

Premium And Reports Agreement – Composite Rated Policies

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:
Commercial General Liability Coverage Part
Products/Completed Operations Liability Coverage Part

Schedule

1. Unit of Exposure (Check One):

- per 1000 gallons
 per licensed "auto"
 per \$1,000 gross sales
 per \$1,000 payroll
 per other: \$1,000 OF SALES

| 2. Coverage Unit of Exposure | Rate(s) | Estimated Premium(s) |
|------------------------------|---------|----------------------|
| \$110,000,000 | 1.45 | \$159,500 |

3. Deposit Premium:

4. Minimum Premium: 90%

Condition 5, Premium Audit, of Section IV, Commercial General Liability Conditions, is replaced by the following:

5. Premium Audit

- a. We will compute all premiums for this Coverage Part according to our rules and the composite rates shown in the Schedule above or attached hereto.
- b. For policies other than Annual Reporting, the deposit premium shown in the Schedule is due and payable on the first day of the policy period. The first Named Insured will pay, within 20 days following the mailing or delivery of the statement of audited premium for each audit period, the earned premium due.
- c. Within 180 days after this Coverage Part expires we will conduct an audit, which may not be waived. We will compute the earned premium for the policy period by multiplying the composite rate against the total developed exposure. If the earned premium is greater than the sum of the deposit and any interim adjustment premiums, the first Named Insured will pay us the excess; if less, we will return the unearned portion to the first Named Insured. However, the earned premium will not be less than the greater of the 90% of the estimated annual premium or the Minimum Premium shown in the Schedule.
- d. The first Named Insured must maintain records of the information we need for premium computation and send us copies at such times as we may request.

e. The units of exposure shown in the Schedule are defined as follows:

- 1) **Gallons** means the total number of gallons of liquefied petroleum gasses invoiced on any basis to any customer, whether or not the insured actually takes possession of such gasses.
- 2) **Gross sales** means gross sales invoiced, before discounts, but does not include taxes collected for any governmental unit.
- 3) **Licensed "auto"** means the final average of the number of "autos" at policy inception and the number of "autos" at policy termination.
- 4) **Other** means the unit of exposure defined in the Unit of Exposure endorsement attached to this policy.
- 5) **Payroll** means total remuneration for all "employees" of the insured as defined in our rating manuals.