



LESSOR GUARD

LESSOR INSURANCE COVERAGE

As the lessor and owner of a leased vehicle, the lessor could be joined as an additional defendant in legal action even if the lessee involved in an accident has maintained liability insurance as required by the terms and conditions of the lease.

Lessee has
at fault accident

Third party
sustains injuries

Plaintiff attorney
sues lessor

WE OFFER TWO TYPES OF COVERAGE:

1. LESSOR CONTINGENT DEFENSE INSURANCE – We will defend you, the Lessor, in the event you are named in a lawsuit regarding your vehicle leasing operation subject to your compliance with the policy conditions listed below. As a general rule, lessors are not liable to third parties for the negligent acts of lessees. However in the U.S. court system, anyone can sue you at any time, for any reason. The lessor contingent defense insurance will defend you with policy limits of \$250,000, \$500,000 or \$1 Million Limits and contains a \$500 deductible.

2. LESSOR CONTINGENT LIABILITY INSURANCE – In addition to defense cost, contingent liability insurance will protect you in the event that you are found liable as the owner of a lease vehicle. Lessors Contingent Liability includes Defense Insurance and protects your interest as lessor if, for reasons beyond your control or knowledge, the insurance provided by the lessee is not the insurance required by the lease agreement, is not present or if the lessee's collectible liability limits have been exhausted. If you are found to be liable or negligent we will pay the claim up to your policy limits.

Lawsuit



WE DEFEND YOU IN COURT

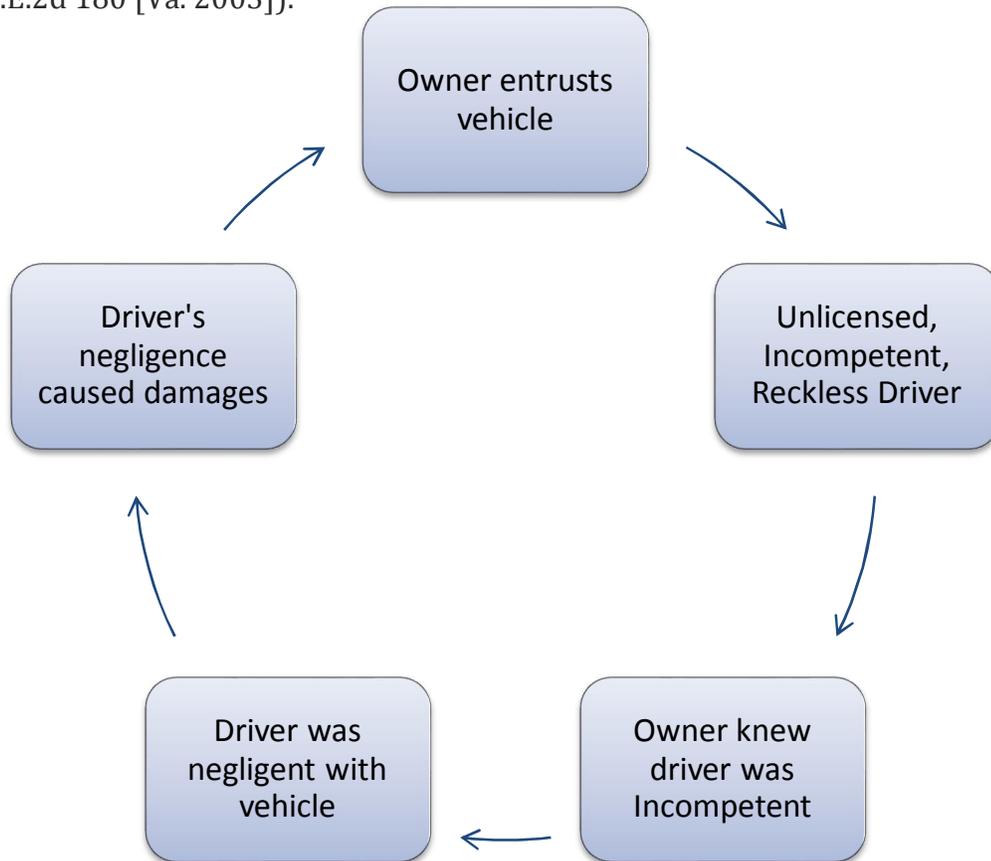
WHAT IS NEGLIGENT ENTRUSTMENT?

A good definition of negligent entrustment is:

The act of leaving an object, such as an automobile, with another whom the lender knows or should know could use the object to harm others due to such factors as youth or inexperience.

Negligent entrustment claims arise when an unlicensed, incompetent, or reckless driver causes damages while driving a motor vehicle owned by someone else. A party injured by such a driver must generally prove five components of this TORT: (1) that the owner entrusted the vehicle to the driver; (2) that the driver was unlicensed, incompetent, or reckless; (3) that the owner knew or should have known that the driver was unlicensed, incompetent, or reckless; (4) that the driver was negligent in the operation of the vehicle; and (5) that the driver's Negligence resulted in damages (*Amaya v. Potter*, 94 S.W.3d 856 [Tex. App. 2002]).

If a plaintiff proves these elements, an owner may be liable for the full amount of damages caused by the driver. In some instances, the plaintiff may also recover Punitive Damages from the owner, particularly if the owner himself acted recklessly in entrusting the vehicle to the driver (*Allstate Ins. Co. v. Wade*, 579 S.E.2d 180 [Va. 2003]).



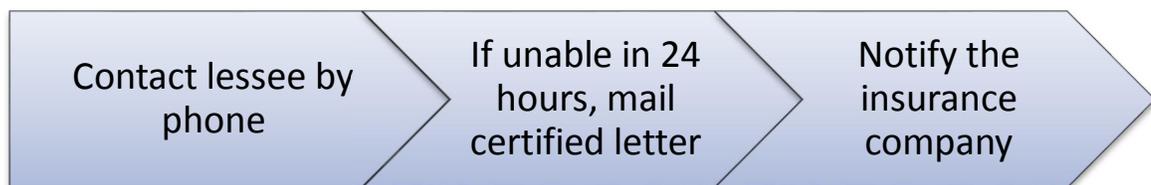
**OUR POLICY INCLUDES COVERAGE FOR
NEGLIGENT ENTRUSTMENT**

MANDATORY POLICY COVERAGE CONDITIONS

At lease inception, you are required to obtain documentation that the lessee has an insurance policy in force on or before delivery of the leased auto with primary liability limits of not less than Statutory Liability Limits for bodily injury and property damage to others. The lessee's insurance company must name you as Additional Insured; and the lessee's insurance company must provide you with at least a 10-day notice of cancellation.

Upon receipt of cancellation or non-renewal from the lessee's insurance company, you shall:

- a) *Contact the lessee by phone to advise the lessee of the insurance requirements under the lease agreement.*
- b) *If unable to contact by phone within 24 hours of receipt of the notice, send a letter to the lessee via certified mail.*
- c) *If unable to regain possession of the vehicle, notify the insurance company by fax.*
- d) *Take all reasonable and necessary steps to ensure that the lessee's automobile liability insurance is maintained throughout the duration of the "lease period".*



Policies are written on an annual basis and reported by monthly self-audit forms. In order to receive an insurance proposal, you must complete the Kaliff Insurance Contingent Application and return by fax or email to our office along with a copy of your lease contract. We offer discounts as follows:

DISCOUNTS AVAILABLE

Discount	Self-Insured Retention
25%	\$5,000
40%	\$10,000
50%	\$25,000
20%	Outsource the Insurance Tracking to an Independent Tracking Company
10%	Use a starter interrupt, GPS or payment reminder device on every leased vehicle

SELF-INSURED RETENTION

A self-insured retention (SIR) is a portion of each insurance claim that is not insured by the policy and requires the insured to pay before insurance becomes effective. For example, if there is a \$10,000 self-insured retention on a \$1,000,000 general liability policy, the insured must pay the first \$10,000 of any claim before the insurer will respond.



Local
Agents
Serving
Main Street
America™

Arceri & Associates, Inc. is an independent insurance agency that's been in business for over 40 years specializing in niche market insurance programs for Mardi Gras Krewees, Car Dealerships and Contractors. We have an exclusive contract to represent Kaliff Insurance with this national program. As an independent insurance agent, our clients receive professional risk management along with award winning service.