

PHOENIX INDEMNITY COMPANY

New York, N. Y.

(A Capital Stock Insurance Company Herein Called the Company)

Does Hereby Agree with the insured, named in the declarations made a part hereof, in consideration of the payment of the premium and of the statements contained in the declarations and subject to the limits of liability, exclusions, conditions and other terms of this policy:

Insuring Agreements

I. Coverage A — Bodily Injury Liability

To pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of the liability imposed upon him by law for damages, including damages for care and loss of services, because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons, caused by accident and arising out of the ownership, maintenance or use of the automobile.

Coverage B — Property Damage Liability

To pay on behalf of the insured all sums which the insured shall become obligated to pay by reason of the liability imposed upon him by law for damages because of injury to or destruction of property, including the loss of use thereof, caused by accident and arising out of the ownership, maintenance or use of the automobile.

II. Defense, Settlement, Supplementary Payments. It is further agreed that as respects insurance afforded by this policy the company shall

- (a) defend in his name and behalf any suit against the insured alleging such injury or destruction and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but the company shall have the right to make such investigation, negotiation and settlement of any claim or suit as may be deemed expedient by the company;
- (b) pay all premiums on bonds to release attachments for an amount not in excess of the applicable limit of liability of this policy, all premiums on appeal bonds required in any such defended suit, but without any obligation to apply for or furnish such bonds, all costs taxed against the insured in any such suit, all expenses incurred by the company, all interest accruing after entry of judgment until the company has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the company's liability thereon, and expenses incurred by the insured, in the event of bodily injury, for such immediate medical and surgical relief to others as shall be imperative at the time of accident.

The company agrees to pay the amounts incurred under divisions (a) and (b) of this section in addition to the applicable limit of liability of this policy.

III. Definition of "Insured." The unqualified word "insured" wherever used includes not only the named insured but also any person while using the automobile and any person or organization legally responsible for the use thereof, provided the declared and actual use of the automobile is "pleasure and business" or "commercial", each as defined

herein, and provided further the actual use is with the permission of the named insured. The provisions of this paragraph do not apply:

- (a) to any person or organization with respect to bodily injury to or death of any person who is a named insured;
- (b) to any person or organization, or to any agent or employee thereof, operating an automobile repair shop, public garage, sales agency, service station, or public parking place, with respect to any accident arising out of the operation thereof;
- (c) to any employee of an insured with respect to any action brought against said employee because of bodily injury to or death of another employee of the same insured injured in the course of such employment in an accident arising out of the maintenance or use of the automobile in the business of such insured.

IV. Automatic Insurance for Newly Acquired Automobiles.

If the named insured who is the owner of the automobile acquires ownership of another automobile, such insurance as is afforded by this policy applies also to such other automobile as of the date of its delivery to him: (a) if it replaces an automobile described in this policy, and if it may be classified for the purpose of use stated in this policy, but only to the extent the insurance is applicable to the replaced automobile, and (b) if it does not replace an automobile described in this policy, and if it is used for pleasure purposes or in the business of the named insured as stated in the declarations, and if the company insures all automobiles owned by the named insured at the date of such delivery, but only to the extent the insurance is applicable to all such previously owned automobiles. The insurance afforded by this policy terminates upon the replaced automobile at the date of such delivery. The provisions of this paragraph do not apply (a) to any loss against which the named insured has other valid and collectible insurance, or (b) unless the named insured notifies the company within ten days following the date of delivery of such other automobile, or (c) except during the policy period, but if the date of delivery of such other automobile is prior to the effective date of this policy the insurance applies as of the effective date of this policy, or (d) unless the named insured pays any additional premium required because of the application of this insurance to such other automobile.

V. Policy Period, Territory, Purposes of Use. This policy applies only to accidents which occur during the policy period, while the automobile is within the United States of America, Canada, Hawaii, or Newfoundland, or while on a vessel between ports within said territory, and is owned, maintained and used for the purposes stated as applicable thereto in the declarations.

Exclusions

This policy does not apply:

- (a) while the automobile is used in the business of demonstrating or testing, or as a public or livery conveyance, or for carrying persons for a charge, unless such use is specifically declared and described in this policy and premium charged therefor;
- (b) while the automobile is used for the towing of any trailer not covered by like insurance in the company; or while any trailer covered by this policy is used with any automobile not covered by like insurance in the company;
- (c) while the automobile is operated by any person under the age of fourteen years, or by any person in violation of any state, federal or provincial law as to age applicable to such person or to his occupation, or by any person in any prearranged race or competitive speed test;
- (d) to liability assumed by the insured under any contract or agreement;

- (e) except as stated in Condition 7, to any accident which occurs after the transfer during the policy period of the interest of the named insured in the automobile, without the written consent of the company;
- (f) under Coverage A, to bodily injury to or death of any employee of the insured while engaged in the business, other than domestic employment, of the insured, or while engaged in the operation, maintenance or repair of the automobile; or to any obligation for which the insured may be held liable under any workmen's compensation law;
- (g) under Coverage A, to bodily injury to or death of any person from an accident while such person is in the automobile, the declared use of which is "commercial", if more than eight persons are then in the automobile and it is being used for purposes other than the business of the named insured;
- (h) under Coverage B, to property owned by, rented to, leased to, in charge of, or transported by the insured.