



Contract Coversheet

RUSH

Contract: C2301440
Amendment: N/A

Supplier Sanitary Service Co	Department Public Works	Originator Mary Newby	
Classification Services Agreement	Project Name 2nd Mod to Amended & Restated Residential Solid W	Project Manager Sean O'Neill	
Original Amount \$0.00	Maximum Amount	Total Amendment Change	Current Amendment Amount
Type NF - Non-Financial	Structure ST - Standard	Agreement Type NONFIN - Non-Financial Contract	
Termination Date 12/31/2044	Amended Termination Date	Compliance Type Insurance Certificate Attached	
Retainage %	Retainage Comments		
Renewal Date	Renewal Notes		
Legacy Contract 1989-0016G			

Additional Contract Notes:

Sanitary Service Company - 1989-0016 - Residential Solid Waste and Curbside Collection of Recyclables

Contacts:

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**SECOND MODIFICATION TO AMENDED AND RESTATED SERVICES AGREEMENT
RESIDENTIAL SOLID WASTE AND CURBSIDE COLLECTION OF RECYCLEABLES
CONTRACT # 1989-0016F**

The **CITY OF BELLINGHAM**, a first class municipal corporation of the State of Washington (hereinafter the "City"), and **SANITARY SERVICE COMPANY** (hereinafter the "SSC"), in consideration of the mutual covenants herein, agree as follows:

1. **EXISTING AGREEMENT MODIFIED:** The City and the SSC entered into the Agreement, dated 02-15-89, subsequently amended six times, the last of which is City Contract Number 1989-0016F, all of which are incorporated herein by this reference (hereinafter the "Agreement"). The parties hereby modify that Agreement.
2. **MODIFICATIONS TO EXISTING AGREEMENT:** The Agreement is modified in the following respects:

2.1 Section 1 is hereby replaced with the following:

In accordance with the terms and provisions of this Agreement, the Contractor shall provide the City with a complete collection service for all residential solid waste, recyclable, and organic materials in the City and shall furnish all skill, labor, equipment, materials, billing, facilities, transportation facilities and related services required, therefore. Section 9.12.040(B) of the Bellingham Municipal Code mandates use of the solid waste collection service by all residential units. Such service shall include the items contained in Exhibit A, attached hereto, and incorporated herein by this reference, along with all the supervision, materials, labor, and all other items necessary to provide the services and operations detailed herein, including but not limited to collection of compostables from residential solid waste customers.

The Contractor shall be solely responsible for funding education and outreach for its customers pertaining to existing and future solid waste regulations and in accordance with the City's goals for waste diversion. The Contractor shall partner with stakeholders of shared business and community interests to ensure consistent messaging and effectiveness. Consumer education and outreach efforts shall consist of (at minimum) a combination of printed, in person, and technologically up to date

digital experiences, such as infographics, interactive quizzes and data visualizations, interactive materials. All educational material shall be accessible to all City residents. Outreach efforts shall be broad enough to educate all consumers about current waste management practices pursuant to this Agreement. In addition, supplemental outreach shall be made to consumers who demonstrate non-compliance with solid waste regulations and contribute to recycling contamination. The Contractor shall develop and maintain a digital help desk where consumers can inquire about available services and upcoming changes to waste collection services and procedures. The city reserves the right to request review of any and all education and outreach material developed by the Contractor prior to publishing. The effectiveness of Contractor's education and outreach must be measurable and align with the City's goal of achieving a residential recycling rate of thirty-five percent (35%) or greater, as detailed in the City's Climate Protection Action Plan ("Climate Action Plan"). The Contractor shall include Education and Outreach data in quarterly reports submitted to the City pursuant to Section 6 of Exhibit A.

The Contractor shall maintain an office and telephone service from 8:00 a.m. to 5:00 p.m. on regular collection days, through which the City and residents of the City may contact the Contractor on any matters which relate to the performance of its services under this Agreement. Cost for this required education and outreach shall be consistently budgeted to meet the City's goals, as detailed in the Climate Action Plan, as amended from time to time and other City documents.

2.2 Section 2 is hereby replaced with the following:

Term. This agreement shall terminate on December 31, 2044, unless it is sooner terminated in accordance with the provisions of this Agreement or extended by mutual written agreement

2.3 Section 4.1 is hereby replaced with the following:

The parties shall annually review rates charged to all customers for solid waste and recycling collection. Rates charged for solid waste and recycling collection by the Contractor shall be based upon changes from the "base

financial operating ratio” of the Contractor. The “base financial operating ratio” for purposes of this Agreement, shall be ninety-four (94%) percent. The Contractor’s “operating ratio” shall be calculated annually by dividing total gross expenditures for the prior year by total gross receipts including revenues from the sale of recyclable and organic materials, the quotient of which shall represent the operating ratio. This ratio and forecasted revenues and expenses will be evaluated when considering increased or decreased rate proposals for the ensuing year to restore and maintain the Contractor at the base financial operating ratio of 94%. The term “restore and maintain” shall mean that the revenue requirement for the ensuing year shall be adjusted as necessary to ensure that the Contractor receives, for the preceding twelve-month period, no more or less than a six (6%) percent operating margin based on actual expenses (as herein reviewed and approved by the City) in providing the service required under the Agreement. The Contractor shall submit on or before March 1 of each year the calculation of the operating ratio based on the prior year’s data and all supporting financial documentation. Documentation shall include, but not be limited to: audited financial statements, calculation of operating margin for the current year and two preceding years, forecasted revenues and expenses for the subsequent year, and any proposed rate adjustments. For purposes of calculating the operating ratio under this Agreement the terms used shall be as defined in the regulation of garbage and refuse collection by the Washington State Utilities and Transportation Commission under Chapter 81.77 RCW and regulations adopted pursuant thereto; provided, however, that interest shall be allowed as a known and measurable expense.

2.4 Section 4.2 is hereby deleted in its entirety.

2.5 Section 12.1 is hereby replaced with the following:

The Contractor shall provide to each residential unit curbside collection of recyclable materials placed in containers provided by the Contractor and in accordance with the cities direction to adopt single stream recycling. Collection

of recyclable material shall be performed at least bi-weekly on the same day as solid waste collection service. Containers shall be placed by residents at the specified curbside location by 6:30 a.m. on the designated collection day. Use of and participation in the collection service for recyclable material shall be voluntary on the part of residential units.

- 2.6 The following definition is added to Section 2 of Exhibit A:

2.15 Organic Materials – Food scraps, food-soiled papers, yard waste, and Contractor-approved compostable packaging, a description of which shall be available on Contractor's website.

- 2.7 Section 3.01 of Exhibit A is hereby replaced with the following:

Contractor shall provide curbside residential solid waste collection to each residential unit within the service area. Three collection frequency options shall be available to customers: biweekly, weekly, and monthly. Containers, bags, and bundles shall be placed at curbside by 6:30 a.m. on the designated collection day. Section 9. 12.040(8) of the Bellingham Municipal Code mandates use of the solid waste collection service which includes landfill, recyclables, and organic materials by all residential units as defined herein. Residences of two, three, or four single-family dwelling units on one lot or parcel, in one building or separate buildings shall have the right to petition the city for alternative waste, recycle, and compost containers generally reserved for commercial or multi-family customers. If accommodations are granted to these single-family dwellings, they will still be considered residential customers.

- 2.8 Section 5.3 is hereby replaced with the following:

Except when the release was caused by the Contractor's gross negligence, the City shall hold the Contractor harmless and indemnify it against any and all liabilities, obligations, demands, judgments, causes of action, costs and/or

expenses including attorneys' fees relating to or arising from the collection, transportation, treatment, transfer, processing or disposal of any solid wastes at any treatment, processing, transfer, composting and/or disposal site(s) designated by the City, so long as Contractor disposed of such waste at the site(s) designated by the City herein.

2.9 Section 6 of Exhibit A is hereby replaced with the following:

REPORTING

The Contractor shall submit reports to the City documenting the following data, on a quarterly basis and when additionally requested by the City:

1. Weights and/or volumes by material of total solid waste, recyclable materials and organic material collected.
2. Percentages of material diverted from landfill disposal from residential units in the recycling and organic collection service.
3. Weighted average price per ton received for marketed recyclable materials.
4. A summary of educational outreach and expenditures required in Section 1 of the Agreement, including, but not limited to, frequency and type of education and outreach provided, total number and percentage of customers reached, current residential recycling percentage, total number, and count by type of inquiries, to the help desk and any recommended changes/additions to the education and outreach efforts.
5. Additional conditions worthy of note or attention.
6. Number, type and location of customer complaints requiring managerial involvement for resolution.

Quarterly reports shall be submitted to the City within thirty (30) days following the end of each quarter of the calendar year.

3. **TERMS AND CONDITIONS OF EXISTING AGREEMENT REMAIN THE SAME:** The parties agree that, except as specifically provided in this modification, the terms and conditions of the Agreement continue in full force and effect.

EXECUTED, this the 14th day of NOVEMBER, 2023, for **SANITARY SERVICE COMPANY:**



Authorized Signature

PAUL A. RAZORE, President
Printed Name and Title


EXECUTED, this the 20 day of November, 2023, for the **CITY OF BELLINGHAM:**


Mayor

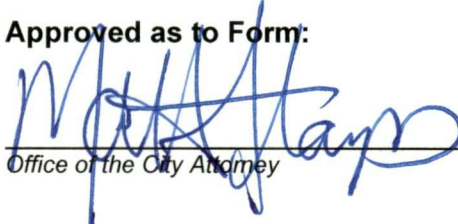
Departmental Approval:

 for Eric Johnston
Department Head

Attest:


Finance Director

Approved as to Form:


Office of the City Attorney



SANISER-01

SALBRIGHT

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hub International Northwest LLC PO Box 3018 Bothell, WA 98041	CONTACT NAME:		
	PHONE (A/C, No, Ext): (425) 489-4500	FAX (A/C, No): (425) 485-8489	
	E-MAIL ADDRESS: now.info@hubinternational.com		
INSURED Sanitary Service Company Inc. PO Box 1702 Bellingham, WA 98227	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Alaska National Insurance Company		38733
	INSURER B: SiriusPoint Specialty Insurance Corporation		16820
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	23IPS09232	9/1/2023	9/1/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 EMPLOYERS LIAB \$ 1,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	23IAS09232	9/1/2023	9/1/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			23ILU09232	9/1/2023	9/1/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	23IPS09232	9/1/2023	9/1/2024	PER STATUTE <input checked="" type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Pollution			PLLP-D0001117 00	9/1/2023	9/1/2026	\$3M OCC/6M AGG; DED 25,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Whatcom County is included as Additional Insured per forms attached. Coverage is Primary and Non-Contributory. Waiver of Subrogation applies.

Re: Solid waste drop box facilities at Cedarville and Birch Bay landfills

Re: Beach Litter Can Collection Contract

CERTIFICATE HOLDER

CANCELLATION

Whatcom County
311 Grand Ave
Bellingham, WA 98225

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Bill Bates

BLANKET ADDITIONAL INSURED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (herein referred to as an additional insured), but only if you are required to add that person or organization as an insured to this policy by a written contract that is in effect prior to the "bodily injury", "property damage", or "personal and advertising injury".

The insurance provided to the additional insured is limited as follows:

1. That person or organization is only an additional insured for its vicarious liability for your acts or omissions in the performance of "your work".
2. The insurance provided to the additional insured does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services including:
 - a. the preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, design or specifications; and
 - b. supervisory, inspection, or engineering services.

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. **The information below is required only when this endorsement is issued subsequent to commencement of the policy.**

Endorsement Effective

Policy No.

Insured

Endorsement No. 19

Countersigned By _____

COMMERCIAL GENERAL LIABILITY COVERAGE ENHANCEMENT ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Various provisions in this endorsement 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 V – DEFINITIONS** in the Commercial General Liability Coverage Form.

The coverages provided by this endorsement apply per "occurrence" and, unless otherwise specified, are subject to all of the terms, conditions, exclusions and deductible provisions of the policy, to which it is attached.

NON-OWNED WATERCRAFT AMENDMENT

- A. If endorsement **CG 21 09**, **CG 21 10**, **CG 24 50**, or **CG 24 51** is attached to the policy, Paragraph **A. 2. g. (2) (b)** is replaced by the following:

(b) A watercraft that you do not own that is:

- (i) Less than 50 feet long; and
- (ii) Not being used to carry persons or property for a charge.

- B. If Paragraph A. does not apply, Paragraph **g. (2) of 2. EXCLUSION** under **SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

(2) A watercraft that you do not own that is:

- (a) Less than 50 feet long; and

- (b) Not being used to carry persons or property for a charge.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B, Paragraph 1.b. is replaced by the following:

- b. Up to \$10,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B, Paragraph 1.d. is replaced by the following:

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or suit, including actual loss of earnings up to \$500 a day because of time off from work.

SECTION II – WHO IS AN INSURED, paragraph 2.e. is added as follows:

- e. Any person(s) or organization(s) (referred to throughout this coverage form as vendor) for whom you have agreed in writing to provide insurance such as is afforded by this coverage form but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

However:

- (1) The insurance afforded to such vendor only applies to the extent permitted by law; and

- (2) If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

With respect to the insurance afforded to these vendors, the following additional exclusions apply:

The insurance afforded the vendor does not apply to:

- a. "Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement;
- b. Any express warranty unauthorized by you;
- c. Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Sub-paragraphs d. or f.; or
- (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

SECTION II – WHO IS AN INSURED, paragraph 2.f. is added as follows:

- f. Any person(s) or organization(s) for whom you have agreed in writing to provide insurance as is afforded by this coverage form but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you by such person(s) or organization(s).

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person(s) or organization(s).

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) The coverage to the additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

SECTION III – LIMITS OF INSURANCE, Paragraph 6. Is replaced by the following:

6. Subject to Paragraph 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

If a limit is shown for Damage to Premises Rented to You the most we will pay under Coverage A for damages because of "property damage" to any one premises is the Limit shown in the Declarations or \$500,000, whichever is greater.

SECTION III – LIMITS OF INSURANCE, Paragraph 7. Is replaced by the following:

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

If a limit is shown for Medical Expense in the Declarations the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person is the Limit shown in the Declarations or \$15,000, whichever is greater.

SECTION III – LIMITS OF INSURANCE, the following is added:

With respect to the insurance afforded to the insureds described in Paragraphs 2.e. and 2.f. of **Section II – Who Is An Insured**, if coverage provided to such insured is required by a contract or agreement, the most we will pay on behalf of such insured is the amount of insurance:

- (1) Required by the contract or agreement;
or
- (2) Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This provision shall not increase the applicable Limits of Insurance shown in the Declaration.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS – Paragraph 4. – Other Insurance is amended to add:

d. Primary and Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

This Paragraph d. supersedes any provision to the contrary in Paragraphs a. through c. above.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS – Paragraph 6. – Representations is replaced by the following:

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information you provided to us which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable laws and regulations.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS – is amended to add Paragraph 10.

10. Blanket Waiver of Transfer of Rights of Recovery Against Others

We waive any right of recovery we may have against any person or organization as required in a written contract because of payments we make for injury or damage arising out of "your work" done under a written contract.

The waiver applies only to the person or organization required by written contract and then only if the contract requires you to obtain this agreement from us.

SECTION V – DEFINITIONS – Paragraph 3. – **"Bodily Injury"** is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person including death or mental anguish resulting from any of these. Mental anguish means any type of mental or emotional illness or disease

This endorsement changes the policy to which it is attached and, unless otherwise stated, is effective on the date issued at 12:01 A.M. standard time at your mailing address shown in the policy. **The information below is required only when this endorsement is issued subsequent to commencement of the policy.**

Endorsement Effective

Policy No.

Insured

Endorsement No. 19

Countersigned By _____

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BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Various provisions in this endorsement 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 V – DEFINITIONS** in the Business Auto Coverage Form.

The coverages provided by this endorsement apply per "accident" and, unless otherwise specified, are subject to all of the terms, conditions, exclusions and deductible provisions of the policy, to which it is attached.

SECTION II – COVERED AUTO LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured is amended to include:

- d. Any "employee" of yours while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- e. Any person or organization for whom you have agreed in writing to provide insurance such as is afforded by this Coverage Form, but only with respect to liability arising out of the ownership, maintenance or use of "autos" covered by this policy. **If such person or organization has other insurance then this insurance is primary to and we will not seek contribution from the other insurance.**

SECTION IV – Business Auto Conditions, Paragraph A. 5. – **Transfer of Rights of Recovery Against Others To Us** is amended to include:

5. Transfer of Rights of Recovery Against Others to Us

This condition does not apply to any person(s) or organization(s) to the extent that

subrogation against that person or organization is waived prior to the "accident" or the "loss" under a contract with that person or organization.

SECTION II – COVERED AUTO LIABILITY COVERAGE, Paragraph A.2.a. (2) – **Supplementary Payments** is replaced by the following:

- (2) Up to \$10,000 for 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.

SECTION II – COVERED AUTO LIABILITY COVERAGE, Paragraph A.2.a. (4) – **Supplementary Payments** is replaced by the following:

- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

SECTION II – COVERED AUTO LIABILITY COVERAGE, Paragraph A.2.c. – **Voluntary Property Damage** is added as follows:

c. Voluntary Property Damage

At your written request, we may make a voluntary payment for Property Damage caused by an "insured", but without liability to a third party, up to \$25,000. We will not make a Voluntary Property Damage payment to anyone who is an "insured" under this policy.

SECTION III – PHYSICAL DAMAGE COVERAGE, Paragraph A.2. – **Towing** is replaced by the following:

Towing

We will pay up to \$500 for towing and labor costs incurred each time a covered "auto" that is a:

- a. Private passenger;