

VEHICLE OUT OF SERVICE AGREEMENT

AGREEMENT made this _____ day of _____, 2020, by and between _____ ("Merchants"), and _____ ("You", "Your" or "Insured"), sometimes collectively referred to as "Parties."

WHEREAS, _____ Insurance Company issued a commercial automobile insurance policy to You, Policy Number _____ (the "Policy"), which is effective _____ [dates]; and

WHEREAS, "Out of Service" means that the vehicle is not operated for any purpose or used in connection with Your business in any way; and

WHEREAS, you represent that, as a result of the loss or reduction in Your business due to the COVID-19 pandemic, You have taken vehicles Out of Service; and

WHEREAS, you have requested that the Insurance Company reduce its insurance premiums for a vehicle taken Out of Service.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. As of or prior to the date of this Agreement, You have taken vehicles scheduled on the annexed Schedule A out of service.
2. To account for the vehicles being taken Out of Service, Merchants agrees to suspend coverage for Liability and Collision coverages for each vehicle taken Out of Service and pro-rate the return premium to You for the time period of the suspension, subject to a minimum suspension period of thirty (30) days and a maximum suspension of sixty (60) days. Prior to the expiration of the suspension, You may place a vehicle back into service by notifying Merchants prior to placing the vehicle back into service. From the date of Reinstatement notice going forward we will re-calculate additional premium owed by You on a pro-rata basis.
3. Failure to notify Merchants prior to placing a vehicle back into service will result in Merchants charging the full liability and/or collision coverage premiums for any such vehicle retroactively from the date the vehicle was added to Schedule A to the date the vehicle was either placed back into service or used in connection with Your business in anyway.
4. Merchants reserves the right to conduct an audit and/or request the insured to take precautionary action to confirm that the vehicles listed on Schedule A are Out of Service and/or the date that a vehicle has been placed back into service.
5. Nothing herein alters the terms, conditions, exclusions or limitations of Your policy. Placing a vehicle on Schedule A does not alter Other than Collision (aka Comprehensive) Coverage in any way. Physical damage coverage may be deleted for specific vehicles only upon separate request and subject to the consent of any loss payees.
6. Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

AGREED AND ACCEPTED:

INSURED

(Insurance Company) a member of

By: _____

By: _____

Date: _____

Date: _____

SCHEDULE A