



Constitutional
Casualty

Insurance for Auto, Home & Business

**Garage
Liability
Policy**

800.833.3427

www.constitutional.com

**GARAGE LIABILITY COVERAGE FORM
QUICK REFERENCE**

TC-11
(Ed. 01-06)

DECLARATIONS PAGE

Name of Insurance Company
Policy Period
Your Name and Address
Operation
Coverage and Amounts of Insurance
Employees

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CONSTITUTIONAL CASUALTY COMPANY
GARAGE LIABILITY INSURANCE

TC-11
(Ed. 01-06)

The insurance afforded is only with respect to such of the following coverages hereunder as are indicated by charges. The limit of the company's liability reference thereto.

Garage Liability	L. Bodily Injury and M. Property Damage	Limits of Liability See Schedule Combined Single Limit	Premium \$ <u>included</u>
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Garagekeepers' Legal Liability	K - 1 Fire & Explosion K - 2 Theft of the entire automobile K - 4 Collision or upset	Premium \$ <u>included</u> \$ <u>included</u> \$ <u>included</u>
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Garagekeepers' Legal Liability Each accident	Limit of Liability <u>See Schedule</u>
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I. GARAGE LIABILITY

COVERAGE L BODILY INJURY

COVERAGE M. PROPERTY DAMAGE

The company will pay on behalf of the insured all sums except for punitive or exemplary damages, which the insured shall become legally obligated to pay as damages because of

L. Bodily Injury or

M. Property Damage

to which this insurance applies, caused by an accident and arising out of garage operations, including only the automobile hazard for which insurance is afforded and the company shall have the right and duty to defend any claim or suit against the Insured seeking damages on account of such bodily injury or property damage except for punitive or exemplary damages, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply, under the Garage Liability Coverages:

- (a) to liability assumed by the insured under any contract or agreement except an incidental contract;
- (b) to bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any escalator at premises owned, rented or controlled by the named insured; but this exclusion does not apply to an escalator at the premises which the named insured owns, rents or controls only in part unless the named insured operates, maintains or controls the escalator;
- (c) to any obligation for which the insured or any carrier as his insurer may be held liable under any

- worker's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (d) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to:
- (1) any such injury arising out of and in the course of domestic employment by the insured unless benefits therefor are in whole or in part either payable or required to be provided under any worker's compensation law, or
 - (2) liability assumed by the Insured under an Incidental contract;
- (e) to bodily injury or property damage arising out of the ownership, maintenance, use, operation, loading or unloading of any:
- (1) haulaway, tank truck or tank trailer (or any vehicle used therewith) owned, hired or held for sale by the named insured and not being delivered, demonstrated or tested;
 - (2) automobile:
 - (i) while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity, or
 - (ii) while rented to others by the named insured unless to a salesman for use principally in the business of the named insured, or
 - (iii) while being used by the Insured as a public or livery conveyance or for carrying property for a charge;
 - (3) watercraft or aircraft;
- (f) to bodily Injury or property damage arising out of or occurring in the course of structural alterations, new construction or demolition operation performed for the named insured by independent contractors, or acts or omissions of the named insured in connection with his general supervision of any such operations; but this exclusion does not apply to operations of which the company has written notice within 30 days after the commencement thereof;
- (g) to property damage to:
- (1) property owned by, rented to or held for sale by the insured, or
 - (2) property in the care, custody or control of or being transported by the insured or property as to which the insured is for any purpose exercising physical control; but part (2) of this exclusion does not apply to property damage arising out of the ownership, maintenance or use at the premises of any automobile

servicing hoist designed to raise the entire automobile, or to such insurance as is afforded for the use of elevators at the premises;

- (h) to property damage to premises alienated by the named insured arising out of such premises or any part thereof,
- (i) to loss of use of tangible property which has not been physically injured or destroyed resulting from:
 - (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
 - (2) the failure of the named insured's products or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;
- (j) to property damage to any of the named insured's products if such property damage results from a condition existing in such product or any part thereof at the time possession is relinquished by the purchaser thereof;
- (k) to property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (l) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work forming a part thereof, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;
- (m) to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing, with respect to:
 - (1) liability assumed by the insured under an incidental contract, or
 - (2) expenses for first aid under the Supplementary Payments provision;
- (n) to bodily Injury or property damage for which the insured or his indemnitee may be held liable:
 - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or servicing alcoholic beverages, or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes, if such liability is imposed:
 - (i) by, or because of the violation of any statute, ordinance or regulation pertaining

to the sale, gift, distribution or use of any alcoholic beverage, or

- (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;

but part (ii) of this exclusion does not apply with respect to liability of the insured or his indemnitee as an owner or lessor described in (2) above;

- (o) to bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

II. GARAGEKEEPERS' LEGAL LIABILITY

COVERAGE K-1-FIRE AND EXPLOSION

COVERAGE K-2-THEFT OF THE ENTIRE AUTOMOBILE

COVERAGE K-4-COLLISION OR UPSET

The company will pay on behalf of the insured all sums that the insured shall become legally obligated to pay as damages because of:

K-1. loss to an automobile caused by fire or explosion other than explosion of tires;

K-2. loss to an automobile caused by theft of the entire automobile;

K-4. loss to an automobile or other property of a kind customarily left in charge of a garage caused by collision of the automobile or such property with another object or by upset thereof; occurring while such automobile or other property is in the custody of the insured for safekeeping, storage, service, or repair;

(1) at a location stated in this schedule or while temporarily removed therefrom in the ordinary course of the insured's business, or

(2) away from the premises if the insured is attending such automobile or property; and the company shall have the right and duty to defend any suit against the insured seeking damages on account of such loss, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the company shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the company's liability has been exhausted by payment of judgments or settlements.

The deductible amount stated in the schedule as applicable hereto shall be deducted from the total amount of all sums which the insured shall become legally obligated to pay as damages because of each loss, and

the limit of the company's liability shall be the difference between such deductible amount and the limit of liability stated in the schedule;

The Supplementary Payments provisions of the policy are applicable to the insurance afforded for Garagekeepers' Legal Liability, except the provisions with respect to the cost of bail bonds and expenses for first aid.

Exclusions

This insurance does not apply, under the Garagekeepers' Legal Liability Coverages:

- (a) to liability of the Insured under any agreement to be responsible for loss;
- (b) to an automobile or other property:
 - (1) owned by or rented to
 - (i) the named insured or a partner therein or a member thereof, or the spouse of any one of them if a resident of the same household,
 - (ii) an employee of the named insured or his spouse if a resident of the same household, unless the automobile or other property is in the custody of the named insured under an agreement for which a specific pecuniary charge has been made, or
 - (2) in the custody of the named Insured for demonstration or sale;
- (c) to loss by theft due to any fraudulent, dishonest or criminal act by the named insured, a partner therein, a member thereof or employee, trustee or authorized representative thereof, whether working or otherwise and whether acting alone or in collusion with others;
- (d) to loss arising out of the use of any elevator, or any automobile servicing hoist designed to raise an entire automobile;
- (e) to defective parts, accessories or materials furnished or to faulty work performed on an automobile, out of which loss arises;
- (f) to an automobile or other property while the automobile is being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity;
- (g) to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (h) to loss due to radioactive contamination;
- (i) to damages for loss of use of an automobile.

III. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- A. under the Garage Bodily Injury and Property Damage Liability Coverages:
 - (1) the named insured;
 - (2) with respect to garage operations other than the automobile hazard:
 - (a) any employee, director or stockholder of the

named insured while acting within the scope of his/her duties as such;

- (b) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he/she is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
 - (c) if the named insured is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such;
 - (d) any person or organization having a financial interest in the garage operations of the named insured;
- (3) with respect to the automobile hazard:
- (a) any person while using, with the permission of the named insured, any automobile to which the insurance applies under the automobile hazard, provided his actual operation or (if he/she is not operating) his other actual use thereof is within the scope of such permission, but with respect to bodily injury or property damage arising out of the loading or unloading of an automobile, such person shall be an insured only if he/she is
 - (i) a borrower of the automobile, or
 - (ii) a partner, member or employee of the named insured or of such a borrower;
 - (b) any other person or organization but only with respect to his or its ability liability because of acts or omissions of the named insured or an insured under (a) above.

None of the following is an insured:

- (a) any person while engaged in the business of his employer with respect to bodily injury or to any fellow employee of such person injured in the course of his employment;
- (b) any person or organization, other than the named insured or its directors, stockholders, partners, members or employees while acting within the scope of their duties as such, with respect to operations performed by independent contractors for the named insured;
- (c) any person or organization, other than the named insured, with respect to any automobile:
 - (i) owned by such person or organization or by a member (other than the named insured) of the same household, or
 - (ii) procession of which has been transferred to another by the named insured pursuant to an agreement of sale;
- (d) any partner, member or employee of the named insured or the spouse of such person, with respect to property damage to property owned by, rented to or held for sale by the named insured, or property in the care, custody or

control of or transported by the named insured.

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a named Insured.

B. under the Garagekeeper's' Legal Liability Coverages:

- (1) the named insured;
- (2) if the named insured is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he/she is the sole proprietor, and the spouse of the named insured with respect to the conduct of such a business;
- (3) any employee, director or stockholder of the named insured while acting within the scope of his duties as such; and
- (4) if the named insured is designated in the declarations as a partnership or joint venture, any partner or member thereof but only with respect to his liability as such.

IV. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons or organizations who sustain bodily injury, property damage, or loss, (3) claims made or suits brought on account of bodily injury, property damage, or loss, or (4) automobiles to which this policy applies, the company's liability is limited as follows:

Coverage L. Bodily Injury - The limit of bodily injury liability stated in the schedule is the limit of the company's liability for all damages, including damages for care and loss of services, because of bodily injury sustained by one or more persons as the result of any one accident shall not exceed the limit of liability stated in the schedule.

Coverage M. Property Damage - The total limit of the Company for all damages because of all property damage sustained by one or more persons or organizations as the result of any one accident shall not exceed the limit of liability stated in the schedule.

Combined Single Limit Coverages L and M - Regardless of the number of insureds, persons injured, claims made or suits brought on account of bodily injury or property damage, vehicles stated in the declarations, or vehicles involved in the accident, if the limit of liability is stated in the declarations as a Combined Single Limit, the total limit of liability for bodily injury and property damage taken together arising out of one accident shall be the amount stated in the declarations.

Coverage K1, K2, and K4 - Subject to the application of the deductible, the limit of the company's liability for loss shall be the limit of liability stated in the schedule as applicable thereto. All of the terms of this policy apply irrespective of the application of any deductible amount and the company may pay any part or all of the deductible amount to effect settlement of any claims or suit and, upon

notification of the action taken, the named insured shall promptly reimburse the company for such part of the deductible amount as has been paid by the company.

Repairs by the named insured shall be adjusted at actual cost to the named insured for labor and materials.

INSURED'S DUTIES IN THE EVENT OF LOSS

The insured's duties in event of loss under this coverage shall be the same as provided in the Policy Conditions with respect to an occurrence, claim, or suit. In the event of a theft or larceny, the insured shall also promptly notify the police.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"automobile" means a land motor vehicle or trailer, other land equipment capable of moving under its own power, equipment for use therewith, and animal drawn equipment;

"automobile hazard" means the use in connection with garage operations of any automobile that is neither owned nor hired by any insured, the named insured, a partner therein or a member thereof or a member of the same household as any such person;

"garage" means an automobile sales agency, repair shop, service station, storage facility or public parking place;

"garage operations" means the ownership, maintenance or use of the premises for the purposes of a garage and all operations necessary or incidental thereto;

"loss" means direct and accidental loss of or damage to property that occurs during the policy period;

"premises" means the premises where the named insured conducts garage operations, and includes the ways immediately adjoining, but does not include any portion of such premises upon which business operations are conducted by any other person or organization.

"incidental contract" means a lease of premises, an easement, a sidetrack agreement, or an elevator maintenance agreement.

"named insured's products" means the goods or products made or sold while engaging in "garage operations".

"work" means repairs to or products installed on an automobile.

