AFTER THE POLICY BEGINS

1. If symbols 41, 42, 43, 44, or 45 are entered next to a coverage in ITEM TWO of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if symbol 46 is entered next to a coverage in ITEM TWO of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

C. CERTAIN TRAILERS, MOBILE EQUIPMENT AND TEMPORARY SUBSTITUTE AUTOS

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. "Loss"; or
 - e. Destruction.

SECTION II "LIABILITY COVERAGE

A. COVERAGE

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. WHO IS AN INSURED

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "private passenger type auto".
 - (2) Your "employee" or agent if the covered "auto" is a "private passenger type auto" and is owned by that "employee" or agent or a member of his or her household.
 - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability

company), a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".

- (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for a covered "private passenger type auto" owned by him or her or a member of his or her household.
 - c. The owner or anyone else from whom you hire or borrow a covered "auto" that is a "trailer" while the "trailer" is connected to another covered "auto" that is a power unit, or, if not connected:
 - (1) Is being used exclusively in your business as a "trucker"; and
 - (2) Is being used pursuant to operating rights granted to you by a public authority.
 - d. The owner or anyone else from whom you hire or borrow a covered "auto" that is not a "trailer" while the covered "auto":
 - (1) Is being used exclusively in your business as a "trucker"; and
 - (2) Is being used pursuant to operating rights granted to you by a public authority.
 - e. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.
- However, none of the following is an "insured":
- a. Any "trucker" or his or her agents or "employees", other than you and your "employees":
 - (1) If the "trucker" is subject to motor carrier insurance requirements and meets them by a means other than "auto" liability insurance.
 - (2) If the "trucker" is not insured for hired "autos" under an "auto" liability insurance form that insures on a primary basis the owners of the "autos" and their agents and "employees" while the "autos" are being used exclusively in the "truckers" business and pursuant to operating rights granted to the "trucker" by a public authority.
 - b. Any rail, water or air carrier or its "employees" or agents, other than you and your "employees", for a "trailer" if "bodily injury" or "property damage" occurs while the "trailer" is detached from a covered "auto" you are using and:

- (1) Is being transported by the carrier; or
- (2) Is being loaded on or unloaded from any unit of transportation by the carrier.

2. COVERAGE EXTENSIONS

a. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (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 any "suit" against the "insured" we defend.
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

b. Out-of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Liability Coverage to meet the limit specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. EXCLUSIONS

This insurance does not apply to any of the following:

1. EXPECTED OR INTENDED INJURY

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

2. CONTRACTUAL

Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

- a. 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; or
- b. That the "insured" would have in the absence of the contract or agreement.

3. WORKERS' COMPENSATION

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. EMPLOYEE INDEMNIFICATION AND EMPLOYER'S LIABILITY

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph a. 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.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. FELLOW EMPLOYEE

"Bodily injury" to any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

6. CARE, CUSTODY OR CONTROL

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. HANDLING OF PROPERTY

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. MOVEMENT OF PROPERTY BY MECHANICAL DEVICE

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. OPERATIONS

"Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

10. COMPLETED OPERATIONS

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In the exclusion, your work means:

EXHIBIT " B " PAGE 9

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) 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.

11. POLLUTION

"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 that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. WAR

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

13. RACING

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

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C. LIMIT OF INSURANCE

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Limit of Insurance for Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III "TRAILER INTERCHANGE COVERAGE"

A. COVERAGE

1. We will pay all sums you legally must pay as damages because of "loss" to a "trailer" you don't own or its equipment under:
 - a. **Comprehensive Coverage**
From any cause except:
 - (1) The "trailer's" collision with another object; or
 - (2) The "trailer's" overturn.
 - b. **Specified Causes Of Loss Coverage**
Caused by:
 - (1) Fire, lightning or explosion;
 - (2) Theft;
 - (3) Windstorm, hail or earthquake;
 - (4) Flood;
 - (5) Mischief or vandalism; or
 - (6) The sinking, burning, collision or derailment of any conveyance transporting the "trailer".
 - c. **Collision Coverage**
Caused by:
 - (1) The "trailer's" collision with another object; or
 - (2) The "trailer's" overturn.

2. We have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for any "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. COVERAGE EXTENSIONS

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for you:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" against the "insured" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

B. EXCLUSIONS

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".
 - a. **Nuclear Hazard**
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - b. **War Or Military Action**
 - (1) War, including undeclared or civil war;

EXHIBIT " B " PAGE 11

(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.

2. We will not pay for loss of use.

3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:

a. Wear and tear, freezing, mechanical or electrical breakdown.

b. Blowouts, punctures or other road damage to tires.

C. LIMIT OF INSURANCE AND DEDUCTIBLE

The most we will pay for "loss" to any one "trailer" is the least of the following amounts minus any applicable deductible shown in the Declarations:

1. The actual cash value of the damaged or stolen property at the time of the "loss".

2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

3. The Limit of Insurance shown in the Declarations.

SECTION IV "PHYSICAL DAMAGE COVERAGE

A. COVERAGE

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

(1) The covered "auto's" collision with another object; or

(2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

(1) Fire, lightning or explosion;

(2) Theft;

(3) Windstorm, hail or earthquake;

(4) Flood;

(5) Mischief or vandalism; or

(6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

(1) The covered "auto's" collision with another object; or

(2) The covered "auto's" overturn.

2. TOWING "PRIVATE PASSENGER AUTOS

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the "private passenger type" is disabled. However, the labor must be performed at the place of disablement.

3. GLASS BREAKAGE "HITTING A BIRD OR ANIMAL" "FALLING OBJECTS OR MISSILES

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

a. Glass breakage;

b. "Loss" caused by hitting a bird or animal; and

c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. COVERAGE EXTENSION

We will also pay up to \$15 per day to a maximum of \$450 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the "private passenger type". We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

B. EXCLUSIONS

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

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- a. Nuclear Hazard
 - (1) The explosion of any weapon employing atomic fission or fusion; or
 - (2) Nuclear reaction or radiation, or radioactive contamination, however caused.
 - b. War Or Military Action
 - (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.
2. We will not pay for "loss" to any of the following:
- a. Any covered "auto" while in anyone else's possession under a written trailer interchange agreement. But this exclusion does not apply to a loss payee; however, if we pay the loss payee, you must reimburse us for our payment.
 - b. Any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for any such contest or activity.
 - c. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
 - d. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.
 - e. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.
 - f. Any accessories used with the electronic equipment described in paragraph e. above.
- Exclusions 2.e. and 2.f. do not apply to:
- a. Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the covered "auto" at the time of the "loss" or such equipment is removable from a housing unit which is permanently installed in the covered "auto" at the time of the "loss", and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto"; or
 - b. Any other electronic equipment that is:
 - (1) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system; or
 - (2) An integral part of the same unit housing any sound reproducing equipment described in a. above and permanently installed in the opening of the dash or console of the covered "auto" normally used by the manufacturer for installation of a radio.
3. We will not pay for "loss" caused by or resulting from any of the following unless caused by other "loss" that is covered by this insurance:
- a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one "accident" is the lesser of:

- 1. The actual cash value of the damaged or stolen property as of the time of "loss"; or
- 2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

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D. DEDUCTIBLE

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 Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

SECTION V "TRUCKERS CONDITIONS"

The following conditions apply in addition to the Common Policy Conditions:

A. LOSS CONDITIONS

1. APPRAISAL FOR PHYSICAL DAMAGE LOSS

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

2. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:

- (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.

- (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".

- (4) Authorize us to obtain medical records or other pertinent information.

- (5) Submit to examination at our expense, by physicians of our choice, as often as we reasonably require.

- c. If there is a "loss" to a covered "auto" or its equipment you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.

- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.

- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.

- (4) Agree to examination under oath at our request and give us a signed statement of your answers.

3. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

4. LOSS PAYMENT "PHYSICAL DAMAGE COVERAGES"

At our option we may:

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- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

B. GENERAL CONDITIONS

1. BANKRUPTCY

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligation under this Coverage Form.

2. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. LIBERALIZATION

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. NO BENEFIT TO BAILEE"PHYSICAL DAMAGE COVERAGES

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. OTHER INSURANCE"PRIMARY AND EXCESS INSURANCE PROVISIONS

- a. This Coverage Form's Liability Coverage is primary for any covered "auto" while hired or borrowed by you and used exclusively in your business as a "trucker" and pursuant to operating rights granted to you by a public authority. This Coverage Form's Liability Coverage is excess over any other collectible insurance for any covered "auto" while hired or borrowed from you by another "trucker". However, while a covered "auto" which is a "trailer" is connected to a power unit, this Coverage Form's Liability Coverage is:

- (1) On the same basis, primary or excess, as for the power unit if the power unit is a covered "auto".
- (2) Excess if the power unit is not a covered "auto".

- b. Any Trailer Interchange Coverage provided by this Coverage Form is primary for any covered "auto".
- c. Except as provided in paragraphs a. and b. above, this Coverage Form provides primary insurance for any covered "auto" you own and excess insurance for any covered "auto" you don't own.
- d. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- e. Regardless of the provisions of paragraphs a., b. and c. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- f. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

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6. PREMIUM AUDIT

- a. The estimated premium for this Coverage Form is based on the exposures you told us you have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

7. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico; and
- d. Canada.

We also cover "loss" to or "accidents" involving, a covered "auto" while being transported between any of these places.

8. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION VI "DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means a land motor vehicle, "trailer" or semitrailer designed for travel on public roads but does not include "mobile equipment".
- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:
 1. Any request, demand or order; or
 2. Any claim or "suit" by or on behalf of a governmental authority demanding, that the "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"."Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured";
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto"; or
 - b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
 - c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in paragraphs 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

E. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

F. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.

G. "Insured Contract" means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
6. That part of any contract or agreement, entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization 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; or
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- H. "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".
- I. "Loss" means direct and accidental loss or damage.
- J. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in paragraphs 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
 - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.
- K. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- L. "Private passenger type" means a private passenger or station wagon type "auto" and includes an "auto" of the pickup or van type if not used for business purposes.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
 1. Damages because of "bodily injury" or "property damage"; or
 2. A "covered pollution cost or expense", to which this insurance applies, are alleged.
 "Suit" includes:
 - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the "insured" submits with our consent.
- O. "Trailer" includes semitrailer or a dolly used to convert a semitrailer into a trailer. But for Trailer Interchange Coverage only, "trailer" also includes a container.
- P. "Trucker" means any person or organization engaged in the business of transporting property by "auto" for hire.
- Q. "Temporary worker" means a person who is furnished to you for a finite time period to support or supplement your work force in special work situations such as "employee" absences, temporary skill shortages and seasonal workloads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 03 04 98

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY"NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued
On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 21 04 98

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of

the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

- (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 02 46 04 98

PENNSYLVANIA CHANGES "CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART*
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

* This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A) or public employee dishonesty (Coverage Forms O and P).

- A. The Cancellation Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. **Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

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4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

B. The following are added and supersede any provisions to the contrary:

1. **Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. **Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

EXHIBIT " B " PAGE 24

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNINSURED MOTORISTS COVERAGE "NONSTACKED"

For a covered "motor vehicle" licensed or principally garaged in, or "garage operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to 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:

Endorsement Effective: 11/14/01	Countersigned By: (Authorized Representative)
Named Insured: WALLACE TRANSPORTATION, INC	

SCHEDULE

LIMIT OF INSURANCE	
\$ 35,000	Each "Accident"

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

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle".
2. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

1. You.
2. If you are an individual, any "family member".

3. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled without our consent. However, this exclusion does not apply if such settlement does not adversely affect our rights of recovery under this coverage.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. Punitive or exemplary damages.

EXHIBIT " 13 " PAGE 25

5. "Bodily injury" sustained by:

- a. You while "occupying" or when struck by any vehicle owned by you that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
- b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
- c. Any "family member" while "occupying" or when struck by any vehicle owned by you that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. Any amount payable for damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible. This includes all sums paid for the same damages under this Coverage Form's Liability Coverage. This also includes all sums paid for an "insured's" attorney either directly or as part of the amount paid to the "insured".
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, Medical Payments Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Uninsured Motorists Coverage "Nonstacked" as follows:

1. Duties In The Event Of Accident, Claim, Suit Or Loss is changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved, and
- b. Promptly send us copies of the legal papers if a "suit" is brought.

2. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment due to an "accident" involving an "uninsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

3. Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance "Primary And Excess Insurance Provisions" in the Truckers and Motor Carrier Coverage Forms are replaced by the following

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Uninsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Uninsured Motorists Coverage to the "insured" as a named insured or family member.

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy.

- c. Where there is applicable insurance available under the first priority:

- (1) The Limit Of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority, shall first be exhausted; and

EXHIBIT " 13 " PAGE 26

- (2) The maximum recovery under all Coverage Forms or policies in the second priority shall not exceed the amount by which the highest limit for any one vehicle under any one Coverage Form or policy in the second priority exceeds the limit applicable under the Coverage Form or policy in the first priority.

d. If two or more Coverage Forms or policies have equal priority:

- (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim; and
- (3) If we are the insurer against whom the claim is first made, we will pay, subject to the limit of insurance for Uninsured Motorists Coverage shown in the Declarations, after all contributing insurers agree as to:
 - (a) Whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle"; and
 - (b) The amount of damages.

4. The following condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Arbitration shall be conducted in accordance with the Pennsylvania Uniform Arbitration Act. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or trailer:
 - a. For which no liability bond or policy applies at the time of an "accident".
 - b. For which an insuring or bonding company:
 - (1) Denies coverage;
 - (2) Is or becomes insolvent; or
 - (3) Is or becomes involved in insolvency proceedings.
 - c. For which neither the driver nor owner can be identified. The vehicle or trailer must:
 - (1) Hit an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying"; or
 - (2) Cause an "accident" resulting in "bodily injury" to an "insured" without hitting an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying".

If there is no physical contact with the hit-and-run vehicle, the facts of the "accident" must be proved.

However, an "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law;

EXHIBIT " B " PAGE 27

- b. Owned by a governmental unit or agency;
or
 - c. Designed for use mainly off public roads
while not on public roads.
4. "Motor vehicle" means a vehicle which is self-propelled except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PENNSYLVANIA UNDERINSURED MOTORISTS
COVERAGE "NONSTACKED"**

For a covered "motor vehicle" licensed or principally garaged in, or "garage operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to 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:

Endorsement Effective: 11/14/01	Countersigned By:
Named Insured: WALLACE TRANSPORTATION, INC	(Authorized Representative)

SCHEDULE

LIMIT OF INSURANCE	
\$ 35,000	Each "Accident"

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

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "underinsured motor vehicle".
2. We will pay under this coverage only if a. or b. below applies:
 - a. The limits of any applicable liability bonds or policies have been exhausted by judgments or payments; or
 - b. A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and

- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "underinsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

1. You.
2. If you are an individual, any "family member".
3. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor

EXHIBIT " B " PAGE 29

vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

4. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
2. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
3. Punitive or exemplary damages.
4. "Bodily injury" sustained by:
 - a. You while "occupying" or when struck by any vehicle owned by you that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by you that is insured for Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.

D. Limit Of Insurance

1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Underinsured Motorists Coverage shown in the Schedule or Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage Form, Medical Payments Coverage Endorsement or Uninsured Motorists Coverage Endorsement attached to this Coverage Part.

We will not make a duplicate payment under this Coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

E. Changes In Conditions

The conditions are changed for Pennsylvania Underinsured Motorists Coverage "Nonstacked" as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** is changed by adding the following:

- a. Promptly send us copies of the legal papers if a "suit" is brought.
- b. A person seeking Underinsured Motorists Coverage must also promptly notify us, in writing, of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to the "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

2. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment due to an "accident" involving an "underinsured motor vehicle" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

EXHIBIT " B " PAGE 30

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
 - b. We also have a right to recover the advanced payment.
3. **Other Insurance** in the Business Auto and Garage Coverage Forms and **Other Insurance-Primary And Excess Insurance Provisions** in the Truckers and Motor Carrier Coverage Forms are replaced by the following:
- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Underinsured Motorists Coverage applicable to the Vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or policy affording Underinsured Motorists Coverage to the "insured" as a named insured or family member.

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy.
- c. Where there is applicable insurance available under the first priority:
 - (1) The Limit Of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority, shall first be exhausted; and
 - (2) The maximum recovery under all Coverage Forms or policies in the second priority shall not exceed the amount by which the highest limit for any one vehicle under any one Coverage Form or policy in the second priority exceeds the limit applicable under the Coverage Form or policy in the first priority.
- d. If two or more Coverage Forms or policies have equal priority:
 - (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;

- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim; and
- (3) If we are the insurer against whom the claim is first made, we will pay, subject to the limit of insurance for Underinsured Motorists Coverage shown in the Declarations, after all contributing insurers agree as to:
 - (a) Whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle"; and
 - (b) The amount of damages.

4. The following condition is added:

ARBITRATION

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Arbitration shall be conducted in accordance with the Pennsylvania Uniform Arbitration Act. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.

EXHIBIT " 13 " PAGE 31

2. "Occupying" means in, upon, getting in, on, out or off.
3. "Underinsured motor vehicle" means a vehicle for which the sum of all liability bonds or policies that apply at the time of an "accident" do not provide at least the amount an "insured" is legally entitled to recover as damages.

However, an "underinsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law;
 - b. Owned by a governmental unit or agency; or
 - c. Designed for use mainly off public roads while not on public roads.
4. "Motor vehicle" means a vehicle which is self-propelled except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

EXHIBIT " B " PAGE 32

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 01 80 09 97

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

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

A. CHANGES IN LIABILITY COVERAGE

2. The following is added to Supplementary Payments:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

B. CHANGES IN CONDITIONS

1. The following is added to the Loss Conditions section:

Paragraph A.2.b.(5) of the Duties In The Event Of An Accident, Claim, Suit, Or Loss condition, is replaced by the following:

After we show good cause, submit to examination at our expense, by physicians of our choice.

The following is added to the Transfer Of Rights Of Recovery Against Others To Us condition:

If we make any payment due to an "accident" and the "insured" recovers from another party in a separate claim or "suit", the insured shall

hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

2. The following is added to the General Conditions section:

CONSTITUTIONALITY CLAUSE

The premium for, and the coverages of, this Coverage Form have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law.

In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.

EXHIBIT " B " PAGE 33

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CA 22 37 03 95

PENNSYLVANIA BASIC FIRST PARTY BENEFIT

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GARAGE COVERAGE FORM

MOTOR CARRIER COVERAGE FORM

TRUCKERS COVERAGE FORM

With respect to 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.

Endorsement effective	11/14/01 12:01 A.M. standard time	Policy No. TP1008417
Named Insured WALLACE TRANSPORTATION, INC	Countersigned by (Authorized Representative)	

SCHEDULE

Benefits	\$5,000	Limit of Liability (per insured)
Medical Expense Benefits		Up to \$5000

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

A. COVERAGE

We will pay the Basic First Party Benefit in accordance with the "Act" to or for an "insured" who sustains "bodily injury" caused by an "accident" arising out of the maintenance or use of an "auto."

BENEFITS

Subject to the limit shown in the Schedule or Declarations, the Basic First Party Benefit consists of Medical Expense Benefits. These benefits consist of reasonable and necessary medical expenses incurred for an "insured's":

1. Care;
2. Recovery; or
3. Rehabilitation.

This includes remedial care and treatment rendered in accordance with a recognized religious method of healing.

Medical expenses will be paid if incurred within 18 months from the date of the "accident" causing "bodily injury." If within 18 months from the date

of the "accident" causing "bodily injury" it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the "bodily injury," medical expenses will be paid without limitation as to the time such further expenses are incurred.

B. WHO IS AN INSURED

1. You.
2. If you are an individual, any "family member."
3. Any person while "occupying" a covered "auto."
4. Any person while not "occupying" an "auto" if injured as a result of an "accident" in Pennsylvania involving a covered "auto."

If a covered "auto" is parked and unoccupied, it is not an "auto" involved in an "accident" unless it was parked in a manner as to create an unreasonable risk of injury.

C. EXCLUSIONS

We will not pay First Party Benefits for "bodily injury":

EXHIBIT " B " PAGE 34

1. Sustained by any person injured while intentionally causing or attempting to cause injury to himself or herself or any other person.
2. Sustained by any person while committing a felony.
3. Sustained by any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
4. Sustained by any person while maintaining or using an "auto" knowingly converted by that person. However, this exclusion does not apply to:
 - a. You; or
 - b. Any "family member."
5. Sustained by any person who, at the time of the "accident":
 - a. Is the owner of one or more currently registered "autos" and none of those "autos" is covered by the financial responsibility required by the "Act"; or
 - b. Is "occupying" an "auto" owned by that person for which the financial responsibility required by the "Act" is not in effect.
6. Sustained by any person maintaining or using an "auto" while located for use as a residence or premises.
7. Sustained by a pedestrian if the "accident" occurs outside of Pennsylvania. This exclusion does not apply to:
 - a. You; or
 - b. Any "family member."
8. Sustained by any person while "occupying":
 - a. A recreational vehicle designed for use off public roads; or
 - b. A motorcycle, moped or similar type vehicle.
9. Caused by or as a consequence of:
 - a. Discharge of a nuclear weapon (even if accidental);
 - b. War (declared or undeclared);
 - c. Civil war;
 - d. Insurrection; or
 - e. Rebellion or revolution.
10. From or as a consequence of the following whether controlled or uncontrolled or however caused:
 - a. Nuclear reaction;

- b. Radiation; or
- c. Radioactive contamination.

D. LIMIT OF INSURANCE

1. Regardless of the number of covered "autos," premiums paid, claims made, "autos" involved in the "accident" or insurers providing First Party Benefits, the most we will pay to or for an "insured" as the result of any one "accident" is the limit shown in the Schedule or in the Declarations.
2. Any amount payable under First Party Benefits shall be excess over any sums paid, payable or required to be provided under any workers' compensation law or similar law.

E. CHANGES IN CONDITIONS

The CONDITIONS are changed for FIRST PARTY BENEFITS as follows:

1. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US does not apply.

2. The following CONDITIONS are added:

NON-DUPLICATION OF BENEFITS

No person may recover duplicate benefits for the same expenses or loss under this or any other similar automobile coverage including self-insurance.

PRIORITIES OF POLICIES

We will pay First Party Benefits in accordance with the order of priority set forth by the "Act." We will not pay if there is another insurer at a higher level of priority. The "First" category listed below is the highest level of priority and the "Fourth" category listed below is the lowest level of priority. The priority order is:

First The insurer providing benefits to the "insured" as a named insured.

Second The insurer providing benefits to the "insured" as a family member who is not a named insured under another policy providing coverage under the "Act."

Third The insurer of the "auto" which the "insured" is "occupying" at the time of the "accident."

Fourth The insurer providing benefits on any "auto" involved in the "accident" if the "insured" is:

- a. Not "occupying" an "auto"; and
- b. Not provided First Party Benefits under any other policy.

EXHIBIT " B " PAGE 35

If two or more policies have equal priority within the highest applicable number in the priority order:

1. The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible;
2. If we are the insurer against whom the claim is first made, our payment to or for an "insured" will not exceed the applicable limit shown in the Schedule or Declarations;
3. The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim. If contribution is sought among insurers under the Fourth priority, proration shall be based on the number of involved motor vehicles; and
4. The maximum recovery under all policies shall not exceed the amount payable under the policy with the highest dollar limits of benefits.

F. ADDITIONAL DEFINITIONS

As used in this endorsement:

1. "Auto" means a self-propelled motor vehicle, or trailer required to be registered, operated or designed for use on public roads. However, "auto" does not include a vehicle operated:
 - a. By muscular power; or
 - b. On rails or tracks.
2. The "Act" means the Pennsylvania Motor Vehicle Financial Responsibility Law.
3. "Family member" means a resident of your household who is:
 - a. Related to you by blood, marriage or adoption; or
 - b. A minor in your custody or in the custody of any other "family member."
4. "Occupying" means in, upon, getting in, on, out or off.

EXHIBIT " 13 " PAGE 36

EXHIBIT " B " PAGE 37

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

CHANGES IN LIABILITY COVERAGE (SECTION II)

B. EXCLUSIONS

ITEM 6. CARE, CUSTODY OR CONTROL is replaced as follows:

6. CARE, CUSTODY OR CONTROL

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by any "insured" or in any "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

AUTHORIZED REPRESENTATIVE

GSTRK-006 (2/97)

EXHIBIT " B " PAGE 38

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY

TRUCKERS COVERAGE FORM

CHANGES IN TRUCKERS CONDITIONS (SECTION V)

OTHER INSURANCE

B. GENERAL CONDITIONS

ITEM 5 is replaced as follows:

5. OTHER INSURANCE

- a. This Coverage Form's Liability Coverage is primary for any covered "auto" while hired or borrowed by you and used exclusively in your business as a "trucker" and pursuant to operating rights granted to you by a public authority. This Coverage Form's Liability Coverage is excess over any other collectible insurance for any covered "auto" while hired or borrowed from you by another "trucker". The insurance provided by this Coverage Form shall apply to a "trailer" attached to a motor vehicle scheduled as a "covered auto" under this policy only if there is not other valid and collectible insurance available either on a primary or excess basis to said "trailer." The insurance provided under this Coverage Form shall not apply if there is any other coverage applicable to the "trailer" on any basis.
- b. Any Trailer Interchange Coverage provided by this Coverage Form is primary for any covered "auto".
- c. Except as provided in paragraphs a. and b. above, this Coverage Form provides primary insurance for any covered "auto" you own and excess insurance for any covered "auto" you don't own.
- d. For Hired Auto Physical Damage coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- e. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

AUTHORIZED REPRESENTATIVE

GSTRK-008 (2/96)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

GENERAL ENDORSEMENT

This endorsement modifies insurance provided under this policy as follows:

"Coverage under this policy will be afforded only while such scheduled automobile is being operated in the business of the named insured; not as a private passenger auto."

"Any person deemed an insured is covered under this policy; but only while said insured driver is operating a scheduled automobile in the furtherance of the name insured's business."

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

GSTRK-009 (2/97)

EXHIBIT " B " PAGE 40

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

TRUCKERS COVERAGE FORM

CHANGES IN LIABILITY COVERAGE (SECTION II)

SECTION II - LIABILITY COVERAGE

PARAGRAPH A. "COVERAGE", ITEM 1. "WHO IS AN INSURED" is replaced as follows:

The following are "insureds":

- a. You for any covered "auto" only when the covered "auto" is driven by an approved driver described in paragraph "b" of this section II. A. 1.
- b. Any driver authorized as a commercial truck driver while Operating covered "auto" with your knowledge and consent under your operating authority.* No coverage will apply to any driver newly placed in service after the policy begins until you report that driver to us and we advise you in writing that he/she is acceptable to us and that he/she is covered under the policy. Coverage on any such driver newly placed in service will become effective as of the date and time we advise you he/she is acceptable and that they are covered by the policy and not before. Subject to the reporting methods outlined and agreed to in the notification procedure outline signed by the insured and the agent prior to coverage being effected under the policy.

*Only such drivers listed as of the date this policy begins, on the schedule in the original application signed by you, and not otherwise excluded are covered as of the date this policy begins.

However, none of the following is an "insured":

- a. Any "trucker" or his or her agents or employees, other than you and your employees:
 - (1) If the "trucker" is subject to motor carrier insurance requirements and meets them by a means other than "auto" liability insurance.
 - (2) If the "trucker" is not insured for hired "autos" under "auto" liability insurance form that insures on a primary basis the owners of the "auto" and their agents and employees while the "autos" are being used exclusively in the "truckers" business and pursuant to operating rights granted to the "trucker" by a public authority.
- b. Any rail, water or air carrier or its employees or agents, other than you and your employees, for a "trailer" if "bodily injury" or "property damage" occurs while the "trailer" is detached from a covered "auto" you are using and:
 - (1) Is being transported by the carrier; or
 - (2) Is being loaded on or unloaded from any unit of transportation by the carrier.

GSTRK-010 (2/96)

AUTHORIZED REPRESENTATIVE

EXHIBIT " B " PAGE 41

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

TRUCKERS COVERAGE FORM

CHANGES IN LIABILITY COVERAGE (SECTION II)

SECTION II - LIABILITY COVERAGE

PARAGRAPH C. "LIMIT OF INSURANCE" is replaced as follows:

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined, resulting from any one "accident" is the Single Limit of Insurance for Liability Coverage shown in the "Declarations".

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident". Multiple claims or suits arising out of a single act or omission or related series of acts or omissions are to be treated as one claim providing a single coverage limit.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

AUTHORIZED REPRESENTATIVE

GSTRK-011 (2/96)

EXHIBIT " B " PAGE 42

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

TRUCKERS COVERAGE FORM
CHANGES IN DEFINITIONS (SECTION VI)

SECTION VI - DEFINITIONS

PARAGRAPH A. "Accident" is replaced as follows:

A. "Accident" includes continuous or repeated exposure to the same **general** conditions resulting in "bodily injury" or "property damage". Multiple claims or suits arising out of a single act or omission or related series of acts or omissions are to be treated as one accident providing a single coverage limit.

AUTHORIZED REPRESENTATIVE

GSTRK-014 (2-97)

EXHIBIT " 13 " PAGE 43

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

**TRUCKERS COVERAGE FORM
CHANGES IN TRUCKERS CONDITIONS (SECTION V)**

B. GENERAL CONDITIONS

The following policy conditions are added to the General Conditions, Item 10.
UNAUTHORIZED PERSONS.

10. UNAUTHORIZED PERSONS:

1. You must prohibit the use of a covered "auto" for the transportation of **unauthorized persons.**

"Unauthorized Persons" means any person who is NOT:

- a. You, your employees, partners, a lessee or borrower or any of their employees, or
 - b. Any person transported when aid is being rendered in case of an accident or other emergency, or
 - c. An attendant delegated to care for livestock, or
 - d. A person specifically authorized in writing by you which shall state the name of the person to be transported, the points where transportation will begin and end and the dates such authority will begin and end.
2. Notice of an authorization as described in 1. d. above for transporting a person must be provided to and approved by us prior to the transportation of the person.

Failure by you to comply with these conditions of the policy will subject the policy to cancellation by us, even if the policy has been in effect for 60 days or more.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

GSTRK-015 (2/97)

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

EFFECTIVE TIME CHANGES

This endorsement modifies the COMMON POLICY DECLARATIONS.

The 12:01 A. M. inception and expiration time of this policy is replaced by
12:01 AM

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement effective 11/14/01

forms a part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

AMENDATORY ENDORSEMENT

EXCLUSION - PUNITIVE DAMAGES

The following EXCLUSION is added to this policy:

This policy does not apply or extend coverage for punitive damages, fines, or penalties, including vicarious punitive damages.

Punitive or exemplary damages, fines, or penalties including vicarious punitive damages, which may be imposed to punish a wrong doer and to deter others from similar conduct.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

Truckers Coverage Form

CHANGES IN TRUCKERS CONDITIONS (SECTION V)

SECTION V - TRUCKERS CONDITIONS

PARAGRAPH 7. "POLICY PERIOD, COVERAGE TERRITORY"

The following exclusion is added:

MEXICO TRUCKERS' AUTO LIABILITY COVERAGE EXCLUSION

Your Truckers' Auto Liability coverage does not include claims for accidents involving covered autos which occur in the Republic of Mexico.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

WARNING

If you have an accident in Mexico you may spend many hours or days in jail and your vehicle may be impounded. To avoid these complications and possible other penalties you should purchase insurance coverage from a company licensed to write automobile insurance under the laws of Mexico.

AUTHORIZED REPRESENTATIVE

Signature Page

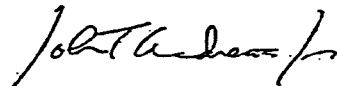
This policy is signed by officers of one of the following companies shown on the Declarations page of this policy.

For:

General Security Insurance Company
General Security Property and Casualty Company
General Security Indemnity Company



President



Security

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

This endorsement, effective 11/14/01

forms part of policy number: TP1008417

issued to: WALLACE TRANSPORTATION, INC

**TRUCKERS COVERAGE FORM
CHANGES IN TRUCKERS CONDITIONS (SECTION V)**

B. GENERAL CONDITIONS

ITEM 6. PREMIUM AUDIT is replaced as follows:

6. PREMIUM AUDIT

- a. The estimated premium for this coverage form is based upon the exposures and power units you told us you had when this policy began. If this policy is written on a gross receipts basis or mileage basis, the rate contemplates these initial exposures and a premium charge is made for each power unit. If during the course of the policy period the actual gross receipts or mileage reported to us is lower or higher than the original estimate and/or the number of power units change, we reserve the right to amend the rate and the estimated basis to reflect the actual exposures. However, the premium charge for each power unit will not change. Failure to pay the premium based upon the new rate could result in the cancellation of this coverage for non-payment. We also reserve the right to audit your records and books to verify the actual exposures and compute the final premium due. The total reported basis and premium will be credited against the total actual basis and premium and the first Named Insured will be billed for the balance, if any. If the total reported basis and premium exceeds the total actual final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based upon our rate or premiums in effect at the beginning of each year of the policy.

**THE FOLLOWING CONDITION, ITEM 9. HOLD HARMLESS
AGREEMENT IS ADDED:**

9. HOLD HARMLESS AGREEMENT:

If this Coverage Form is replaced with another insurance company at any time during the policy period or at expiration date and we have made Motor Carrier Filings on your behalf, you will provide us with a duly authorized Hold Harmless Agreement from the replacing insurance company. This agreement will reflect the time period from the cancellation and/or expiration date of the policy to the cancellation effective date of the Motor Carrier Filings.

GSTRK-013

AUTHORIZED REPRESENTATIVE

EXHIBIT " 13 " PAGE 49



Professional Insurance Underwriters, Inc.

**Please Reply to:
P.O. Box 9088
Ft. Lauderdale, FL 33310-9088**

Dear Insured,

We would like to welcome you as an insured. Professional Insurance Underwriters, Inc. is a representative of your company.

By this time, you should already have received claim-reporting kits. **THIS IS VERY IMPORTANT.** All claims or accidents must be reported to Claims Control, Inc. first, not the agent. We will inform the agent of the claim, but we must know immediately (24 hours per day / 7 days per week) in order to handle it properly.

We thank you for your cooperation in this regard. If we may ever be of service to you, please do not hesitate to call.

Sincerely yours,

Professional Insurance Underwriters, Inc.

1600 West Commercial Boulevard, Fort Lauderdale, Florida 33309
Telephone (954) 493-6565 Fax (954) 493-7748

EXHIBIT " B " PAGE 50

CLAIMS CONTROL, INC.

Please Reply To:
P.O. Box 9088
Fort Lauderdale, Florida 33310-9088

FOR MORE RESPONSIVE CLAIMS SERVICE

CLAIMS CONTROL, INC WILL BE REPRESENTING YOUR INSURANCE
COMPANY IN THE HANDLING OF ALL CLAIMS UNDER YOUR POLICY.

TO REPORT ALL CLAIMS, PLEASE CALL:

1-800-275-1900

WHEN YOU CALL, PLEASE HAVE THE FOLLOWING INFORMATION
AVAILABLE:

1. POLICY NUMBER AND NAMED INSURED
2. DATE, TIME AND LOCATION OF ACCIDENT
3. NAME AND PHONE NUMBER OF PERSON TO CONTACT

A REPRESENTATIVE OF CCI WILL RETURN YOUR CALL.

**ALL ACCIDENTS MUST BE REPORTED
IMMEDIATELY TO
CLAIMS CONTROL, INC.**

SINCERELY,

CLAIMS CONTROL, INC.

1600 West Commercial Boulevard Fort Lauderdale, Florida 33309
Telephone (954) 493-6565 Fax (954) 938-8689

EXHIBIT "B" PAGE 51

PROFESSIONAL INSURANCE UNDERWRITERS, INC.

Please Reply To:
Post Office Box 9088
Fort Lauderdale, Florida 33310-9088

NOTICE TO INSURED

Your purchase of insurance coverage through this policy entitles you, at your request, to receive guidelines of Risk Management/Loss Control Plans and Programs that might help, if properly applied and maintained by you, reduce your exposures to loss.

For additional information regarding these plans and programs, please complete the following form and return it to our office.

PROFESSIONAL INSURANCE UNDERWRITERS, INC
Loss Control Department

DATE 11/14/01

Please send me more information on Risk Management/Loss Control Plans and Programs that might help me reduce my exposures to loss.

PLEASE SEND RESPONSE TO: _____

Individual requesting (Please Print)

P.O. BOX 9088
FT. LAUDERDALE, FL 33310

Signature and Title

Policy Number TP1008417

Name of Insured WALLACE TRANSPORTATION, INC

Street Address RD # 1 BOX 179

City, State, Zip WOODLAND PA 16881

Phone Number _____

EXHIBIT

PAGE

1600 West Commercial Boulevard, Fort Lauderdale, Florida 33309
Telephone (954)493-6565 Fax (954)493-7748



Professional Insurance Underwriters, Inc.

**Please Reply to:
P.O. Box 9088
Ft. Lauderdale, FL 33310-9088**

Dear Insured,

We would like to welcome you as an insured. Professional Insurance Underwriters, Inc. is a representative of your company.

By this time, you should already have received claim-reporting kits. **THIS IS VERY IMPORTANT.** All claims or accidents must be reported to Claims Control, Inc. first, not the agent. We will inform the agent of the claim, but we must know immediately (24 hours per day / 7 days per week) in order to handle it properly.

We thank you for your cooperation in this regard. If we may ever be of service to you, please do not hesitate to call.

Sincerely yours,

Professional Insurance Underwriters, Inc.



Professional Insurance Underwriters, Inc.

Please Reply to:
P.O. Box 9088
Ft. Lauderdale, FL 33310-9088

Dear Insured,

We would like to welcome you as an insured. Professional Insurance Underwriters, Inc. is a representative of your company.

By this time, you should already have received claim-reporting kits. THIS IS VERY IMPORTANT. All claims or accidents must be reported to Claims Control, Inc. first, not the agent. We will inform the agent of the claim, but we must know immediately (24 hours per day / 7 days per week) in order to handle it properly.

We thank you for your cooperation in this regard. If we may ever be of service to you, please do not hesitate to call.

Sincerely yours, .

Professional Insurance Underwriters, Inc.



Professional Insurance Underwriters, Inc.

Please Reply to:
P.O. Box 9088
Ft. Lauderdale, FL 33310-9088

Dear Insured,

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By this time, you should already have received claim-reporting kits. **THIS IS VERY IMPORTANT.** All claims or accidents must be reported to Claims Control, Inc. first, not the agent. We will inform the agent of the claim, but we must know immediately (24 hours per day / 7 days per week) in order to handle it properly.

We thank you for your cooperation in this regard. If we may ever be of service to you, please do not hesitate to call.

Sincerely yours,

Professional Insurance Underwriters, Inc.

CLAIMS CONTROL, INC.

Please Reply To:
P.O. Box 9088
Fort Lauderdale, Florida 33310-9088

FOR MORE RESPONSIVE CLAIMS SERVICE

CLAIMS CONTROL, INC WILL BE REPRESENTING YOUR INSURANCE
COMPANY IN THE HANDLING OF ALL CLAIMS UNDER YOUR POLICY.

TO REPORT ALL CLAIMS, PLEASE CALL:

1-800-275-1900

WHEN YOU CALL, PLEASE HAVE THE FOLLOWING INFORMATION
AVAILABLE:

1. POLICY NUMBER AND NAMED INSURED
2. DATE, TIME AND LOCATION OF ACCIDENT
3. NAME AND PHONE NUMBER OF PERSON TO CONTACT

A REPRESENTATIVE OF CCI WILL RETURN YOUR CALL.

**ALL ACCIDENTS MUST BE REPORTED
IMMEDIATELY TO
CLAIMS CONTROL, INC.**

SINCERELY,

CLAIMS CONTROL, INC.

1600 West Commercial Boulevard Fort Lauderdale, Florida 33309
Telephone (954) 493-6565 Fax (954) 938-8689

EXHIBIT " B " PAGE 52

PROFESSIONAL INSURANCE UNDERWRITERS, INC.

Please Reply To:
Post Office Box 9088
Fort Lauderdale, Florida 33310-9088

NOTICE TO INSURED

Your purchase of insurance coverage through this policy entitles you, at your request, to receive guidelines of Risk Management/Loss Control Plans and Programs that might help, if properly applied and maintained by you, reduce your exposures to loss.

For additional information regarding these plans and programs, please complete the following form and return it to our office.

PROFESSIONAL INSURANCE UNDERWRITERS, INC
Loss Control Department

DATE 11/14/01

Please send me more information on Risk Management/Loss Control Plans and Programs that might help me reduce my exposures to loss.

PLEASE SEND RESPONSE TO:

Individual requesting (Please Print)

P.O. BOX 9088
FT. LAUDERDALE, FL 33310

Signature and Title

Policy Number TP1008417

Name of Insured WALLACE TRANSPORTATION, INC

Street Address RD # 1 BOX 179

City, State, Zip WOODLAND PA 16881

Phone Number _____

EXHIBIT " B " PAGE 57

1600 West Commercial Boulevard. Fort Lauderdale, Florida 33309
Telephone (954)493-6565 Fax (954)493-7748

000017

PRODUCER

One Tower Square, Hartford, Connecticut 06183

TravelersPropertyCasualty
A Member of TravelersGroup

COMMERCIAL INLAND MARINE
COMMON POLICY DECLARATIONS
ISSUE DATE: 11/15/01

POLICY NUMBER: QT-660-572X1338-TIL-01

1. NAMED INSURED AND MAILING ADDRESS:
WALLACE TRANSPORTATION INC.
RD#1 BOX 179
WOODLAND, PA 16881

2. POLICY PERIOD: From 11/14/01 to 11/14/02 12:01 A.M. Standard Time at
your mailing address.

3. LOCATIONS

Premises Bldg.

Loc. No. No. Occupancy

Address

SEE IL TO 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM TO 01 07 86 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS

FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy
containing its complete provisions:

Policy

Policy No.

Insuring Company

7. PREMIUM SUMMARY:

Provisional Premium \$ 21,900

Due at Inception \$ 21,900

Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:

KCI INSURANCE AGENCY INC (RV121)

PO BOX 2434

CHERRY HILL, NJ 08053

COUNTERSIGNED BY:

Authorized Representative

DATE:

IL TO 02 11 89

PAGE 1 OF 1

OFFICE: MORRIS PLN/S JERS

EXHIBIT "C" PAGE 2

POLICY NUMBER: QT-660-572X1338-TIL-01

EFFECTIVE DATE: 11-14-01

ISSUE DATE: 11-15-01

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

IL TO 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL TO 01 12 94	COMMON POLICY CONDITIONS
IL TO 03 04 96	LOCATION SCHEDULE

INLAND MARINE

CM T9 99 04 90	TRUCKERS CARGO LIAB - BROAD/SPECIAL DEC
CM TO 11 01 88	TABLE OF CONTENTS
CM 00 01 06 95	COMMERCIAL INLAND MARINE CONDITIONS
CM T1 17 12 92	TRUCKERS CARGO LIABILITY-SPECIAL FORM
CM T8 00	GENERAL PURPOSE ENDORSEMENT
CM T8 01	GENERAL PURPOSE ENDORSEMENT
CM BM C3 12 98	MOTOR COMMON CARRIER POLICIES END
F-6717	UNIFORM MOTOR CARRIER CARGO INS ENDT
CM T3 81 02 97	MINIMUM EARNED PREMIUM

INTERLINE ENDORSEMENTS

IL 01 66 01 99	PENNSYLVANIA CHANGES-ACTUAL CASH VALUE
IL 01 72 11 93	PENNSYLVANIA CHANGES
IL 02 46 04 98	PA CHANGES-CANCELLATION & NONRENEWAL
IL 09 10 01 81	PENNSYLVANIA NOTICE
IL T3 55 08 98	EXCL OF CERTAIN COMPUTER REL LOSSES

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POLICY OVERPRINT PAGE 1 OF 1

POLICY NUMBER: QT-660-572X1338-TIL-01

RATER: NP33 ISSUE DATE: 11/15/01

COMMERCIAL INLAND MARINE

EFFECTIVE DATE: 11/14/01
EXPIRATION DATE: 11/14/02

INSUREDS NAME: WALLACE TRANSPORTATION INC.

NEW/RENEWAL: R

PAYMODE: P

SOLICITOR CODE:

AUDIT FREQUENCY: N

SAI: 1100XA067

RESPONSIBILITY: Q

MSI: K

WATCH FILE: 0

RATING MODE: G

SURVEY CODE: 2

SPECIAL CODE:

REINSURANCE: N

PROGRAM CODE: M01

AUTO FILINGS:

FEDERAL TAX ID:

PREMIUM SUMMARY

S.B.	ACCOUNT MONTH	EFF. DATE	PREMIUM	NON PREMIUM	TOTAL
	1101	11/14/01	21,900.00	0.00	21,900.00

TOTAL:	21,900.00	0.00	21,900.00
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OFFICE: MORRIS PLN/S JERS 120
PRODUCER NAME: KCI INSURANCE AGENCY INC

RV121

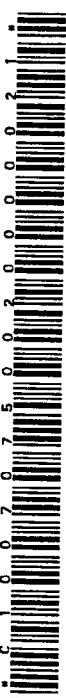
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PREMIUM SPLIT FORM PAGE 1 OF 1

POLICY NUMBER: QT-660-572X1338-TIL-01

RATER: NP33 ISSUE DATE: 11/15/01

ACCOUNT MONTH	EFFECTIVE DATE	COMM ITEM .0175 PREM PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM	COMM ITEM PREMIUM
1101	11/14/01	21900			



OFFICE: MORRIS PLN/S JERS 120
PRODUCER NAME: KCI INSURANCE AGENCY INC

RV121

EXHIBIT "C" PAGE 5

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;

2. Give you reports on the conditions we find; and

3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have rights and duties but only with respect to that property.

LOCATION SCHEDULE

POLICY NUMBER: QT-660-572X1338-TIL-01

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period
11-14-01 to 11-14-02 .

Loc. No.	Bldg. No.	Address	Occupancy
1	1	RD#1 BOX 179 WOODLAND ACRES, PA 16881	MOTOR TRUCK



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COMMERCIAL INLAND MARINE

COMMERCIAL INLAND MARINE
COVERAGE PART DECLARATIONSPOLICY NO.: QT-660-572X1338-TIL-01
ISSUE DATE: 11-15-01

DECLARATIONS PERIOD: From 11-14-01 to 11-14-02 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

1. COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE:

TRUCKERS CARGO LIABILITY COVERAGE

Broad X Special

Limit of Insurance

Property In or On Any One Truck,
Trailer, Semi-Trailer or Combination
Of These Pulled By One Power Unit

\$ 100,000

Property Unloaded At Your Terminal

Premises
Loc. No.

Building
No.

1

1

\$ 100,000

All Covered Property In Any One Occurrence

\$ 200,000

Deductible: \$ 1,000
\$

Reports and Premium:

a. Deposit Premium	\$ 21,900
b. Minimum Premium	\$ 21,900
c. Reporting Period	ANNUAL
d. Premium Adjustment Period	ANNUAL
e. Premium Base	GROSS RECEIPTS
f. Rates (per \$100)	\$.49
g. Estimated Annual Premium	\$ 21,900

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

CM T0 01 07 86

Order # CM T9 99 04 90

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Page 1 of 1

PRODUCER: KCI INSURANCE AGENCY INC

RV121 OFFICE: MORRIS PLN/S JERS 120

TABLE OF CONTENTS

COMMERCIAL INLAND MARINE COVERAGE PART

The following indicates the contents of the principal Forms which may be attached to your policy.
It contains no reference to the Declarations or Endorsements which also may be attached.

COMMERCIAL INLAND MARINE CONDITIONS

Beginning on Page

Loss Conditions

A. Abandonment.....	1
B. Appraisal.....	1
C. Duties in the Event of Loss.....	1
D. Insurance Under Two or More Coverages.....	1
E. Loss Payment.....	1
F. Other Insurance.....	1
G. Pair, Sets or Parts.....	2
H. Privilege to Adjust With Owner.....	1
I. Recoveries.....	2
J. Reinstatement of Limit After Loss.....	2
K. Transfer of Rights of Recovery Against Others to Us.....	2

General Conditions

A. Concealment, Misrepresentation or Fraud.....	2
B. Legal Action Against Us.....	2
C. No Benefit to Bailee.....	2
D. Policy Period.....	2
E. Valuation.....	2

INLAND MARINE COVERAGE FORM(S)

A. Coverage

1. Covered Property.....	
2. Property Not Covered.....	Page
3. Covered Causes of Loss.....	No.
4. Additional Coverage--Collapse (If Applicable), Coverage Extensions (If Any).....	Varies

B. Exclusions.....	
C. Limits of Insurance.....	By
D. Deductible.....	Form
E. Additional Conditions.....	
F. Definitions.....	

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. DUTIES IN THE EVENT OF LOSS

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss." Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set

the damaged property aside and in the best possible order for examination.

5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss."
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Promptly send us any legal papers or notices received concerning the "loss."
10. Cooperate with us in the investigation or settlement of the claim.

D. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same "loss," we will not pay more than the actual amount of the "loss."

E. LOSS PAYMENT

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

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

We will not be liable for any part of a "loss" that has been paid or made good by others.

F. OTHER INSURANCE

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will

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pay the excess whether you can collect on the other insurance or not.

G. PAIR, SETS OR PARTS

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

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

I. RECOVERIES

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our pay-

ment. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

GENERAL CONDITIONS

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property; or
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss."

C. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

D. POLICY PERIOD

We cover "loss" commencing during the policy period shown in the Declarations.

E. VALUATION

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss," the value of property will be determined as of the time of "loss."

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TRUCKERS' CARGO LIABILITY COVERAGE SPECIAL 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. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. — DEFINITIONS.

A. COVERAGE

We cover your liability as a common or contract motor carrier for "loss" to Covered Property caused by any of the Covered Causes of Loss.

1. **Covered Property**, as used in this Coverage Form, means property of others that you have accepted for transportation as a common or contract motor carrier under contract, tariff, bill of lading or shipping receipt.

We cover such property while:

- a. Contained in or on any land vehicle you own, or operate; or
- b. Unloaded at your terminal, but only if that terminal is described in the Declarations and an applicable Limit of Insurance is shown.

2. **Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes, securities, checks, drafts commercial papers or other documents of value;
- b. Bullion, gold, silver, platinum or other precious alloys or metals; precious or semi-precious stones; furs or fur garments; jewelry or watches; paintings, statuary or works of art;
- c. Reusable shipping containers except as provided under A.4.f. Additional Covered Property;
- d. Live animals, birds or fish, however, we will pay your liability for "loss" by theft or for death or destruction resulting from or made necessary by any of the "specified causes of loss."
- e. Property in your care, custody or control as a warehousemen; or

- f. Contraband, or property in the course of illegal transportation or trade.

3. **Covered Causes of Loss**

Covered Causes of Loss means your liability for **DIRECT PHYSICAL "LOSS"** to Covered Property except those causes of "loss" listed in Section B. EXCLUSIONS.

4. **Additional Coverages**

- a. **Defense Cost**

We will defend you against any suit brought against you by others for a "loss" to Covered Property caused by or resulting from a Covered Cause of Loss. We retain our rights to investigate, negotiate and settle any claim or suit in any manner we determine to be necessary or expedient.

We will not pay for the settlement of any claims or any suits under this Additional Coverage. Nor will we pay any claim or judgement or defend any suit after the applicable Limit of Insurance has been exhausted by the payment of claims, suits or judgements.

The amount payable under this Additional Coverage is in addition to the Limits of Insurance shown in the Declarations.

- b. **Earned Freight Charges**

We will cover your earned freight charges that you are unable to collect resulting from a "loss" covered by this Coverage Form. The most we will pay in any one occurrence is \$ 2,500.

The amount payable under this Additional Coverage is in addition to the Limits of Insurance.

c. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss."

This Additional Coverage does not apply to:

- (a) Costs to extract "pollutants" from land or water; or
 - (b) Costs to remove, restore or replace polluted land or water.
- (2) Payment for Debris Removal is included within the applicable Limit if Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical "loss" to Covered Property; plus
 - (b) The deductible in this policy applicable to that "loss."

When the debris removal expense exceeds the above 25% limitation or the sum of "loss" to Covered Property and the expense for removal of its debris exceed the applicable Limit of Insurance we will pay an additional amount for debris removal expense up to \$2,500 in any one occurrence.

d. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water, if the release, discharge or dispersal of the "pollutants" is caused by or results from a Covered Cause of Loss which occurs to Covered Property during the policy period.

The expenses will be paid only if reported to us in writing within 180 days of the direct physical "loss."

The most we will pay under this Additional Coverage is \$5,000 in any one year commencing with policy inception.

The amount payable under this Additional Coverage is in addition to the Limits of Insurance

e. Claim Mitigation Expense

We will pay the necessary expense you incur to prevent further "loss" to Covered Property if that expense is incurred within a 12 hour period after a covered "loss" occurs.

The most we will pay under this Additional Coverage is \$2,500 in any one occurrence. No Deductible will be applied to this Additional Coverage.

The amount payable under this Additional Coverage is in addition to the Limits of Insurance.

f. Additional Covered Property

You may extend the coverage provided by this Coverage Form to apply to direct physical "loss" from a Covered Cause of Loss, to cargo containers or shipping containers, excluding vehicles or trailers, that are the property of others, in your care, custody or control, and for which you are liable under the terms of any written contract, lease or agreement.

The most we will pay under this Additional Coverage is \$2,500 in any one occurrence.

This limit is included within the applicable Limits of Insurance shown in the Declarations.

B. EXCLUSIONS

1. We will not pay your liability for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

EXHIBIT " C " PAGE 14

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. War and Military Action

- (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 or other 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.

2. We will not pay your liability for "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market, loss of income or any other consequential loss;
- b. Dishonest or criminal acts by you, anyone else with an interest in the property, your or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment;
- c. Spoilage; contamination; corrosion, rust, dampness, dryness, cold or heat; breakage; any change in appearance, smell, texture, taste or flavor.

But we will pay your liability for "loss" caused directly by any of the "specified causes of loss."

3. We will not pay your liability for "loss" caused by or resulting from any of the following. But if "loss" from a Covered Cause of Loss results, will pay your liability for that "loss":

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event

excluded in B.1. above to produce the "loss";

- b. Wear and tear; any quality in the property that causes it to damage or destroy itself; hidden or latent defect; gradual deterioration; insects, vermin or rodents.

4. We will not pay for any costs, fines, or penalties you incur for your violation of any law or regulation that applies to your delay in payments, denial or settlement of any claim made against you by others for any "loss."

C. LIMITS OF INSURANCE

The most we will pay in any one occurrence is the applicable Limit of Insurance shown in the Declarations except as provided in A.4. Additional Coverages.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the "loss," before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the "loss" in excess of the Deductible, up to the applicable Limit of Insurance except, as provided in A.4. Additional Coverages.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located within:

- a. The United States of America and its territories or possessions;
- b. Puerto Rico; and
- c. Canada;

2. Valuation

General Condition E. Valuation, in the Commercial Inland Marine Conditions Form, is replaced by the following:

In the event of "loss," we will not pay more than the amount for which you are liable as a motor carrier.

3. Coinsurance

All Covered Property must be insured for your total liability for that property as of the time of "loss" or you will incur a penalty.

That penalty is that we will pay only the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations bears to your total liability as of the time of "loss" for all property in or on the vehicle, or unloaded at the terminal, to which the limit applies.

4. Claims Against Others

The following is added to Commercial Inland Marine Loss Condition C. Duties in the Event of Loss:

You must promptly make a claim in writing against any other party which may be liable for the "loss."

5. Impairment of Rights of Recovery

The following is added to Commercial Inland Marine Loss Condition K., Transfer of Rights of Recovery Against Others to Us:

You may accept bills of lading or shipping receipts issued by other carriers that limit their liability to less than the actual value of the property.

6. Labels

In the event of "loss" only to the identifying labels or wrappers containing the Covered Property, we will pay the cost to replace those labels or wrappers if the "loss" is caused by or results from a Covered Cause of Loss.

7. Records

You must keep accurate records of your trucking business including all "gross receipts" from transporting Covered Property and retain them for 3 years after the policy period ends.

8. Reimbursement to Us

We may endorse this policy at your request to comply with the requirements of the Interstate Commerce Commission or any other governmental authority.

If we pay any "loss" because of any such endorsement, you must promptly reimburse us for that payment and any other expenses we may incur in connection with it, however, your reimbursement will be required only to the extent that we do not cover that "loss" under this Coverage Form.

9. Reports, Premium and Reporting Provisions

The following applies only if Reporting Form is indicated in the Declarations. Additional Condition E.3. Coinsurance in this Coverage Form is deleted and replaced by the following:

a. Reports. Within 30 days after the end of each reporting period shown in the Declarations, you must report to us the amount of your "gross receipts" for that period.

b. Premium Computation. We will compute the premium using the rate shown in the Declarations and your "gross receipts" as of each Premium Adjustment Period shown in the Declarations.

c. Premium Adjustment. We will apply the computed premium to the Deposit Premium shown in the Declarations until it is used up. You must then pay us all premiums that exceed the Deposit Premium.

d. Minimum Premium. You must pay at least the Minimum Premium shown in the Declarations.

This Minimum Premium will only apply:

(1) When the computed premium for each annual policy period is less than the Minimum Premium; or

(2) If you cancel this Coverage Form after it has taken effect.

e. If the Coverage Form is cancelled, you must report the amount of your "gross receipts" up to the date of cancellation.

f. Cancellation. The following is added to the Cancellation Common Policy Condition:

In the event of cancellation, this Coverage Form applies to all shipments of Covered Property made up to the date of cancellation.

DEFINITIONS

1. "Gross receipts" means the total amount of receipts to which you are entitled for transporting property during the policy period, plus any receipts from packing, loading, unloading or handling such property.

2. "Loss" means accidental loss or damage.

COMMERCIAL INLAND MARINE

4. **"Specified causes of loss"** means and is limited to the following:

Fire, lightning, windstorm, hail, smoke, explosion, rioters, strikers, civil commotion, vandalism, earthquake, flood, theft or attempted theft, or accident to the vehicle carrying the Covered Property.



POLICY NUMBER: QT-660-572X1338-TIL-01

COMMERCIAL INLAND MARINE
GENERAL PURPOSE ENDORSEMENT

\$100,000 - UNNAMED LOCATIONS

EXHIBIT " C " PAGE 18

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TARP WARRANTY

This endorsement modifies coverage provided under the following:

TRUCKERS CARGO LIABILITY COVERAGE

Exclusion 2.c. is deleted in its entirety, and replaced with the following:

2.c.

Spoilage; contamination; corrosion, dampness dryness, cold or heat; breakage; any change in appearance, smell, texture, taste or flavor.

But we will pay your liability for "loss" caused directly by any of the 'specified causes of loss".

The following is added to Section E - Additional Conditions

10. All cargo must be contained with a completely enclosed trailer. If the cargo is not contained within a completely enclosed trailer, no coverage is provided against the perils of water damage, rust or discoloration if the load is not completely tarped or properly covered. For the purpose of insurance, tarping shall mean that the entire load, including its sides and ends, be completely covered and secured with waterproof materials maintained in good condition, which will protect the load from exposure to the elements of weather.

EXHIBIT " C " PAGE 19

**ENDORSEMENT FOR
MOTOR COMMON CARRIER POLICIES OF INSURANCE
FOR CARGO LIABILITY UNDER 49 U.S.C. 13906**

Issued to

of RD#1 BOX 179
WOODLAND, PA 16881

Dated at

this day of

Amending Policy No. QT-660-572X1338

Effective Date

Name of Insurance Company TRAVELERS INDEMNITY CO. OF ILLINOIS

Insurance Co. Filer #

Telephone Number

Countersigned by

The policy to which this endorsement is attached is a cargo insurance policy, and is hereby amended to assure compliance by the insured, as a common carrier of property by motor vehicle, with Section 13906, Title 49 of the United States Code, with reference to making compensation to shippers or consignees for all property belonging to shippers or consignees coming into the possession of such carrier in connection with its transportation service under certificate issued to the insured by the Federal Highway Administration (FHWA), or otherwise in transportation in interstate or foreign commerce subject to FHWA rules and regulations.

In consideration of the premium stated in the policy to which this endorsement is attached, the Company hereby agrees to pay within the limits of liability hereinafter provided, any shipper or consignee for all loss of or damage to all property belonging to such shipper or consignee, and coming into the possession of the insured in connection with such transportation service, for which loss or damage the insured may be held legally liable, regardless of whether or not the motor vehicles, terminals, warehouses, and other facilities used in connection with the transportation of the property hereby insured are specifically described in the policy. The liability of the Company extends to such losses or damages whether occurring on the route or in the territory authorized to be served by the insured or elsewhere.

Within the limits of liability hereinafter provided, it is further understood and agreed that no condition, provision, stipulation, or limitation contained in the policy, or any other endorsement thereon or violation thereof, or of this endorsement by the insured, shall affect in any way the right of any shipper or consignee, or relieve the Company from liability for the payment of any claim arising out of such transportation service for which the insured may be held legally liable to compensate shippers or consignees, irrespective of the financial responsibility or lack thereof or insolvency or bankruptcy of the insured. However, all terms, conditions, and limitations in the policy to which this endorsement is attached are to remain in full force and effect as binding between the insured and the Company. The insured agrees to reimburse the Company for any payment made by the Company on account of any loss or damage involving a breach of the terms of the policy and for any payment that the Company would not have been obligated to make under the provisions of the policy, except for the agreement contained in this endorsement.

The liability of the Company for the limits provided in this endorsement shall be a continuing one notwithstanding any recovery hereunder. The Company shall not be liable for an amount in excess of \$5,000 in respect to all losses or damages to property hereby insured carried on any one motor vehicle, nor in any event for an amount in excess of \$10,000, in respect to any loss of or damage to or aggregate of losses or damages of or to such property occurring at any one time and place.

Whenever requested by the FHWA, the Company agrees to furnish to the FHWA a duplicate original of said policy and all endorsements thereon. This endorsement may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the Company or the insured giving thirty (30) days' notice in writing to the FHWA at its office in Washington, D. C., said thirty (30) days' notice to commence to run from the date notice is actually received at the office of said FHWA.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**FORM I
UNIFORM MOTOR CARRIER CARGO
INSURANCE ENDORSEMENT**

It is agreed that:

1. The certification of the policy as proof of responsibility under the provisions of any State motor carrier law or regulations promulgated by any State Commission having jurisdiction with respect thereto, amends the policy to provide insurance for motor carrier cargo liability in accordance with the provision of such law or regulations to the extent of the coverage and limits of liability required thereby; provided only that the insured agrees to reimburse the company for any payment made by the company which it would not have been obligated to make under the terms of this policy except by reason of the obligation assumed in making such certification.
2. The Uniform Motor Carrier Cargo Certificate of Insurance has been filed with the State Commissions indicated on the reverse side hereof.
3. This endorsement may not be canceled without cancellation of the policy to which it is attached. Such cancellation may be effected by the company or the insured giving thirty (30) days' notice in writing to the State Commission with which such certificate has been filed, such thirty (30) days notice to commence to run from the date the notice is actually received in the office of such Commission.

Attached to and forming part of policy No. QT 660 572X1338

issued by TRAVELERS IDEMNITY CO. OF ILLINOIS

herein called Company,

of One Tower Square, Hartford, Connecticut

to WALLACE TRANSPORTATION, INC.

of RE# 1 BOX 179

WOODLAND, PA 16881

Dated at

this

day of

Countersigned by

Authorized Company Representative

EXHIBIT " C " PAGE 21

**INDICATES STATE COMMISSIONS WITH WHOM UNIFORM MOTOR CARRIER
CARGO CERTIFICATE OF INSURANCE HAS BEEN FILED.**

<input type="checkbox"/> ALA.	<input type="checkbox"/> HAWAII	<input type="checkbox"/> MASS	<input type="checkbox"/> N.M.	<input type="checkbox"/> S.D.
<input type="checkbox"/> ALASKA	<input type="checkbox"/> IDAHO	<input type="checkbox"/> MICH.	<input type="checkbox"/> N.Y.	<input type="checkbox"/> TENN.
<input type="checkbox"/> ARIZ.	<input type="checkbox"/> ILL.	<input type="checkbox"/> MINN.	<input type="checkbox"/> N.C.	<input type="checkbox"/> TEX.
<input type="checkbox"/> ARK.	<input type="checkbox"/> IND.	<input type="checkbox"/> MISS.	<input type="checkbox"/> N.D.	<input type="checkbox"/> UTAH
<input type="checkbox"/> CAL.	<input type="checkbox"/> IOWA	<input type="checkbox"/> MO.	<input type="checkbox"/> OHIO	<input type="checkbox"/> VT.
<input type="checkbox"/> COL.	<input type="checkbox"/> KAN.	<input type="checkbox"/> MONT.	<input type="checkbox"/> OKLA.	<input type="checkbox"/> VA.
<input type="checkbox"/> CONN.	<input type="checkbox"/> KY.	<input type="checkbox"/> NEB.	<input type="checkbox"/> ORE.	<input type="checkbox"/> WASH.
<input type="checkbox"/> DEL.	<input type="checkbox"/> LA.	<input type="checkbox"/> NEV.	<input checked="" type="checkbox"/> PA.	<input type="checkbox"/> W.VA.
<input type="checkbox"/> D.C.	<input type="checkbox"/> ME.	<input type="checkbox"/> N.H.	<input type="checkbox"/> R.I.	<input type="checkbox"/> WISC.
<input type="checkbox"/> FLA.	<input type="checkbox"/> MD.	<input type="checkbox"/> N.J.	<input type="checkbox"/> S.C.	<input type="checkbox"/> WYO.
<input type="checkbox"/> GA.				

EXHIBIT " C " PAGE 22

POLICY NUMBER: QT-660-572X1338-TIL-01

COMMERCIAL INLAND MARINE
ISSUE DATE: 11-15-01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

MOTOR TRUCK CARGO

The following is added to the ADDITIONAL CONDITIONS section:

If you cancel this policy, we will retain not less than the minimum earned premium shown below.

The minimum earned premium is \$ 21 ,900



EXHIBIT " C " PAGE 23

INTERLINE ENDORSEMENTS



EXHIBIT " C " PAGE 24

**INTERLINE
ENDORSEMENTS**

PENNSYLVANIA CHANGES – ACTUAL CASH VALUE

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.



EXHIBIT "C" PAGE 28

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

A. For insurance provided under the:

Boiler and Machinery Coverage Part
Commercial Crime Coverage Part
Commercial Inland Marine Coverage Part
Commercial Property Coverage Part

The **TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY** Common Policy Condition is replaced by the following:

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

If you die, this Coverage Part will remain in effect as provided in 1. or 2. below, whichever is later:

1. For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
2. Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

B. For insurance provided under the:

Commercial Inland Marine Coverage Part
Commercial Property Coverage Part
Farm Coverage Part

The following is added to the **LOSS PAYMENT** Loss Condition and supersedes any provision to the contrary:

NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM

1. Except as provided in 3. below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:

- a. Accept your claim;
- b. Deny your claim; or
- c. Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in 1.c. above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim
3. The notice procedures in 1. and 2. above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

EXHIBIT " C " PAGE 27

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART*
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

* This endorsement does not apply to coverage provided for employee dishonesty (Coverage Form A), or public employee dishonesty (Coverage Forms O and P).

- A. The **Cancellation** Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
2. **Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be

mailed at least 15 days before the effective date of cancellation.

- c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

EXHIBIT " C " PAGE 28

This policy may also be canceled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

B. The following are added and supersede any provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

2. Increase Of Premium

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

EXHIBIT " C " PAGE 29

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket # 13182

KAYTES COOPERMAN INSURANCE INC. a/k/a KCI INSURANCE AGENCY IN 02-1623-CD

VS.

WALLACE TRANSPORTATION INC.

COMPLAINT

SHERIFF RETURNS

NOW OCTOBER 23, 2002 AT 9:16 AM DST SERVED THE WITHIN COMPLAINT ON WALLACE TRANSPORTATION INC., DEFENDANT AT EMPLOYMENT, RD 1, BOX 179, WOODLAND, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO JIM WALLACE, OWNER A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN TO HIM THE CONTENTS THEREOF.
SERVED BY: DAVIS/MORGILLO

Return Costs


Cost	Description
------	-------------

21.25	SHFF. HAWKINS PAID BY: ATTY.
-------	------------------------------

10.00	SURCHARGE PAID BY: ATTY.
-------	--------------------------

Sworn to Before Me This

22nd Day Of January 2003



WILLIAM A. SHAW
Prothonotary
My Commission Expires
1st Monday in Jan. 2006
Clearfield Co., Clearfield, PA

So Answers,


Chester A. Hawkins

Sheriff

FILED

JAN 22 2003

9:00
William A. Shaw
Prothonotary/Clerk of Courts

Date: 02/03/2003

Clearfield County Court of Common Pleas

User: DGREGG

Time: 12:40 PM

ROA Report

Page 1 of 1

Case: 2002-01623-CD

Current Judge: John K. Reilly Jr.

Kaytes Cooperman Insurance, Inc. vs. Wallace Transportation, Inc.

Civil Other

Date		Judge
10/17/2002	Filing: Civil Complaint Paid by: Keating, John R. (attorney for Kaytes Cooperman Insurance, Inc.) Receipt number: 1850079 Dated: 10/17/2002 Amount: \$80.00 (Check) One CC to Sheriff.	No Judge
11/08/2002	Preliminary Objections of Defendant, filed by s/Dwight L. Koerber, Jr., Esq. Three CC Attorney Koerber	No Judge
	Entry of Appearance, filed by Atty. Koerber on behalf of Wallace Transportation, Inc.	No Judge
12/16/2002	Amended Complaint in Civil Action, filed by Atty. Keating No Cert. copies.	John K. Reilly Jr.
01/22/2003	Sheriff Return, Papers served on Defendant(s). So Answers, Chester A. Hawkins, Sheriff by s/Marilyn Hamm	John K. Reilly Jr.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-vs-

WALLACE TRANSPORTATION, INC.,
Defendant *

DOCKET NO. 02-1623-CD

Type of Pleading:
ANSWER, NEW MATTER AND
COUNTERCLAIM OF DEFENDANT

Filed on Behalf of:
DEFENDANT:
WALLACE TRANSPORTATION, INC.

Counsel of Record for
This Party:

Dwight L. Koerber, Jr.
Pa. I.D. No. 16332

110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

FILED

FEB 05 2003
013:43/6
William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-VS-

WALLACE TRANSPORTATION, INC.,
Defendant *

DOCKET NO. 02-1623-CD

ANSWER, NEW MATTER AND COUNTERCLAIM OF DEFENDANT

COMES NOW, Wallace Transportation, Inc., by and through its attorney,
Dwight L. Koerber, Jr., Esquire, and files the within Answer, New Matter and Counterclaim
of Defendant filed herein.

ANSWER

1. Admitted.
2. Admitted.
3. Admitted in part and denied in part. It is admitted that Defendant requested Plaintiff to secure certain insurance policies for it, but upon reasonable review and investigation, Defendant is unable to determine the accuracy of the dates involved and requires strict proof of same at trial.
4. Admitted with the understanding that the policies, the terms and conditions of the policies, speak for themselves.

5. A review by Defendant of its records failed to reveal that said policies were actually furnished to it, although Defendant does recognize that certain policies were placed in effect.

6. Admitted.

7. Admitted with the understanding that Exhibit E attached to Defendant's copy of the said Complaint has only one page rather than two.

8. Admitted with the understanding that the terms of the policy speak for themselves. Defendant denies that the audit procedures and endorsements for all four policies were identical, and requires strict proof of same at trial.

9. Legal conclusion. No answer required.

10. Denied. It is Defendant's position that on or about December 17, 2001 that it gave notice of a desire to cancel the commercial casualty insurance coverage, and to leave the other insurance policies in place. Such notice was given to Steve Cerello, Plaintiff's employee who worked on Defendant's coverage issued with Plaintiff.

11. Denied. Upon reasonable investigation, Defendant is unable to determine the actual effective date of the cancellations that occurred. See New Matter in further support of Defendant's position.

12. Denied. Upon reasonable investigation Defendant was unable to confirm the accuracy of the representations made and requires strict proof of same, including both the amount of cancellation credit and the auto-deductibles.

13. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

14. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

15. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

16. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

17. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

18. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

19. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial.
See New Matter.

20. Upon reasonable investigation, Defendant is unable to confirm the accuracy of the representations set forth herein and requires strict proof of same at trial. See New Matter.

21. Denied. Plaintiff has failed to set forth a basis for establishing a basis for pre-judgment interest. See New Matter.

NEW MATTER

22. In further support of its position herein, Defendant offers the following New Matter.

23. Defendant firmly believes that on or about December 17, 2001, it gave notice to Plaintiff of its desire to cancel its commercial casualty insurance coverage, so as to receive a credit for the pre-payments that had been made, while leaving the other policies in place.

24. It is Plaintiff's position that Defendant failed to promptly cancel the commercial casualty insurance coverage, and in doing so permitted it to remain in place for a longer period of time than properly should have occurred.

25. By failing to take immediate steps to cancel the commercial casualty insurance policy, Plaintiff deprived Defendant of its entitlement to receive credit at an earlier cancellation date, thereby significantly increasing Defendant's charges by depriving it of the credit that would have otherwise been available to it.

26. By failing to take prompt action to cancel the commercial casualty insurance coverage, and to thereby reduce the amount of credit that Defendant had on its

account, Plaintiff in effect is responsible for interfering with the insurance coverage that would have otherwise been in place, because the said policies were improperly cancelled without Defendant's consent.

27. Of particular concern is the coverage with Hudson Insurance Company, which is the commercial lines auto policy covering property damage to Plaintiff's own equipment. Plaintiff's records show a cancellation date effective July 11, 2002, with this being an improper and unduly early cancellation date, caused by the failure to make prompt and timely cancellation of the commercial casualty insurance coverage that Defendant had instructed Plaintiff to do on or about December 17, 2001.

28. Defendant incurred substantial economic harm as a result of the premature cancellation of its property damage insurance policy through Hudson Insurance Company, as on July 12, 2002 it had a motor vehicle accident that totalled its 1997 Peterbilt Truck Model 379, SIN Number IXP5DB9XIVD438319, with the said motor vehicle having a value of \$35,000.00 that was not covered by insurance.

29. In addition to the damage incurred to its 1997 Peterbilt Truck Tractor, Defendant also incurred substantial damage to a trailer that was being operated as a combination tractor-trailer unit with said Peterbilt tractor, such trailer being a 2000 Ravens flat-bed trailer, serial number K500415.

30. The damage to the said Ravens trailer was approximately \$10,000.00, and it was not covered by insurance.

31. The damage to both the 1997 Peterbilt and the 2000 Ravens trailer would have otherwise been covered by physical damage insurance to Defendant's fleet through Hudson Insurance Company, which policy was prematurely cancelled effective July 11, 2002.

32. In addition to the property damage which Defendant incurred to its tractor-trailer combination unit as a result of the accident of July 12, 2002, Defendant also incurred additional harm through the misconduct of Plaintiff, by causing Defendant's cargo insurance to be prematurely cancelled, with this harm producing towage and recovery claims of \$2,040.00 and \$3,685.00 on July 12, 2002 which have not been paid.

33. Under the circumstances, Defendant has a set-off against Plaintiff arising out of the identical circumstances involved in the Complaint herein, with such set-off being equal to or greater than the value of the Plaintiff's alleged damages.

WHEREFORE, Defendant prays that the Complaint filed by Plaintiff be dismissed and that judgment be entered in Defendant's favor.

COUNTERCLAIM

34. Defendant hereby incorporates paragraphs 1 to 33 of its Answer and herein, as though set forth in full.

35. In addition to the cause of action which Defendant has against Plaintiff, as a result of the failure to promptly and expeditiously process the cancellation notice which Defendant gave to Plaintiff on or about December 17, 2001, Defendant has

a cause of action against Plaintiff arising out of an incident that occurred on January 24, 2001.

36. On or about January 24, 2001, Defendant was covered under a cargo insurance policy that was secured and administered by Plaintiff for processing.

37. When a claim was filed against the said insurance policy, the policy was improperly processed as a liability claim rather than a cargo insurance claim.

38. Attached hereto as Appendix A is a copy of the loss report filed on this matter, showing that it was processed as a liability claim.

39. Defendant made repeated requests that Plaintiff assisted in properly processing this claim, as Plaintiff had the expertise and the information necessary to assist Defendant in such processing.

40. Attached hereto as Appendix B is a copy of the correspondence to Plaintiff requesting assistance in such processing.

41. Plaintiff has failed and refused to provide any assistance and has ignored Defendant's request for assistance on such processing.

42. Plaintiff totally ignored the request for assistance, as identified in Appendix B, as well as various phone calls directly made to Plaintiff by Defendant on this matter.

43. It is Defendant's position that Plaintiff had a duty to assist it in processing claims and that Plaintiff either breached its contractual duty to assist in such

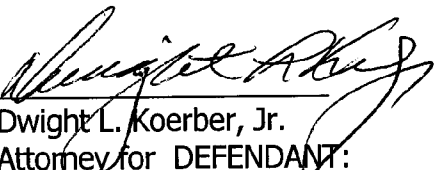
processing or negligently failed to provide the required assistance in processing, with the inaction on Plaintiff's part directly causing damages for Defendant.

44. The damages which Defendant has incurred, as a result of the inaction of Plaintiff relative to the January 24, 2001 cargo claim are \$5,137.00.

45. Defendant sets forth in its Counterclaim against Plaintiff damages in the amount of \$50,725.00, as outlined in the New Matter and in the amount of \$5,137.00, as outlined in paragraph 44 above, thereby producing damages in the amount of \$55,862.00.

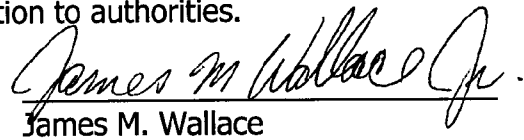
WHEREFORE, Defendant prays that its Counterclaim in the amount of \$55,862.00 be awarded against Plaintiff, together with cost of suit and interest.

Respectfully Submitted,


Dwight L. Koerber, Jr.
Attorney for DEFENDANT:
Wallace Transportation, Inc.

VERIFICATION

I certify that the statements made in the foregoing document are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.


James M. Wallace

APPENDIX A



July 24, 2002

Wallace Transportation, Inc.
RD #1
Box 179
Woodland, PA 16881

RE: Insd: Wallace Transportation, Inc.
Date of Accident: 01/24/2001
Claim No.: 13815
Policy number: ATM067600

Dear Wallace Transportation, Inc.:

Atlantic Risk Management, Inc., on behalf of Clarendon National Insurance Company, acknowledges receipt of a claim for damages arising out of an incident, which occurred on or about January 24, 2001. The incident occurred while the vehicle, operated by your driver, Ken Baxter, transported a lathe from Massachusetts to New Jersey for Accura Zeisel Machinery Corp. It has been alleged that the lathe arrived in damaged condition. Suit has been filed in the Superior Court of New Jersey, Bergen County in the matter of Accura Zeisel Machinery Corp (Plaintiff) vs. Specialized Industrial Services, Inc. (Defendant/Third Party Plaintiff) vs. Wallace Transportation, Inc. (Third Party Defendant) claiming damages in excess of \$7,901. As a result, coverage benefits have been requested under the above policy issued to Wallace Transportation, Inc., by Clarendon National Insurance Company.

We have completed our investigation into the facts and circumstances of this claim and have determined that there is no coverage for the incident under the terms of the policy issued to Wallace Transportation, Inc.

We call your attention to your TRUCKERS COVERAGE FORM CA 00 12 07 97 which states:

SECTION II – LIABILITY COVERAGE

B. EXCLUSIONS

This insurance does not apply to any of the following:

Atlantic Risk Management, Inc.
P.O. Box 4001 • 9 Old Kings Highway South • Darien, CT 06820-4001
Telephone (203) 299-5150 • Fax (203) 656-0923

Page 2
July 24, 2002
Wallace Transportation, Inc.

6. CARE, CUSTODY, CONTROL

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control."

The claim involves the loss of cargo which falls under the "care, custody, control" exclusion and is therefore not covered under your Commercial Truckers policy. You should report this loss to your cargo carrier.

Our first notice of this occurrence was receipt of suit papers, which Wallace Transportation, Inc. is a Third Party Defendant. It is strongly suggested that you secure counsel to represent your interests in this matter, at your own cost, as your policy of insurance issued by Clarendon National Insurance Company does not provide defense nor indemnification given the previously lack of available coverage.

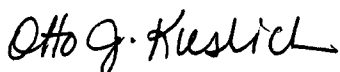
This correspondence is not to be construed as a waiver of any other terms, conditions or exclusions contained in your policy. *Atlantic Risk Management, Inc.*, on behalf of Clarendon National Insurance Company specifically reserves the right to supplement this letter should additional facts or information indicate the applicability of other policy provisions.

We recognize that, despite our reasonable investigation, we may not be aware of all facts or documentation at our disposal. Accordingly, if you disagree with any facts stated herein or, if you believe we are in need of additional information, then please feel free to provide us with the additional information or documentation, and it will be duly considered.

Pursuant to N.J.S.A. 17:33A-6, "Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties."

Should you have any questions, please do not hesitate to contact me directly.

Very Truly Yours,



Otto J. Kieslich
President / Director of Claim



Page 3
July 24, 2002
Wallace Transportation, Inc.

cc: Kaytes-Cooperman Insurance
P.O. Box 2434
Greentree Executive Center
Cherry Hill, NJ 08034

Kenneth A. Olsen
Attorney at Law
33 Philhower Road
Lebanon, NJ 08833

Sokol, Behot & Fiorenzo
Attorneys at Law
433 Hackensack Ave
Hackensack, NJ 07601

Specialized Industrial Services, Inc.
221 SW Cutoff
Route 20
Worcester, MA 01604-2711

Accura Zeisel Machinery
241 William Street
Englewood, NJ 07631

File



APPENDIX B

**LAW OFFICES
OF
DWIGHT L. KOERBER, JR.**

*Attorneys at Law
110 North Second Street*

*Dwight L. Koerber, Jr.
Cynthia B. Stewart*

*P. O. Box 1320
Clearfield, PA 16830*

*Telephone (814) 765-9611
Facsimile (814) 765-9503*

September 11, 2002

Ms. Susan Bush
Kaytes-Cooperman Insurance
P. O. Box 2434
Cherry Hill, NJ 08034

RE: Insured: WALLACE TRANSPORTATION, INC.
Date of Accident: 01/24/01
Claim No. 13815
Policy No. ATM067600

Dear Ms. Bush:

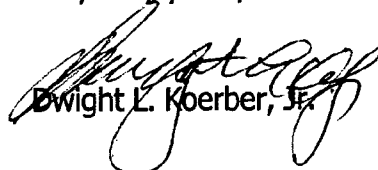
I am still waiting for a response to my letter to you dated August 27, 2002, where I asked that you kindly process the above referenced case as a cargo insurance claim.

The litigation is ongoing and Wallace Transportation, Inc., runs the risk of having a judgment entered against it. Accordingly, we have retained counsel in Bergen County, New Jersey to provide a defense. Enclosed herewith is a copy of the letter I have forwarded to counsel pertaining to his engagement.

If I am correct that there is cargo insurance in effect, the attorneys fees pertaining to my involvement as well as Attorney Smith's involvement would be recoverable. I am particularly concerned about the ongoing cost of litigation, as the cargo insurance carrier may have a good working relationship with a law firm that could be engaged at a more reasonable expense. Attorney Smith has indicated that his charge is \$300.00 per hour, but he hopes to charge less than that because we are dealing with a \$7,900.00 claim. How much less than that is something that we are working on.

Please advise as soon as possible as to whether you have presented this claim to the cargo insurance carrier and if so please advise what the response is. If you are not the appropriate person, please provide to me the name of the claims adjuster that I should be dealing with.

Very truly yours,


Dwight L. Koerber, Jr.

DLK/sw
cc: Wallace Transportation, Inc.
Enclosure

**LAW OFFICES
OF
DWIGHT L. KOERBER, JR.**

*Attorneys at Law
110 North Second Street*

*P. O. Box 1320
Clearfield, PA 16830*

*Dwight L. Koerber, Jr.
Cynthia B. Stewart*

*Telephone (814) 765-9611
Facsimile (814) 765-9503*

August 27, 2002

Ms. Susan Bush
Kaytes-Cooperman Insurance
P. O. Box 2434
Greentree Executive Center
Cherry Hill, NJ 08034

RE: Insured: WALLACE TRANSPORTATION, INC.
Date of Accident: 01/24/01
Claim No. 13815
Policy No. ATM067600

Dear Ms. Bush:

I represent Wallace Transportation, Inc. and am writing in reference to the incidence that occurred on ~~July~~^{31st} 24, 2001 where Wallace Transportation, Inc., has been sued, as a third party defendant, in a claim alleging that damage was done to certain machinery during the time that it transported it.

I see the denial letter from Atlantic Risk Management, Inc., stating that the Clarendon National Insurance Company policy does not cover this loss. I can understand denial under the liability policy, but I should think that there would be coverage under the cargo insurance policy that Wallace Transportation, Inc., has secured through you.

Jim Wallace, President of Wallace Transportation, Inc., tells me at the time of the incident, which was on or about January 24, 2001, that you were handling all of the insurance coverage for Wallace Transportation, Inc. Based upon that information, I am assuming that you were also handling the cargo insurance which Wallace Transportation, Inc., is required to have under the regulations of the Federal Motor Carrier Safety Administration.

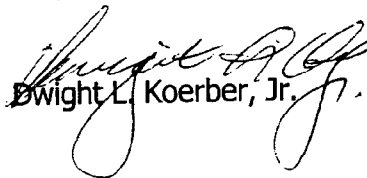
I would ask that you review your files and determine whether or not your agency has been involved in arranging for cargo insurance coverage for Wallace Transportation during the period of January 24, 2001. If so, I would ask that you immediately report the claim to the cargo insurance company so that they can handle the claim that has been made.

Ms. Susan Bush
Kaytes-Cooperman Insurance
August 27, 2002
Page 2

Where matters stand from a legal point of view are that a third party complaint has been filed against Wallace Transportation, Inc., by Accura Zeisel Machinery Corp., in Docket No. DC-8477-02 of the Superior Court of New Jersey, Law Division, Special Civil Part, of Bergen County. All of this was summarized in the July 24, 2002 letter from Atlantic Risk Management, Inc. denying coverage under the liability insurance policy, with a copy of that letter being sent to Kaytes-Cooperman Insurance.

Please be in touch with me after you have investigated this matter and advise whether there is cargo insurance that would be applicable to this claim. If there is, I would ask that immediate steps be taken to provide a defense. In the meanwhile, I will touch base with counsel for the plaintiff and defendant, to see where matters stand procedurally.

Very truly yours,


Dwight L. Koerber, Jr.

DLK/sw
cc: Wallace Transportation, Inc.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-VS-

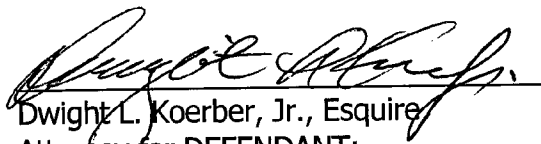
WALLACE TRANSPORTATION, INC.,
Defendant *

DOCKET NO. 02-1623-CD

CERTIFICATE OF SERVICE

This is to certify that on the 5th day of February, 2003, the undersigned served a certified copy of the foregoing ANSWER, NEW MATTER AND COUNTERCLAIM OF DEFENDANT in the above captioned matter upon counsel for Plaintiff. Such documents were served via United States First Class Mail upon the following:

John R. Keating, Esquire
VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219


Dwight L. Koerber, Jr., Esquire
Attorney for DEFENDANT:
Wallace Transportation, Inc.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA	
DOCKET NO. 02-1623-CD	
Kaytes Cooperman Insurance, Inc. also known as KCI Insurance Agency, Inc.	
vs.	
Wallace Transportation, Inc.	
ANSWER, NEW MATTER AND COUNTERCLAIM OF DEFENDANT	
<div><div><i>Law Office</i></div><div>DWIGHT L. KOERBER, JR. ATTORNEY - AT - LAW 110 NORTH SECOND STREET P. O. BOX 1320 CLEARFIELD, PENNSYLVANIA 16830</div></div>	

FILED

FEB 05 2003

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY, *
INC., *

Plaintiff

-vs-

WALLACE TRANSPORTATION, INC.,
Defendant

DOCKET NO. 02-1623-CD

Type of Pleading:
Certificate of Service

Filed on Behalf of:
Defendant:
WALLACE TRANSPORTATION, INC.

Counsel of Record for
This Party:

Dwight L. Koerber, Jr.
Pa. I.D. No. 16332

110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

FILED

FEB 18 2003

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-vs-

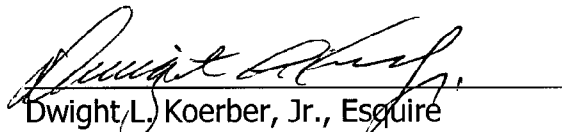
DOCKET NO. 02-1623-CD

WALLACE TRANSPORTATION, INC.,
Defendant *

CERTIFICATE OF SERVICE

This is to certify that on the 18th day of February, 2003, the undersigned served an original and two copies of the foregoing Set I Interrogatories and Request for Production of Documents Directed to Defendant in the above-captioned matter upon Counsel for Plaintiff. Such documents were served via United States First Class Mail upon the following:

John R. Keating, Esquire
VOLLMER RULONG & KEATING, P.C.
Suite 1212, The Grant Building
330 Grant Street
Pittsburgh, PA 15219


Dwight L. Koerber, Jr., Esquire
Attorney for Defendant:
Wallace Transportation, Inc.

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET NO. 02-1623-CD

Kaytes Cooperman Insurance, Inc.
also known as KCI Insurance
Agency, Inc.

vs.

Wallace Transportation, Inc.

CERTIFICATE OF SERVICE

FILED

6/23/03
FEB 18 2003

300
E. H. K. Co.
J. H. K. Co.

William A. Shaw
Firm Secretary

Law Office

DWIGHT L. KOERBER, JR.

ATTORNEY - AT-LAW

110 NORTH SECOND STREET

P. O. Box 1320

CLEARFIELD, PENNSYLVANIA 16830

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-VS-

WALLACE TRANSPORTATION, INC.,
Defendant

DOCKET NO. 02-1623-CD

Type of Pleading:
Joint Praecept to Withdraw and
Discontinue Proceeding

Filed on Behalf of Plaintiff:
Kaytes Cooperman Insurance, Inc. Also
know as KCI Insurance Agency, Inc.

Counsel of Record for This Party:
John R. Keating, Esquire
Pa. I.D. No. 52779
VOLLMER RULONG & KEATING, P.C.
Suite 1212, Grant Building
330 Grant Street
Pittsburgh, PA 15219
(412) 391-2121

Filed on Behalf of Defendant:
WALLACE TRANSPORTATION, INC.

Counsel of Record for This Party:
Dwight L. Koerber, Jr.
Pa. I.D. No. 16332
110 North Second Street
P. O. Box 1320
Clearfield, PA 16830
(814) 765-9611

16332 cc
MAR 16 2005
2 Cert. of Disc.
to Any
Keating
Prothonotary of Courts

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION**

KAYTES COOPERMAN INSURANCE, INC. *
Also known as KCI INSURANCE AGENCY,
INC., *

Plaintiff

-VS-

WALLACE TRANSPORTATION, INC.,
Defendant *

DOCKET NO. 02-1623-CD

JOINT PRAECIPE TO WITHDRAW AND DISCONTINUE PROCEEDING

TO: WILLIAM A. SHAW, PROTHONOTARY
COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
1 North Second Street
Clearfield, PA 16830

Please mark this proceeding as withdrawn and discontinued.

Respectfully submitted,

By: 

John R. Keating, Esquire

Attorney for Plaintiff:

Kaytes Cooperman Insurance, Inc., also
known as KCI Insurance Agency, Inc.

By: 

Dwight L. Koerber, Jr., Esquire

Attorney for Defendant:

Wallace Transportation, Inc.

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

Kaytes Cooperman Insurance, Inc.

Vs.

No. 2002-01623-CD

Wallace Transportation, Inc.

CERTIFICATE OF DISCONTINUATION

Commonwealth of PA
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on March 16, 2005, marked:

Withdrawn and Discontinued

Record costs in the sum of \$80.00 have been paid in full by John R. Keating, Esq.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 16th day of March A.D. 2005.

William A. Shaw, Prothonotary