

Hired & Non-Owned Auto Coverage (HNOA)
Mandatory Loss Control Guidelines & Special Restrictions
Applicable to Delivery Services

As a condition of the insurance provided by the policy, you agree to all of the following:

1. You agree to screen all drivers or prospective drivers who will be called upon to operate an automobile on your behalf in the course of your business. Such screening shall include the review of each "driver's" or prospective "driver's" before such prospective driver drives on your behalf; and
2. You agree that no driver or prospective driver will be allowed to operate an automobile on your behalf in the course of your business if such driver or prospective driver does not have a valid automobile driver's license in his or her home state; and
3. You must maintain proof that the driver or prospective driver has purchased an insurance policy covering the driver that shall remain in full force and effect throughout the policy period of this Policy including any renewals that occur during such policy period, but in no case less than limits of \$25,000/\$50,000;

For compliance with this Paragraph 3., any of the following are deemed acceptable proof of insurance:

- a. Insurance ID card; or
- b. Binder of insurance.

You shall obtain proof of insurance from each driver at least annually; and

4. You agree that no driver or prospective driver will be allowed to operate an automobile on your behalf in the course of your business if such driver or prospective driver has any one or more of the following citations, violations, accidents, or combinations thereof:
 - a. No more than two moving violations in twenty-four (24) months and one (1) at fault accident;
 - b. No major traffic citations or incidents in the past five (5) years or the maximum length of time the "driver's" home state allows accident and violations to remain on the motor vehicle record history, whichever is less. Major traffic citations include:
 - (1) Driving under the influence;
 - (2) Driving while impaired;
 - (3) Driving in possession of alcohol or drugs;
 - (4) Refusal to submit a blood, urine, or breath test;
 - (5) Driving with a suspended or revoked license;

- (6) Committing a felony in which a vehicle is used; including, but not limited to: vehicular manslaughter, vehicular homicide, vehicular assault, hit and run, and eluding a peace officer;
- (7) Reckless Driving;
- (8) Driving twenty-six (26) MPH or more above the posted speed limit; or
- (9) Driving in a speed contest or racing;

A driver charged with any of the foregoing major traffic citations will be suspended from driving duties until all charges have been dismissed or a judgment is entered in favor of the driver. Until such major citation is resolved, the driver may not deliver on your behalf; and

- 5. You agree that no driver or prospective driver will be allowed to operate an automobile on your behalf in the course of your business if any of the following occur:
 - a. The driver is under eighteen (18) years of age or has less than two (2) years of driving experience in the United States;
 - b. The driver carries passengers in or on the automobile during deliveries, except for during training or when assisting with a large delivery on an incidental basis;
 - c. The driver is observed driving in an unsafe manner or driving an unsafe vehicle;
 - d. The driver receives a violation for driving without current vehicle registration, a current license, or current insurance; provided, however, that if such violation is rectified within sixty (60) days of the violation, the driver may be reinstated, subject to periodic review of the "driver's" registration, license or insurance, which shall take place every three (3) months over a two (2) year probationary period. The probationary period shall begin on the date of the violation.
 - f. You agree that you shall not advertise to the buying public or instruct your drivers that the delivery must be accomplished within a specified time of receiving an order; and
 - g. You agree to be the appointed party to keep accurate records of all delivery receipts.

Compliance with the restrictions listed above may be performed by an independent contractor engaged by you pursuant to a written agreement to perform and shall constitute "due diligence" by you.

I have read this MANDATORY RECOMMENDATION in its entirety and agree on behalf of all insureds, to comply with all of its terms and conditions:

Signature of Named Insured or Officer of Named Insured Entity