



**TOKIO MARINE**  
**HCC**

**HCC Public Risk**

1700 Opdyke Court, Auburn Hills, Michigan 48326  
main 248 371 3100 / 800 878 9878 facsimile 248 371 3069

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Special Coverage Policy  
for FLEMING COUNTY  
WATER ASSOCIATION INC

by U.S. Specialty Insurance Company

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK  
13403 Northwest Freeway  
Houston, Texas 77040**

**RENEWAL CERTIFICATE**

Policy No. **U23PKG80466-04**  
Replacement Number **PKG81210534**

**NAMED INSURED AND ADDRESS:**  
FLEMING COUNTY WATER ASSOCIATION INC  
  
FLEMINGSBURG, KY 41041

**AGENT NAME AND ADDRESS:**  
ENERGY INSURANCE AGENCY  
229 PARKWAY PLAZA SHOPPING CENTER

BARBOURVILLE, KY 40908  
**AGENT NO:** 00713

**POLICY PERIOD:** From: **07/01/2023** To: **07/01/2024**  
at 12:01 a.m. Standard Time at your mailing address shown above.

**PAYMENT PLAN:** **ANNUAL**

**BUSINESS DESCRIPTION:** **GOVERNMENTAL SUBDIVISION**

In return for payment of the renewal premium, the above numbered policy is renewed for the Policy Period specified above, subject to all the terms, conditions, exclusions and limits of this Policy, except as other specified herein.

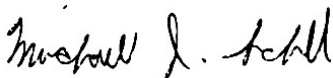
**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE FORMS  
FOR WHICH A PREMIUM IS INDICATED.**

	<b>PREMIUM</b>
Commercial General Liability Coverage Part	\$ <u>INCLUDED</u>
Commercial Employee Benefits Coverage Part	\$ <u>INCLUDED</u>
Commercial Liquor Liability Coverage Part	\$ <u>EXCLUDED</u>
Public Officials Liability Coverage Part	\$ <u>INCLUDED</u>
Employment Practices Liability Coverage Part	\$ <u>INCLUDED</u>
Law Enforcement Liability Coverage Part	\$ <u>EXCLUDED</u>
Commercial Property Coverage Part	\$ <u>INCLUDED</u>
Equipment Breakdown Coverage Part	\$ <u>INCLUDED</u>
Commercial Inland Marine Coverage Part	\$ <u>INCLUDED</u>
EDP Coverage Part	\$ <u>INCLUDED</u>
Commercial Crime Coverage Part	\$ <u>INCLUDED</u>
Commercial Auto Coverage Part	\$ <u>INCLUDED</u>
Commercial Excess Coverage Part	\$ <u>INCLUDED</u>
TRIA Coverage	\$ <u>150</u>
<b>SUBTOTAL:</b>	\$ <u>20,036.00</u>
<b>KENTUCKY SURCHARGE FEE:</b>	\$ <u>360.62</u>
<b>TOTAL:</b>	\$ <u>20,396.62</u>

**FORMS AND ENDORSEMENTS ATTACHED AT POLICY ISSUANCE**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:  
Refer to AL000103

The Company has caused this policy to be signed by its President and Secretary:



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**SCHEDULE OF FORMS AND ENDORSEMENTS - KENTUCKY**

Policy No. **U23PKG80466-04**

Effective Date: **07/01/2023**

12:01 A.M., Standard Time

Named Insured: **FLEMING COUNTY WATER ASSOCIATION INC** Agent No. **00713**

Coverage is provided by those forms marked with an asterisk (\*)

**FORMS APPLICABLE TO ONE OR MORE COVERAGE PARTS**

	<b>AL CD KY</b>	0515	Common Policy Declarations
*	<b>AL RC</b>	0413	Renewal Certificate
*	<b>AL000100</b>	0413	Common Policy Conditions
*	<b>AL000102</b>	0413	Nuclear Energy Liability Exclusion (Broad Form)
*	<b>AL000103</b>	0413	Schedule Of Forms and Endorsements
	AL000104	0413	Three Year Rate Guarantee
	AL000105	0413	Three Year Rate Guarantee - Anniversary
*	AL000108	0413	Earlier Notice Of Cancellation
	AL000109	0413	Amendment of Coverage – Designated Operations
	AL000110	0413	Premium Installment Payment Plan
*	<b>AL000117</b>	0413	KY Changes - Cancellation and Nonrenewal
*	AL000124	0413	Calculation Of Premium
*	<b>AL000131</b>	0413	Silica or Silica-Related Dust Exclusion
*	<b>AL000135</b>	0413	Exclusion - Access or Disclosure of Confidential or Personal Information
*	<b>AL000143</b>	0413	KY Changes - Binding Arbitration
*	<b>AL000148</b>	0413	Independent Contractor Amendatory Endorsement
*	<b>AL000160</b>	0720	Cyber Loss Absolute Exclusion Endorsement
*	<b>AL000161</b>	0720	Communicable Disease Exclusion
*	<b>AL000163</b>	V1.2022	Total Exclusion Perfluorinated Compounds
*	<b>CG2171</b>	0115	Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
	<b>CG2175</b>	0115	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
*	<b>CX2131</b>	0115	Exclusion of Other Acts of Terrorism Committed Outside the United States; Cap on Losses from Certified Acts of Terrorism
	<b>CX2135</b>	0115	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
*	<b>IL0952</b>	0115	Cap on Losses from Certified Acts of Terrorism
	<b>IL0953</b>	0115	Exclusion of Certified Acts of Terrorism
*	<b>IL0985</b>	1220	Disclosure Pursuant to Terrorism Risk Insurance Act

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**FORMS AND ENDORSEMENTS ATTACHED TO THE COMMERCIAL GENERAL LIABILITY COVERAGE PART**

*	<b>GL DS</b>	0413	Commercial General Liability Coverage Form Supplemental Declarations
*	<b>GL000100</b>	0413	Commercial General Liability Coverage Form
	GL000102	0413	Exclusion - Designated Operations
	GL000103	0413	Exclusion - All Hazards In Connection With Designated Premises
	GL000106	0413	Exclusion - Total Liquor Liability
	GL000108	0413	Exclusion - Damage To Premises Rented To You
	GL000109	0413	Non-Operational Aircraft Endorsement
	GL000110	0413	Cemetery Professional Liability
*	GL000112	0413	Pesticide Or Herbicide Applicator Coverage
	GL000113	0413	Dam, Reservoir, Levee, Dike Coverage
	GL000114	0413	Exclusion - Coverage C. Medical Payments
	GL000115	0413	Fireworks Coverage Specific Event - Excess
	GL000116	0413	Fireworks Coverage Specific Event - Primary
	GL000117	0413	Prior Acts Coverage
	GL000118	0413	Additional Insured - Lessor Of Leased Equipment
	GL000119	0413	Deductible Liability Endorsement - Claims Expense Not Included
	GL000121	0413	Contractual Liability - Railroads
*	GL000122	0413	Additional Coverage - Water Districts
	GL000123	0413	Additional Insured - By Contract, Agreement Or Permit
	GL000126	0413	Pollution Exclusion Exception - Sewage Sublimit Endorsement
	GL000127	0413	Deductible Liability Endorsement - Claims Expense Included
*	<b>GL000131</b>	0413	Exclusion - Subsidence
	GL000132	0413	Sexual Abuse Exclusion Endorsement
*	<b>GL000133</b>	0413	Exclusion - Electromagnetic Radiation
	GL000134	0413	Watercraft Coverage
*	GL000138	0413	Sexual Abuse Endorsement
	GL000139	0413	SIR - Claims Expense Included in Retention - Limited Reporting
	GL000141	0413	SIR - Includes Cemetery Professional
	GL000142	0413	Liquor Liability Exclusion - Exception for Schedule Premises or Activities
	GL000144	0413	Emergency Response Operations Coverage
	GL000145	0413	Nurses Professional Liability
*	GL000146	0413	Amendatory Endorsement - Strike, Riot and Civil Commotion
*	GL000147	0413	Exclusion - Emergency Response Operations
*	<b>GL000163</b>	0413	Media Broadcasting Publishing Telecasting Amendatory Endorsement
	GL000165	0715	Marina Operators Legal Liability
	CG2011	0413	Additional Insured - Managers Or Lessors Of Premises
	CG2018	0413	Additional Insured - Mortgagee, Assignee Or Receiver
	CG2024	0413	Additional Insured - Owners Or Other Interests from whom land has been Leased
	CG2026	0413	Additional Insured - Designated Person Or Organization
	CG2027	0413	Additional Insured - Co-Owner Of Insured Premises

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**FORMS AND ENDORSEMENTS ATTACHED TO THE EMPLOYEE BENEFIT COVERAGE PART - OCCURRENCE**

* <b>EB DS</b>	0413	Employee Benefits Liability Coverage Form Supplemental Declarations
* <b>EBC00100</b>	0413	Employee Benefits Liability Coverage Form – Occurrence
EB000103	0413	Prior Time Period Employee Benefits Wrongful Act Coverage
EB000104	0413	Exclusion - Designated Operations
EB000105	0413	Designated Operations – Insured
EB000106	0413	SIR – Claims Expense Included in Retention – Limited Reporting
EB000109	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
EB000115	0413	Exclusion - Designated Prior Acts

**FORMS AND ENDORSEMENTS ATTACHED TO THE EMPLOYEE BENEFIT COVERAGE PART – CLAIMS MADE**

<b>EB CM DS</b>	0413	Employee Benefits Liability Coverage Form Supplemental Declarations
<b>EBCM000100</b>	0413	Employee Benefits Liability Coverage Form – Claims Made
EBCM000103	0413	Prior Time Period Employee Benefits Wrongful Acts Coverage
EBCM000104	0413	Exclusion - Designated Operations
EBCM000105	0413	Designated Operations - Insured
EBCM000106	0413	SIR – Claims Expense Included in Retention – Limited Reporting
EBCM000109	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
EBCM000115	0413	Exclusion - Designated Prior Acts
<b>EBCM000125</b>	0413	Basic Extended Reporting Period Amendatory Endorsement

**FORMS AND ENDORSEMENTS ATTACHED TO THE LIQUOR LIABILITY COVERAGE PART**

<b>LIQ DS</b>	0413	Liquor Liability Coverage Forms Supplemental Declarations
<b>LIQ000100</b>	0413	Liquor Liability Coverage Form
LIQ000101	0413	SIR – Claims Expense Included in Retention – Limited Reporting
LIQ000103	0413	Deductible Liability Endorsement – Claims Expense Included in Deductible
LIQ000104	0413	Deductible Liability Endorsement – Claims Expense Not Included

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**FORMS AND ENDORSEMENTS ATTACHED TO THE PUBLIC OFFICIALS COVERAGE PART - OCCURRENCE**

<b>POL DS</b>	0413	Public Officials Liability Supplemental Declarations
<b>POL000100</b>	0413	Public Officials Liability Coverage Form
POL000102	0413	Additional Insured - Designated Persons or Organizations
POL000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
POL000106	0413	Defense Expense for Non-Monetary Relief Suits
<b>POL000107</b>	0413	Exclusion – Anti-Trust
POL000108	0413	Exclusion - Designated Prior Acts
POL000109	0413	Exclusion – Designated Professional Services
POL000112	0413	Prior Time Period Public Officials Wrongful Act Coverage
POL000117	0413	SIR – Claims Expense Included in Retention – Limited Reporting
POL000124	0817	Private Property Use Restriction Sublimit Endorsement
<b>POL000137</b>	1215	Professional Services Amendatory Endorsement

**FORMS AND ENDORSEMENTS ATTACHED TO THE PUBLIC OFFICIALS COVERAGE PART – CLAIMS MADE**

* <b>POL CM DS</b>	0413	Public Officials Liability Supplemental Declarations
* <b>POLCM000100</b>	0413	Public Officials Liability Coverage Form
POLCM000102	0413	Additional Insured - Designated Persons or Organizations
POLCM000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
* POLCM000106	0413	Defense Expense for Non-Monetary Relief Suits
* <b>POLCM000107</b>	0413	Exclusion – Anti-Trust
POLCM000108	0413	Exclusion - Designated Prior Acts
POLCM000109	0413	Exclusion – Designated Professional Services
POLCM000112	0413	Prior Time Period Public Officials Wrongful Act Coverage
POLCM000117	0413	SIR – Claims Expense Included in Retention – Limited Reporting
POLCM000124	0817	Private Property Use Restriction Sublimit Endorsement
* <b>POLCM000134</b>	0413	Basic Extended Reporting Period Amendatory Endorsement
* <b>POLCM000137</b>	1215	Professional Services Amendatory Endorsement

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**FORMS AND ENDORSEMENTS ATTACHED TO THE EPLI COVERAGE PART – OCCURRENCE**

<b>EP DS</b>	0413	Employment Practices Liability Supplemental Declarations
<b>EP000100</b>	0413	Employment Practices Liability Coverage Form
EP000102	0413	Additional Insured - Designated Persons or Organizations
EP000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
EP000106	0413	Defense Coverage – Wage and Hour Practices, Other Compensation
EP000107	0413	Exclusion - Designated Operations
EP000108	0413	Exclusion - Designated Persons Or Organizations
EP000109	0413	Exclusion – Designated Prior Acts, Claims Or Suits
EP000110	0413	Prior Time Period Employment Practices Wrongful Act Coverage
EP000111	0413	Amendment of Coverage - Non-Employment Related Harassment Coverage
EP000114	0413	SIR – Claims Expense Included in Retention – Limited Reporting
EP000120	0413	Defense Expense for Non-Monetary Relief Suits

**FORMS AND ENDORSEMENTS ATTACHED TO THE EPLI COVERAGE PART – CLAIMS MADE**

* <b>EP CM DS</b>	0413	Employment Practices Liability Supplemental Declarations
* <b>EPCM000100</b>	0413	Employment Practices Liability Coverage Form
EPCM000102	0413	Additional Insured - Designated Persons or Organizations
EPCM000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
* EPCM000106	0413	Defense Coverage – Wage and Hour Practices, Other Compensation
EPCM000107	0413	Exclusion - Designated Operations
EPCM000108	0413	Exclusion - Designated Persons Or Organizations
EPCM000109	0413	Exclusion – Designated Prior Acts, Claims Or Suits
EPCM000110	0413	Prior Time Period Employment Practices Wrongful Act Coverage
EPCM000111	0413	Amendment of Coverage - Non-Employment Related Harassment Coverage
EPCM000114	0413	SIR – Claims Expense Included in Retention – Limited Reporting
* EPCM000120	0413	Defense Expense for Non-Monetary Relief Suits
* <b>EPCM000132</b>	0413	Basic Extended Reporting Period Amendatory Endorsement

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**FORMS AND ENDORSEMENTS ATTACHED TO THE LAW ENFORCEMENT COVERAGE PART – OCCURRENCE**

<b>LE DS</b>	0413	Law Enforcement Liability Supplemental Declarations
<b>LE000100</b>	1117	Law Enforcement Liability Coverage Form
LE000102	0413	Additional Insured - Designated Persons or Organizations
LE000103	0413	Additional Insured - Designated State or Political Subdivision
LE000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
LE000106	0413	Defense Expense for Non-Monetary Relief Suits
LE000108	0413	Exclusion - Designated Persons Or Organizations
LE000109	0413	Exclusion – Designated Premises
LE000110	0413	Exclusion – Designated Prior Acts
LE000111	0413	Exclusion – Designated Professional Services
LE000114	0413	Fire Damage To Premises Rented To You
<b>LE000115</b>	0413	Fungi or Bacteria Exclusion
LE000116	0413	Premises Medical Payments Coverage
LE000117	0413	Prior Time Period Law Enforcement Wrongful Act Coverage
LE000120	0413	Designated Operations - Insured
LE000121	0413	SIR – Claims Expense Included in Retention – Limited Reporting

**FORMS AND ENDORSEMENTS ATTACHED TO THE LAW ENFORCEMENT COVERAGE PART – CLAIMS MADE**

<b>LE CM DS</b>	0413	Law Enforcement Liability Supplemental Declarations
<b>LECM000100</b>	1117	Law Enforcement Liability Coverage Form
LECM000102	0413	Additional Insured - Designated Persons or Organizations
LECM000103	0413	Additional Insured - Designated State or Political Subdivision
LECM000105	0413	Deductible Amendatory Endorsement – Claims Expense Not Included
LECM000106	0413	Defense Expense for Non-Monetary Relief Suits
LECM000108	0413	Exclusion - Designated Persons Or Organizations
LECM000109	0413	Exclusion – Designated Premises
LECM000110	0413	Exclusion – Designated Prior Acts
LECM000111	0413	Exclusion – Designated Professional Services
LECM000114	0413	Fire Damage To Premises Rented To You
<b>LECM000115</b>	0413	Fungi or Bacteria Exclusion
LECM000116	0413	Premises Medical Payments Coverage
LECM000117	0413	Prior Time Period Law Enforcement Wrongful Act Coverage
LECM000120	0413	Designated Operations - Insured
LECM000121	0413	SIR – Claims Expense Included in Retention – Limited Reporting
<b>LECM000139</b>	0413	Basic Extended Reporting Period Amendatory Endorsement



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**FORMS AND ENDORSEMENTS ATTACHED TO THE EXCESS LIABILITY COVERAGE PART**

*	<b>EX DS</b>	0413	Commercial Excess Liability Coverage Form Supplemental Declarations
*	<b>EX SUL</b>	0413	Schedule of Underlying Insurance
*	<b>EX000100</b>	0413	Commercial Excess Liability Policy
	EX000101	0413	Exclusion – Designated Operations
	EX000103	0413	Exclusion - Failure to Supply
	EX000104	0413	Exclusion - Pollution with Sewer Exception
	EX000105	0413	Exclusion - Pollution
	EX000106	0413	Exclusion - Pollution with Sewer and Potable Water Exception
	EX000107	0413	Exclusion - Pollution with Sewer Potable Water and Hostile Fire Exception
*	EX000108	0413	Exclusion - Pollution with Potable Water and Hostile Fire Exception
	EX000109	0413	Exclusion - Pollution with Hostile Fire Exception
	EX000110	0413	Exclusion - Pollution with Sewer and Hostile Fire Exception
	EX000111	0413	Exclusion - Abuse or Molestation
*	<b>EX000112</b>	0413	Exclusion - Athletic Participants
*	<b>EX000113</b>	0413	Exclusion - Electromagnetic Radiation
	EX000114	0413	Dam, Reservoirs, Levee, Dike Coverage
*	<b>EX000115</b>	0413	Exclusion - Radon Gas
*	<b>EX000117</b>	0413	Exclusion – Subsidence
	EX000118	0413	Exclusion - Total Liquor Liability
*	EX000133	0318	Exclusion – Zoning, Regulation, Permissive Use of Property

**FORMS AND ENDORSEMENTS ATTACHED TO THE COMMERCIAL PROPERTY COVERAGE PART**

*	<b>PR DS</b>	0413	Building and Personal Property Coverage Form Supplemental Declarations
*	<b>PR000100</b>	0413	Building and Personal Property Coverage Form
	PR000102	0413	Functional Building Valuation
*	PR000103	0413	Earthquake – Volcanic Eruption Coverage Endorsement
*	PR000104	0413	Flood Coverage Endorsement
*	PR000105	0817	Coverage Extensions – Increased Limits
*	PR000106	0817	Coverage Extensions – Amended
	PR000107	0413	Schedule of Mortgage Holder(s)
	<b>PR000109</b>	0413	Mine Subsidence Schedule
	<b>PR000113</b>	0413	KY Mine Subsidence
	PR000118	0413	Windstorm or Hail Percentage Deductible – Building
	PR000119	0413	Windstorm or Hail Percentage Deductible – Total Insured Value
	PR000120	0413	Exclusion - Specific Location
	PR000121	0413	Unnamed Location Coverage
*	PR000123	0413	Expediting Expenses
	PR000124	0413	Loss Payable Provisions
*	<b>PR000125</b>	0413	Foundation Coverage Amendatory Endorsement
*	<b>PR000132</b>	0413	KY Changes
*	<b>PR000136</b>	0413	Exclusion of Loss due to Virus or Bacteria

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**FORMS AND ENDORSEMENTS ATTACHED TO THE EQUIPMENT BREAKDOWN COVERAGE PART**

* <b>PREB000100</b>	0413	Equipment Breakdown Coverage – Property
* <b>PREB000101</b>	0413	Equipment Breakdown Coverage – Inland Marine
PREB000102	0413	Actual Cash Value
PREB000103	0413	Contractual Limitation
* PREB000104	0413	Covered Equipment Exclusions
PREB000105	0413	Power Generating Equipment Contractual Limitation
PREB000106	0413	Power Generating Equipment Time Element Exclusion
PREB000107	0413	Spare Parts Endorsement
PREB000108	0413	Wind Turbine Limitation
PREB000109	0413	Hydro Turbine Limitation
PREB000110	0115	Equipment Breakdown Endorsement

**FORMS AND ENDORSEMENTS ATTACHED TO THE COMMERCIAL INLAND MARINE COVERAGE PART**

* <b>IM DS</b>	0413	Commercial Inland Marine Supplemental Declarations
* IM000100CE	0413	Commercial Inland Marine Contractors - Scheduled Equipment Coverage Form
IM000100FA	0413	Commercial Inland Marine Commercial Fines Arts Coverage Form
* IM000100MA	0413	Commercial Inland Marine Miscellaneous Articles and Emergency Portable Equipment Coverage Form
* <b>IM000101</b>	0413	Commercial Inland Marine Conditions
IM000102	0413	Flood Coverage
IM000103	0413	Earth Movement Coverage
* <b>IM000107</b>	0413	Dock Limitation
* IM000108	0413	Replacement Cost Valuation – Contractors Equipment
IM000109	0413	Contractors Equipment Rented from Others Less than 90 Days
IM000110	0413	Inland Marine Loss Payee Endorsement
IM000111	0413	Aircraft Endorsement
* IM000112	0413	Replacement Cost Valuation – Miscellaneous Articles
IM000116	0413	Employee Tools Amendatory Endorsement
IM000118	0415	Agreed Value Endorsement
* <b>CM0141</b>	0900	KY Changes

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**FORMS AND ENDORSEMENTS ATTACHED TO THE ELECTRONIC DATA PROCESSING COVERAGE PART**

* <b>EDP DS</b>	0413	Electronic Data Processing Systems Supplemental Declarations
* <b>EDP000100</b>	0413	Electronic Data Processing Systems Coverage Form
* EDP000101	0413	Electronic Data Processing Systems Extra Expense Coverage
* EDP000102	0413	Electronic Data Processing Systems Loss of Business Income
* EDP000103	0413	Electronic Data Processing Systems Extension of Coverage Endorsement
EDP000104	0415	EDP Loss Payee Endorsement
EDP000106	0413	Earth Movement Coverage
EDP000107	0413	Flood Coverage Endorsement

**FORMS AND ENDORSEMENTS ATTACHED TO THE CRIME COVERAGE PART**

* <b>CR DS</b>	0413	Crime Coverage Form Supplemental Declarations
* <b>CR000100</b>	0413	Crime Coverage Form Loss Sustained Form – General Provisions
* CR000102	0413	Add Faithful Performance of Duty
* CR000103	0413	Add Schedule Excess Limit Of Insurance for Specified Employees or Positions
* CR000104	0413	Bonded Employee Amendment
* CR000105	0413	Computer Fraud – Coverage Section F
* CR000106	0413	Forgery Or Alteration – Coverage Section B
* CR000107	0413	Public Employee Dishonesty – Coverage Section O – Per Loss
CR000108	0413	Public Employee Dishonesty – Coverage Section P – Per Employee
* CR000111	0413	Theft, Disappearance and Destruction – Coverage Section C
* <b>CR000112</b>	0413	Volunteer Workers Other than Fund Solicitors as Employees
* <b>CR000116</b>	0413	KY Changes - Cancellation of Employee
* <b>CR000120</b>	0413	KY Changes - Binding Arbitration
* <b>CR000121</b>	0413	Include Volunteer Workers As Employees
* CR000122	0413	Include Treasurers Or Tax Collectors As Employees

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**SCHEDULE OF FORMS AND ENDORSEMENTS - KENTUCKY**

Policy No. **U23PKG80466-04**

Effective Date: **07/01/2023**  
12:01 A.M., Standard Time

Named Insured: **FLEMING COUNTY WATER ASSOCIATION INC** Agent No. **00713**

Coverage is provided by those forms marked with an asterisk (\*)

**FORMS AND ENDORSEMENTS ATTACHED TO THE AUTOMOBILE COVERAGE PART**

*	<b>BA DS</b>	0817	Business Auto Supplemental Declarations
*	<b>BA000100</b>	0413	Business Auto Coverage Form
	BA000102	0413	Lessor – Additional Insured and Loss Payee
	BA000103	0413	Agreed Value Insurance
	BA000104	0413	Amphibious Vehicles
*	<b>BA000105</b>	0413	Business Auto Deductible Amendatory Endorsement
	BA000106	0413	Auto Physical Damage Catastrophic Coverage Endorsement
	BA000108	0413	Covered Auto Designated Symbol
	BA000109	0413	Deductible Liability Coverage – Claims Expense Not Included
	BA000110	0413	Designated Insured for Covered Autos Liability Coverage
*	<b>BA000112</b>	0413	Emergency Response Operations And Emergency Vehicle Endorsement
	BA000113	0413	Emergency Response Operations And Emergency Vehicle Endt – Broad Form
	BA000114	0817	Employee Hired Auto
*	<b>BA000115</b>	0413	Employee Or Volunteer As Insured
	BA000117	0413	Fellow Employee Coverage
	BA000118	0413	Garagekeepers / Impounded Auto Coverage
	BA000119	0413	Golf Carts and Low-Speed Vehicles
	BA000120	0413	Hired Auto Specified as Covered Autos You Own
	BA000123	0413	Loss Payable Clause
	BA000124	0415	Mobile Equipment
*	<b>BA000125</b>	0413	Professional Services not Covered
	BA000126	0413	Rental Reimbursement Coverage
	BA000127	0413	Replacement Cost Insurance
	BA000129	0413	Snowmobiles
*	<b>BA000134</b>	0413	KY Changes
*	<b>BA000135</b>	0413	KY Personal Injury Protection
*	<b>BA000136</b>	0413	KY Underinsured Motorists
*	<b>BA000137</b>	0413	KY Uninsured Motorists Coverage
	<b>BA000144</b>	0413	KY Added PIP
*	<b>BA000145</b>	0413	KY Silica or Silica-Related Dust Exclusion
	BA000148	0413	SIR – Claims Expense Included in Retention – Limited Reporting
	BA000151	0413	Deductible Liability Coverage – Claims Expense Included
*	<b>BA000162</b>	0413	Physical Damage to Elected or Appointed Officials, Volunteers or Employees Personal Autos
	BA000167	0916	Replacement Cost Insurance - New
	CA2070	1013	Coverage for Certain Operations in Connection with Railroads
	<b>CA2218</b>	0394	KY PIP Changed For Motorcycles

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMON POLICY CONDITIONS**

All Coverage Forms included in this Policy are subject to the following conditions:

**A. CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this policy or any of its individual Coverage Forms at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.
2. We may cancel this policy or any of its individual Coverage Forms at any time by sending to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date.
5. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**B. CHANGES**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in terms of this policy with our consent. The policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**C. COMPLIANCE BY INSUREDS**

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions herein.

**D. COMPLIANCE WITH APPLICABLE TRADE SANCTIONS**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

**E. CONFORMANCE**

Any of the terms of this insurance which are in conflict with the applicable statutes of the state in which this policy is issued are amended to conform to such statutes.

**F. DECLARATIONS**

When we use the word 'Declarations' in the Coverage Forms, we mean the Supplemental Declarations or the Common Policy Declarations.

**G. EXAMINATION OF YOUR BOOKS AND RECORDS**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

**H. FIRST NAMED INSURED**

The first Named Insured will act on behalf of all other Named Insureds for the giving and receiving of notice of cancellation and nonrenewal and for all other communications relating to this policy. The first Named Insured is primarily responsible for the payment of all premiums.

## **I. INSPECTIONS AND SURVEYS**

We have the right, but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of the workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations for us.

## **J. SINGULAR OR PLURAL**

Whenever used herein, the singular shall include the plural, the plural shall include the singular.

## **K. TITLES OF PARAGRAPHS**

The titles of various paragraphs of this policy, coverage forms and endorsements, attached to this policy are inserted solely for convenience or reference and form no part of the terms and conditions of coverage.

## **L. TWO OR MORE COVERAGE FORMS**

If two or more Coverage Forms or policies issued to you by us, or any company affiliated with us, apply to the same accident, claim, loss or occurrence, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policies. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

## **M. WHEN WE DO NOT RENEW**

When we decide not renew this policy, we will mail or deliver to the first Named Insured written notice of nonrenewal not less than 30 days before the expiration date. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT  
(Broad Form)**

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM**
- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- COMMERCIAL EXCESS LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**
- LIQUOR LIABILITY COVERAGE FORM**
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**
- RAILROAD PROTECTIVE LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material"
      - (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured"; or
      - (b) has been discharged or dispersed therefrom;

- (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARLIER NOTICE OF CANCELLATION**

This endorsement applies to all Coverage Forms insured under this Policy.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**Schedule**

NUMBER OF DAYS NOTICE: <u>60</u>
----------------------------------

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in Paragraph 2. of either the **Cancellation** Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
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U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement applies to all Coverage Forms insured under this Policy.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A.** Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

**2. Cancellation Of Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 14 days before the effective date of cancellation.

**B.** The following is added to the **Cancellation** Common Policy Condition:

**7. Cancellation Of Policies In Effect For More Than 60 Days**

**a.** If this policy has been in effect for more than 60 days or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1)** Nonpayment of premium;
- (2)** Discovery of fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy, or in presenting a claim under the policy;
- (3)** Discovery of willful or reckless acts or omissions on your part which increase any hazard insured against;
- (4)** The occurrence of a change in the risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5)** A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any insured property or the occupancy thereof which substantially increases any hazard insured against;
- (6)** We are unable to reinsure the risk covered by the policy; or
- (7)** A determination by the commissioner that the continuation of the policy would place us in violation of the Kentucky insurance code or regulations of the commissioner.

**b.** If we cancel this policy based on Paragraph **7.a.** above, we will mail or deliver a written notice of cancellation to the first Named Insured, stating the reason for cancellation, at least:

- (1)** 14 days before the effective date of the cancellation, if cancellation is for nonpayment of premium; or
- (2)** 75 days before the effective date of the cancellation, if cancellation is for any reason stated in **7.a.(2)** through **7.a.(7)** above.

C. The following is added and supersedes any provision to the contrary:

**NONRENEWAL**

1. For the purpose of this Condition:
  - a. Any policy period or term of less than six months shall be considered to be a policy period or term of six months; and
  - b. Any policy period or term of more than one year or any policy with no fixed expiration date shall be considered a policy period or term of one year.
2. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, at the last mailing address known to us, at least 75 days before the expiration date of the policy period.
3. If notice of nonrenewal is not provided pursuant to this Condition, coverage under the same terms and conditions shall be deemed to be renewed for the ensuing policy period upon payment of the appropriate premium until you have accepted replacement coverage with another insurer, or until you have agreed to the nonrenewal.
4. If we mail or deliver a renewal notice to the first Named Insured at least 30 days before the end of the policy period, stating the renewal premium and its due date, the policy will terminate without further notice unless the renewal premium is received by us or our authorized agent by the due date.
5. If this policy terminates because the renewal premium has not been received by the due date, we will, within 15 days, mail or deliver to the first Named Insured at his last known address a notice that the policy was not renewed and the date it was terminated.
6. If notice is mailed, proof of mailing is sufficient proof of notice.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CALCULATION OF PREMIUM**

This endorsement applies to all Coverage Forms insured under this Policy.

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following is added: The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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**SILICA OR SILICA-RELATED DUST EXCLUSION**

This endorsement modifies insurance provided under the following:

- BUSINESS AUTO COVERAGE FORM**
- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**
- EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**
- LAW ENFORCEMENT LIABILITY COVERAGE FORM**
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**
- PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the Policy unless another date is indicated above.

**A.** The following Definitions are added:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

**B.** The following Exclusion is added to the Business Auto Coverage Form and Owners And Contractors Coverage Form:

This insurance does not apply to any:

1. "Bodily injury" or "property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust"; or
2. Loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**C.** The following Exclusion is added to the Commercial General Liability Coverage Form:

This insurance does not apply to any:

1. "Bodily injury", "property damage" and "personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust"; or
  2. Loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- D. The following Exclusion is added to the Employee Benefits Liability Coverage Form, the Employment Practices Liability Coverage Form and the Public Officials Liability Coverage Form:
- This insurance does not apply to any:
1. Acts, errors or omissions relating in any way, in whole or in part, to the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust"; or
  2. Loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.
- E. The following Exclusion is added to the Law Enforcement Liability Coverage Form:
- This insurance does not apply to any:
1. "Bodily injury", "property damage", "personal and advertising injury", or acts, errors or omissions arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust"; or
  2. Loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION**

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- COMMERCIAL EXCESS LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**
- EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**
- LAW ENFORCEMENT LIABILITY COVERAGE FORM**
- LIQUOR LIABILITY COVERAGE FORM**
- PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This insurance does not apply to “damages” alleged, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

Any access to or disclosure of any person’s or organization’s confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, health information or any other type of nonpublic information.

This exclusion applies even if “damages” are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person’s or organization’s confidential or personal information.

**U.S. SPECIALTY INSURANCE COMPANY  
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**KENTUCKY CHANGES – BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- EMPLOYEE BENEFITS COVERAGE FORM**
- LIQUOR LIABILITY COVERAGE FORM**
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the insured, both parties may, by mutual consent, agree in writing to arbitration of the disagreement.

If both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, both parties must request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.



**U.S. SPECIALTY INSURANCE COMPANY  
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INDEPENDENT CONTRACTOR AMENDATORY ENDORSEMENT**

- BUSINESS AUTO COVERAGE FORM**
- COMMERCIAL GENERAL LIABILITY COVERAGE FORM**
- LAW ENFORCEMENT LIABILITY COVERAGE FORM**
- PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Who is an Insured is amended to include the following independent contractor while performing duties on behalf of the named insured:

- Animal Control Officer
- Assessor
- Building Inspector
- Code Enforcement Officer
- Coroner
- Electrical Inspector
- Health Inspector
- Liquor Inspector
- Medical Examiner
- Sexton
- Zoning Administrator

However, coverage provided by this endorsement is excess of any insurance available to the independent contractors shown above.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CYBER LOSS ABSOLUTE EXCLUSION**

This endorsement modifies insurance provided under the following:

- Commercial General Liability Coverage Form
- Employee Benefit Coverage Form
- Liquor Liability Coverage Form
- Public Officials Liability Coverage Form
- Employment Practices Liability Coverage Form
- Law Enforcement Liability Coverage Form
- Building and Personal Property Coverage Form
- Equipment Breakdown Coverage
- Commercial Inland Marine
- Electronic Data Processing Systems Coverage Form
- Crime Coverage Form
- Business Auto Coverage Form

The Company agrees with the **Named Insured** that all Coverage Forms included in this Policy shall be subject to the following Common Policy Exclusion:

**I. EXCLUSION**

Notwithstanding any provision to the contrary within this Policy, and subject to all other terms, conditions and exclusions, this Policy shall not apply to any **Cyber Loss**.

**II. CYBER LOSS ABSOLUTE EXCLUSION DEFINITIONS**

**A. Computer System**

“**Computer System**” means an interconnected electronic, wireless, web or similar system, including all computer hardware and software, used to process and store **Data** or information in an analogue, digital, electronic or wireless format, including, but not limited to, computer programs, **Data**, operating systems, firmware, servers, media libraries, associated input and output devices, mobile devices, devices that are connected to and controlled by the internet (also known as “smart devices”), networking equipment, websites, extranets, off-line storage facilities (to the extent they hold **Data**) and electronic backup equipment.

**B. Cyber Loss**

“**Cyber Loss**” means any loss, damage, claim, liability, expense, fine or penalty or any other amount directly or indirectly caused by:

- (1) the use or operation of any **Computer System**;

- (2) the reduction in, or inability to use or operate, any **Computer System** or **Data**;
- (3) access to, processing, transmission, storage or use of any **Data**;
- (4) inability to access, process, transmit, store or use any **Data**; or
- (5) extortion, threats, fraud or theft of any kind, involving any **Computer System**.

**“Cyber Loss”** includes any loss, damage, claim, liability, expense, fine or penalty or any other amount that are cyber-related, arising from either malicious or non-malicious acts involving either tangible or intangible assets.

**C. Data**

**“Data”** means any machine-readable information, including, but not limited to, ready-for-use programs, applications, account information, customer information, health and medical information or other electronic information, irrespective of the way it is used and rendered.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

- Commercial General Liability Coverage Form
- Employee Benefit Coverage Form
- Liquor Liability Coverage Form
- Public Officials Liability Coverage Form
- Employment Practices Liability Coverage Form
- Law Enforcement Liability Coverage Form
- Building and Personal Property Coverage Form
- Equipment Breakdown Coverage
- Commercial Inland Marine
- Electronic Data Processing Systems Coverage Form
- Crime Coverage Form
- Business Auto Coverage Form
- TRIA Property
- TRIA Casualty

The Company agrees with the **Named Insured** that all Coverage Forms included in this Policy shall be subject to the following Common Policy Exclusion:

**I. EXCLUSION**

This Policy shall not apply to any act, error, omission, fact, incident, situation, unresolved job dispute, accident, or any other circumstance arising out of the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- a. supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. testing for a communicable disease;
- c. failure to prevent the spread of the disease; or
- d. failure to report the disease to authorities.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TOTAL EXCLUSION – PERFLUORINATED COMPOUNDS (PFC) /  
PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS)**

This endorsement modifies insurance provided under the following:

- Commercial General Liability Coverage Form
- Employee Benefit Coverage Form
- Liquor Liability Coverage Form
- Public Officials Liability Coverage Form
- Employment Practices Liability Coverage Form
- Law Enforcement Liability Coverage Form
- Building and Personal Property Coverage Form
- Equipment Breakdown Coverage
- Commercial Inland Marine Coverage Form
- Electronic Data Processing Systems Coverage Form
- Crime Coverage Form
- Business Auto Coverage Form
- TRIA Property
- TRIA Casualty

The Company agrees with the **Named Insured** that all Coverage Forms included in this Policy shall be subject to the following Common Policy Exclusion:

**I. EXCLUSION**

This Policy shall not apply to:

**Perfluorinated Compounds (PFC) or Per- and Polyfluoroalkyl Substances (PFAS)**

1. "Bodily injury", "property damage", "personal and advertising injury", professional liability, wrongful act, or act, error, or omission arising out of, in any way related to, or which would not have occurred in whole or in part, but for the actual, alleged, threatened, or suspected:
  - a. Inhalation of, ingestion of, contact with, exposure to, existence of, absorption of, or presence of, any and all "PFC/PFAS";
  - b. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale, or disposal of "PFC/PFAS";
  - c. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release or escape of "PFC/PFAS";
  - d. Providing or failing to provide warnings or instructions with respect to "PFC/PFAS"; or
  - e. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "PFC/PFAS";

regardless of whether any other cause, event, material substances, compounds, goods or product contributed concurrently or in any sequence to such injury or damage.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

2. Any loss, cost, or expense arising out of or related to any:
  - a. Request, demand, order or statutory, regulatory or legal requirement of any kind that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess or remediate the effects of "PFC/PFAS"; or
  - b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "PFC/PFAS".
3. Any other injury or damage, liability, loss, cost or expense arising out of or in any way related to "PFC/PFAS" including, but not limited to, any fines, penalties, punitive or exemplary damages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured.

**II. DEFINITIONS**

Solely for purposes of this Endorsement, the following Definition is added to this policy:

- A.** "PFC/PFAS" means perfluorinated compounds (PFC) or per- and polyfluoroalkyl substances (PFAS), including but not limited to:
1. Perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorononanoic acid (PFNA), perfluorobutyric acid (PFBA), perfluorobutane sulfonic acid (PFBS), perfluoropentanoic acid (PFPeA), perfluorohexane sulfonic acid (PFHxS), GenX, C8 (perfluorinated carboxylic acid), ADONA, perfluorohexanoic acid (PFHxA), perfluoroheptanoic acid (PFHpA), perfluorooctane sulfonamide (PFSOA), perfluorodecanoic acid, (PFDA), perfluorodecane sulfonate (PFDS), perfluoroundecanoic acid (PFUnA), perfluorododecanoic acid (PFDoA), perfluorotridecanoic acid (PFTTrDA), perfluorotetradecanoic acid (PFTeDA), or 6:2 fluorotelomer sulfonate (6:2 FTS) or any associated salts, acids, alcohols, precursor chemicals, or related higher homologue chemicals;
  2. Any fluorinated polymers, including but not limited to fluoropolymers, perfluoropolyethers, and side-chain-fluorinated polymers;
  3. Any and all biosolid, replacement PFAS substance, material or product; or
  4. Any substance, material or compound that is identified or acknowledged by any federal, state, international or other governmental agency or authority, including but not limited to the United States Environmental Protection Agency (EPA), the Centers for Disease Control and Prevention (CDC), the Agency for Toxic Substances and Disease Registry (ATSDR), the National Institutes for Health (NIH), and the International Agency for Research on Cancer (IARC):
    - a. As or to contain a per- and polyfluoroalkyl substance; or
    - b. To exhibit or demonstrate the same or similar harmful properties as a per- and polyfluoroalkyl substance

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not exclude coverage for PFC-related or PFAS-related damages, expense, loss, demand, claim, liability or legal obligation.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B.** The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or
    - (2) Outside of the United States in the case of:
      - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
      - (b) The premises of any United States mission; and
  - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

  - C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.
  - D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### COMMERCIAL EXCESS LIABILITY COVERAGE PART

Any endorsement addressing acts of terrorism (however defined) in any "controlling underlying insurance" does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

**A.** The following exclusion is added:

This insurance does not apply to:

**TERRORISM**

"Injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the coverage territory. However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B.** The following definitions are added:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
  - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
  - b. The act resulted in damage:
    - (1) Within the United States (including its territories and possessions and Puerto Rico); or

**(2)** Outside of the United States in the case of:

**(a)** An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

**(b)** The premises of any United States mission; and

**c.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

**2.** "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

**C.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for "injury or damage" that is otherwise excluded under this Coverage Part.

**D.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

**THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

## **DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

### **SCHEDULE**

<b>SCHEDULE – PART I</b>	
<b>Terrorism Premium (Certified Acts)</b>	<b>\$150</b>
<b>This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):</b>	
<b>Commercial General Liability Coverage Form</b>	
<b>Commercial Excess Liability Coverage Form</b>	
<b>Building Personal Property Coverage Form</b>	
<b>Commercial Inland Marine Coverage Form</b>	
<b>Electronic Data Processing Systems Coverage Form</b>	
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE – PART II</b>	
<b>Federal share of terrorism losses</b>	<b>80 %</b>
<b>(Refer to Paragraph B. in this endorsement.)</b>	
<b>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</b>	

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number U23PKG80466-04

<b>LIMITS OF INSURANCE</b>						
Each Occurrence Limit		\$	<u>1,000,000</u>			
Damage to Premises Rented to You Limit		\$	<u>1,000,000</u>	any one premises		
Medical Expense Limit		\$	<u>10,000</u>	any one person		
Personal and Advertising Injury Limit		\$	<u>1,000,000</u>	any one person or		
General Aggregate Limit (other than Products/Completed Operations)		\$	<u>3,000,000</u>			
Products/Completed Operations Aggregate Limit		\$	<u>3,000,000</u>			
<b>FORM OF BUSINESS</b>						
Form of business:						
<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> County	<input type="checkbox"/> Special District	<input type="checkbox"/> Other:			
<b>CLASSIFICATION AND PREMIUM</b>						
Classification	Code No.	* Premium Basis	Rate		Advance Premium	
			Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
Governmental Entity	99943	Included	Included	Included	Included	Included
			Totals:	Included	Included	
<b>FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy)</b>						
Forms and endorsements applying to this Coverage Part and made part of this policy at time of issue: Refer to AL000103.						

\* (a) Area, (c) Total Cost, (m) Admission, (p) Payroll, (s) Gross Sales, (u) Units, (o) Other

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Please read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to U.S. Specialty Insurance Company.

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V – DEFINITIONS**.

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**SECTION I - COVERAGE**

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**A. COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURING AGREEMENT**

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages", even if the allegations of such "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking "damages" for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- a. The amount we will pay for "damages" is limited as described in **SECTION III -- LIMITS OF INSURANCE**; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in payment of judgments or settlements under Coverages **A** or **B** or medical expenses under **Coverage C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**.

2. This insurance applies to "bodily injury" and "property damage" only if:

- a. The "bodily injury" or "property damage" is caused by an "occurrence" arising out of your operations that takes place in the "coverage territory";
- b. The "bodily injury" or "property damage" occurs during the Policy Period listed in the Declarations; and
- c. Prior to the Policy Period, no insured knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If any insured knew, prior to the Policy Period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the Policy Period will be deemed to have been known prior to the Policy Period.

3. "Bodily injury" or "property damage" which occurs during the Policy Period, and was not, prior to the Policy Period, known to have occurred by any insured, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the Policy Period.

4. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured:

- a. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- b. Receives a written or verbal demand or claim for "damages" because of the "bodily injury" or "property damage"; or

- c. Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
5. "Damages" because of "bodily injury" include "damages" claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## **B. COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY INSURING AGREEMENT**

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages", even if the allegations of such "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking "damages" for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But,
  - a. The amount we will pay for "damages" is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
  - b. Our right and duty to defend end when we have used up the applicable limit of insurance in payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages **A** and **B**.

2. This insurance applies to "personal and advertising injury" caused by an offense arising out of your operations but only if the offense was committed in the "coverage territory" during the Policy Period listed in the Declarations.

## **C. EXCLUSIONS – COVERAGES A AND B**

This insurance does not apply to "damages", claims or "suits" alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

### **1. Aircraft, Auto Or Watercraft**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- a. A watercraft while ashore on premises you own or rent;
- b. A watercraft that is:
  - (1) 50 feet or less in length; and
  - (2) Not being used to carry persons or property for a charge;
- c. Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- d. Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- e. "Bodily injury" or "property damage" arising out of:



- (1) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
- (2) The operation of any of the machinery or equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

## **2. Asbestos Or Lead Hazard**

"Bodily injury", "property damage" or "personal and advertising injury" which arises out of, or would not have occurred, in whole or in part, but for the "asbestos hazard" or "lead hazard". This exclusion includes, but is not limited to, compliance with any request, demand, order, or statutory or regulatory requirement or any other action authorized or required by law and any costs, fees, expenses, penalties, judgments, fines, or sanctions arising out of or in any way connected to the "asbestos hazard" or "lead hazard".

## **3. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

## **4. Contractual Liability**

"Bodily injury", "property damage" or "personal and advertising injury" for which the insured 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" for:

- a. "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or
- b. "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "damages" because of "bodily injury" or "property damage", provided:
  - (1) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (2) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "damages" to which this insurance applies are alleged.

## **5. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

## **6. Dam, Reservoir, Levee Or Dike Structural Failure**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the structural failure, collapse, bursting, flooding, cracking, settling, seepage, under-seepage, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee or dike owned, operated, maintained, licensed, permitted, inspected, constructed or controlled by any insured.

## **7. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work";

- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms; or
- c. The decisions or actions of any insured relative to zoning or building code regulations and administration.

Paragraphs **a.** and **b.** of this exclusion do not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

## **8. Damage To Property**

"Property damage" to:

- a. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **a.**, **c.** and **d.** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION III – LIMITS OF INSURANCE**.

Paragraph **b.** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **c.**, **d.**, **e.** and **f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

## **9. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

## **10. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

## **11. Designated Operations**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of any activities or operations of the following authorities, boards, commissions, districts, or any other governmental units or departments: airport; electric, gas or biofuel facilities; hospitals or clinics; nursing homes; port authorities; public housing authorities; schools; or transit authorities.

Airport means: airfield, runway, hanger, airport, airpark, heliport, or similar property that you own, operate, use, maintain, license, permit, or inspect, or located on any property you rent or lease, including a sublease.

#### **12. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

#### **13. Electronic Data Liability**

- a. "Personal and advertising injury" or "property damage" arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".
- b. "Damages" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if "damages" are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

#### **14. Employer's Liability**

"Bodily injury" or "personal and advertising injury" to:

- a. An "employee" of the insured arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's operations;
- b. A "volunteer" while in the course of their duties as such; or
- c. The spouse, child, parent, brother or sister of that "employee" or "volunteer" as a consequence of Paragraph **a.** or **b.** above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

#### **15. Employee Benefit Injury Or Employment Practices**

"Employee benefit injury" or your "employment practices".

#### **16. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

#### **17. Failure To Supply**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the failure of any insured to adequately supply gas, oil, water, electricity, steam or biofuel.

This exclusion does not apply if the failure to supply results from the sudden and accidental physical injury to tangible property owned or used by any insured to procure, produce, process or transmit the gas, oil, water, electricity, steam or biofuel.

#### **18. Fireworks**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ignition or discharge of fireworks in conjunction with any display, demonstration or show, conducted, sponsored or co-sponsored by any insured.

Fireworks include but are not limited to firecrackers and all aerial or ground displays.

#### **19. Fungi Or Bacteria**

- a. "Bodily injury" "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

#### **20. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **21. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **22. Law Enforcement Activities**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of your "law enforcement activities".

#### **23. Liquor Liability**

"Bodily injury", "property damage" or "personal and advertising injury" for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (1) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (2) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury", "property damage" or "personal and advertising injury", involved that which is described in Paragraphs **a.**, **b.** or **c.** above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether

or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

This exclusion does not apply if the insured is selling, serving or furnishing alcoholic beverages at a function or activity that is sponsored by the insured that is temporary in nature and does not exceed 3 days in duration for a single activity or function.

**24. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the Policy Period.

**25. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material if done by or at the direction of the insured with knowledge of its falsity.

**26. Media - Broadcasting, Publishing Or Telecasting**

"Bodily injury" or "personal and advertising injury" committed by an insured whose operations include broadcasting, publishing or telecasting. This exclusion does not apply to Paragraphs 1., 2. and 3. of the definition of "personal and advertising injury" in **SECTION V – DEFINITIONS**.

**27. Medical Professional Services**

"Bodily injury" or "personal and advertising injury" arising out of the rendering or failure to render the following medical "professional services":

- a. Medical, surgical, dental, laboratory, x-ray, nursing service, treatment, advice or instruction, or the furnishing of food or beverages in relation to such services;
- b. Any health or therapeutic service, treatment, advice or instruction;
- c. The handling or treatment of dead bodies, including autopsies, organ donations or other postmortem procedures; or
- d. The furnishing or dispensing of:
  - (1) Over-the-counter medicine or prescription medication; or
  - (2) Medical, dental or surgical supplies or appliances.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or the offense which caused the "personal and advertising injury" involves the rendering of or the failure to render any health care services.

Provided no insured is in the business of providing health care services, this exclusion does not apply to any "employee" or "volunteer" who:

- (1) Has not in the past, and does not currently hold, a medical professional license; or
- (2) Is a licensed or registered nurse, emergency medical technician, first responder or paramedic.

However, this exception only applies to "damages" that occur due to the rendering or failure to render services that are within the authorized responsibility, course and scope of such duties for your "emergency response operations" and then only if the person's license or right to practice health care services is in good standing and is not revoked, suspended or surrendered at the request of any regulatory authority or institution.

**28. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- a. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- b. The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**29. Nuclear Hazard**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of nuclear reaction or radiation, or radioactive contamination, however caused.

**30. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**31. Pollution**

- a. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this Paragraph (1) does not apply to:

- (a) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
- (b) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added as an additional insured herein with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured;
- (c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (d) "Bodily injury" or "property damage" arising from the application or use of any chemical by an insured, or a contractor or subcontractor working directly or indirectly on the insured's behalf, performing work related to the insured's:
  - (i) Swimming pool maintenance operations;
  - (ii) Sewage treatment operations; or
  - (iii) Treatment of roads and other paved surfaces for weather conditions.
- (e) "Property damage" to a building or its contents if caused by sewage resulting from:
  - (i) The reverse flow of such sewage from within any sewage facility that you own, operate or maintain;
  - (ii) The escape of sewage from any fixed conduit that you own, operate or maintain, but only if the escape occurs away from land you own or lease;

(2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (a) Any insured; or
- (b) Any person or organization for whom you may be legally responsible; or

- (4) At or from any premises, site or location on which an insured or any contractor or subcontractor working directly or indirectly on the insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (a) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (b) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor;
  - (c) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (d) "Bodily injury" or "property damage" arising from the application or use of any chemical by an insured, or a contractor or subcontractor working directly or indirectly on the insured's behalf, performing work related to the insured's:
    - (i) Swimming pool maintenance operations;
    - (ii) Sewage treatment operations; or
    - (iii) Treatment of roads and other paved surfaces for weather conditions.
- (5) At or from any premises, site or location on which an insured or a contractor or subcontractor working directly or indirectly on the insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- b. Any loss, cost or expense arising out of any:
- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (2) Claim or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for "damages" because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

The exceptions listed herein do not apply to "bodily injury" or "property damage" which results from or is directly or indirectly attributable to failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the application, use, storage and handling of any chemical and the insured does not sell, apply, use, transport or store any chemical that is banned or listed as suspect by any federal, state or local government authority.

### **32. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering

or failure to render "professional services" by:

- a. Any person acting in the capacity of an attorney; or
- b. Any architect, engineer or surveyor performing work on your behalf in such capacity, including the preparation, approval of or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings, designs and specifications; or
- c. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" or the offense which caused the "personal and advertising injury" involved the rendering of or the failure to render such "professional services".

**33. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

**34. Recall Of Products, Work Or Impaired Property**

Any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**35. Recording And Distribution Of Material Or Information In Violation Of Statutes**

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- c. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- d. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**36. Strike, Riot, Civil Commotion**

"Bodily injury", "property damage" or "personal and advertising injury" arising from strike, riot or civil commotion.

**37. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or meta tag, or any other similar tactics to mislead another's potential customers.

**38. War**



"Bodily injury", "property damage" or "personal and advertising injury" however caused, arising out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack; by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**39. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**40. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

**41. Zoning, Regulation And Permissive Use Of Property**

The taking, partial taking temporary taking, control of property, or resulting diminution of property value by any means, method or proceeding, including but not limited to, zoning decisions, building code decisions, and permitting decisions, however characterized, and public officials' acts that involves or are in any way relating to, the principles of eminent domain, condemnation, inverse condemnation, adverse possession, right of prescription or dedication by adverse use or zoning, building code or permitting decisions.

Exclusions 1., 7., 8., 9., 10., 14., 23., 28., 31., 34., 38. and 39. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

**D. SUPPLEMENTARY PAYMENTS –COVERAGES A AND B**

These payments will not reduce the Limits of Insurance.

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$2,000 for the 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.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - 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 \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments will not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - g. All interest on that part of any judgment for which we make a payment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks "damages" for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **C.4.b.** of **SECTION I – COVERAGES**, such payments will not be deemed to be "damages" for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

## **E. COVERAGE C – MEDICAL PAYMENTS**

### **1. Insuring Agreement**

- a. At your written request, we will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;provided that:
  - (a) The accident takes place in the "coverage territory" and during the Policy Period;

- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
  - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
- (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions – Medical Payments**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured.

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises, athletic or sports clinics, lessons, contests, exhibitions, games or leagues.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Adult Or Child Day Care And Overnight Camps**

To an adult or child enrolled in a day care center or an overnight camp.

**h. Coverage A Exclusions**

Excluded under Coverage A.

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**SECTION II – WHO IS AN INSURED**

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**A.** Each of the following is an insured:

- 1. You.
- 2. Except with respect to any of those employed by, volunteering for or associated in any way with any authority, board, commission, district or other governmental unit operations or activities that are excluded under this Coverage Form:
  - a. Elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units, but only for acts within the course and scope of their duties as such.

- b. Your “employees” but only for acts within the course and scope of their employment by you or while performing duties related to the conduct of your operations or “volunteers” while acting at the direction of and within the course and scope of duties determined by an insured. However, none of these “employees” or “volunteers” is an insured for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, any insured listed in Paragraph **a.** above or to a co-employee while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-employee or "volunteer" as a consequence of Paragraph **(1)(a)** above;
      - (c) For which there is any obligation to share “damages” with or repay someone else who must pay “damages” because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or
    - (2) "Property damage" to property owned, occupied or used by, rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteers", or any insured listed in Paragraph **2.a.** above.
  - c. Any persons providing services to you under any mutual aid or similar agreement, if coverage otherwise is not excluded.
  - d. In the event of the death, incapacity or bankruptcy of any insured, their heirs, executors, administrators, assigns and legal representative, but only to the extent that they would otherwise be provided coverage under this Coverage Form.
3. Any person or organization while acting as your real estate manager.
- B.** Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However,
- 1. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the Policy Period, whichever is earlier.
  - 2. Coverage **A** does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and
  - 3. Coverage **B** does not apply to “personal and advertising injury” arising out of an offense committed before you acquired or formed the organization
- C.** However, none of the following are insureds under this Coverage Form:
- 1. Any person, organization or entity that is on retainer, is an independent contractor or is under contract for services for any insured.
  - 2. Any person or entity with respect to the conduct of any current or past organization that is not shown as a Named Insured in the Declarations.

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### SECTION III – LIMITS OF INSURANCE

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- A.** The Limits of Insurance shown in the Declarations and the provisions contained in this Section establish the most we will pay regardless of the number of:
- 1. Insureds;
  - 2. Claims made or “suits” brought; or
  - 3. Persons or organizations making claims or bringing “suits”.

**B. General Aggregate Limit Of Insurance**

The General Aggregate Limit is the most we will pay for the sum of:

1. Medical expenses under Coverage C;
2. "Damages" under Coverage A, except "damages" because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
3. "Damages" under Coverage B.

**C. Products-Completed Operations Aggregate Limit**

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for "damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

**D. Personal And Advertising Injury Limit**

Subject to Paragraph B. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "damages" because of all "personal and advertising injury" sustained by any one person or organization.

**E. Each Occurrence Limit**

Subject to Paragraph B. and C. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

1. "Damages" under Coverage A; and
2. Medical expenses under Coverage C

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

**F. Damage To Premises Rented To You Limit**

Subject to Paragraph E. above, the Damage To Premises Rented To You Limit is the most we will pay for "damages" under Coverage A 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.

**G. Medical Expenses Sustained By Any One Person.**

Subject to Paragraph E. 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.

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

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**SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

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**A. Bankruptcy**

Bankruptcy or insolvency of the insured will not relieve us of our obligations under this Coverage Form.

**B. Duties In The Event Of "Occurrence", Offense, Claim Or "Suit"**

1. You must see to it that we, or one of our authorized agents, are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - a. How, when and where the "occurrence" or offense took place;



- (c) That is insurance purchased by you to cover your liability as a tenant for “property damage” to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d) If the loss arises out of the maintenance or use of aircraft, “autos” or watercraft to the extent not subject to Exclusion 1. of **SECTION I – COVERAGE A – Bodily Injury and Property Damage Liability**.
- (2) Any other primary insurance available to you covering liability for “damages” arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.
- b. When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any “suit” if any other insurer has the duty to defend the insured against that “suit”. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.
  - c. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sums of:
    - (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
    - (2) The total of all deductible and self-insured amounts under all that other insurance.
  - d. We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Supplemental Declarations of this Coverage Form.

### **3. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer’s share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### **E. Representations**

By accepting this Coverage Form, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you have made to us; and
3. We have issued this Coverage Form in reliance upon your representations.

### **F. Separation Of Insureds**

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or “suit” is brought.

### **G. Transfer Of Rights Of Recovery Against Others To Us**

If this insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring “suit” or transfer those rights to us and help us enforce them.

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## SECTION V - DEFINITIONS

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- A. “Advertisement”** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an “advertisement”.
- B. “Asbestos hazard”** means any liability, loss, damage, claim, suit, cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any asbestos.
- C. “Auto”** means:
1. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- However, “auto” does not include “mobile equipment”.
- D. “Bodily injury”** means injury to the physical body, sickness, disease and death, resulting from any of these at any time, and if arising out of the foregoing, mental anguish or mental injury.
- E. “Coverage territory”** means all parts of the world if the insured’s responsibility to pay “damages” is determined in a “suit” brought in the United States of America (including its territories and possessions), Puerto Rico, or Canada or in a settlement we agree to.
- F. “Damages”** means judgments and settlements which the insured is legally obligated to pay as a result of an “bodily injury”, “property damage” or “personal and advertising injury” covered by this coverage form. “Damages” also include punitive and exemplary “damages” where insurance therefore is allowable under the applicable law.
- “Damages” does not include:
1. Payment for past services rendered or work performed, and shall not include payments for the fulfillment of contractual obligations, including but not limited to providing employee benefits;
  2. Any amount for which an insured is not financially liable or for which there is no legal recourse to an insured;
  3. Civil or criminal fines or penalties;
  4. Taxes, the reallocation of taxes, the recalculation of taxes, or the loss of tax benefits;
  5. Any amount that represents or is substantially equivalent to disgorgement, restitution, or rescission “damages”, or forfeiture of any profits or remuneration; or
  6. Matters uninsurable under the law pursuant to which this policy shall be construed.
- G. “Electronic data”** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- H. “Emergency Response Operations”** means actions involving your firefighting or emergency medical operations, which are urgent responses for protection of property, human life, health or safety.



- I. **“Employee”** includes a “leased worker.” “Employee” does not include a “temporary worker”.
- J. **“Employee benefit injury”** means “damages” resulting from acts, errors or omissions arising out of the administration of any of the insured’s “employee” benefits programs, such as but, not limited to, life insurance plans, accident insurance plans, health insurance plans, profit sharing plans, “employee” stock ownership or subscription plans or any type of pension or savings plans. This term also includes unemployment insurance, social security, workers’ compensation, disability benefits and similar plans.
- K. **“Employment practices”** means injury, including consequential “bodily injury”, arising from any of your employment practices including, but not limited to:
1. Discrimination.
  2. Harassment.
  3. Retaliation.
  4. Any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract.
  5. Any actual or alleged wrongful hiring, demotion, discipline, evaluation, supervision and investigation of an “employee” or intentional interference with an employment contract.
  6. Any actual or alleged wrongful deprivation of a career opportunity, to promote an “employee” or the wrongful failure to employ.
  7. Any actual or alleged false arrest, false imprisonment, false detention or malicious prosecution, libel, slander, defamation, disparagement or invasion of the right of privacy.
  8. The violation of any federal, state or local statutes, rules or regulations applicable to employers.
  9. The development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of “employment practices”.
- L. **“Fungi”** means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
- M. **“Hostile fire”** means one which becomes uncontrollable or breaks out from where it was intended to be.
- N. **“Impaired property”** means tangible property, other than “your product” or “your work”, that cannot be used or is less useful because:
1. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
  2. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of “your product” or “your work” or your fulfilling the terms of the contract or agreement.
- O. **“Insured contract”** means:
1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an “insured contract”;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  5. An elevator maintenance agreement;

6. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph 6. does not include that part of any contract or agreement:

- (a) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (b) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (1) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (c) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (b) above and supervisory, inspection, architectural or engineering activities.

**P. "Law enforcement activities"** means:

1. Any official activity, function or operation conducted by you or on your behalf in the course of your law enforcement operations;
2. Any officially sanctioned off-duty activity conducted in the course of law enforcement operations.
3. The ownership, maintenance, operation or use of any premises by your law enforcement operations.
4. Any criminal prosecution activity by judicial officers, prosecution attorneys and staff other than public defenders or criminal defense attorneys.
5. The development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement.

**Q. "Lead Hazard"** means any liability, loss, damage, claim, "suit", cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any lead.

**R. "Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker".

**S. "Loading or unloading"** means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  2. While it is in or on an aircraft, watercraft or "auto"; or
  3. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**T. "Mobile equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers;
6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- a. Equipment designed primarily for:
  - (1) Snow removal;
  - (2) Road maintenance, but not construction or resurfacing; or
  - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- U. **"Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- V. **"Personal and advertising injury"** means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
  1. False arrest, detention or imprisonment;
  2. Malicious prosecution;
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  5. Oral or written publication, in any manner, of material that violates a persons' right of privacy;
  6. The use of another's advertising idea in your "advertisement"; or
  7. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**W. "Pollutants" mean:**

1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.

**X. "Products-completed operations hazard":**

1. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - a. Products that are still in your physical possession; or
  - b. Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (1) When all of the work called for in your contract has been completed.
    - (2) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

2. Does not include "bodily injury" or "property damage" arising out of:
  - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
  - b. The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - c. Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**Y. "Professional services" means any act or service performed in connection with an occupation or employment involving specialized training, knowledge, labor or skill and which requires special licensing by an agency, organization or entity authorized to issue such license.**

**Z. "Property damage" means:**

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

**AA. "Suit" means, a civil proceeding in which "damages" because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**

1. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.

- BB. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- CC. "Volunteer"** means a person who is not your "employee" who donates his or her work, acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else in return for the work performed.
- DD. "Your product":**
1. Means:
    - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (1) You;
      - (2) Others trading under your name; or
      - (3) A person or organization whose business or assets you have acquired; and
    - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  2. Includes:
    - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - b. The providing of or failure to provide warnings or instructions.
  3. Does not include vending machines or other property rented to or located for the use of others but not sold.
- EE. "Your work":**
1. Means:
    - a. Work or operations performed by you or on your behalf; and
    - b. Materials, parts or equipment furnished in connection with such work or operations.
  2. Includes:
    - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
    - b. The providing of or failure to provide warnings or instructions.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PESTICIDE OR HERBICIDE APPLICATOR COVERAGE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SCHEDULE**

<b>Sublimits of Insurance</b>	\$ 100,000	<b>Each Occurrence</b>
	\$ 100,000	<b>Aggregate</b>

With respect to your operations involving the application of pesticides or herbicides:

- Exclusion 8. Damage To Property, d and e. of SECTION I - COVERAGES, C. EXCLUSIONS – COVERAGES A AND B** do not apply to “property damage” occurring as a result of such operations.
- Exclusion 31. Pollution, a.(4) of SECTION I - COVERAGES , C. EXCLUSIONS – COVERAGES A AND B** does not apply if the operations meet all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those operations.
- The Sublimits of Insurance shown in the Schedule are the most we will pay for “property damage” coverage as provided by this endorsement. The Sublimits of Insurance are part of, and not in addition to, the Limits of Insurance shown in the Declarations as the Each Occurrence Limit and the General Aggregate Limit.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL COVERAGE – WATER DISTRICTS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following is added to **SECTION I – COVERAGES, C. EXCLUSIONS – COVERAGE A AND B, Exclusion 31. Pollution, a.(1)**

- (f) “Bodily injury:” and “property damage” for “Water Operations” arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”.
  - (i) Arising out of the use, handling, storage, discharge, dispersal, release or escape of any chemical used in the water treatment process;
  - (ii) Arising out of explosion, lightning, windstorm, vandalism or malicious mischief, collapse, riot and civil commotion, flood, or earthquake;
  - (iii) Arising out of the collision, upset or overturn of equipment;
  - (iv) Arising out of the heat, smoke or fumes from a “hostile fire”;
  - (v) Arising out of weed abatement or spraying;
  - (vi) Arising out of propane or natural gas, or
  - (vii) Arising out of “potable water” which is provided by the insured to others.

The following is added to **SECTION I – COVERAGE, C. EXCLUSION – COVERAGE A AND B, Exclusion 2. Asbestos or Lead Hazard:**

However, this exclusion shall not apply to the “asbestos hazard” for “bodily injury” or “property damage” liability for “water operations” arising out of “potable water” which is provided by the Insured to others.

**SECTION IV – DEFINITIONS** is amended to include the following:

“Potable water” means water intended and provided for human consumption.

“Water operations” means only those operations related to the distribution and treatment of water or wastewater.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - SUBSIDENCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" caused by, resulting from, attributable or contributed to, or aggravated by the subsidence of land as a result of landslide, mudflow, sinking, shifting, slipping, falling away, caving in, eroding, rising, tilting, or any other movements of land or earth, however caused.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ELECTROMAGNETIC RADIATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged, threatened, perceived, latent, intentional, accidental or incidental exposure to or contact with "electromagnetic radiation".
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, regulate, abate, remove, contain, suspend, eliminate or mitigate, or in any way respond to or assess the effects of or exposure to "electromagnetic radiation"; or
  - b. Claim or suit by any person, including claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, regulating, abating, removing, containing, suspending, eliminating or mitigating, or in any way responding to or assessing the effects of or exposure to "electromagnetic radiation".
3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with 1. or 2. above.

"Electromagnetic radiation" includes but is not limited to magnetic energy, waves, fields or forces generated, produced, transmitted or maintained by charges, currents, frequencies, energy or forces of electricity that are generated, flowing or otherwise transmitted through or via the medium, methods and equipment designed to generate, produce, distribute, transport or transmit the electrical charges, currents, frequencies, energy or forces.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SEXUAL ABUSE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**Schedule**

<b>SUBLIMITS OF INSURANCE</b>	<b>PREMIUM</b>
\$ 1,000,000 Per Occurrence	
\$ 1,000,000 Aggregate	\$ INCLUDED

**A. Coverage**

The following exclusion is added to **SECTION I – COVERAGES, C. EXCLUSIONS, COVERAGE A And B:**

This insurance does not apply to “damages”, claims or “suits” alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving the “sexual abuse” of any person. This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others, or the reporting or failure to report “sexual abuse” to the proper authorities by any insured.

However, this exclusion does not apply to any insured who did not actually perpetrate, take part in or knowingly allow any act or acts constituting “sexual abuse” to take place.

“Sexual abuse” as used in this endorsement means the actual, attempted or alleged sexual conduct by a person, or by persons acting in concert. It also includes sexual molestation, sexual assault, sexual exploitation, or sexual injury.

**B. Sublimits Of Insurance**

The Sublimits Of Insurance shown in the Schedule above are the most we will pay for “damages” as the result of coverage provided by this endorsement.

1. The Aggregate Limit shown in the Schedule is the most we will pay for the sum of all “damages” payable under this endorsement.
2. Subject to 1. above, the Each Occurrence Limit shown in the Schedule is the most we will pay for the sum of all “damages” arising out of any “occurrence”.
3. The Sublimits Of Insurance provided by this endorsement are part of, and not in addition to, the Limits Of Insurance shown in the Declarations as the General Aggregate Limit and the Each Occurrence Limit.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT – STRIKE, RIOT AND CIVIL COMMOTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SECTION I – COVERAGES, C. EXCLUSIONS – COVERAGES A AND B Exclusion 36.** Riot, Strike and Civil Commotion does not apply.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – EMERGENCY RESPONSE OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SECTION I – COVERAGES, C. EXCLUSIONS – COVERAGES A AND B** is amended to include the following exclusion:

This insurance does not apply to “damages”, claims or “suits” alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

**Emergency Response Operations**

“Bodily injury”, “property damage” or “personal and advertising injury” arising out of your “emergency response operations”.

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ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MEDIA - BROADCASTING, PUBLISHING OR TELECASTING AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**Exclusion 26. Media - Broadcasting, Publishing Or Telecasting** is deleted and replaced by:

“Bodily injury” or “personal and advertising injury” committed by an insured whose operations include broadcasting, publishing or telecasting. This exclusion does not apply to Paragraphs **1.**, **2.** and **3.** of the definition of “personal and advertising injury” in **SECTION V – DEFINITIONS.**

However, this exclusion does not apply to “personal and advertising injury” arising from not for profit, broadcasting, publishing or telecasting activities performed by the named insured.

**U.S. SPECIALTY INSURANCE COMPANY  
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EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number U23PKG80466-04

<b>EMPLOYEE BENEFITS LIABILITY LIMITS OF INSURANCE</b>			
Each Employee Limit	\$	1,000,000	
Aggregate Limit	\$	3,000,000	
<b>FORM OF BUSINESS</b>			
<input checked="" type="checkbox"/> Municipality	<input type="checkbox"/> County	<input type="checkbox"/> Special District	<input type="checkbox"/> Other:
<b>DEDUCTIBLE \$ 1,000</b> <span style="float: right;"><b>Applicable to Each Employee</b></span>			
<b>PREMIUM</b>			
NO. OF EMPLOYEES	RATE PER EMPLOYEE	PREMIUM	
INCLUDED	INCLUDED (first 5,000)	\$ INCLUDED	
INCLUDED	INCLUDED (next 5,000)	\$ INCLUDED	
INCLUDED	INCLUDED (over 10,000)	\$ INCLUDED	
	Minimum Premium	\$ INCLUDED	
	Advance Premium	\$ INCLUDED	
<b>FORMS AND ENDORSEMENTS (other than applicable forms and endorsements shown elsewhere in the policy)</b>			
Forms and endorsements applying to the Coverage Part and made a part of this policy at time of issue: Refer to AL000103.			

THIS SUPPLEMENTAL DECLARATIONS AND THE COMMON POLICY DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS COMPLETE THE ABOVE NUMBERED POLICY.

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PUBLIC RISK**

**EMPLOYEE BENEFITS LIABILITY COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to U.S. Specialty Insurance Company.

The word "insured" means any person or organization qualifying as such under **SECTION II - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V - DEFINITIONS**.

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**SECTION I - COVERAGE**

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**A. Insuring Agreement**

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of an "employee benefits wrongful act" to which this insurance applies. The "employee benefits wrongful act" must be committed in the "administration" of your "employee benefits program". We will have the right and duty to defend the insured against any "suit" seeking those "damages", even if the allegations of such "suit" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "suit" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any "employee benefits wrongful act" and settle any claim or "suit" that may result. But:
  - a. The amount we will pay for "damages" is limited as described in **SECTION III - LIMITS OF INSURANCE**; and
  - b. Our right and duty to defend end when we have used up the applicable limit of insurance in payment of judgments or settlements for "damages".
2. This insurance applies to "damages" only if the "employee benefits wrongful act" occurs in the "coverage territory", during the Policy Period listed in the Declarations.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **B. Supplementary Payments**.

**B. Supplementary Payments**

We will pay, with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. 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 \$250 a day because of time off from work.
3. All costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
4. Subject to **SECTION III - LIMITS OF INSURANCE**, Paragraph F., prejudgment interest awarded against the insured on that part of the judgment we pay.
5. All interest on that part of any judgment for which we make a payment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
6. We shall have the right, but no duty to appeal any judgment.

The Supplementary Payments will not reduce the Limits of Insurance.

**C. Exclusions**

This insurance does not apply to "damages", claims or "suits" alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

**1. Dishonest, Fraudulent, Criminal Or Malicious Act**

Any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

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- 2. Bodily Injury, Property Damage, Or Personal And Advertising Injury**  
"Bodily injury", "property damage" or "personal and advertising injury".
- 3. Failure To Perform A Contract**  
Failure of performance of contract by any insurer.
- 4. Insufficiency Of Funds**  
Insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".
- 5. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**
  - a. Failure of any investment to perform;
  - b. Errors in providing information on past performance of investment vehicles; or
  - c. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".
- 6. Workers' Compensation And Similar Laws**  
Your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.
- 7. ERISA**  
Liability of any insured because of liability imposed on a fiduciary by the Employee Retirement Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.
- 8. Available Benefits**  
Benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.
- 9. Designated Operations**  
Your "employee benefit program" for any of the following authorities, boards, commissions, districts, or any other governmental units or departments: airports; electric, gas or biofuel facilities; hospitals or clinics; nursing homes; port authorities; public housing authorities; schools; or transit authorities.
- 10. Employment Practices**  
Your "employment practices".
- 11. Prior Employee Benefits Wrongful Act, Prior Insurance, Prior Or Pending Litigation**
  - a. Any "employee benefits wrongful act" which begins prior to the effective date of the Policy Period listed in the Declarations; or
  - b. Any fact, circumstance, event or "employee benefits wrongful act" that was the subject of any notice under any other policy of insurance, whether Employee Benefits Liability insurance or otherwise; or
  - c. Any claim deriving in whole or in part, from any fact, series of facts or circumstances, or matters asserted or alleged, in any prior or pending legal action or litigation, administrative or regulatory proceeding, claim, "suit", demand, arbitration, decree or judgment against any insured prior to the beginning of the Policy Period listed in the Declarations.

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**SECTION II - WHO IS AN INSURED**

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- A.** Each of the following is an insured:
1. You.
  2. Except with respect to any of those employed by, volunteering for or associated in any way with any authority, board, commission, district or other governmental unit excluded under this Coverage Form:
    - a. Elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units, but only for acts within the course and scope of their duties as such.
    - b. Each of your "employees" who is or was authorized to administer your "employee benefit program".



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- c. In the event of the death, incapacity or bankruptcy of any insured, their heirs, executors, administrators, assigns and legal representative, but only to the extent that they would otherwise be provided coverage under this Coverage Form.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire, or form the organization or the end of the Policy Period, whichever is earlier; and
  - b. Coverage under this provision does not apply to any "employee benefits wrongful act" that occurred before you acquired or formed the organization.
- B. None of the following are insureds under this Coverage Form:
  - 1. Any person, organization or entity that is on retainer, is an independent contractor or is under contract for services for any insured.
  - 2. Any person, organization or entity with respect to the conduct of an organization or joint venture that is not shown as a Named Insured in the Declarations.

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**SECTION III - LIMITS OF INSURANCE**

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**A. Limits Of Insurance**

The Limits of Insurance shown in the Declarations and the provisions contained in this Section establish the most we will pay regardless of the number of:

- 1. Insureds;
- 2. "Employee benefits wrongful acts", claims made or "suits" brought;
- 3. Persons or organizations making claims or bringing "suits";
- 4. Benefits included in your "employee benefit program".

**B. Aggregate Limit**

The most we will pay for all "damages" covered under this Coverage Form is the Aggregate Limit Of Insurance. The Aggregate Limit Of Insurance shall be reduced by the amount of any payment made under the terms of this Coverage Form. Upon exhaustion of the Coverage Form Aggregate Limit Of Insurance by such payments, we will have no further obligations or liability of any kind hereunder.

**C. Each Employee Limit**

Subject to Paragraph B., above, the Each Employee Limit is the most we will pay for all "damages" sustained by any one "employee", including "damages" sustained by such "employee's" dependents and beneficiaries, as a result of an "employee benefits wrongful act" or related "employee benefits wrongful acts" negligently committed in the "administration" of your "employee benefit program".

- 1. All "employee benefits wrongful acts" committed by one or more insureds that are substantially the same, or in any way, directly or indirectly, related or interrelated, either logically, causally or temporally, shall be deemed to constitute the same "employee benefits wrongful act" and one Limit of Insurance for such "employee benefits wrongful act" and one deductible will apply.
- 2. All claims or "suits" for "damages" that arise as a result of a series of related "employee benefits wrongful acts" committed by an insured will be deemed to have taken place at the time of the first such "employee benefits wrongful act".

However, the amount paid under this Coverage Form shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefits program."

**D. Deductible**

The Deductible shown in the Declarations applies to "damages" and "claims expense" for all claims or "suits" caused by an "employee benefits wrongful acts". The Each Employee Limit applies in excess of the deductible and is not reduced by the payment of that deductible. The insured agrees that such deductible will be uninsured and borne by the insured. We may, at our discretion, pay all or part of any deductible. Upon notice of such payment you shall promptly reimburse us for the amount we paid.

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PUBLIC RISK**

As respects to this Paragraph D., "claims expense" means any of the fees, costs or expenses that can be directly allocated to a specific claim or "suit", including:

1. Reasonable and necessary attorney fees and litigation costs;
2. The cost of premiums for any appeal bond, attachment or similar bond arising out of a covered judgment.  
(We have no obligation to apply for or furnish any such bonds.)
3. All other fees, costs and expenses incurred in the investigation, adjustment, defense and/or appeal of any claim or "suit" by us.

"Claims expense" does not include the salaries and expenses of our "employees" or your "employees".

**E. Application Of Limits Of Insurance**

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period listed in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**F. Consent To Settle**

If we recommend a settlement that is acceptable to the claimant but to which you do not consent, the most we will pay as "damages" in the event of a subsequent legal settlement or judgment is the amount we recommended, plus claims expense incurred up to the date of your refusal to settle. Also, we will not pay any pre-judgment interest incurred after the date of our offer.

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**SECTION IV - EMPLOYEE BENEFITS LIABILITY CONDITIONS**

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**A. Bankruptcy**

Bankruptcy or insolvency of the insured will not relieve us of our obligations under this Coverage Form.

**B. Duties In The Event Of A Claim, Suit, or Employee Benefits Wrongful Act**

1. You must see to it that we, or one of our authorized agents, are notified in writing as soon as practicable of an "employee benefits wrongful act" which may result in a claim. To the extent possible, notice shall include:
  - a. How, when and where the "employee benefits wrongful act" occurred, and
  - b. The names and addresses of anyone who may suffer "damages" as a result of the "employee benefits wrongful act" or have knowledge of the "employee benefits wrongful act".
2. If a claim is made or "suit" is brought against any insured, you must:
  - a. Immediately record the specifics of the claim or "suit" and the date received; and
  - b. Notify us, or one of our authorized agents, in writing as soon as practicable.
3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit".
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of a claim or defense against the "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "damages" to which this insurance may also apply.
4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent.

**C. Legal Action Against Us.**

No person or organization has a right under this Coverage Form:

1. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or

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2. To sue us under this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "damages" that are not payable under the terms of this Coverage Form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

**D. Other Insurance.**

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Form, our obligations are limited as follows:

**1. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph 2. below.

**2. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**E. Representations.**

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

**F. Separation of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

**G. Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Your rights and duties under this Coverage Form may not be transferred without our written consent.

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**SECTION V - DEFINITIONS**

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**A. "Administration" means:**

1. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
2. Handling records in connection with the "employee benefit program"; or
3. Effecting, continuing or terminating any "employee's" participation in any benefit in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

**B. "Bodily injury" means injury to the physical body, sickness or disease, including death resulting from any of these at any time, and if arising out of the foregoing, mental anguish, mental injury or disability.**

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- C. **“Cafeteria plans”** means plans authorized by applicable law to allow “employees” to elect to pay for certain benefits with pre-tax dollars.
- D. **“Coverage territory”** means all parts of the world if the insured’s responsibility to pay “damages” is determined in a “suit” brought in the United States of America (including its territories and possessions), Puerto Rico, or Canada or in a settlement we agree to.
- E. **“Damages”** means judgments and settlements which the insured is legally obligated to pay as a result of an “employee benefits wrongful act” covered by this Coverage Form. “Damages” also include punitive and exemplary “damages” where insurance therefore is allowable under the applicable law.
- “Damages” does not include:**
1. Payment for past services rendered or work performed, and shall not include payments for the fulfillment of contractual obligations, including providing employee benefits;
  2. Any amount for which an insured is not financially liable or for which there is no legal recourse to an insured;
  3. Civil or criminal fines or penalties;
  4. Taxes, fines or penalties, including those imposed by the Internal Revenue Code or any similar state or local law.
  5. Any amount that represents or is substantially equivalent to disgorgement, restitution, or rescission “damages”, or forfeiture of any profits or remuneration; or
  6. Matters uninsurable under the law pursuant to which this policy shall be construed.
- F. **“Employee”** means a person actively employed, formerly employed, on leave of absence or disabled, or retired. “Employee” includes a “leased worker”. “Employee” does not include a “temporary worker”.
- G. **“Employee benefit program”** means a program providing some or all of the following benefits to “employees”, whether provided through a “cafeteria plan” or otherwise:
1. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an “employee” may subscribe to such benefits and such benefits are made generally available to those “employees” who satisfy the plan’s eligibility requirements;
  2. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an “employee” may subscribe to such benefits and such benefits are made generally available to all “employees” who are eligible under the plan for such benefits;
  3. Unemployment insurance, social security benefits, workers’ compensation and disability benefits;
  4. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  5. Any other similar benefits.
- H. **“Employee benefits wrongful act”** means:
1. The failure to execute a required action; or
  2. A mistaken action;
- committed in the “administration” of the insured’s “employee benefit program”.
- I. **“Employment practices”** means injury, including consequential “bodily injury”, arising from any of your employment practices including, but not limited to:
1. Discrimination.
  2. Harassment.
  3. Retaliation.
  4. Any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract.
  5. Any actual or alleged wrongful hiring, demotion, discipline, evaluation, supervision and investigation of an “employee” or intentional interference with an employment contract.
  6. Any actual or alleged wrongful deprivation of a career opportunity, failure to promote an “employee” or the wrongful failure to employ.
  7. Any actual or alleged false arrest, false imprisonment, false detention or malicious prosecution, libel, slander, defamation, disparagement or invasion of the right of privacy.

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8. The violation of any federal, state or local statutes, rules or regulations applicable to employers.
  9. The development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of "employment practices".
- J. Personal And Advertising Injury**" means "damages" arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
  2. Malicious prosecution;
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
  6. The use of another's advertising idea in your "advertisement", or
  7. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- K. "Property damage"** means physical injury to tangible property, including all resulting diminution of value and loss of use of that property; or loss of use of tangible property that is not physically injured.
- L. "Suit"** means a civil proceeding in which "damages" because of an "employee benefits wrongful act" to which this insurance applies are alleged. "Suit" includes:
1. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or
  2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.
- M. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**PUBLIC OFFICIALS LIABILITY SUPPLEMENTAL DECLARATIONS**

**THIS IS A CLAIMS MADE AND REPORTED POLICY.**

**ITEM 1. THIS SUPPLEMENTAL DECLARATIONS FORMS A PART OF POLICY NO. U23PKG80466-04**

**ITEM 2. RETROACTIVE DATE: 07/01/2001**

**ITEM 3. COVERAGE AND LIMITS OF INSURANCE**

<b>PUBLIC OFFICIALS LIABILITY COVERAGE</b>	<b>LIMITS OF INSURANCE</b>
<b>PUBLIC OFFICIALS WRONGFUL ACT LIMIT</b>	<b><u>\$ 1,000,000</u></b>
<b>AGGREGATE LIMIT</b>	<b><u>\$ 1,000,000</u></b>

**ITEM 4. DEDUCTIBLE AMOUNT**

<b>PUBLIC OFFICIALS WRONGFUL ACT DEDUCTIBLE</b>	<b><u>\$ 1,000</u></b>
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**ITEM 5. PREMIUM \$ INCLUDED**

**ITEM 6. PUBLIC OFFICIALS LIABILITY FORMS**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:  
Refer to AL000103.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE FORM. PLEASE READ IT CAREFULLY.**

Various provisions in this Coverage Form restrict coverage. Please read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to U.S. Specialty Insurance Company.

The word “insured” means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

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**SECTION I - COVERAGE**

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**A. Insuring Agreement**

1. We will pay those sums that the insured becomes legally obligated to pay as “damages” because of a “public officials wrongful act” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those “damages”, even if the allegations of such “suit” are groundless, false or fraudulent. However, we will have no duty to defend the insured against any “suit” seeking “damages” to which this insurance does not apply. We may, at our discretion, investigate any “public officials wrongful act” and settle any “claim” or “suit” that may result. But:
  - a. The amount we will pay for “damages” is limited as described in **SECTION IV – LIMITS OF INSURANCE**; and
  - b. Our right and duty to defend end when we have used up the applicable limit of insurance in payment of judgments or settlements for “damages”.
2. This insurance applies to “damages” only if:
  - a. The “public officials wrongful act” is committed within the “coverage territory”;
  - b. The “public officials wrongful act” is first committed after the retroactive date and before the end of the Policy Period listed in the Declarations;
  - c. The “claim” for “damages” is first made against the insured during the Policy Period listed in the Declarations, or if applicable, any Extended Reporting Period provided as described in **SECTION V – EXTENDED REPORTING PERIODS**; and
  - d. The “claim” is timely reported pursuant to **SECTION VI – PUBLIC OFFICIALS LIABILITY CONDITIONS**, Paragraph B.
3. A “claim” for “damages” will be deemed to have been made at the earlier of the following times:
  - a. When the “claim” is received by any insured; or
  - b. When the “claim” is received by us.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **B. Supplementary Payments**.

**B. Supplementary Payments**

We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:

1. All expenses we incur.

2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
3. 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 \$250 a day because of time off of work.
4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
5. Subject to **SECTION IV – LIMITS OF INSURANCE** Paragraph F., prejudgment interest awarded against the insured on that part of the judgment we pay.
6. All interest on that part of any judgment for which we make a payment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. We shall have the right, but no duty to appeal any judgment.

The Supplementary Payments will not reduce the Limits of Insurance.

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## **SECTION II - EXCLUSION**

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This insurance does not apply to "damages", "claims" or "suits" alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

### **A. Asbestos, Lead, Pollution**

Loss which would not have occurred, in whole or in part, but for the "asbestos hazard", "lead hazard" or "pollution hazard". This exclusion includes, but is not limited to, compliance with any request, demand, order, or statutory or regulatory requirement or any other action authorized or required by law and any costs, fees, expenses, penalties, judgments, fines, or sanctions arising out of or in any way connected to the "asbestos hazard", "lead hazard" or "pollution hazard".

### **B. Contractual Liability**

Any obligation based upon, arising from, or in consequence of, the insured being required to pay by reason of the assumption of liability in a contract or agreement, whether written or oral, or the failure, refusal, or inability of the insured to enter into, renew or perform any oral, written or implied contract or agreement. This exclusion does not apply to liability for "damages":

1. That the insured would have in the absence of the contract or agreement; or
2. Assumed under any mutual aid or similar agreement between political subdivisions, provided the covered "damage" takes place subsequent to the execution of the contract or agreement.

### **C. Dam, Reservoir, Levee Or Dike Structural Failure**

"Damages" arising out of the structural failure, collapse, bursting, flooding, cracking, settling, seepage, under-seepage, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee or dike owned, operated, maintained, constructed or controlled by any insured.

### **D. Deliberate Violation**

The deliberate violation of any federal, state or local statute, ordinance, rule or regulation; or the violation of any court order or judgment committed by or with the knowledge or consent of the insured.

### **E. Designated Operations**

Any activities or operations of the following authorities, boards, commissions, districts, or any other governmental units or departments: airport; electric, gas or biofuel utilities; hospitals or clinics; nursing homes; port authorities; public housing authorities; schools; or transit authorities.



Airport means: airfield, runway, hanger, airport, airpark, heliport, or similar property that you own, operate, use, maintain, license, permit, or inspect, or located on any property you rent or lease, including a sublease.

#### **F. Electronic Data**

“Damages” arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

#### **G. Fiduciary Obligations, Securities, Debt Financing, Taxes**

1. Breach of fiduciary duty by any insured.
2. Any debt financing, including bonds, debentures, guarantees of debt or notes.
3. The purchase, sale, issuance, or distribution, or the offer to purchase, sell, issue or distribute any debt, equity securities or other investments.
4. The use, misuse, management, mismanagement, loss of or failure to return any monies relating to funds, grants and appropriations, including any breach of or failure to satisfy any such duty or obligation.
5. Any obligation under the Employee Retirement Income Security Act (ERISA), including any amendment thereof or any similar provision of any other laws, rules and regulations.
6. Any obligation to pay or the failure to pay taxes, the reallocation of taxes, the recalculation of taxes, or the loss of tax benefits.

#### **H. Fraud, Dishonesty, Bad Faith Or Criminal Act Or Omission**

An allegation of fraud, dishonesty, bad faith or criminal act or omission on the part of any insured. This exclusion also applies to criminal fines or penalties assessed against any insured.

#### **I. Governmental Or Regulatory Action**

Any cost, fine, penalty or expense against any insured arising out of a complaint or enforcement action from any federal, state or local government, regulatory agency or judicial entity, including any settlement with respect to the foregoing.

#### **J. Insurance Related Activities**

The failure to effect or maintain insurance, including the proper amount, form and provisions of such insurance or any plan or agreement relating to risk transfer or assumption.

#### **K. Insured Against Insured**

“Claim” or “suit” made or brought by, or on behalf of, any current or former insured against any current or former insured.

#### **L. Law Enforcement Activities**

Loss arising, directly or indirectly, or in any way related to “law enforcement activities”.

#### **M. Non-Compensatory Damages**

Relief or redress in any form other than compensatory “damages”, or for any fees including attorney fees, costs or expenses that the insured becomes legally obligated to pay as a result of any adverse judgment for declaratory, injunctive or other equitable relief. However, we will afford defense to the insured for a “suit” seeking declaratory, injunctive or other equitable relief in which covered monetary “damages” are also pled, if not otherwise excluded.

**N. Nuclear Hazard**

1. The explosion of any weapon employing atomic fission or fusion; or
  2. Nuclear reaction or radiation, or radioactive contamination, however caused;
- regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

**O. Prior Public Officials Wrongful Act, Prior Insurance, Prior Or Pending Litigation**

1. Any "public officials wrongful act" which begins prior to the retroactive date; or
2. Any fact, circumstance, event or "public officials wrongful act" that was the subject of any notice under any other policy of insurance, whether Public Officials Liability insurance or otherwise; or
3. Any "claim" deriving in whole or in part, from any fact, series of facts or circumstances, or matters asserted or alleged:
  - a. Which were known to any insured; or
  - b. Were the subject of any prior or pending, legal action or litigation, administrative or regulatory proceeding, "claim", "suit", demand, arbitration, decree or judgment against any insured prior to the beginning of the Policy Period listed in the Declarations.

**P. Procurement Process And Contracts**

The procurement, bidding or awarding of contracts for:

1. Goods or services;
2. Construction projects or services; or
3. Architectural or engineering services.

**Q. Professional Services**

The rendering of or failure to render "professional services" by a member of the medical profession, or by any lawyer, architect, engineer or accountant.

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "public officials wrongful act" which caused the "damages" involves the rendering or failure to render any "professional services".

**R. Specified Injuries And Property Damage**

"Bodily injury", "employee benefits injury", "employment practices injury", "personal and advertising injury", or "property damage" or the loss of economic benefits resulting therefrom.

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "public officials wrongful act" which caused "damages" involves "bodily injury", "employee benefits injury", "employment practices injury", "personal and advertising injury" or "property damage".

**S. Strike, Riot, Civil Commotion**

Any strike, riot or civil commotion.

**T. Unjust Enrichment**

Unjust enrichment; or gaining profit, advantage or remuneration to which the insured is not entitled.

**U. War**

1. War, including undeclared or civil war;

2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack; by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

#### **V. Workers' Compensation**

Any obligations under a workers' compensation, disability benefits, employer's liability, unemployment compensation, unemployment insurance, social security benefits or any similar law.

#### **W. Zoning, Regulation and Permissive Use Of Property**

The taking, partial taking, temporary taking, control of property or resulting diminution of property value by any means, method or proceeding, including but not limited to, zoning decisions, building code decisions, and permitting decisions, however characterized, and public officials' acts that involves or are in any way related to, the principles of eminent domain, condemnation, inverse condemnation, adverse possession, right of prescription or dedication by adverse use or zoning, building code or permitting decisions.

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### **SECTION III – WHO IS AN INSURED**

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#### **A. Each of the following is an insured:**

1. You.
2. Except with respect to any of those employed by, volunteering for or associated in any way with any authority, board, commission, district or other governmental unit operations or activities that are excluded under this Coverage Form:
  - a. Elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units, but only for "public officials wrongful acts" committed within the course and scope of their duties as such.
  - b. Your "employees" but only for "public officials wrongful acts" committed within the course and scope of their employment by you or while performing duties related to the conduct of your operations or "volunteers" while acting at the direction of and within the course and scope of duties determined by an insured.
  - c. Any persons providing services to you under any mutual aid or similar agreement.
  - d. In the event of the death, incapacity or bankruptcy of any insured, their heirs, executors, administrators, assigns and legal representative, but only to the extent that they would otherwise be provided coverage under this Coverage Form.

#### **B. However, none of the following are insureds under this Coverage Form:**

1. Any person, organization or entity that is on retainer, is an independent contractor or is under contract for services for any insured.
2. Any person, organization or entity with respect to the conduct of an organization or joint venture that is not shown as a Named Insured in the Declarations.

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### **SECTION IV – LIMITS OF INSURANCE**

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#### **A. The Limits of Insurance shown in the Declarations and the provisions contained in this Section establish the most we will pay regardless of the number of:**

1. Insureds;
2. "Public officials wrongful acts", "claims" made or "suits" brought; or
3. Persons or organizations making "claims" or bringing "suits".

#### **B. Aggregate Limit**

The most we will pay for all "damages" covered under this Coverage Form is the Aggregate Limit of Insurance. The Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Coverage Form. Upon exhaustion of the Coverage Form Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind hereunder.

#### **C. Public Officials Wrongful Act Limit**

Subject to Paragraph **B.** above, the Public Officials Wrongful Act Limit is the most we will pay for the sum of all "damages" arising from the same or related "public officials wrongful acts".

1. All "public officials wrongful acts" committed by one or more insureds that are substantially the same, or are in any way, directly or indirectly, related or interrelated, either logically, causally or temporally, shall be deemed to constitute the same "public officials wrongful act" and one Limit of Insurance for such "public officials wrongful act" and one deductible will apply.
2. All "claims" or "suits" for "damages" that arise as a result of a series of related "public officials wrongful acts" committed by an insured will be deemed to have taken place at the time of the first such "public officials wrongful act".

#### **D. Deductible**

The Public Officials Wrongful Act Deductible shown in the Declarations applies to "damages" and "claims expense" for all "claims" or "suits" caused by a "public officials wrongful act." The Public Officials Wrongful Act Limit of Insurance applies in excess of the deductible and is not reduced by the payment of that deductible.

The insured agrees that such deductible will be uninsured and borne by the insured. We may, at our discretion, pay all or part of any deductible. Upon notice of such payment you shall promptly reimburse us for the amount we paid.

As respects to this Paragraph **D.**, "claims expense" means any of the fees, costs or expenses that can be directly allocated to a specific "claim" or "suit", including:

1. Reasonable and necessary attorney fees and litigation costs;
2. The cost of premiums for any appeal bond, attachment or similar bond arising out of a covered judgment. (We have no obligation to apply for or furnish any such bonds.)
3. All other fees, costs and expenses incurred in the investigation, adjustment, defense and/or appeal of any "claim" or "suit" by us.

"Claims expense" does not include the salaries and expenses of our "employees" or your "employees".

#### **E. Application Of Limits Of Insurance**

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period listed in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Basic and Additional Extended Reporting Periods do not reinstate or increase the Limit of Insurance provided under this Coverage Form.

#### **F. Consent To Settle**

If we recommend a settlement that is acceptable to the claimant but to which you do not consent, the most we will pay as “damages” in the event of a subsequent legal settlement or judgment is the amount we recommended, plus “claims expense” incurred up to the date of your refusal to settle. Also, we will not pay any pre-judgment interest incurred after the date of our offer.

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### **SECTION V – EXTENDED REPORTING PERIODS**

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#### **A. Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts at the end of the Policy Period listed in the Declarations and lasts for sixty (60) days. A “claim” first made against the insured and reported to us during this 60 day period will be considered to have been received within the Policy Period. However, the 60 day Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Limit of Insurance applicable to such “claims”.

The Basic Extended Reporting Period does not extend the Policy Period listed in the Declarations or change the scope of coverage provided. It applies only to “claims” to which the following applies:

1. The “claim” is first made against the insured and reported to us during the Basic Extended Reporting Period; and
2. The “claim” is the result of a “public officials wrongful act” which took place after the retroactive date listed in the Public Officials Declarations and before the end of the Policy Period listed in the Declarations.

#### **B. Additional Extended Reporting Period**

In addition to the Basic Extended Reporting Period, an Additional Extended Reporting Period is available if this Coverage Form is canceled or not renewed. Coverage for the Additional Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. The endorsement shall set forth the terms, consistent with this Coverage Form, applicable to the Additional Extended Reporting Period.

The Additional Extended Reporting Period is available unless we cancel this Coverage Form for nonpayment of premium or if you fail to pay any amounts owed to us.

An Additional Extended Reporting Period starts when the Basic Extended Reporting Period, as set forth in Paragraph **A.** above ends.

In order to obtain an Additional Extended Reporting Period, you must give us a written request for it together with the full payment of the additional premium for the endorsement within thirty days after the end of the Policy Period listed in the Declarations. The Additional Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

The additional premium for a one, two or three year Additional Extended Reporting Period is 75%, 125% or 150%, respectively, of the annualized premium for this coverage.

The Additional Extended Reporting Period does not extend the Policy Period or change the scope of the coverage provided. The Additional Extended Reporting Period applies only to:

1. A “claim” first made against the insured and reported to us during the Additional Extended Reporting Period; and
2. The “claim” is the result of a “public officials wrongful act” which took place after the retroactive date listed in the Public Officials Declarations and before the end of the Policy Period listed in the Declarations.

Once in effect, the Additional Extended Reporting Period may not be canceled. The premium for the Additional Extended Reporting Period will be deemed fully earned as of the date it is purchased.

**C. Basic and Additional Extended Reporting Periods:**

1. Do not reinstate or increase the Limit of Insurance provided under this Coverage Form.
2. Do not change the scope of coverage provided herein and all Coverage Form terms, limits of insurance, exclusions and conditions apply to the Basic and Additional Extended Reporting Periods.

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**SECTION VI – PUBLIC OFFICIALS LIABILITY CONDITIONS**

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**A. Bankruptcy**

Bankruptcy or insolvency of the insured will not relieve us of our obligations under this Coverage Form.

**B. Duties In The Event Of A Claim, Suit Or Public Officials Wrongful Act**

1. If a “claim” is received by any insured, you must:
  - a. Immediately record the specifics of the “claim” and the date received; and
  - b. Notify us, or one of our authorized agents, in writing, as soon as practicable after your receipt of the “claim”, but in no event shall a “claim” be reported after the Extended Reporting Periods, as set forth in **SECTION V – EXTENDED REPORTING PERIODS**.
2. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”;
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the “claim” or defense against the “suit”; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of “damages” to which this insurance may also apply.
3. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation or incur any expense without our written consent. We shall have full discretion in the handling of any “claim”, including the sole right to assign counsel and the insured shall give full information and assistance as we may reasonably require.
4. If, during the Policy Period any insured becomes aware of a “public officials wrongful act” which may reasonably result in a future “claim” and notice is provided in writing to us of such “public officials wrongful act” prior to the end of the Policy Period, then any “claim” subsequently arising from such “public officials wrongful act” shall be deemed to have been made on the date notice of such “public officials wrongful act” was given to us. Such notice must describe the “public officials

wrongful act” in reasonable detail, provide the name of the potential claimant, the date, time and location of the “public officials wrongful act”, contain the circumstances by which the insured first became aware of the “public officials wrongful act” and particulars as to why the insured can reasonably expect a “claim” as a result of such “public officials wrongful act”. Notice of such “claim” shall be given to us in writing as soon as practicable upon your receipt of the “claim”.

### **C. Legal Action Against Us**

No person or organization has a right under this Coverage Form:

1. To join us as a party or otherwise bring us into a “suit” asking for “damages” from an insured; or
2. To sue us on this Coverage Form unless all of its terms have been fully complied with. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for “damages” that are not payable under the terms of this Coverage Form or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

### **D. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Form, our obligations are limited as follows:

#### **1. Primary Insurance**

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph 2. below.

#### **2. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer’s share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### **E. Representations**

By accepting this Coverage Form, you agree:

1. The statements in the application are accurate and complete;
2. Those statements are based upon representations you have made to us; and
3. We have issued this Coverage Form in reliance upon your representations.

### **F. Separation Of Insureds**

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or “suit” is brought.

## G. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Your rights and duties under this Coverage Form may not be transferred without our written consent.

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## SECTION VII - DEFINITIONS

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- A. "Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  2. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".
- B. "Asbestos hazard"** means any liability, loss, "damage", "claim", "suit", cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any asbestos.
- C. "Bodily injury"** means injury to the physical body, sickness, disease and death resulting from any of these at any time. "Bodily injury" also includes mental anguish and emotional distress.
- D. "Claim"** means a "suit" or written demand seeking "damages" because of an alleged "public officials wrongful act".
- E. "Coverage territory"** means all parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" brought in the United States of America (including its territories and possessions), Puerto Rico, or Canada or in a settlement we agree to.
- F. "Damages"** means judgments and settlements which the insured is legally obligated to pay as a result of a "public officials wrongful act" covered by this Coverage Form. "Damages" also include punitive and exemplary "damages" where insurance therefore is allowable under the applicable law.

"Damages" does not include:

1. Payment for past services rendered or work performed, and shall not include payments for the fulfillment of contractual obligations, including but not limited to providing employee benefits;
  2. Any amount for which an insured is not financially liable or for which there is no legal recourse to an insured;
  3. Civil or criminal fines or penalties;
  4. Taxes, the reallocation of taxes, the recalculation of taxes, or the loss of tax benefits;
  5. Any amount that represents or is substantially equivalent to disgorgement, restitution, or rescission damages, or forfeiture of any profits or remuneration; or
  6. Matters uninsurable under the law pursuant to which this policy shall be construed.
- G. "Employee"** includes a "leased worker." "Employee" does not include a "temporary worker."



- H. **“Employee benefits injury”** means “damages” resulting from acts, errors or omissions arising out of the administration of any of the insured’s “employee” benefits programs, such as but not limited to, life insurance plans, accident insurance plans, health insurance plans, profit sharing plans, “employee” stock ownership or subscription plans or any type of pension or savings plans. This term also includes unemployment insurance, social security, workers’ compensation, disability benefits and similar plans.
- I. **“Employment practices injury”** means “damages” arising from one or more of the following employment-related offenses:
1. Discrimination.
  2. Harassment.
  3. Retaliation.
  4. Any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract.
  5. Any actual or alleged wrongful hiring, demotion, discipline, evaluation, supervision or investigation of an “employee” or intentional interference with an employment contract.
  6. Any actual or alleged wrongful deprivation of a career opportunity, the wrongful failure to promote an “employee” or the wrongful failure to employ.
  7. Any actual or alleged false arrest, false imprisonment, false detention or malicious prosecution, libel, slander, defamation, disparagement or invasion of the right of privacy.
  8. The violation of any federal, state or local statutes, rules or regulations applicable to employers.
  9. The development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of employment practices.
- J. **“Law enforcement activities”** means:
1. Any official activity, function or operation conducted in the course of your law enforcement operations.
  2. Any officially sanctioned off-duty activity conducted in the course of law enforcement operations.
  3. The ownership, maintenance, operation or use of any premises by your law enforcement operations.
  4. Any criminal prosecution activity by judicial officers, prosecution attorneys and staff other than public defenders or criminal defense attorneys.
  5. The development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement.
- K. **“Lead Hazard”** means any liability, loss, “damage”, “claim”, “suit”, cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any lead.

- L. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker".
- M. **"Personal and advertising injury"** means "damages" arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
  2. Malicious prosecution;
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  5. Oral or written publication, in any manner, of material that violates a persons' right of privacy;
  6. The use of another's advertising idea in your "advertisement"; or
  7. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- N. **"Pollutants"** mean:
1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
  3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.
- O. **"Pollution hazard"** means:
1. Any "claim", "damage", loss, cost, "suit" or expense of any kind arising out of the actual, alleged or threatened exposure to, generation, storage, transportation, emission, discharge, dispersal, seepage, removal, treatment or disposal, migration, release or escape of "pollutants";
  2. Any "claim", "damage", loss, cost, "suit" or expense of any kind arising out of any regulation, order, direction, request, demand or statutory or regulatory requirement that any insured, or others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
  3. Any "claim" or "suit" by or on behalf of a governmental authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".
- P. **"Professional services"** means any act or service performed in connection with an occupation or employment involving specialized training, knowledge, labor or skill and which requires special licensing by an agency, organization or entity authorized to issue such license.
- Q. **"Property damage"** means physical injury to tangible property, including all resulting diminution of value and loss of use of that property; or loss of use of tangible property that is not physically injured.
- R. **"Public officials wrongful act"** means:

1. An actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission by an insured; or
2. A violation of any civil right protected by federal or state law, other than arising from or in any way involving or alleging an "employment practices injury";

that arises out of the discharge of duties for the Named Insured.

- S. "Suit"** means a civil proceeding in which "damages" caused by a "public officials wrongful act" to which this Coverage Form applies are alleged. "Suit" includes:
1. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent; or
  2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent.
- T. "Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- U. "Volunteer"** means a person who is not an "employee" of any insured, who donates his or her work, acts at the direction of and within the course and scope of duties determined by an insured, and is not paid a fee, salary or other compensation by an insured or anyone else in return for the work performed.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEFENSE EXPENSE FOR NON-MONETARY RELIEF SUITS**

This endorsement modifies insurance provided under the following:

**PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SCHEDULE**

<b>LIMITS OF INSURANCE</b>	
<u>\$ 25,000</u>	<b>Each Suit Limit</b>
<u>\$ 50,000</u>	<b>Policy Period Aggregate Limit</b>
<b>DEDUCTIBLE</b>	
<u>\$ 1,000</u>	<b>Each Suit</b>

- A.** We will pay those reasonable sums the insured incurs as “defense expense” to defend against a “suit” seeking declaratory, injunctive or other equitable relief in which no monetary “damages” are pled, if not otherwise excluded. However,
  - 1. Subject to Paragraph 2., the most we will pay for the sum of all “defense expense” for Each Suit is shown in the Schedule above.
  - 2. The most we will pay for all “defense expense” provided by this endorsement is the Aggregate Limit shown in the Schedule above.
  - 3. Payment under this endorsement shall be in addition to the Limits of Insurance described in **SECTION IV – LIMITS OF INSURANCE** of the Coverage Form.
- B.** We have no duty to investigate or defend any such “suits”. We shall have the right, at our option and expense, to investigate, take over the defense, or associate in the defense of any such “suit”.

- C. This insurance applies to “defense expense” only if “suit” is brought in a legally authorized court or government subdivision in the “coverage territory” and such action is filed during the Policy Period shown in the Declarations.
- D. Our duty to pay “defense expense” begins only after we are notified of the action seeking injunctive, declaratory or other equitable relief in which no covered monetary “damages” are pled. Any “defense expense” incurred by you prior to our verification of coverage for “defense expenses” related to such “suit” are not covered by this endorsement .
- E. The deductible applicable to Each Suit is shown in the Schedule. The Each Suit Limit applies in excess of the deductible and is not reduced by payment of the deductible.
- F. For the purpose of the coverage provided by this endorsement only, the following definitions apply:
  - 1. **“Defense expense”** means fees or expenses incurred by the insured for:
    - a. Legal fees charged by the insured’s attorney;
    - b. Court Costs;
    - c. Expert witnesses; and
    - d. The cost of court bonds, but we do not have to furnish such bonds.“Defense expense” does not include any salaries, charges or fees for any insured.
  - 2. **“Suit”** means an adjudicatory proceeding in a court of law.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ANTI-TRUST**

This endorsement modifies insurance provided under the following:

**PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following Exclusion is added to **SECTION II – EXCLUSIONS:**

This insurance does not apply to “damages”, “claims” or “suits” alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving the actual or alleged violation of any anti-trust laws, or any other law designed to protect trade and commerce from restraints, monopolies, price-fixing, and price discrimination.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BASIC EXTENDED REPORTING PERIOD AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Paragraph **A. Basic Extended Reporting Period** of **SECTION V – EXTENDED REPORTING PERIODS** is deleted in its entirety and replaced as follows:

**A. Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts at the end of the Policy Period listed in the Declarations and lasts for sixty (60) days. A “claim” first made against the insured and reported to us during this 60 day period will be considered to have been received within the Policy Period. However, the 60 day Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Limit of Insurance applicable to such “claims”.

The Basic Extended Reporting Period does not extend the Policy Period listed in the Declarations or change the scope of coverage provided. It applies only to “claims” to which the following applies:

1. The “claim” is first made against the insured and reported to us during the Basic Extended Reporting Period; and
2. The “claim” is the result of a “public officials wrongful act” which took place after the retroactive date listed in the Public Officials Declarations and before the end of the Policy Period listed in the Declarations.

If U.S. Specialty Insurance Company, or another Houston Casualty Group Company, renews this coverage part for a period of 12 months or longer, then the basic extended reporting period shown above will be amended from sixty (60) days to 6 months.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROFESSIONAL SERVICES AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**PUBLIC OFFICIALS LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following Exclusion is amended under **SECTION II – EXCLUSIONS:**

**Professional Services**

The rendering of or failure to render “professional services” by a member of the medical profession, or by any lawyer, architect, engineer or accountant,

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “public officials wrongful act” which caused the “damages” involves the rendering or failure to render any “professional services”

However, this exclusion does not apply to any lawyer, architect, engineer or accountant, who is an employee of the Named Insured and performing duties on the Named Insured’s behalf.

This coverage is excess over any other available insurance.



**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**EMPLOYMENT PRACTICES LIABILITY SUPPLEMENTAL DECLARATIONS**

**THIS IS A CLAIMS MADE AND REPORTED POLICY.**

**ITEM 1. THIS SUPPLEMENTAL DECLARATIONS FORMS A PART OF POLICY NO. U23PKG80466-04**

**ITEM 2. RETROACTIVE DATE: 07/01/2001**

**ITEM 3. COVERAGE AND LIMITS OF INSURANCE**

<b>EMPLOYMENT PRACTICES LIABILITY COVERAGE</b>	<b>LIMITS OF INSURANCE</b>
<b>EMPLOYMENT PRACTICES WRONGFUL ACT LIMIT</b>	<b><u>\$1,000,000</u></b>
<b>AGGREGATE LIMIT</b>	<b><u>\$1,000,000</u></b>

**ITEM 4. DEDUCTIBLE** **AMOUNT**

<b>EMPLOYMENT PRACTICES WRONGFUL ACT DEDUCTIBLE</b>	<b><u>\$1,000</u></b>
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**ITEM 5. PREMIUM** **\$ INCLUDED**

**ITEM 6. EMPLOYMENT PRACTICES LIABILITY FORMS**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue: Refer to AL000103.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE FORM. PLEASE READ IT CAREFULLY.**

Various provisions in this Coverage Form restrict coverage. Please read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to U.S. Specialty Insurance Company.

The word “insured” means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

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**SECTION I - COVERAGE**

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**A. Insuring Agreement**

1. We will pay those sums that the insured becomes legally obligated to pay as “damages” because of an “employment practices wrongful act” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those “damages”, even if the allegations of such “suit” are groundless, false or fraudulent. However, we will have no duty to defend the insured against any “suit” seeking “damages” to which this insurance does not apply. We may, at our discretion, investigate any “employment practices wrongful act” and settle any “claim” or “suit” that may result. But:
  - a. The amount we will pay for “damages” is limited as described in **SECTION IV – LIMITS OF INSURANCE**; and
  - b. Our right and duty to defend end when we have used up the applicable limit of insurance in payment of judgments or settlements for “damages”.
2. This insurance applies to “damages” only if:
  - a. The “employment practices wrongful act” is committed within the “coverage territory”;
  - b. The “employment practices wrongful act” is first committed after the retroactive date and before the end of the Policy Period listed in the Declarations;
  - c. The “claim” for “damages” is first made against the insured during the Policy Period listed in the Declarations, or if applicable, any Extended Reporting Period provided as described in **SECTION V – EXTENDED REPORTING PERIODS**; and
  - d. The “claim” is timely reported pursuant to **SECTION VI – EMPLOYMENT PRACTICES LIABILITY CONDITIONS**, Paragraph B.
3. A “claim” for “damages” will be deemed to have been made at the earlier of the following times:
  - a. When the “claim” is received by any insured; or
  - b. When the “claim” is received by us.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **B. Supplementary Payments**.

**B. Supplementary Payments**

We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
3. 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 \$250 a day because of time off of work.
4. All court costs taxed against the insured in the “suit”. However, these payments do not include attorneys’ fees or attorneys’ expenses taxed against the insured.
5. Subject to **SECTION IV – LIMITS OF INSURANCE** Paragraph F., prejudgment interest awarded against the insured on that part of the judgment we pay.
6. All interest on that part of any judgment for which we make a payment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. We shall have the right, but no duty to appeal any judgment.

The Supplementary Payments will not reduce the Limits of Insurance.

### **C. Regulatory Investigations**

We have, at our option, the right but not the obligation to investigate and defend regulatory investigations or actions, including but not limited to Equal Employment Opportunity Commission (EEOC) actions (or the state equivalent) against the insured prior to any “suit” being filed. Any expense we incur as a result of investigating and defending such regulatory investigations or actions shall be borne by us and will not reduce the Limit of Insurance. The deductible will apply only if “suit” is later filed.

The insured, however, must promptly notify us in accordance with the requirements of **SECTION VI. - EMPLOYMENT PRACTICES LIABILITY CONDITIONS**, Paragraph B. and describe the circumstances surrounding each regulatory investigation or action submitted for consideration under this provision.

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## **SECTION II - EXCLUSIONS**

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This insurance does not apply to “damages”, “claims” or “suits” alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, in consequence of, or in any way involving:

### **A. Asbestos, Lead, Pollution**

Loss which would not have occurred, in whole or in part, but for the “asbestos hazard”, “lead hazard” or “pollution hazard”. This exclusion includes, but is not limited to, compliance with any request, demand, order, or statutory or regulatory requirement or any other action authorized or required by law and any costs, fees, expenses, penalties, judgments, fines, or sanctions arising out of or in any way connected to the “asbestos hazard”, “lead hazard” or “pollution hazard”.

### **B. Contractual Liability**

Any obligation based upon, arising from, or in consequence of, the insured being required to pay by reason of the assumption of liability in a contract or agreement, whether written or oral, or the failure,

refusal, or inability of the insured to enter into, renew or perform any oral, written or implied contract or agreement. This exclusion does not apply to liability for “damages” that the insured would have in the absence of the contract or agreement or breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract.

### **C. Deliberate Violation**

The deliberate violation of any federal, state or local statute, ordinance, rule or regulation; or the violation of any court order or judgment committed by or with the knowledge or consent of the insured.

### **D. Designated Operations**

Any activities or operations of the following authorities, boards, commissions, districts, or any other governmental units or departments: airport; electric, gas or biofuel utilities; hospitals or clinics; nursing homes; port authorities; public housing authorities; schools; or transit authorities.

Airport means: airfield, runway, hanger, airport, airpark, heliport, or similar property that you own, operate, use, maintain, license, permit, or inspect, or located on any property you rent or lease, including a sublease.

### **E. Electronic Data**

“Damages” arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

### **F. Employment Laws**

A violation of the responsibilities, duties and obligations imposed on any insured under any federal, state or local law, including statutory or common law premised on such law, governing or relating to:

1. Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and amendments thereto, or similar provisions of any other laws, rules or regulations;
2. Occupational Safety and Health Act (OSHA) and amendments thereto, or similar provisions of any other laws, rules or regulations;
3. Employee Retirement Income Security Act (ERISA) and amendments thereto, or similar provisions of any other laws, rules or regulations;
4. The right of “employees” to engage in, or to refrain from engaging in, union or other collective activities, or the enforcement of any collective bargaining agreement;

provided, however, this exclusion shall not apply to the extent that a “claim” is for “retaliation”.

### **G. Fraud, Dishonesty, Bad Faith Or Criminal Act Or Omission**

An allegation of fraud, dishonesty, bad faith or criminal act or omission on the part of any insured. This exclusion also applies to criminal fines or penalties assessed against any insured.

### **H. Governmental Or Regulatory Action**

Any cost, fine, penalty or expense against any insured arising out of a complaint or enforcement action from any federal, state or local government regulatory agency or judicial entity, including any settlement with respect to the foregoing.

#### **I. Non-Compensatory Damages**

Relief or redress in any form other than compensatory “damages”, or for any fees including attorney fees, costs or expenses that the insured becomes legally obligated to pay as a result of any adverse judgment for declaratory, injunctive or other equitable relief. However, we will afford defense to the insured for a “suit” seeking declaratory, injunctive or other equitable relief in which covered monetary “damages” are also pled, if not otherwise excluded.

#### **J. Nuclear Hazard**

1. The explosion of any weapon employing atomic fission or fusion; or
2. Nuclear reaction or radiation, or radioactive contamination, however caused;

regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### **K. Operational Decisions**

Any termination of employment, job relocation or reassignment that is necessary due to the insured filing for bankruptcy protection or transferring any part of an insured’s operations to any other public entity or the private sector.

#### **L. Prior Employment Practices Wrongful Act, Prior Insurance, Prior Or Pending Litigation**

1. Any “employment practices wrongful act” which begins prior to the retroactive date; or
2. Any fact, circumstance, event or “employment practices wrongful act” that was the subject of any notice under any policy of insurance, whether Employment Practices Liability insurance or otherwise; or
3. Any “claim” deriving in whole or in part, from any fact, series of facts or circumstances, or matters asserted or alleged:
  - a. Which were known to any insured; or
  - b. Were the subject of any prior or pending, legal action or litigation, administrative or regulatory proceeding, “claim”, “suit”, demand, arbitration, decree or judgment against any insured prior to the beginning of the Policy Period listed in the Declarations.

#### **M. Specified Injuries And Property Damage**

“Bodily injury” (except for consequential “bodily injury” arising out of the employment-related offenses listed in the definition of “employment practices wrongful act” in **SECTION VII – DEFINITIONS**), “employee benefits injury”, or “property damage”.

This exclusion applies even if the “claims” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “employment practices wrongful act” which caused “damages” involves “bodily injury”, “employee benefits injury”, or “property damage”.

#### **N. Strike, Riot, Civil Commotion**

Any strike, riot or civil commotion.

## **O. Unjust Enrichment**

Unjust enrichment; or gaining profit, advantage or remuneration to which the insured is not entitled.

## **P. Wage And Hour Practices, Other Compensation**

1. Wage and hour practices, including any “claim” for:
  - a. The improper payment of or the refusal, failure or inability to pay wages, minimum wages, overtime pay, on-call time or off-the-clock work (or amounts representing such) for services rendered or time spent in connection with work related activities;
  - b. The improper classification of “employees” as exempt or non-exempt, misclassifying “employees” as independent contractors or for the payment of compensation, over-time pay, vacation pay, severance, bonuses, commissions, or for any benefits afforded to “employees” sought by an independent contractor;
  - c. The miscalculation of the amount of wages owed, taking improper deductions from pay, not paying “employees” on a timely basis, or
  - d. Failure to provide rest or meal periods or reimburse expenses;provided, however, this exclusion shall not apply to the extent that a “claim” is for “retaliation”.
2. Any other type of compensation other than salary, wages or bonus compensation.

## **Q. War**

1. War, including undeclared or civil war;
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack; by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

## **R. Workers' Compensation**

Any obligations under a workers' compensation, disability benefits, employer's liability, unemployment compensation, unemployment insurance, social security benefits or similar law; provided, however, this exclusion shall not apply to the extent that a “claim” is for “retaliation”.

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## **SECTION III – WHO IS AN INSURED**

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### **A. Each of the following is an insured:**

1. You.
2. Except with respect to any of those employed by, volunteering for or associated in any way with any authority, board, commission, district or other governmental unit operations or activities that are excluded under this Coverage Form:
  - a. Elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units, but only for “employment practices wrongful acts” committed within the course and scope of their duties as such.

- b. Your “employees” but only for “employment practices wrongful acts” committed within the course and scope of their employment by you or while performing duties related to the conduct of your operations or “volunteers” while acting at the direction of and within the course and scope of duties determined by an insured.
- c. In the event of the death, incapacity or bankruptcy of any insured, their heirs, executors, administrators, assigns and legal representative, but only to the extent that they would otherwise be provided coverage under this Coverage Form.

**B.** However, none of the following are insureds under this Coverage Form:

- 1. Any person, organization or entity that is on retainer, is an independent contractor or is under contract for services for any insured.
- 2. Any person, organization or entity with respect to the conduct of an organization or joint venture that is not shown as a Named Insured in the Declarations.

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## **SECTION IV – LIMITS OF INSURANCE**

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**A.** The Limits of Insurance shown in the Declarations and the provisions contained in this Section establish the most we will pay regardless of the number of:

- 1. Insureds;
- 2. “Employment practices wrongful acts”, “claims” made or “suits” brought; or
- 3. Persons or organizations making “claims” or bringing “suits”.

**B. Aggregate Limit**

The most we will pay for all “damages” covered under this Coverage Form is the Aggregate Limit of Insurance. The Aggregate Limit of Insurance shall be reduced by the amount of any payment made under the terms of this Coverage Form. Upon exhaustion of the Coverage Form Aggregate Limit of Insurance by such payments, we will have no further obligations or liability of any kind hereunder.

**C. Employment Practices Wrongful Act Limit**

Subject to Paragraph **B.** above, the Employment Practices Wrongful Act Limit is the most we will pay for the sum of all “damages” arising from the same or related “employment practices wrongful acts”.

- 1. All “employment practices wrongful acts” committed by one or more insureds that are substantially the same, or are in any way, directly or indirectly, related or interrelated, either logically, causally or temporally, shall be deemed to constitute the same “employment practices wrongful act” and one Limit of Insurance for such “employment practices wrongful act” and one deductible will apply.
- 2. All “claims” or “suits” for “damages” that arise as a result of a series of related “employment practices wrongful acts” committed by an insured will be deemed to have taken place at the time of the first such “employment practices wrongful act”.

**D. Deductible**

The Employment Practices Wrongful Act Deductible shown in the Declarations applies to “damages” and “claims expense” for all “claims” or “suits” caused by an “employment practices wrongful act.” The Employment Practices Wrongful Act Limit of Insurance applies in excess of the deductible and is not reduced by the payment of that deductible.

The insured agrees that such deductible will be uninsured and borne by the insured. We may, at our discretion, pay all or part of any deductible. Upon notice of such payment you shall promptly reimburse us for the amount we paid.

As respects to this Paragraph **D.**, "claims expense" means any of the fees, costs or expenses that can be directly allocated to a specific "claim" or "suit", including:

1. Reasonable and necessary attorney fees and litigation costs;
2. The cost of premiums for any appeal bond, attachment or similar bond arising out of a covered judgment. (We have no obligation to apply for or furnish any such bonds.)
3. All other fees, costs and expenses incurred in the investigation, adjustment, defense and/or appeal of any "claim" or "suit" by us.

"Claims expense" does not include the salaries and expenses of our "employees" or your "employees".

#### **E. Application Of Limits Of Insurance**

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the Policy Period listed in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

Basic and Additional Extended Reporting Periods do not reinstate or increase the Limit of Insurance provided under this Coverage Form.

#### **F. Consent To Settle**

If we recommend a settlement that is acceptable to the claimant but to which you do not consent, the most we will pay as "damages" in the event of a subsequent legal settlement or judgment is the amount we recommended, plus "claims expense" incurred up to the date of your refusal to settle. Also, we will not pay any pre-judgment interest incurred after the date of our offer.

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### **SECTION V – EXTENDED REPORTING PERIODS**

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#### **A. Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts at the end of the Policy Period listed in the Declarations and lasts for sixty (60) days. A "claim" first made against the insured and reported to us during this 60 day period will be considered to have been received within the Policy Period. However, the 60 day Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Limit of Insurance applicable to such "claims".

The Basic Extended Reporting Period does not extend the Policy Period listed in the Declarations or change the scope of coverage provided. It applies only to "claims" to which the following applies:

1. The "claim" is first made against the insured and reported to us during the Basic Extended Reporting Period; and
2. The "claim" is the result of an "employment practices wrongful act" which took place after the retroactive date listed in the Declarations and before the end of the Policy Period listed in the Declarations.



## **B. Additional Extended Reporting Period**

In addition to the Basic Extended Reporting Period, an Additional Extended Reporting Period is available if this Coverage Form is canceled or not renewed. Coverage for the Additional Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. The endorsement shall set forth the terms, consistent with this Coverage Form, applicable to the Additional Extended Reporting Period

The Additional Extended Reporting Period is available unless we cancel this Coverage Form for nonpayment of premium or if you fail to pay any amounts owed to us.

An Additional Extended Reporting Period starts when the Basic Extended Reporting Period, as set forth in Paragraph **A.** above ends.

In order to obtain an Additional Extended Reporting Period, you must give us a written request for it together with the full payment of the additional premium for the endorsement within thirty days after the end of the Policy Period listed in the Declarations. The Additional Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

The additional premium for a one, two or three year Additional Extended Reporting Period is 75%, 125% or 150%, respectively, of the annualized premium for this coverage.

The Additional Extended Reporting Period does not extend the Policy Period or change the scope of the coverage provided. The Additional Extended Reporting Period applies only to:

1. A "claim" first made against the insured and reported to us during the Additional Extended Reporting Period; and
2. The "claim" is the result of an "employment practices wrongful act" which took place after the retroactive date listed in the Declarations and before the end of the Policy Period listed in the Declarations.

Once in effect, the Additional Extended Reporting Period may not be canceled. The premium for the Additional Extended Reporting Period will be deemed fully earned as of the date it is purchased.

## **C. Basic and Additional Extended Reporting Periods:**

1. Do not reinstate or increase the Limit of Insurance provided under this Coverage Form.
2. Do not change the scope of coverage provided herein and all Coverage Form terms, limits of insurance, exclusions and conditions apply to the Basic and Additional Extended Reporting Periods.

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## **SECTION VI – EMPLOYMENT PRACTICES LIABILITY CONDITIONS**

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### **A. Bankruptcy**

Bankruptcy or insolvency of the insured will not relieve us of our obligations under this Coverage Form.

### **B. Duties In The Event Of A Claim, Suit Or Employment Practices Wrongful Act**

1. If a "claim" is received by any insured, you must:
  - a. Immediately record the specifics of the "claim" and the date received; and



This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph 2. below.

## 2. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## E. Representations

By accepting this Coverage Form, you agree:

1. The statements in the application are accurate and complete;
2. Those statements are based upon representations you have made to us; and
3. We have issued this Coverage Form in reliance upon your representations.

## F. Separation Of Insureds

Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

## G. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

Your rights and duties under this Coverage Form may not be transferred without our written consent.

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## SECTION VII - DEFINITIONS

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- A. "**Asbestos hazard**" means any liability, loss, "damage", "claim", "suit", cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any asbestos.
- B. "**Bodily injury**" means injury to the physical body, sickness, disease and death resulting from any of these at any time. "Bodily injury" also includes mental anguish and emotional distress.
- C. "**Claim**" means a "suit" or written demand seeking "damages" because of an alleged "employment practices wrongful act".

D. **“Coverage territory”** means all parts of the world if the insured’s responsibility to pay “damages” is determined in a “suit” brought in the United States of America (including its territories and possessions), Puerto Rico, or Canada or in a settlement we agree to.

E. **“Damages”** means judgments and settlements which the insured is legally obligated to pay as a result of an “employment practices wrongful act” covered by this Coverage Form. “Damages” also include punitive and exemplary “damages” where insurance therefore is allowable under the applicable law.

“Damages” does not include:

1. Payment for past services rendered or work performed, and shall not include payments for the fulfillment of contractual obligations, including but not limited to providing employee benefits;
2. Any amount for which an insured is not financially liable or for which there is no legal recourse to an insured;
3. Civil or criminal fines or penalties;
4. Taxes, the reallocation of taxes, the recalculation of taxes, or the loss of tax benefits;
5. Any amount that represents or is substantially equivalent to disgorgement, restitution, or rescission damages, or forfeiture of any profits or remuneration; or
6. Matters uninsurable under the law pursuant to which this policy shall be construed.

F. **“Discrimination”** means a violation of any law or public policy concerning discrimination in employment whether based upon:

1. Failure or refusal to hire, or recruit, or discharge, or otherwise discriminate against an individual with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, national origin, age, gender, sexual preference, marital status, or disability; or
2. Any other class or characteristic afforded rights under any federal, state or local law, rule or regulation.

G. **“Employee”** means an individual whose labor or service is engaged by and directed by an insured in the ordinary course of its operations. This includes any person employed by an insured regardless of whether such person is a past, present, prospective, part-time, temporary, seasonal, contract or leased employee. “Employee” does not include an independent contractor.

H. **“Employee benefits injury”** means “damages” resulting from acts, errors or omissions arising out of the administration of any of the insured’s “employee” benefits programs, such as but not limited to, life insurance plans, accident insurance plans, health insurance plans, profit sharing plans, “employee” stock ownership or subscription plans or any type of pension or savings plans. This term also includes unemployment insurance, social security, workers’ compensation, disability benefits and similar plans.

I. **“Employment practices wrongful act”** means one or more of the following employment-related offenses:

1. “Discrimination”.
2. “Harassment”.
3. “Retaliation”.

4. Wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract.
  5. Wrongful hiring, demotion, discipline, evaluation, supervision or investigation of an “employee” or intentional interference with an employment contract.
  6. Wrongful deprivation of a career opportunity, the wrongful failure to promote an “employee” or the wrongful failure to employ.
  7. False arrest, imprisonment, detention or malicious prosecution, libel, slander, defamation, disparagement or invasion of the right of privacy.
  8. The violation of the Family Medical Leave Act or Uniformed Services Employment and Re-employment Act or any similar federal, state or local law.
  9. The violation of an individual’s civil rights relating to offenses listed in 1. through 8. above.
- J. “Harassment”** means offensive, intimidating, coercive or unwelcome conduct, advances, contact or communication that:
1. Is explicitly or implicitly made a condition of employment;
  2. Is used as a basis for employment decisions;
  3. Interferes with a person’s job performance for the insured; or
  4. Creates an intimidating, hostile or offensive work environment affecting a person’s duties related to the conduct of the insured’s operations.
- K. “Lead Hazard”** means any liability, loss, “damage”, “claim”, “suit”, cost or expense based upon, arising out of, directly or indirectly connected or related to, or in any way involving the actual, alleged or threatened exposure to the manufacture, sale, distribution, handling, use, abatement, containment, existence, storage, transportation, presence, emanation, emission, inhalation, ingestion, absorption, transmission, release, dispersal, escape, treatment, removal or disposal of any lead.
- L. “Pollutants”** mean:
1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
  3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.
- M. “Pollution hazard”** means:
1. Any “claim”, “damage”, loss, cost, “suit” or expense of any kind arising out of the actual, alleged or threatened exposure to, generation, storage, transportation, emission, discharge, dispersal, seepage, removal, treatment or disposal, migration, release or escape of “pollutants”;
  2. Any “claim”, “damage”, loss, cost, “suit” or expense of any kind arising out of any regulation, order, direction, request, demand or statutory or regulatory requirement that any insured, or

others, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”; or

3. Any “claim” or “suit” by or on behalf of a governmental authority for “damages” because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of “pollutants”.
- N. “Property damage”** means physical injury to tangible property and loss of use of that property; or loss of use of tangible property that is not physically injured.
- O. “Retaliation”** means an adverse employment action taken against the “employee” in response to that “employees” exercise of or availment to rights, privileges and protection under the law.
- P. “Suit”** means a civil proceeding (other than a regulatory investigation or action, including but not limited to Equal Employment Opportunity Commission (EEOC) actions or the state equivalent) in which “damages” because of an “employment practices wrongful act” to which this coverage applies are alleged. “Suit” includes:
1. An arbitration proceeding in which such “damages” are claimed and to which the insured must submit or does submit with our consent; or
  2. Any other alternative dispute resolution proceeding in which such “damages” are claimed and to which the insured submits with our consent.
- Q. “Volunteer”** means a person who is not an “employee” of any insured, who donates his or her work, acts at the direction of and within the course and scope of duties determined by an insured, and is not paid a fee, salary or other compensation by an insured or anyone else in return for the work performed.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEFENSE COVERAGE – WAGE AND HOUR PRACTICES, OTHER COMPENSATION**

This endorsement modifies insurance provided under the following:

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**Schedule**

<b>LIMITS OF INSURANCE</b>	
<b>\$ 25,000</b>	<b>Each Suit Limit</b>
<b>\$ 25,000</b>	<b>Policy Period Aggregate Limit</b>
<b>DEDUCTIBLE</b>	
<b>\$ 1,000</b>	<b>Each Suit</b>

- A.** We will pay those reasonable sums the insured incurs as “defense expense” to defend against a “suit” in which “damages” excluded by **SECTION II – EXCLUSIONS**, Paragraphs **P.1.a.** and **P.1.b.** are pled. However, we will not pay any monetary “damages”, including fines, penalties, punitive or exemplary “damages” imposed upon you or that you may become legally obligated to pay because of a judgment, award or settlement.
- B.** The amount we will pay for “defense expense” as provided by this endorsement is limited as follows:
- Subject to Paragraph **2.** below, the most we will pay for the sum of all “defense expense” for Each Suit is shown in the Schedule above.
  - The most we will pay for all “defense expense” is the Policy Period Aggregate Limit shown in the Schedule above.
  - The deductible applicable to Each Suit is shown in the Schedule above. The Each Suit Limit applies in excess of the deductible and is not reduced by payment of the deductible.

- C. Payment under this endorsement shall be in addition to the Limits Of Insurance described in **SECTION IV- LIMITS OF INSURANCE** of the Coverage Form.
- D. We have no duty to investigate or defend any “suit” described in Paragraph **A.** above. We shall have the right, at our option and expense, to investigate, take over the defense, or associate in the defense of any such “suit”.
- E. This insurance applies to “defense expense” only if “suit” is brought in a legally authorized court or government subdivision in the “coverage territory” and such action is filed during the Policy Period shown in the Declarations.
- F. Our duty to pay “defense expense” begins only after we are notified in accordance with **SECTION VI – EMPLOYMENT PRACTICES CONDITIONS**, Paragraph **B.** of any “suit” to which coverage provided by this endorsement applies. Any “defense expense” incurred by you prior to our verification of coverage for “defense expenses” related to such “suit” are not covered by this endorsement .
- G. For the purpose of the coverage provided by this endorsement only, the following definitions apply:
  - 1. **“Defense expense”** means fees or expenses incurred by the insured for:
    - a. Legal fees charged by the insured’s attorney;
    - b. Court Costs;
    - c. Expert witnesses; and
    - d. The cost of court bonds, but we do not have to furnish such bonds.“Defense Expense” does not include the salaries and expenses of our “employees” or your “employees”.
  - 2. **“Suit”** means an adjudicatory proceeding in a court of law.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DEFENSE EXPENSE FOR NON-MONETARY RELIEF SUITS**

This endorsement modifies insurance provided under the following:

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SCHEDULE**

<b>LIMITS OF INSURANCE</b>	
<b>\$ 25,000</b>	<b>Each Suit Limit</b>
<hr/>	
<b>\$ 50,000</b>	<b>Policy Period Aggregate Limit</b>
<hr/>	
<b>DEDUCTIBLE</b>	
<b>\$ 1,000</b>	<b>Each Suit</b>
<hr/>	

- A.** We will pay those reasonable sums the insured incurs as “defense expense” to defend against a “suit” seeking declaratory, injunctive or other equitable relief in which no monetary “damages” are pled, if not otherwise excluded. However,
  - 1. Subject to Paragraph 2., the most we will pay for the sum of all “defense expense” for Each Suit is shown in the Schedule above.
  - 2. The most we will pay for all “defense expense” provided by this endorsement is the Aggregate Limit shown in the Schedule above.
  - 3. Payment under this endorsement shall be in addition to the Limits of Insurance described in **SECTION IV – LIMITS OF INSURANCE** of the Coverage Form.
  
- B.** We have no duty to investigate or defend any such “suits”. We shall have the right, at our option and expense, to investigate, take over the defense, or associate in the defense of any such “suit”.

- C. This insurance applies to “defense expense” only if “suit” is brought in a legally authorized court or government subdivision in the “coverage territory” and such action is filed during the Policy Period shown in the Declarations.
- D. Our duty to pay “defense expense” begins only after we are notified of the action seeking injunctive, declaratory or other equitable relief in which no covered monetary “damages” are pled. Any “defense expense” incurred by you prior to our verification of coverage for “defense expenses” related to such “suit” are not covered by this endorsement .
- E. The deductible applicable to Each Suit is shown in the Schedule. The Each Suit Limit applies in excess of the deductible and is not reduced by payment of the deductible.
- F. For the purpose of the coverage provided by this endorsement only, the following definitions apply:
  - 1. **“Defense expense”** means fees or expenses incurred by the insured for:
    - a. Legal fees charged by the insured’s attorney;
    - b. Court Costs;
    - c. Expert witnesses; and
    - d. The cost of court bonds, but we do not have to furnish such bonds.“Defense expense” does not include any salaries, charges or fees for any insured.
  - 2. **“Suit”** means an adjudicatory proceeding in a court of law.

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BASIC EXTENDED REPORTING PERIOD AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Paragraph **A. Basic Extended Reporting Period** of **SECTION V – EXTENDED REPORTING PERIODS** is deleted in its entirety and replaced as follows:

**A. Basic Extended Reporting Period**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts at the end of the Policy Period listed in the Declarations and lasts for sixty (60) days. A “claim” first made against the insured and reported to us during this 60 day period will be considered to have been received within the Policy Period. However, the 60 day Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance purchased by the insured, or that would be covered but for exhaustion of the Limit of Insurance applicable to such “claims”.

The Basic Extended Reporting Period does not extend the Policy Period listed in the Declarations or change the scope of coverage provided. It applies only to “claims” to which the following applies:

1. The “claim” is first made against the insured and reported to us during the Basic Extended Reporting Period; and
2. The “claim” is the result of an “employment practices wrongful act” which took place after the retroactive date listed in the Declarations and before the end of the Policy Period listed in the Declarations.

If U.S. Specialty Insurance Company, or another Houston Casualty Group Company, renews this coverage part for a period of 12 months or longer, then the basic extended reporting period shown above will be amended from sixty (60) days to 6 months.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL EXCESS LIABILITY COVERAGE FORM  
SUPPLEMENTAL DECLARATIONS**

Policy Number: U23PKG80466-04  
Renewal of: PKG81210534

**ITEM 1:**

Named Insured and Mailing Address	
FLEMING COUNTY WATER ASSOCIATION INC	
P O BOX 327	
FLEMINGSBURG, KY 41041	
(and as per Underlying Insurance)	
Producer Name and Address	
ENERGY INSURANCE AGENCY	
229 PARKWAY PLAZA SHOPPING CENTER	
BARBOURVILLE, KY 40908	

**ITEM 2:** Coverage: Commercial Excess Liability

**ITEM 3:** Policy Period: Effective: **07/01/2023** Expiration: **07/01/2024**  
12:01 a.m. Standard Time at the address of the Named Insured shown above

**ITEM 4:** Limit of Insurance  
\$1,000,000 Each Occurrence  
\$1,000,000 Aggregate, where applicable

**Premium:** \$ INCLUDED

**ITEM 5:** Retroactive Date: Per Underlying Policy

**ITEM 6:** Endorsements Attached:

**FORMS AND ENDORSEMENTS**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:  
Refer to AL000103

**ITEM 7:** SCHEDULE OF UNDERLYING INSURANCE – Refer to EX SUL - Attached

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**POLICY NO:** U23PKG80466-04  
**Replacement No:** PKG81210534

**SCHEDULE OF UNDERLYING INSURANCE**

<b>COVERAGE</b>	<b>INSURER POLICY PERIOD POLICY NUMBER</b>	<b>APPLICABLE LIMITS</b>	
BUSINESS AUTOMOBILE LIABILITY	U.S. Specialty Insurance Company 07/01/2023 - 07/01/2024 Policy #: U23PKG80466-04	COMBINED SINGLE LIMIT LIABILITY \$1,000,000	EACH ACCIDENT
COMMERCIAL GENERAL LIABILITY COVERAGE A & B	U.S. Specialty Insurance Company 07/01/2023 - 07/01/2024 Policy #: U23PKG80466-04	\$1,000,000 \$3,000,000  \$3,000,000  \$1,000,000	EACH OCCURRENCE GENERAL AGGREGATE (OTHER THAN PRODUCTS/COMPLETED OPERATIONS)  PRODUCTS/COMPLETED OPERATIONS AGGREGATE  PERSONAL & ADVERTISING INJURY
EMPLOYEE BENEFITS LIABILITY	U.S. Specialty Insurance Company 07/01/2023 - 07/01/2024 Policy #: U23PKG80466-04	\$1,000,000 \$3,000,000	EACH EMPLOYEE LIMIT AGGREGATE LIMIT
STOP GAP LIABILITY	N/A N/A Policy #: N/A	\$0 \$0 \$0	BI BY ACCIDENT – EACH ACCIDENT BI BY DISEASE – EACH ACCIDENT BI BY DISEASE – AGGREGATE LIMIT
COVERAGE B EMPLOYERS LIABILITY	KEMI 07/01/2023 – 07/01/2024 Policy #: 398966	\$1,000,000 \$1,000,000 \$1,000,000	EACH ACCIDENT POLICY LIMIT – DISEASE EACH EMPLOYEE - DISEASE
PUBLIC OFFICIALS LIABILITY	U.S. Specialty Insurance Company 07/01/2023 - 07/01/2024 Policy #: U23PKG80466-04	\$1,000,000 \$1,000,000	ANNUAL AGGREGATE LIMIT EACH CLAIM LIMIT
EMPLOYMENT PRACTICES LIABILITY	U.S. Specialty Insurance Company 07/01/2023 - 07/01/2024 Policy #: U23PKG80466-04	\$1,000,000 \$1,000,000	ANNUAL AGGREGATE LIMIT EACH CLAIM LIMIT
LAW ENFORCEMENT LIABILITY	N/A N/A Policy #: N/A	\$0 \$0	ANNUAL AGGREGATE LIMIT EACH WRONGFUL ACT LIMIT
EDUCATORS LEGAL LIABILITY	N/A	\$0 \$0	ANNUAL AGGREGATE LIMIT EACH CLAIM LIMIT

\*The above Schedule applies to any renewals or replacements thereof

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL EXCESS LIABILITY POLICY**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under the "Underlying Insurance". The words "we", "us" and "our" refer to U.S. Specialty Insurance Company.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V. - DEFINITIONS**.

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**SECTION I – EXCESS LIABILITY INSURANCE**

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**A. Insuring Agreement**

1. We will pay those sums in excess of the limits shown in Item 7 of the Declarations, Schedule of Underlying Insurance, that you become legally obligated to pay as damages because of injury or damage to which this insurance applies, provided that the "Underlying Insurance" also applies, or would apply but for the exhaustion of its applicable limits of insurance.
2. This insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "Underlying Insurance", except:
  - a. We will have no obligation under this insurance with respect to any claim or suit that is settled without our consent; and
  - b. With respect to any provisions to the contrary contained in this insurance

Under no circumstances will this coverage be broader than any "Underlying Insurance".

3. If any "Underlying Insurance" applies on a claims-made basis, this insurance will also apply on a claims-made basis. Any extended reporting periods that may be endorsed to any "Underlying Insurance" shall not apply to this insurance. For any supplemental extended reporting period to apply to this insurance, such extended reporting period must be requested by you, negotiated with us and endorsed to this policy.

Regarding any "Underlying Insurance" that applies on a claims-made basis, this insurance will not apply to any injury, damage, offense or wrongful act that first arose before the Retroactive Date shown in Item 5 of the Declarations or after the end of this policy expiration date.

4. The amount we will pay for damages shall not exceed the Limits of Insurance stated in Item 4 of the Declarations.
5. We will have the right to participate in the defense of all claims or suits against you seeking damages because of injury to which this insurance may apply. We will have a duty to defend such claims or suits, including the right to appoint new or substitute counsel to represent you, after (a) the applicable limit of insurance of the "Underlying Insurance" has been exhausted by payments in cash of judgments, settlements and any cost or expense subject to such limit for the full amount of their respective liabilities, and (b) the full amount of the "Underlying Insurance" policies inclusive of any self-insured retention and or retained limit, have been collected by the plaintiffs', plaintiff's counsel, the Insureds' or the Insured's counsel.
6. We may at our discretion, investigate and settle any claim or suit. Our right and duty to defend end when the applicable limit shown in the Declarations has been exhausted by our payment of judgments or settlements.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

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**SECTION II – EXCLUSIONS**

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The exclusions applicable to the “Underlying Insurance” also apply to this insurance. In addition, this policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by:

**A. Asbestos**

Any liability alleging, arising out of or based upon or related in any way, either directly or indirectly, to:

1. Asbestos, asbestos products, asbestos-containing materials or products, asbestos fibers or asbestos dust, including, but not limited to, manufacture, mining, use, sale, installation, removal, or distribution activities;
2. Exposure to, testing for, monitoring of, cleaning up, removing, containing or treating of asbestos, asbestos products, asbestos-containing materials or products, asbestos fibers, or asbestos dust; or
3. Any obligation to investigate, settle or defend, or indemnify any person against any claim or suit arising out of or related in any way, either directly or indirectly, to asbestos, asbestos products, asbestos-containing materials or products, asbestos fibers, or asbestos dust.

**B. Care, Custody and Control**

Damage to:

1. Property you own, rent, occupy or use;
2. Personal property in the care, custody or control of the Insured.

**C. Dam, Reservoir, Levee Or Dike Structural Failure**

The structural failure, collapse, bursting, flooding, cracking, settling, seepage, under-seepage, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee or dike owned, operated, maintained, constructed or controlled by any insured.

**D. Fireworks**

Any liability arising out of the ignition or discharge of fireworks in conjunction with any display, demonstration or show, conducted, sponsored or co-sponsored by any insured.

Fireworks include but are not limited to firecrackers and all aerial or ground displays.

**E. Fungi**

Any liability alleging, arising out of or based upon mold, mildew, “fungi”, spores, viruses, bacteria, or any of their byproducts, or any other biological, etiological or other naturally occurring contaminant, or any of their byproducts.

“Fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “fungi”.

**F. ERISA and Labor Law**

Any liability arising out of , based upon or attributable to any actual or alleged violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

regulations of the foregoing promulgated hereunder, and any amendments thereto, or any similar foreign, federal, state or statutory law or common law.

**G. Lead**

Any liability alleging, arising out of or based upon the actual, or threatened absorption, ingestion or inhalation of lead in any form by any person; or existence of lead in any form.

Any liability arising out of any request, demand, order or statutory or regulatory requirement:

1. That any insured or others:
  - a. Test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead in any form; or
  - b. Respond to, or assess, in any way the effects of lead in any form.
2. Any obligation to investigate, settle or defend, or indemnify any person against any claim or suit arising out of or related in any way, either directly or indirectly, to lead, lead products, lead-containing materials or products, or lead dust.

**H. Nuclear Energy**

Any liability alleging, arising out of or based upon or related in any way, either directly or indirectly, to:

1. With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Association, Mutual Atomic Energy Liability Underwriters, Nuclear Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of insurance; or
2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) a person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) any insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
3. Any liability, damage, injury or "nuclear property damage" resulting from "hazardous properties" of "nuclear material", if:
  - a. the "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, any insured or (b) has been discharged or dispersed therefrom; or
  - b. the "nuclear material" is contained in "spent fuel" or "nuclear waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of any insured; or
  - c. the injury or "nuclear property damage" arises out of the furnishing by any insured of services, materials, parts of equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion 3. applies only to "nuclear property damage" to such "nuclear facility" and any property therein.

"Hazardous properties" shall include radioactive, toxic or explosive properties.

"Nuclear Facility" shall mean:

- a. any "nuclear reactor"; or



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- b. any equipment or device designed or used for:
  - (1) separating the isotopes of uranium or plutonium; or
  - (2) processing or utilizing "spent fuel"; or
  - (3) handling, processing or packaging "nuclear waste".
- c. handling, processing or packaging "nuclear waste":
- d. any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of any insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- e. any structure, basis, excavation, premises or place prepared or used for the storage or disposal of "nuclear waste", and includes the site on which any of the foregoing is located, all operations considered on such site and all premises used for such operations.

"Nuclear material" shall mean "source material", "special nuclear material" or by-product material.

"Nuclear property damage" shall include all forms of radioactive contamination of property.

"Nuclear reactor" shall mean any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Nuclear waste" shall mean any "nuclear waste" material (a) containing "by-product material" other than the tailings of "nuclear waste" produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included within the definition of "nuclear facility" under paragraph 3.a. or 3.b.

"Source material", "spent nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" shall mean any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

Injury to or destruction of property includes all forms of radioactive contamination or property.

**I. No Fault, Personal Injury Protection, Uninsured or Underinsured Motorist**

Any liability alleging, arising out of or based upon or related in any way, either directly or indirectly, to:

- 1. No Fault coverage,
- 2. Personal injury protection or auto medical payments coverage;
- 3. Uninsured Motorist or Underinsured Motorist Law, or any similar law, regulation or ordinance.

**J. War**

Any liability alleging, arising out of or based upon any war, invasion, acts of foreign or domestic enemies, hostilities, (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property including loss of access, by or under the order or any government, local authority or risks of contraband, illegal transportation or trade.

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**SECTION III – LIMITS OF INSURANCE**

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- A.** The Limit of Insurance shown in Item 4 of the Declarations as Each Occurrence is the most we will pay for injury or damages arising out of any one occurrence or offense
- B.** The Limit of Insurance shown in Item 4 of the Declarations as Aggregate where applicable shall apply in the same manner as the aggregate limits shown in the Schedule of Underlying Insurance.

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**SECTION IV – CONDITIONS**

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If any of the following conditions are contrary to conditions contained in the “Underlying Insurance”, the provisions contained in this policy will apply.

**A. Appeals**

In the event that you or any underlying insurer(s) elect not to appeal a judgment in excess of the limits of “Underlying Insurance”, we may elect to make such an appeal. If we do so elect, we will be liable for the costs and interest incidental to this appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance stated in Item 4 of the Declarations.

**B. Bankruptcy**

Bankruptcy of the Insured will not relieve us of our obligations under this policy.

Bankruptcy or insolvency of any underlying insurer will not relieve us of our obligations under this policy. However, this insurance will not replace the “Underlying Insurance” in the event of bankruptcy or insolvency of any underlying insurer. This insurance will apply as if the “Underlying Insurance” was available and collectible.

**C. Maintenance of Underlying Insurance**

You agree to maintain the “Underlying Insurance” listed in Item 7 of the Declarations in full force and effect during the term of this policy, and to inform us within 30 days of any replacement or material change of that “Underlying Insurance” by the same or another company.

Failure to maintain “Underlying Insurance” will not invalidate this policy; however, this policy will apply as if the “Underlying Insurance” was in full force and effect.

Reduction or exhaustion of the aggregate limit of any “Underlying Insurance” by payments in cash for judgments, settlements or any costs or expenses subject to that limit, will not be a failure to maintain “Underlying Insurance” in full force and effect.

**D. Unimpaired Aggregates of Underlying Insurance**

If an aggregate limit of any “Underlying Insurance” has been reduced below the aggregate amount shown in the Schedule of Underlying Insurance in Item 7 of the Declarations for that “Underlying Insurance” as a result of losses occurring prior to the inception date of this policy or as a result of injury or damage not covered by this insurance policy, we will apply all insurance provided by this policy as if the aggregate limit of the “Underlying Insurance” had not been reduced below the limit shown in the Schedule of Underlying Insurance in Item 7 of the Declarations.

This condition does not apply to injury or damage subject to claims-made coverage and arising after the Retroactive Date shown in Item 5 of the Declarations (if any).

**E. Underlying Insurance Sublimit**

Unless specifically included within the Schedule of Underlying Insurance in Item 7 of the Declarations of this policy, coverage is excluded by this policy for any coverage which any

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“Underlying Insurance” imposes a limit of insurance of less than \$1,000,000 per occurrence, per event, per claim, or per wrongful act (commonly called a sublimit) and over which this policy is excess.

**F. Other Insurance**

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or any other basis, except other insurance written specifically to be excess over this insurance.

**G. Legal Action Against Us**

There will be no right of action against us under this insurance policy unless:

1. you have complied with all terms of this policy; and
2. the amount you owe has been determined by settlement with our written consent or by actual trial and final judgment; but we will not be liable for any injury or damages that are not payable under this policy or that are in excess of the applicable limit of insurance as set forth in Item 4 of the Declarations.

This insurance policy does not give anyone the right to add us as a party in any action or lawsuit against you brought to determine your liability.

**H. Notice of Occurrence**

1. You must see to it that we are notified as soon as practicable of an occurrence, offense, wrongful act, error or omission which is reasonably likely to result in a claim or suit which may involve this policy.

To the extent possible, notice will include:

- a. how, when and where the occurrence, offense, wrongful act, error or omission took place;
  - b. the names and addresses of any injured persons and witnesses; and
  - c. nature and location of any injury or damage arising out of the occurrence, offense, wrongful act, error or omission.
2. If a claim is made or suit is brought against any insured which is reasonably likely to result in a claim or suit affecting this policy, you must:
    - a. immediately record the specifics of the claim or suit and the date received; and
    - b. notify us as soon as practicably possible.
  3. You and any other involved insured must:
    - a. immediately send us copies of demands, notices, summons, or legal papers received in connection with the claim or suit;
    - b. authorize us to obtain records and other information;
    - c. cooperate with us in the investigation, settlement or defense of the claim or suit; and
    - d. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
  4. No insured will, except at the insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

**I. Representations or Fraud**

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By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us;
3. We have issued this policy in reliance upon your representations; and
4. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

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**SECTION V – DEFINITIONS**

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- A.** “Underlying Insurance” means the policies of insurance listed in Item 7 of the Schedule of Underlying Insurance, including any policies that provide coverage to the insured that are part of or scheduled on the policies listed in Item 7, also including any self-insured retentions, retained limits and or deductibles.

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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – POLLUTION WITH POTABLE WATER AND HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by:

1. the actual, alleged or threatened presence, discharge, dispersal, seepage, migration, release or escape of "pollutants", however caused; or
2. any request, demand, or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of "pollutants". This includes demands, directives, complaints, suits, orders or requests brought by any government entity or by any person or group or persons; or
3. steps taken or amount incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of "pollutants".

This exclusion will apply to any liability arising directly or indirectly out of pollution whether or not the pollution was sudden, accidental, gradual, intended, expected, unexpected, preventable or not preventable.

"Pollutants" shall mean any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

This exclusion does not apply to any liability arising out of:

1. Arising out of "Potable water" which is provided by the insured to others. Potable water means water intended and provided for human consumption;
2. "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

To the extent that such insurance is provided by a policy listed in the Schedule of Underlying Insurance and for no broader coverage as is provided by such policy.

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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ATHLETIC PARTICIPANTS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by injury to any person while practicing for, participating in or officiating at any sports or athletic contest or exhibition sponsored by any insured, or while in the course of travel to or from any such sports or athletic contest or exhibition.

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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - ELECTROMAGNETIC RADIATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by:

1. The actual, alleged, threatened, perceived, latent, intentional, accidental or incidental exposure to or contact with "electromagnetic radiation".
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, regulate, abate, remove, contain, suspend, eliminate or mitigate, or in any way respond to or assess the effects of or exposure to "electromagnetic radiation"; or
  - b. Claim or suit by any person, including claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, regulating, abating, removing, containing, suspending, eliminating or mitigating, or in any way responding to or assessing the effects of or exposure to "electromagnetic radiation".
3. The supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with 1. or 2. above.

"Electromagnetic radiation" includes but is not limited to magnetic energy, waves, fields or forces generated, produced, transmitted or maintained by charges, currents, frequencies, energy or forces of electricity that are generated, flowing or otherwise transmitted through or via the medium, methods and equipment designed to generate, produce, distribute, transport or transmit the electrical charges, currents, frequencies, energy or forces.

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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – RADON GAS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by radon or any other radioactive emission, manmade or natural, or any related injury or damage including, but not limited to, any injury or damage arising out of, or alleged to have arisen out of, any act, error, omission, failure to warn or other duty involving radon or any other radioactive emission, its use, exposure, existence, detection, removal, elimination or avoidance.



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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - SUBSIDENCE**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by the subsidence of land as a result of landslide, mudflow, sinking, shifting, slipping, falling away, caving in, eroding, rising, tilting, or any other movements of land or earth, resulting from operations of any insured or any subcontractor of any insured.

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**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ZONING, REGULATION, PERMISSIVE USE OF PROPERTY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL EXCESS LIABILITY POLICY**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following is added to **SECTION II - EXCLUSIONS**

This policy does not apply to any injury or damage, costs or expenses arising out of, resulting from, caused or contributed by the taking, partial taking, temporary taking, control of property or resulting diminution of property value by any means, method or proceeding, including but not limited to, zoning decisions, building code decisions, and permitting decisions, however characterized, and public officials' acts that involve or are in any way related to, the principles of eminent domain, condemnation, inverse condemnation, adverse possession, right of prescription or dedication by adverse use or zoning, building code or permitting decisions.

It is further understood and agreed that **SECTION IV – CONDITIONS, E. UNDERLYING INSURANCE SUBLIMIT** does not apply to the aforementioned.

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**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
SUPPLEMENTAL DECLARATIONS**

This Supplemental Declarations forms a part of policy number U23PKG80466-04

<b>DESCRIPTION OF PREMISES</b>						
PREM. #	BLDG. #	LOCATION, CONSTRUCTION AND OCCUPANCY				
ALL	ALL	Per Schedule on File				
<b>COVERAGES PROVIDED</b>						
Insurance at the described premises applies only for coverages for which a Limit of Insurance is shown.						
PREM. #	BLDG. #	COVERAGE	LIMIT OF INSURANCE	COVERED CAUSES	COINS.	INFLATION GUARD
ALL	ALL	Building + Personal Property	\$5,044,208	SPECIAL	N/A	0%
<b>OPTIONAL COVERAGES</b> Applicable only when entries are made in the schedule below.						
PREM. #	BLDG. #	Blanket Basis Per Schedule On File - As stated on application Agreed Value Per Schedule On File - As stated on application				
Per Schedule on File		Replacement Cost Building Valuation Per Schedule on File - As stated on application				
<b>ADDITIONAL COVERAGES</b> Applicable only when entries are made in the schedule below.						
<b>FLOOD</b>						
LOCATION(S)		LIMIT OF INSURANCE		DEDUCTIBLE / S.I.R.*		
ALL		Any One Flood \$1,000,000	Annual Aggregate \$1,000,000	\$50,000		
<b>EARTHQUAKE – VOLCANIC ERUPTION</b>						
LOCATION(S)		LIMIT OF INSURANCE		DEDUCTIBLE / S.I.R.*		
ALL		Any One Earthquake \$2,000,000	Annual Aggregate \$2,000,000	\$50,000		
<b>DEDUCTIBLE / SELF-INSURED RETENTION</b> Applicable to coverages other than Flood or Earthquake.						
\$1,000						
<b>MORTGAGEHOLDERS</b>						
PREM. #	BLDG. #	MORTGAGEHOLDER NAME AND MAILING ADDRESS				
Per Schedule on File						
<b>FORMS AND ENDORSEMENTS</b> (other than applicable forms and endorsements shown elsewhere in the policy)						
Forms and endorsements applying to this Coverage Part and made a part of this Policy at time of issue: Refer to AL000103.						

\* Self-Insured Retention

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**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

Various provisions in this policy 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 H — DEFINITIONS and other provisions of this policy for such meanings.

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**SECTION A — COVERAGE**

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We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

**1. Covered Property**

Covered Property, as used in this Coverage Form, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Floor coverings; and
  - (c) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) “Stock”;
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**c. Personal Property of Others** that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces, except as provided in the Coverage Extensions;
- e. Contraband, or property in the course of illegal transportation or trade,
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement, except as provided in the Coverage Extensions;
- h. Land (including land on which the property is located), water, growing crops or lawns;
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another Coverage Form of this policy;
- l. Retaining walls that are not part of the building described in the Declarations;
- m. Emergency portable equipment; Emergency Portable Equipment means that equipment used by the emergency response personnel in the rendering of the preservation of life or property
- n. Underground pipes, flues, drains, tanks, or connections, except as provided in the Coverage Extensions;
- o. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or
  - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
- (3) Rowboats or canoes out of water at the described premises;
- q. The following property while outside of buildings:
  - (1) Grain, hay, straw or other crops;
  - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions;

- r. Overhead transmission, distribution lines and non-decorative light or utility poles;
- s. Dams.

### 3. Covered Causes of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

### 4. Additional Coverage

#### a. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical loss of or damage to Covered Property, plus

(b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

(3) This Additional Coverage does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

#### b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

#### c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$5,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

#### d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay for each described premises under this Additional Coverage is \$10,000 for the sum of all such covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

#### e. Water Damage, Other Liquid, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This additional coverage does not increase the Limit of Insurance.

#### f. Collapse

We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this Coverage Form, if the collapse is caused by "Specified Causes of Loss". Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

## 5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle). Each of these Extensions is additional insurance. The Deductible shown in the Declarations applies to each of these Extensions, unless otherwise stated. The Additional Condition, Coinsurance, unless otherwise stated, does not apply to these Extensions:

### a. Newly Acquired or Constructed Property

(1) You may extend the insurance that applies to Building to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$1,000,000 at each building.

(2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

### b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

(1) Personal Effects owned by you, your employees, elected or appointed officials, or volunteers. This Extension applies to Personal Effects located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises. This Extension does not apply to loss or damage by theft. The most we will pay for loss or damage to Personal Effects under this Extension is \$1,000 for personal property owned by you, or any one employee, elected or appointed official, or volunteer; subject to an occurrence limit of \$50,000.

(2) Personal Property of Others

- (a) In your care, custody or control; and
- (b) Located within 1,000 feet from the described premises.

The most we will pay for loss or damage to Personal Property of Others under this Extension is \$15,000 in any one occurrence.

Our payment for loss or damage to:

- (a) Personal Effects owned by you, your employees, elected or appointed officials, or volunteers; or
- (b) Personal Property of Others

will only be for the account of the owner of the property.

**c. Valuable Papers and Records — Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. This Extension applies to your valuable papers and records located in the building described in the Declarations or within 1,000 feet of the described premises. The most we will pay under this Extension is \$100,000 in any one occurrence.

**d. Property Off-Premises**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than “stock,” that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle; or
- (2) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$100,000 in any one occurrence.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor property, if no other Coverage Form of this or any other policy applies. The most we will pay for loss or damage under this Extension, including debris removal expense, is \$10,000 in any one occurrence.

The loss or damage must be caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

**f. Golf Course Greens**

You may extend the insurance provided by this Coverage Form to apply to your golf course greens. The most we will pay for loss or damage under this Extension is \$100,000 in any one occurrence.

**g. Personal Computers, EDP Equipment, Data or Media**

You may extend the insurance that applies to Your Business Personal Property to apply to your personal computers, electronic data processing equipment, data or media. This Extension includes the property of others that you hold in any capacity, or for which you are responsible.

(1) Coverage under this Extension includes:

- (a) Personal computers, electronic data processing and word processing equipment, including their component parts;
- (b) Data stored on media for use with (a) above, including facts, concepts, computer programs and instructional vehicles used in your data processing system as well as accounts, bills, evidences of debt, valuable papers and records, abstracts, deeds, manuscripts or other documents in data processing media form; and
- (c) Media for use with (a) above on which the data is stored.

(2) We will not cover the following kinds of equipment, data or media:

- (a) Any data or media for which duplicates or replacements do not exist; or
- (b) Property rented or leased to others while away from the described premises.

(3) Payment for loss under this Extension will be determined as follows:

- (a) Personal Computers and EDP Equipment. We will pay the least of the following amounts:



- (i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or
- (ii) The cost of replacing that property with identical property.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions.

If not repaired or replaced, the property will be valued at its actual cash value.

- (b) Data. We will pay up to the actual cost incurred of reproducing the data.
  - (c) Media. We will pay to repair or replace the media with material of the same kind and quality.
- (4) The following exclusions contained in Section C — Exclusions do not apply to this Extension:
- (a) Exclusion 1.e. (Utility Services);
  - (b) Exclusion 2.a. (Artificially generated electric current);
  - (c) Exclusion 2.d.(6) (Mechanical breakdown); and
  - (d) Exclusion 2.d.(7) (Dampness or dryness of atmosphere, changes in or extremes of temperature and marring or scratching).
- (5) The most we will pay under this Extension is \$250,000 in any one occurrence; however,
- (a) If the lost or damaged equipment, data or media:
    - (i) Is lost or damaged while in transit or on a vehicle, or
    - (ii) Is a laptop computer, including its portable accessories, owned by you that is used by your employees, elected or appointed officials, or volunteers at a location away from the described premises,the most we will pay is \$10,000 in any one occurrence; or
  - (b) If the loss or damage to equipment, data or media is caused by or resulting from any of the items listed in (4) above, the most we will pay is \$10,000 in any one occurrence at each described premises.

Our payment of loss or damage to property of others will only be for the account of the owner of the property.

#### **h. Accounts Receivable**

You may extend the insurance that applies to Your Business Personal Property to apply to loss because of loss or damage to your records of accounts receivable:

- (1) At a described premises or in or on a vehicle in transit between described premises; or
- (2) If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss.

We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary because of loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from Covered Causes of Loss to your records of accounts receivable.

Accounts receivable loss payment will be determined as follows:

- (1) When there is proof that a covered loss has occurred but you cannot accurately establish the amount of accounts receivable outstanding at the time of the loss, the amount of the loss will be computed as follows:
  - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) We will deduct from the established total amount of accounts receivable:
- (a) The amount of the accounts for which there is no loss or damage;
  - (b) The amount of the accounts that you are able to re-establish or collect;
  - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (d) All unearned interest and service charges.
- (3) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

The most we will pay under this Extension is \$250,000 in any one occurrence. If accounts receivable records are lost or damaged in transit, the most we will pay is \$10,000.

**i. Fairs or Exhibitions**

You may extend the insurance provided by this Coverage Form to apply to your Covered Property at any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$50,000 in any one occurrence.

**j. Fire Equipment Recharge**

You may extend the insurance provided by this Coverage Form to apply to the recharge or refill of your fire protective devices that are permanently installed in buildings at the described premises. This Extension applies when such devices have been discharged by accident but not for periodic recharge.

The most we will pay under this Extension is \$5,000 for each separate 12 month period of this policy.

No Deductible applies to this Coverage Extension.

**k. Inventory Or Appraisal**

You may extend the insurance provided by this Coverage Form to apply to the following expenses you incur to prepare a claim as described in Section **G.2.c.** — LOSS CONDITIONS, Duties In The Event Of Loss Or Damage:

- (1) The cost of taking inventories;
- (2) The cost of making appraisals; and
- (3) The cost of preparing a statement of loss and other supporting exhibits.

The most we will pay under this Extension for any claim is \$10,000.

**l. Animal Mortality**

You may extend the insurance provided by this Coverage Form to include loss caused by the death or destruction of your animals:

- (1) Used by your police department as part of a canine or equestrian patrol; or
- (2) On exhibit at your zoos.

The most we will pay under this Extension is \$10,000 in any one occurrence.

**m. Grounds Maintenance Equipment**

You may extend the insurance provided by this Coverage Form to apply to your grounds maintenance equipment.

The most we will pay under this Extension is \$100,000 in any one occurrence for loss or damage to such equipment, including but not limited to lawnmowers, snowblowers, and other miscellaneous portable grounds maintenance equipment.

**n. Extra Expense and Business Income**

**(1) Extra Expense**

You may extend the insurance provided by this Coverage Form to apply to the actual and necessary extra expense you sustain due to direct physical loss or damage to property at the described premises caused by or resulting from a Covered Cause of Loss.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:

- (a) To avoid or minimize the "suspension" of business and to continue "operations";
- (b) To minimize the "suspension" of business if you cannot continue "operations"; or
- (c) To repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extension.

The most we will pay for loss under this Extension is \$500,000 at each described premises.

**(2) Business Income**

You may extend the insurance provided by this Coverage Form to apply to the actual loss of "Business Income" you sustain due to the necessary "suspension" of your "operations" at the described premises during the "period of restoration".

"Business Income" means:

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, from:
  - (i) "Rental value";
  - (ii) Park and recreational facilities;
  - (iii) Zoos;
  - (iv) Athletic events;
  - (v) Grants, and
- (b) Continuing normal operating expenses incurred, including payroll.

The most we will pay under this Coverage Extension is \$100,000 in any one occurrence.

**(3) "Operations" means:**

- (a) Your business activities; and
- (b) The habitability of the described tenant occupied premises.

**(4) "Period of Restoration" means the period of time that:**

- (a) Begins :
  - (i) 72 hours after the time of direct physical loss or damage for "Business Income" coverage; or
  - (ii) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
- (b) Ends on the earlier of:
  - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
  - (ii) The date when business is resumed at a new permanent location.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

The expiration date of this policy will not cut short the "period of restoration."

**(5) "Rental Value" means the Business Income that consists of:**

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you.
  - (b) Continuing normal operating expenses incurred in connection with that premises, including:
    - (i) Payroll; and
    - (ii) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
  - (c) Fair rental value of any portion of the described premises which is occupied by you.
- (6) "Suspension" means:
- (a) Cessation of your business activities or
  - (b) That part or all of the described premises is rendered uninhabitable.

**o. Fine Arts**

You may extend the insurance provided by this Coverage Form, if no other Coverage Form of this or any other policy applies, to apply to Fine Arts that are:

- (1) Your property; or
- (2) The property of others that is in your care, custody or control; and
- (3) Located within 1,000 feet of the described premises.

As used in this Coverage Extension, Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marble, bronze, antique silver, manuscripts, porcelain, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

The value of Fine Art will be the market value at the time of loss or damage.

The most we will pay for loss or damage under this Extension is \$5,000 any one item and \$25,000 in any one occurrence. In the event of the total loss of any given item or items that are part of a set, we agree to pay you the total value of the set and you agree to surrender the remaining part of the set to us.

**p. Theft Damage to Non-Owned Buildings**

You may extend the insurance provided by this Coverage Form to apply to the ensuing costs you incur to repair damages to that part of a building that you occupy but do not own, if;

- (1) The damages resulted directly from theft; and
- (2) You assume responsibility for such damages under a lease agreement that was executed prior to the theft.

The most we will pay under this Extension for loss or damage is \$50,000 in any one occurrence. This coverage extension applies in excess of all other insurance or the lack thereof.

**q. Paved Surfaces**

You may extend the insurance provided by this Coverage Form to apply to the paved surfaces of your outdoor playgrounds, tennis courts, running tracks or other outdoor athletic courts.

The loss or damage must be caused by or resulting from a Covered Cause of Loss; however, no coverage is provided for loss or damage caused by freezing and thawing or by vehicles.

The most we will pay for loss or damage under this Extension is \$100,000 in any one occurrence.

**r. Property in Transit**

This Extension applies only to Your Business Personal Property to which this form applies.

- (1) You may extend the insurance provided by this Coverage Form to apply to Your Business Personal Property in transit more than 1,000 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- (2) Loss or damage must be caused by or result from one of the following causes of loss:
  - (a) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

- (b) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
- (c) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

The most we will pay for the loss or damage under this Extension is \$25,000 in any one occurrence.

**s. Building Ordinance or Law**

(1) If enforcement of an ordinance or law in effect at the time of loss regulating zoning, land use or construction of a building affects the repair or rebuilding of that building following direct physical damage by a Covered Cause of Loss, you may extend the insurance on Building to cover:

- (a) Costs to demolish and clear the site of the undamaged portions of the building;
- (b) The loss in value of the undamaged portions of the building; and
- (c) The increased cost to repair, rebuild or reconstruct the building with another building of the same size, style and comparable quality.

(2) We will not pay more under this Extension than if the repaired or replaced building was:

- (a) Rebuilt at the same location, as soon as reasonably possible;
- (b) To the same extent the law permits, of the same height, floor area, style and comparable quality as the one it replaces; and
- (c) Designed for the same type of occupancy and use as the one it replaces, unless otherwise required by zoning or land use ordinance or law.

The increased rebuilding costs must be kept to the minimum needed to satisfy legal requirements. We will not pay for any costs to acquire land on which to rebuild.

(3) If you do not repair or replace the damaged building, we will pay under this Extension only to demolish and clear the site of the undamaged portions of the building.

(4) We will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants", asbestos, or lead; or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", asbestos, lead, "fungus", wet or dry rot or bacteria.

(5) The terms of this Coverage Extension apply separately to each building to which this Coverage Extension applies.

(6) Under this Coverage Extension we will not pay for loss due to any ordinance or law that:

- (a) You were required to comply with before the loss, even if the building was undamaged; and
- (b) You failed to comply with.

The most we will pay under this Extension is \$250,000 for loss to the undamaged portion of the building and/or demolition costs. The most we will pay for increased cost of construction as a result of an occurrence is ten percent (10%) of the value of that building as shown on the most recent statement of values on file with us.

Any Coinsurance penalty applicable to the building will also apply to the amount otherwise payable under this Extension.

**t. Electrical Utility Services Interruption**

You may extend the insurance provided for Covered Property to apply to loss or damage caused by interruption of electric power supply services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (1) Utility generating plants;
- (2) Switching stations or substations;
- (3) Transformers; and
- (4) Transmission lines, other than overhead transmission lines.

The most we will pay under this Extension is \$25,000 in any one occurrence.

**u. Foundations of Machinery**

You may extend the insurance that applies to Building to apply to foundations of machinery if their foundations are below:

- (1) The lowest basement floor; or
- (2) The surface of the ground, if there is no basement.

The most we will pay under this Extension is \$500,000 in any one occurrence.

This extension does not apply to loss or damage by tree or plant roots, freezing, thawing, normal deterioration or collapse.

This extension does not increase the building limit shown in the declarations,

**v. Underground Pipes, Flues or Drains**

You may extend the insurance that applies to Building to apply to underground pipes, flues, or drains that are within 1,000 feet of the described premises.

The most we will pay under this Extension is \$1,000,000 in any one occurrence.

**w. Underground Sprinkler Systems**

You may extend the insurance that applies to building coverage to apply to your underground sprinkler system piping and related component parts that are at or within 1,000 feet of the described premises:

The most we will pay is \$25,000 arising out of Covered Causes of Loss during each separate 12 month period of this policy.

This extension does not

- (1) increase the building limit shown in the declarations
- (2) apply to loss or damage caused by tree or plant roots, freezing, thawing, or normal deterioration.

**x. Communication Towers**

You may extend the insurance provided under this Coverage Form to apply to radio and transmittal towers owned by you, if no other Coverage Form of this or any other policy applies.

The most we will pay for loss or damage under this Extension is \$100,000 in any one occurrence.

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## SECTION B — OPTIONAL COVERAGES

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If shown in the Declarations, the following Optional Coverages apply separately to each item.

**1. Agreed Value**

The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Form for the property bears to the Agreed Value shown for it in the Declarations.

**2. Blanket Limit of Insurance**

Those locations shown on the Declarations as being covered on a Blanket **Limit of Insurance**, will have a single Limit of Insurance that applies to any of the following:

- a. Two or more buildings
- b. Building and contents
- c. Contents of more than one building; or
- d. Contents at more than one premises.

### 3. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is $\$100,000 \times .08 \times 146 \div 365 =$	\$3,200

### 4. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others. Tenant's improvements and betterments are not considered Personal property of others;
  - (2) Contents of a residence;
  - (3) Manuscripts; or
  - (4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
  - (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
  - (3) If the conditions in **d.(1)** and **d.(2)** above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
  - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
  - (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace, on the same premises, the lost or damaged property with other property;

- (a) Of comparable material and quality; and
- (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

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## SECTION C — EXCLUSIONS

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- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. **Ordinance or Law**

Except as provided under the Coverage Extensions, the enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

- b. **Earth Movement**

- (1) Any earth movement, such as earthquake, landslide, "sinkhole collapse", mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

- c. **Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Form.

- d. **Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

- e. **Utility Services**



Except as provided under the Coverage Extensions, the failure of power or other utility service supplied to the described premises, however caused, if the failure originates away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

**f. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, tsunami, storm surge, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow; or
- (3) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1) or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above is caused by an act of nature or is otherwise caused.

But if any of the above, in Paragraphs (1) through (3), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

**2. We will not pay for loss or damage caused by or resulting from any of the following:**

- a. Artificially generated electric current, including electric arcing, that disturbs electrical devices, appliances or wires.  
But if artificially generated electric current results in fire, we will pay for the loss or damage caused by that fire.
- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.
  - (1) Wear and tear;
  - (2) Rust, corrosion, "fungus", decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
  - (3) Smog;
  - (4) Settling, cracking, shrinking or expansion of pavements, foundations, walls, floors, roofs or ceilings;
  - (5) Nesting or infestation, or discharge or release of waste products or secretions by insects, birds, rodents or other animals;
  - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision; or
  - (7) The following causes of loss or damage to personal property:
    - (a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **2.d.(7)** results in a “specified cause of loss” or building glass breakage, we will pay for the loss or damage caused by that “specified cause of loss” or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquid, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your employees (including leased employees), elected or appointed officials, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a “Specified Causes of Loss” at the described premises, we will pay for the loss or damage caused by that “Specified Causes of Loss”.

l. Discharge, dispersal, seepage, migration, release or escape of “pollutants” unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the “specified causes of loss.” But if the discharge, dispersal, seepage, migration, release or escape of “pollutants” results in a “specified cause of loss,” we will pay for the loss or damage caused by that “specified cause of loss.”

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, we will pay for loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **1.** above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance;  
of part or all of any property on or off the described premises.

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## SECTION D — LIMITATIONS

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The following limitations apply to all coverage forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - d. Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
  - e. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay more than \$25,000 for direct physical loss or damage caused by:
  - a. Water that backs-up from a sewer or drain; or
  - b. Water under the ground surface pressing on, or flowing or seeping through:
    - (1) Foundations, walls, floors or paved surfaces;
    - (2) Basements, whether paved or not; or
    - (3) Doors, windows or other openings.
3. We will not pay for loss of or damage to the following types of property unless caused by the “specified causes of loss” or building glass breakage:
  - a. Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
  - b. Animals, and then only if they are killed or their destruction is made necessary.
  - c. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass that is part of a building or structure;
    - (2) Containers of property held for sale; or
    - (3) Photographic or scientific instrument lenses.
4. The special limit shown for each category, **a.** through **c.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$250 for stamps, tickets and letters of credit.These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.
5. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- a. Results in discharge of any substance from an automatic fire protection system; or
- b. Is directly caused by freezing.

However, this limitation does not apply to the Extra Expense and Business Income Coverage Extension.

- 6. We will not pay for the interior of any building or structure, or personal property, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless the building or structure first sustains damage by a "Specified Causes of Loss" to its roof or walls through which rain, sleet, ice, sand or dust enters.

### SECTION E — LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$5,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Preservation of Property;
- 2. Collapse;
- 3. Water Damage, Other Liquid, Powder or Molten Material Damage; or
- 4. Debris Removal; but if:
  - a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
  - b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

### SECTION F — DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

When the occurrence involves loss to more than one item of Covered Property and more than one Limit of Insurance applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of (1) the Limit of Insurance applicable to that item plus (2) the Deductible.

**Example No. 1:**

(This example assumes there is no coinsurance penalty.)

Deductible:	\$250
Limit of Insurance - Bldg. 1:	\$60,000
Limit of Insurance - Bldg. 2:	\$80,000
Loss to Bldg. 1:	\$60,100
Loss to Bldg. 2:	\$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$60,100	
-250	
\$59,850	Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139,850.

**Example No. 2:**

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$70,000	(exceeds Limit of Insurance plus Deductible)
Loss to Bldg. 2:	\$90,000	(exceeds Limit of Insurance plus Deductible)
Loss Payable - Bldg. 1:	\$60,000	(Limit of Insurance)
Loss Payable - Bldg. 2:	\$80,000	(Limit of Insurance)
Total amount of loss payable:	\$140,000	

If two or more Coverage Forms or policies issued to you by us, or any company affiliated with us, apply to the same loss, the deductible due hereunder will be as follows:

1. The deductible applicable to such loss will be calculated in accordance with the terms and conditions of each Coverage Form or policy that applies to the loss.
2. The insured will be responsible to pay only the highest deductible amount, as calculated in 1. above, under the Coverage Forms or policies applicable to such loss.

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**SECTION G — CONDITIONS**

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The following conditions apply in addition to the Common Policy Conditions:

**1. COMMERCIAL PROPERTY CONDITIONS**

**a. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you as it relates to this Coverage Form at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This Coverage Form;
- (2) The Covered Property;
- (3) Your interest in the Covered Property; or
- (4) A claim under this Coverage Form.

**b. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**c. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**d. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form unless:

- (1) There has been full compliance with all of the terms of this Coverage Form; and

(2) The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**e. Liberalization**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

**f. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**g. Other Insurance**

(1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.

(2) If there is other insurance covering the same loss or damage, other than that described in (1) above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**h. Policy Period, Coverage Territory**

Under this Coverage Form:

(1) We cover loss or damage commencing:

- (a) During the policy period shown in the Declarations; and
- (b) Within the coverage territory.

(2) The coverage territory is:

- (a) The United States of America (including its territories and possessions);
- (b) Puerto Rico; and
- (c) Canada.

**i. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

(1) Prior to a loss to your Covered Property or Covered Income.

(2) After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:

- (a) Someone insured by this insurance;
- (b) A business firm:
  - (i) Owned or controlled by you; or
  - (ii) That owns or controls you; or
- (c) Your tenant.

This will not restrict your insurance.

**2. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

**a. Abandonment**

There can be no abandonment of any property to us.

**b. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**c. Duties In The Event Of Loss Or Damage**

You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answer must be signed.

**d. Loss Payment**

- (1) In the event of loss or damage covered by this Coverage Form, at our option, we will either:
  - (a) Pay the value of lost or damaged property;
  - (b) Pay the cost of repairing or replacing the lost or damaged property; subject to (2) below;
  - (c) Take all or any part of the property at an agreed or appraised value; or
  - (d) Repair, rebuild or replace the property with other property of like kind and quality, subject to (2) below.
- (2) The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- (3) We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- (4) We will not pay you more than your financial interest in the Covered Property.

- (5) We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- (6) We may elect at our expense to defend you against suits arising from claims of owners of property.
- (7) We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Form and:
  - (a) We have reached agreement with you on the amount of loss; or
  - (b) An appraisal award has been made.
- (8) A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

**e. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**f. Vacancy**

**(1) Description of Terms**

- (a) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a)(i) and (a)(ii) below:
  - (i) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (ii) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage:
    - (aa) Is not rented; or
    - (bb) Is not used to conduct customary operations.
- (b) Buildings under construction or renovation are not considered vacant.

**(2) Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (a) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (i) Vandalism;
  - (ii) Sprinkler leakage, unless you have protected the system against freezing;
  - (iii) Building glass breakage;
  - (iv) Water damage;
  - (v) Theft; or
  - (vi) Attempted theft.



- (b) With respect to Covered Causes of Loss other than those listed in (2)(a)(i) through (2)(a)(vi) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**g. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- (1) At actual cash value as of the time of loss or damage, except as provided in (2), (3), (4), (5), and (6) below.
- (2) If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement. Any increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property is not covered and may not be included within the cost of building repairs or replacement.

The following property will be valued at the actual cash value even when attached to the building:

- (a) Awnings or floor coverings;
- (b) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (c) Outdoor equipment or furniture.
- (3) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenant's Improvements and Betterments at:
- (a) Actual cash value of the lost or damaged property if you make repairs promptly.
- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
- (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.
- If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c) Nothing if others pay for repairs or replacement.
- (6) Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
- (a) Blank materials for reproducing the records; and
- (b) Labor to transcribe or copy the records when there is a duplicate.

**3. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

**a. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- (1) We will not pay the full amount of any loss if the value of the Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the amount we will pay using the following steps:

- (a) Multiply the value of the Covered Property at the time of loss by the Coinsurance percentage;
- (b) Divide the Limit of Insurance of the property by the figure determined in step (a);
- (c) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (b); and

(d) Subtract the deductible from the figure determined in step (c).

We will pay the amount determined in step (d) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**Example No. 1 (Underinsurance)**

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The deductible is	\$250
The amount of loss is	\$40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$  (the minimum amount of insurance to meet your Coinsurance Requirements)

Step (2):  $\$100,000 \div \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**Example No. 2 (Adequate Insurance)**

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$200,000
The deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3**

When:

The value of the property is:

Bldg. at Location No. 1	\$75,000
Bldg. at Location No. 2	\$100,000
Personal Property at Location No. 2	<u>\$75,000</u>
	\$250,000

The Coinsurance percentage for it is 90%

The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is:

Bldg. at Location No. 2	\$30,000
Personal Property at Location No. 2	<u>\$20,000</u>
	\$50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$  (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 \div \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$ .

Step (4):  $\$40,000 - \$1,000 = \$39,000$ .

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**b. Mortgageholders**

- (1) The term mortgageholder includes trustee.
- (2) We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- (3) The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- (4) If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (a) Pays any premium due under this Coverage Form at our request if you have failed to do so;
  - (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Form will then apply directly to the mortgageholder.

- (5) If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
  - (a) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (b) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- (6) If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (b) 30 days before the effective date of cancellation if we cancel for any other reason.
- (7) If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

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**SECTION H — DEFINITIONS**

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1. "Fungus" means any type or form of fungus, including mold, mildew, any microtoxins, spores, scents, or byproducts produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into man-made underground cavities.

4. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
5. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EARTHQUAKE – VOLCANIC ERUPTION COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. COVERED CAUSES OF LOSS**

When Earthquake – Volcanic Eruption is shown in the Declarations, Covered Causes of Loss includes the following:

1. **Earthquake.**
2. **Volcanic Eruption**, meaning the eruption, explosion or effusion of a volcano.

All Earthquake activity (including foreshocks and aftershocks) or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

**B. EXCLUSIONS**

1. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
2. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an earthquake or volcanic eruption.
3. We will not pay for loss or damage caused by or resulting from an earthquake or volcanic eruption that begins before the inception.
4. We will not pay for loss of or damage to exterior masonry veneer on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying:
  - a. The Deductible shown in the Declarations; or
  - b. The Additional Condition, Coinsurance, if applicable to the coverage provided by this endorsement.

**C. DEDUCTIBLE**

The Deductible, if any, in the Building and Personal Property Coverage Form is replaced by the following with respect to Earthquake and Volcanic Eruption:

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition or Agreed Value Optional Coverage.

2. The Deductible may be shown as either an amount or a percentage. When shown as a percentage, the Deductible is that percentage of the value of the Covered Property at the time of the loss or damage. If the Covered Property is written on a Blanket Insurance basis, the value(s) to be used are those shown in the most recent Statement of Values on file with us.
3. A Deductible is calculated separately for and applies separately to:
  - a. Each building, if two or more buildings sustain loss or damage;
  - b. The building and personal property in that building, if both sustain loss or damage;
  - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
  - d. Personal property in the open (or in a vehicle) within 1,000 feet of the described premises.

**D. LIMITS OF INSURANCE**

1. The Limit of Insurance shown in the Declarations as Any One Earthquake is the most we will pay for loss or damage in any one Earthquake or any one Volcanic Eruption, regardless of the number of covered locations.
2. The Limit of Insurance shown in the Declarations as Annual Aggregate is the most we will pay for all claims for Earthquake or Volcanic Eruption damage which occurs during the policy period, including any policy term extensions.
3. The following is added to **SECTION E – LIMITS OF INSURANCE** contained in the Building and Personal Property Coverage Form:

Payments under the Earthquake or Volcanic Eruption Covered Causes of Loss will not increase the applicable Limit of Insurance.

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**FLOOD COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. COVERED CAUSES OF LOSS**

When Flood is shown in the Declarations, Covered Causes of Loss includes the following:

Flood means flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not, and mudslide or mudflow caused by any of the foregoing.

If flood results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage as provided for under the Building and Personal Property Coverage Form.

**B. EXCLUSIONS**

1. **Exclusion 1.g. Water** of **SECTION C - EXCLUSIONS** is deleted in its entirety.

2. The following **Exclusions** are added to **SECTION C – EXCLUSIONS**:

a. We will not pay for loss or damage caused by or resulting from any;

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; or

(2) Mudslide or mudflow.

which began prior to the inception date of this policy.

**C. LIMITATIONS**

The following limitation is added:

When a Limit of Insurance for Flood is shown in the Declarations, coverage provided by this endorsement does not apply to any location(s) situated in a high risk area as determined by the Federal Emergency Management Agency (FEMA). These areas are designated by FEMA as zones A, A1-A30, A99, AE, AH, AO, AR, AR/AE, AR/AO, AR/A1-A30, AR/A, V, V1-V30, VE. Additionally, we will not cover FEMA zones designated as B or X (shaded). Any area later designated by FEMA as a high risk area at the time of a Covered Cause of Loss is also subject to this limitation.

**D. DEDUCTIBLE**

The Deductible, if any, in the Building and Personal Property Coverage Form is replaced by the following with respect to Flood:

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance—Any One Flood.

## **E. LIMITS OF INSURANCE**

1. The Limit of Insurance shown in the Declarations as Any One Flood is the most we will pay for loss or damage in any one Flood, regardless of the number of covered locations.
2. The Limit of Insurance shown in the Declarations as Annual Aggregate is the most we will pay for all claims for Flood damage which occurs during the policy period. If the policy period shown in the Declarations is for a term of more than one year, we will apply the Annual Aggregate Limit separately to each consecutive year of the policy period.
3. The following is added to **SECTION E – LIMITS OF INSURANCE** contained in the Building and Personal Property Coverage Form:

Payments under the Flood Covered Causes of Loss will not increase the applicable Limit of Insurance.



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**COVERAGE EXTENSIONS — INCREASED LIMITS**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The most we will pay under the **Coverage Extensions or Additional Coverages** of **SECTION A - COVERAGE** or **SECTION D – LIMITATIONS** is increased to the Limit of Insurance shown in the Schedule below if an “x” is entered in the box.

**SCHEDULE**

Coverage Extension		Limit Of Insurance
<input checked="" type="checkbox"/> <b>Debris Removal</b>	\$ 25,000	for each location in any one occurrence
<input checked="" type="checkbox"/> <b>Fire Department Service Charge</b>	\$ 25,000	for your liability
<input checked="" type="checkbox"/> <b>Newly Acquired or Constructed Property</b>		
<input type="checkbox"/> Building	\$	at each building
<input checked="" type="checkbox"/> Your Business Personal Property	\$ 500,000	at each building
<input type="checkbox"/> <b>Personal Property of Others</b>	\$	any one occurrence
<input checked="" type="checkbox"/> <b>Valuable Papers and Records — Cost of Research</b>	\$ 250,000	any one occurrence
<input type="checkbox"/> <b>Property off Premises</b>	\$	any one occurrence
<input type="checkbox"/> <b>Golf Course Greens</b>	\$	any one occurrence
<input type="checkbox"/> <b>Personal Computers, EDP Equipment, Data or Media</b>	\$	any one occurrence;
		<b>subject to a maximum of:</b>
		\$10,000 while in transit or on a vehicle; or is a laptop computer, including its portable accessories, owned by you that is used by your employees, elected or appointed officials, or volunteers at a location away from the described premises.
	\$	for loss or damage as a result of any of the items listed in

<input type="checkbox"/> <b>Accounts Receivable</b>	\$	paragraph (4) of Coverage Extension 5.g. any one occurrence;
<input type="checkbox"/> <b>Fairs or Exhibitions</b>	\$	<b>subject to a maximum of:</b> \$10,000 while in transit any one occurrence
<input checked="" type="checkbox"/> <b>Fire Equipment Recharge</b>	\$ 25,000	for each separate 12 month period
<input type="checkbox"/> <b>Inventory or Appraisal</b>	\$	any claim
<input type="checkbox"/> <b>Animal Mortality</b>	\$	any one occurrence
<input type="checkbox"/> <b>Grounds Maintenance Equipment</b>	\$	any one occurrence
<input checked="" type="checkbox"/> <b>Extra Expense and Business Income</b>		
<input type="checkbox"/> Extra Expense Income	\$	each described premises
<input checked="" type="checkbox"/> Business Income	\$ 500,000	any one occurrence
<input type="checkbox"/> <b>Paved Surfaces</b>	\$	any one occurrence
<input checked="" type="checkbox"/> <b>Property in Transit</b>	\$ 100,000	any one occurrence
<input checked="" type="checkbox"/> <b>Building Ordinance or Law</b>	\$ 500,000	for loss to the undamaged portion of the building and/or demolition costs.
	10%	of the value of that building (as shown on the most recent statement of values on file with us) for increased cost of construction as a result of an occurrence.
<input checked="" type="checkbox"/> <b>Electrical Utility Services Interruption</b>	\$ 50,000	any one occurrence
<input type="checkbox"/> <b>Foundations of Machinery</b>	\$	any one occurrence
<input type="checkbox"/> <b>Underground Pipes, Flues or Drains</b>	\$	any one occurrence
<input type="checkbox"/> <b>Sewer Backup</b>	\$	for direct physical loss or damage

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**COVERAGE EXTENSIONS — AMENDED**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following **Coverage Extension(s)** are deleted and no longer apply if an "X" is shown in a box in the Schedule below:

**SCHEDULE**

- Debris Removal**
  
- Fire Department Service Charge**
  - Newly Acquired or Constructed Property**
    - Building
    - Your Business Personal Property
  
- Personal Property of Others**
  
- Valuable Papers and Records — Cost of Research**
  
- Property off Premises**
  
- Golf Course Greens**
  
- Personal Computers, EDP Equipment, Data or Media**
  
- Accounts Receivable**
  
- Fairs or Exhibitions**
  
- Fire Equipment Recharge**
  
- Inventory or Appraisal**

- Animal Mortality**
- Grounds Maintenance Equipment**
  - Extra Expense and Business Income**
    - Extra Expense Income
    - Business Income
- Fine Arts**
- Paved Surfaces**
- Property in Transit**
- Building Ordinance or Law**
- Electrical Utility Services Interruption**
- Foundations of Machinery**
- Underground Pipes, Flues or Drains**
- Sewer Backup**
- Communication Towers**

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**EXPEDITING EXPENSES**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following extension is added to **Paragraph 5 – Coverage Extensions** of **SECTION A - COVERAGE:**

**Expediting Expense**

You may extend the insurance that applies to your expediting expenses if similar coverages are not specifically provided elsewhere in the policy. In the event of a loss or damage to the property insured, the insurance under this endorsement is extended to cover the extra cost to make reasonable temporary repairs, or to expedite reasonable permanent repairs and to expedite permanent replacement to the loss of damaged property.

The most we will pay is \$25,000 any one occurrence.

This extension is added without increasing the amount of insurance and only as a result of a peril insured against.

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**FOUNDATION COVERAGE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following is added to **SECTION A – COVERAGE 5. Coverage Extensions**

**Foundations**

- (1) The most we will pay for loss or damage caused by or resulting from a "Specified Cause of loss" to the below-ground foundation of any building or structure is \$500,000.
- (2) We will settle such losses on the basis of actual cash value, but will not pay more than the amount necessary for repair or replacement.

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**KENTUCKY CHANGES**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. The following exclusion and related provisions are added to SECTION C – EXCLUSIONS:**

1. We will not pay for loss or damage arising out of any act committed:
  - a. By or at the direction of any insured; and
  - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an innocent co-insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:
  - a. The loss arose out of a pattern of domestic violence and abuse; and
  - b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**B. The Transfer Of Rights Of Recovery Against Others To Us Condition, in the Commercial Property Conditions, is amended by adding the following:**

If we pay an innocent co-insured for loss described in Paragraph **A.2.**, the rights of the innocent co-insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the perpetrator of the domestic violence.

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**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Form, including but not limited to forms or endorsements that cover property damage to buildings or personal property and business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The provisions in **SECTION A. – COVERAGE**, Paragraph **5.s.** are hereby amended to remove reference to bacteria.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



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**EQUIPMENT BREAKDOWN COVERAGE**

This Endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Equipment Breakdown Schedule	
<b>Equipment Breakdown Limits of Insurance:</b>	<b>\$5,487,838</b>
Spoilage	\$250,000
Expediting Expenses	\$250,000
Pollution Clean Up and Removal	\$250,000
Data and Media	\$250,000
Other: Business Income	\$500,000
Other: Extra Expense	\$500,000
Other: Building Ordinance or Law	\$500,000
<b>Deductibles:</b>	
Direct Damage	\$1,000
Extra Expense	N/A
Business Income	72 hours
Spoilage	Included in Direct Damage
Service Interruption	24 hours Waiting Period
Other:	

The following is added to **SECTION A - COVERAGE 4. Additional Coverage** in the **BUILDING AND PERSONAL PROPERTY COVERAGE FORM**:

**A. Equipment Breakdown Coverage**

1. We will pay for direct physical loss to Covered Property caused by or resulting from a "breakdown" to "covered equipment".
2. "Breakdown"

- a. "Breakdown" means:
  - (1) Failure of pressure or vacuum equipment;
  - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
  - (3) Electrical failure including arcing;  
that causes direct physical loss or damage to "covered equipment" and necessitates its repair or replacement.
- b. "Breakdown" does not mean:
  - (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
  - (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
  - (3) Damage to any vacuum tube, gas tube, or brush;
  - (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
  - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
  - (7) The functioning of any safety or protective device.
- c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".

### 3. "Covered Equipment"

- a. "Covered equipment" means any Covered Property that is:
  - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents. For any boiler or fired vessel, the furnace of the "covered equipment" and the gas passages from there to the atmosphere will be considered as outside the "covered equipment";
  - (2) Communication equipment and "computer equipment";
  - (3) Fiber optic cable; or
  - (4) Any other electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.
- b. "Covered equipment" does not mean any:
  - (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
  - (2) Catalyst;
  - (3) Dragline, power shovel, excavation or construction equipment including any "covered equipment" mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
  - (4) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
  - (5) Equipment or any part of equipment manufactured by you for sale;
  - (6) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
  - (7) Insulating or refractory material;
  - (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
  - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (11) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;

- (12) Vehicle, aircraft, self-propelled equipment or floating vessel, including any “covered equipment” mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel; or
- (13) “Media”.

4. **Property Not Covered.** With regard to the coverage provided by this Endorsement only, **2.b.** in **SECTION A - COVERAGE** is deleted and replaced by the following:

b. Animals.

5. **Equipment Breakdown Coverage Extensions.** The following coverages also apply to loss or damage caused by or resulting from a “breakdown” to “covered equipment”. These Equipment Breakdown Coverage Extensions do not provide additional amounts of insurance. The limits provided are part of, not in addition to, the Limit of Insurance that applies to the damaged Covered Property.

a. **Spoilage.**

(1) We will pay for:

- (a) Your loss of “perishable goods” due to spoilage;
- (b) Your loss of “perishable goods” due to spoilage that is caused by or results from an interruption in utility services that is the direct result of a “breakdown” to “covered equipment” that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam. Coverage for such loss will begin 24 hours after the time the “breakdown” causes the interruption of the utility service; or
- (c) Your loss of “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.

We will also pay any necessary expense you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

- (2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “breakdown”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment Condition.
- (3) The most we will pay for any loss or expense under this Equipment Breakdown Coverage Extension is \$250,000 or the Limit of Insurance for Spoilage shown on the Equipment Breakdown Schedule, whichever is greater.

b. **Expediting Expenses.**

- (1) With respect to your damaged Covered Property, we will pay the reasonable extra cost to make temporary repairs and expedite permanent repairs or permanent replacement.
- (2) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (3) The most we will pay for Expediting Expenses is \$250,000 or the Limit of Insurance for Expediting Expenses shown on the Equipment Breakdown Schedule, whichever is greater.

c. **Service Interruption.** The insurance provided for Extra Expense and Business Income is extended to apply to loss caused by or resulting from an interruption in utility services that is a direct result of a “breakdown” to “covered equipment” that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

Coverage for Service Interruption will begin 24 hours, or the time shown for Service Interruption-Waiting Period in the Equipment Breakdown Schedule, after the time the “breakdown” causes the interruption of the utility service.

d. **Drying Out.** If electrical “covered equipment” requires drying out as a result of a flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind, we will pay for the direct expense of drying out such electrical “covered equipment”. The most we will pay for such expense under this Equipment Breakdown Coverage Extension is the least of:

- (1) \$100,000;
- (2) the Limit of Insurance shown on the Declaration for the applicable covered property; or

(3) the value of such damaged electrical "covered equipment".

Coverage provided by this extension does not include the cost to replace such equipment or any other loss, damage or expense that is caused by or results directly or indirectly from flood, waves, tides, tidal waves, or overflow of any body of water or their spray, even if driven by wind.

- e. **Pollution Clean Up and Removal.** We will pay your expense to extract "pollutants" from land or water at the described premises and the cost for clean-up, repair, replacement or disposal of Covered Property at the described premises if the discharge, dispersal, seepage, migration, release or escape of such "pollutants" is caused by or results from a "breakdown" to "covered equipment" that occurs during the policy period. This Equipment Breakdown Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land, water or the clean-up, repair, replacement, or disposal of Covered Property.

The most we will pay under this Equipment Breakdown Coverage Extension, including any loss covered under any applicable Extra Expense and Business Income coverage, for the sum of all covered expenses is \$250,000 or the Limit of Insurance for Pollution Clean Up and Removal shown on the Equipment Breakdown Schedule, whichever is greater.

The coverage provided by this Additional Coverage does not include loss to "perishable goods" due to contamination from the release of a refrigerant.

- f. **Data and Media.** We will pay your cost to research, replace and restore data, including programs and operating systems that are lost or corrupted due to a "breakdown". We will also pay for loss or damage to "media" caused by a "breakdown". The most we will pay under this Equipment Breakdown Coverage Extension for the sum of all covered expenses, including any loss covered under any applicable Extra Expense and Business Income coverage is \$250,000 or the Limit of Insurance for Data and Media shown on the Equipment Breakdown Schedule, whichever is greater.

**6. Equipment Breakdown Exclusions.** With regard to coverage provided under this Endorsement only, the following changes are made:

a. The following Exclusions are deleted from **SECTION C - EXCLUSIONS: 2.a.; 2.d.(6); and 2.e.**

b. Exclusion **2.i.** is deleted and replaced by the following:

i. Discharge, dispersal, seepage, migration, release or escape of "pollutants". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "breakdown" to "covered equipment", we will pay for the loss or damage caused by that "breakdown".

c. The last paragraph of **SECTION C - EXCLUSION 2.d.** is deleted and replaced by the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "breakdown", we will pay the resulting loss or damage not otherwise excluded.

d. The following exclusions apply to the coverage provided under this Endorsement in addition to the other exclusions, except as deleted in **A.6.a.** above, in the Coverage Form to which this Endorsement applies.

We will not pay under this Endorsement for loss or damage caused directly or indirectly by any of the following:

(1) Any of the following tests:

(a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

(b) An insulation breakdown test of any type of electrical equipment;

(2) Fire including fire resulting from a "breakdown";

(3) Combustion explosion;

(4) Explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;

(5) An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in a. through f. below, if not otherwise excluded:

(a) Steam boiler;

(b) Electric steam generator;

(c) Steam piping;

(d) Steam turbine;

(e) Steam engine; or

- (f) Gas turbine or any other moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.
- (6) With respect to Service Interruption and paragraph (1)(b) of Spoilage coverage, we will not pay for loss caused by or resulting from: Lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; falling objects; water damage caused by the discharge or leakage of sprinkler system, sewer piping or domestic water piping; water or other means used to extinguish a fire, even when the attempt is unsuccessful; weight of snow, ice or sleet; freezing due to cold weather; molten material; acts of sabotage; deliberate acts of load shedding by the supplying or distributing utility; or collapse.

**7. Equipment Breakdown Limitations.**

With regard to this Endorsement only, the following Limitations are deleted from the **SECTION D - LIMITATIONS: 1.a. and 1.b.**

**8. Limits of Insurance**

The most we will pay for loss or damage in any one "breakdown" is the applicable Limit of Insurance shown in the Declarations. The limits provided for the Equipment Breakdown Coverage Extensions are part of, not in addition to, the Limit of Insurance shown in the Declarations that applies to the damaged Covered Property.

The coverage provided by this Endorsement is part of, not in addition to, the applicable Limit of Insurance shown in the Declarations.

**9. Deductible**

If an amount is shown in the Deductible section of the Equipment Breakdown Schedule, the following will apply; otherwise the deductible shown in the Declarations for the applicable coverage will apply.

**SECTION F - DEDUCTIBLES** is deleted and replaced by:

- a. In any one "breakdown, we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

The deductibles listed in the Equipment Breakdown Schedule shall be applied separately to the applicable coverage as follows:

**(1) Dollar Deductible**

If a dollar deductible is shown in the above schedule, we will first subtract the deductible amount from any loss we would otherwise pay.

**(2) Multiple per Unit Deductible**

If a multiple of units is shown in the above schedule, the deductible will be calculated as the sum of the multiplier times the number of units specified. (For example: if the deductible is specified as \$25/hp for air conditioning units, and a covered 500 hp air conditioning unit suffered a "Breakdown", the deductible will be \$25 times 500 hp which equals \$12,500.)

**(3) Time Deductible**

If a time deductible is shown in the above schedule, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.

**(4) Multiple of Daily Value Deductible**

If a multiple of daily value is shown in the above schedule, this deductible will be calculated as follows:

- (a) For the entire premise described in the Declarations where the loss occurred, determine the total amount of Business Income that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (b) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.
- (c) Multiply the daily value in Paragraph (2) by the number of daily value multiples shown in the above schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

**(5) Percentage of Loss Deductible**

If a deductible is expressed as a percentage of loss in the above schedule, we will not be liable for the indicated percentage of the gross amount of loss or damage insured under the applicable coverage.

**(6) Minimum Or Maximum Deductible**

**(a)** If:

- (i)** A minimum dollar amount deductible is shown in the above schedule; and
  - (ii)** The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;
- then the Minimum Deductible amount shown in the above schedule will be the applicable deductible.

**(b)** If:

- (i)** A maximum dollar amount deductible is shown in the above schedule; and
  - (ii)** The dollar amount of the Multiple per Unit, Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;
- then the Maximum Deductible amount shown in the above schedule will be the applicable deductible.

**b.** If more than one deductible applies to a single coverage, then only one deductible, the highest, will apply to that coverage.

**10.** The following provision applies to the coverage provided by this Endorsement only and in addition to the provisions in the Loss Payment section of the Coverage Form to which this Endorsement applies:

If "Covered Equipment", is valued at replacement cost, cannot be repaired and requires replacement you may choose to apply the following provision:

**New Generation Coverage** – If you want to replace damaged "Covered Equipment" with a newer generation "Covered Equipment" of the same capacity, we will pay up to 25% more than "Covered Equipment" of like kind, quality and capacity would have cost at the time of the "Breakdown".

**11.** With respect to the coverage provided under this Endorsement, the following are added to the Additional Conditions section of the Coverage Form to which this Endorsement applies:

**a. Jurisdictional Inspections**

- (1)** We agree to provide pressure vessel certificate-of-operation engineering services where:
  - (a)** The certificate-of-operation is required by state, city or provincial law; and
  - (b)** The state, city or provincial law permits inspections by insurance company employees.
- (2)** If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
  - (a)** Any fine or other penalty that may be assessed; or
  - (b)** Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- (3)** Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

**b. Suspension**

- (1)** Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
- (2)** Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "covered equipment".
- (3)** If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

**12.** With respect to the coverage provided by this Endorsement, the following definitions apply in addition to the definitions provided in the Coverage Form to which this Endorsement applies:

- a. **“Computer equipment”** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include data or "media".
  - b. **“Media”** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
  - c. **“Perishable goods”** means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.
13. With respect to the coverage provided by this Endorsement, the most we will pay in any one occurrence under any applicable Coverage Extension of **SECTION A.5.** of the Coverage Form, is the applicable Equipment Breakdown Limit of Insurance shown below or the Limit of Insurance for the applicable Coverage Extension shown on the Equipment Breakdown Schedule. The applicable Equipment Breakdown Limit of Insurance will not increase the otherwise applicable Limit of Insurance for such Coverage Extension.

<u>Coverage Extension</u>	<u>Limit of Insurance</u>
• Newly Acquired or Constructed Property	
Building	\$1,000,000
Business Personal Property	\$250,000
• Personal Effects and Property of Others	\$50,000
• Property Off-Premise	\$100,000
• Accounts Receivable                      On Premise	\$250,000
• Fairs or Exhibitions	\$50,000
• Inventory Or Appraisal	\$10,000
• Animal Mortality	\$10,000
• Extra Expense	\$500,000
• Business Income	\$100,000
• Fine Arts	\$25,000
• Building Ordinance or Law –	
Undamaged portion and demolition cost	\$250,000
Increased cost of Construction              10% of value of Building	
• Foundations of Machinery	\$500,000
• Communication Towers	\$100,000
• Unnamed Locations	Follows property, not to exceed \$250,000

14. This additional coverage does not apply to the coverage provided by the following Coverage Extensions of **SECTION A.5.** of the Coverage Form:
- Valuable Papers and Records – Cost of Research
  - Outdoor Property
  - Golf Course Greens
  - Personal Computers, EDP Equipment, Data or Media
  - Fire Equipment Recharge
  - Grounds Maintenance Equipment
  - Electric Utility Services Interruption
  - Underground Pipes, Flues or Drains

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EQUIPMENT BREAKDOWN COVERAGE – INLAND MARINE**

This Endorsement modifies insurance provided under the following:

**CONTRACTORS SCHEDULED EQUIPMENT COVERAGE FORM  
MISCELLANEOUS ARTICLES AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. Equipment Breakdown Coverage**

1. We will pay for direct physical loss to Covered Property caused by or resulting from a "breakdown" to "covered equipment"
2. "Breakdown"
  - a. "Breakdown" means:
    - (1) Failure of pressure or vacuum equipment;
    - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
    - (3) Electrical failure including arcing;
 that causes direct physical loss or damage to "covered equipment" and necessitates its repair or replacement.
  - b. "Breakdown" does not mean:
    - (1) Cracking of any part on an internal combustion gas turbine exposed to the products of combustion;
    - (2) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
    - (3) Damage to any vacuum tube, gas tube, or brush;
    - (4) Defects, erasures, errors, limitations or viruses in "computer equipment", data, "media" and/or programs including the inability to recognize and process any date or time or provide instructions to "covered equipment". However, if a "breakdown" ensues, we will pay the ensuing loss or damage not otherwise excluded;
    - (5) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
    - (6) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification; or
    - (7) The functioning of any safety or protective device.
  - c. If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown".



**3. “Covered Equipment”**

- a. With regards to coverage provided by the COMMERCIAL INLAND MARINE MISCELLANEOUS ARTICLES AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM, “Covered equipment” means any emergency portable equipment.
  - (1) You own; or
  - (2) Is in your care, custody or control;which is used by emergency response personnel in the rendering of the preservation of life or property. Emergency Portable Equipment does not include Miscellaneous Articles
- b. With regards to coverage provided by the COMMERCIAL INLAND MARINE CONTRACTORS – SCHEDULED EQUIPMENT COVERAGE FORM, “Covered equipment” means “Contractors’ Equipment” described on the Declarations which:
  - (1) You own; or
  - (2) Is in your care, custody and control.
- c. “Covered equipment” does not mean any:
  - (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
  - (2) Catalyst;
  - (3) Dragline, power shovel, excavation or construction equipment including any “covered equipment” mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
  - (4) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment;
  - (5) Equipment or any part of equipment manufactured by you for sale;
  - (6) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
  - (7) Insulating or refractory material;
  - (8) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
  - (9) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (10) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (11) Structure, foundation, cabinet or compartment supporting or containing the “covered equipment” or part of the “covered equipment” including penstock, draft tube or well casing;
  - (12) Vehicle, aircraft, self-propelled equipment or floating vessel.
  - (13) “Media”.

**4. Equipment Breakdown Exclusions.**

- a. With regard to coverage provided under this Endorsement only, the following changes are made:
  - (1) Exclusion **B.1.** is deleted from the applicable coverage form.
  - (2) Exclusion **B.2.** is deleted from the COMMERCIAL INLAND MARINE MISCELLANEOUS AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM.
  - (3) Exclusion **B.4.** is deleted from the COMMERCIAL INLAND MARINE CONTRACTORS SCHEDULED EQUIPMENT COVERAGE FORM.
  - (4) Exclusion **C.7.** is deleted from the applicable coverage form.
- b. The following exclusions apply to the coverage provided under this Endorsement in addition to the other exclusions, except as deleted in A.4.a. above, in the Coverage Form to which this Endorsement applies.

We will not pay under this Endorsement for loss or damage caused directly or indirectly by any of the following:

  - (1) Any of the following tests:

- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b) An insulation breakdown test of any type of electrical equipment;
- (2) Fire including fire resulting from a "breakdown";
- (3) Combustion explosion;
- (4) Explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
- (5) An explosion. However, we will pay for direct loss or damage caused by an explosion of "covered equipment" of a kind specified in (a) through (e) below, if not otherwise excluded:
  - (a) Steam boiler;
  - (b) Electric steam generator;
  - (c) Steam piping;
  - (d) Steam turbine; or
  - (e) Steam engine

**5. Limits of Insurance**

The most we will pay for loss or damage in any one "breakdown" is the applicable Limit of Insurance shown in the Declarations. The coverage provided by this Endorsement is part of, not in addition to, the applicable Limit of Insurance shown in the Declarations, subject to the applicable deductible.

**6. With respect to the coverage provided under this Endorsement, the following are added to the Additional Conditions section of the Coverage Form to which this Endorsement applies:**

**a. Jurisdictional Inspections**

- (1) We agree to provide pressure vessel certificate-of-operation engineering services where:
  - (a) The certificate-of-operation is required by state, city or provincial law; and
  - (b) The state, city or provincial law permits inspections by insurance company employees.
- (2) If we receive notification of a pressure vessel certificate-of-operation inspection due date less than 30 (thirty) days prior to the expiration of the certificate-of-operation, we will not be responsible for:
  - (a) Any fine or other penalty that may be assessed; or
  - (b) Any liability that may arise due to the fact that the inspection was not performed prior to the certificate-of-operation due date.
- (3) Certificate-of-operation engineering services will not be provided for any location, other than in the United States of America, Puerto Rico or Canada.

**b. Suspension**

- (1) Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the coverage provided by this Endorsement. We will deliver or mail a written notice of suspension to your last known address or the address where the "covered equipment" is located.
- (2) Once suspended in this way, your coverage can be reinstated only by an Endorsement for that "covered equipment".
- (3) If we suspend your coverage, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

**7. With respect to the coverage provided by this Endorsement, the following definitions apply in addition to the definitions provided in the Coverage Form to which this Endorsement applies:**

- a. "Computer equipment"** means your programmable electronic equipment that is used to store, retrieve and process data; and associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission. It does not include data or "media".
- b. "Media"** means electronic data processing or storage material such as films, tapes, discs, drums or cells.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**COVERED EQUIPMENT EXCLUSIONS**

This endorsement modifies insurance provided under the following:

**EQUIPMENT BREAKDOWN COVERAGE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following is added to the definition of "Covered Equipment":

"Covered Equipment" does not mean or include any item indicated below with an :

- Communication Equipment meaning any:
  - a. Radio, television or microwave antennae; or
  - b. Microwave or satellite dish; or
  - c. Any other electrical or mechanical equipment attached to towers; or
  - d. Main transmitter and its power supply including, but not limited to, any klystron tube;
- Conveyor, crane or hoist, including any "Covered Equipment" mounted on or used solely with any conveyor, crane or hoist;
- "Diagnostic Equipment", meaning any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes;
- Ice Rink – piping, valves, coils or their attached fittings partially or totally buried under ice, sand, cement or other materials;
- Mold, form, die or pattern;
- Oven, stove, furnace, incinerator, pot or kiln;
- Part of a boiler, fired vessel or electric steam generator that does not contain steam or water;
- Penstock, draft tube or well casing;
- "Power Generating Equipment", meaning any "Covered Equipment" used in, or associated with, the generation of power. But "Power Generating Equipment" does not include any "Covered Equipment" less than or 1000kw used solely for the generation of emergency power;
- "Production Machinery", meaning any production or process machine or apparatus that processes, forms, cuts, shapes or grinds raw materials, materials in process or finished products, including any "Covered Equipment" used solely with and/or forms an integral part of the production or process or apparatus. But Production Machines does not include any:
  - a. Pressure vessel or vacuum vessel, other than any cylinder containing a movable plunger or piston;
  - b. Pump, conveyor, fan or blower that conveys raw materials, materials in process or finished products;
  - c. Separate enclosed gear set connected by a coupling, clutch or belt; or
  - d. Separate driving electrical or mechanical machine connected by a coupling clutch or belt;
- Rotating Kiln;
- Rotating Biological Contactors (RBC) including any shaft, cylinder, disk or support forming a part of an RBC, but not including any motor or gear set used to drive an RBC;
- Other:

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL INLAND MARINE  
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number U23PKG80466-04

**LIMITS OF INSURANCE**

**1. COVERED PROPERTY**

a. Schedule of Property (See **SECTION I – COVERAGE - A..** of the Coverage Form)

**DESCRIPTION OF PROPERTY**

Coverage Form	SCHEDULE	Limit of Insurance
	Per Schedule on File with Company	\$178,480
	Total Scheduled Property	\$178,480
b. Miscellaneous Articles No single item to exceed \$10,000 in value		\$20,730
c. Emergency Portable Equipment No single item to exceed \$50,000 in value		\$50,000
d. Limit of Insurance for All Covered Property		<b>\$249,210</b>

**2. AMENDMENT TO COVERAGE EXTENSIONS**

(Applicable only for those Coverage Extensions where an increased limit of insurance is shown below)

a. Additionally Acquired Equipment, 25% of the Total Scheduled Property or \$100,000, whichever is less, for any one item. (See section <b>D.1.b.</b> of the Contractors'-Scheduled Equipment Coverage Form)	Increased to \$	_____
b. Rental Expense Reimbursement, \$2,500 of rental expenses in any one policy period. (See section <b>D.5.c.</b> of the Contractors'-Scheduled Equipment Coverage Form)	Increased to \$	2,500
c. Debris Removal Expense, 10% of the amount we pay for the direct physical loss to Covered Property, or \$5,000 for the sum of all debris removal expense occurring during each separate 12 month period of the policy, whichever is less. (See section <b>D.2.b.</b> of the Contractors'-Scheduled Equipment Coverage Form)	Increased to \$	_____

**DEDUCTIBLE** \$ 1,000

**COINSURANCE** % 90 Applicable to Contractors'-Scheduled Equipment Coverage Form only

**RATE** \$ Various

**PREMIUM** \$ Included

**LOSS PAYABLE TO YOU AND AS THEIR INTERESTS MAY APPEAR**

**FORMS AND ENDORSEMENTS**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:  
Refer to AL000103

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL INLAND MARINE  
CONTRACTORS' - SCHEDULED EQUIPMENT COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to U.S. Specialty Insurance Company.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V. - DEFINITIONS**.

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**SECTION I - COVERAGE**

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We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

**A. Covered Property**

Covered Property, as used in this coverage form, means the following property described in the Declarations:

1. Your "contractors' equipment";
2. Any other scheduled items in the declarations; and
3. Similar property of others in your care, custody or control.

**B. Property Not Covered**

Covered Property does not include:

1. Aircraft or non-owned watercraft;
2. Autos, motor trucks, tractors, trailers or other vehicles licensed for use on public roads;
3. Building materials and supplies;
4. Contraband, or property in the course of illegal transportation or trade;
5. Crane booms or derrick booms, including any extensions, while being operated or used, unless the physical loss or damage is directly caused by fire, lightning, explosion, windstorm, theft or overturn of the machine of which it is a part;
6. Plans, blueprints, mechanical drawings, tracings, designs, specifications or other similar property;
7. Property that you loan, lease or rent to others;
8. Property which has or is intended to become a permanent part of any structure;
9. Property while airborne;
10. Property while underground, in caissons or underwater;
11. Property while waterborne, except while in transit and in the custody of carriers for hire, or on a owned watercraft;
12. Tools and clothing belonging to your employees; or
13. Overhead transmission, distribution lines and non-decorative light or utility poles.

**C. Covered Causes Of Loss**

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

**D. Additional Coverages**

**1. Additionally Acquired Contractors' Equipment**

If during the Policy Period you acquire additional "contractors' equipment" of a type already covered by this Coverage Form, we will cover such "contractors' equipment" for up to 60 days, but not beyond the end of the Policy Period.

The most we will pay for loss or damage is the lesser of:

- a. 25% of the total Limit of Insurance shown in the Declarations for all scheduled equipment; or
- b. \$100,000.

You will report values of such equipment to us within 60 days from the date you take possession and will pay any additional premium due. If you do not report such "contractors' equipment", coverage will cease automatically 60 days after the date the property is acquired or at the end of the Policy Period, whichever occurs first.

The Coinsurance Additional Condition does not apply to this coverage.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

## **2. Debris Removal**

- a. We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the Policy Period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. The most we will pay under this Additional Coverage is the lesser of the following:
  - (1) 10% of the amount we pay for the direct physical loss or damage to Covered Property; or
  - (2) \$5,000 for the sum of all debris removal expenses arising out of the Covered Causes of Loss occurring during the Policy Period
  - (3) This Additional Coverage does not apply to costs to:
    - (a) Extract "pollutants" from land or water; or
    - (b) Remove, restore or replace polluted land or water.

This Additional Coverage does not increase the applicable Limit of Insurance shown in the Declarations.

## **3. Pollutant Cleanup And Removal**

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the Policy Period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during the Policy Period.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

## **4. Preservation Of Property**

If it is necessary to move Covered Property to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

This Additional Coverage does not increase the Limit of Insurance.

## **5. Rental Reimbursement**

- a. We will pay you the actual rental expenses up to the Limits of Insurance shown below for renting equipment when all of the following apply:
  - (1) You have a loss to Covered Property;
  - (2) The equipment is necessary to continue as much as possible the normal operations or work in progress; and
  - (3) You do not have the equivalent, idle equipment available.
- b. Payment is limited to expense incurred during the period starting 72 hours after the covered loss occurs and ending when the Covered Property has been:

- (1) Replaced;
  - (2) Restored to service; or
  - (3) Is no longer needed;
- whichever occurs first.

Our payment will not be limited by the expiration date of this Policy.

- c. Unless an increased limit is shown in the Declarations, the most we will pay is \$2,500 of your rental expenses during the Policy Period shown in the Declarations for one or more items of Covered Property.

The Deductible listed in the Declarations does not apply to this Additional Coverage.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

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## SECTION II - EXCLUSIONS

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- A. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- 1. Earth Movement**

- a. Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased
- d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion.

But if Earth Movement, as described in **1.a.** through **1.d.** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion or if volcanic eruption, explosion or effusion results in fire, we will pay for the loss or damage caused by that fire.

- 2. Flood**

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- b. Mudslide or mudflow.

But if flood, as described above, results in fire or explosion, we will pay for the loss or damage caused by that fire, explosion.

- 3. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

- 4. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

- 5. War And Military Action**

- a. War, including undeclared or civil war;

- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

The exclusions above apply whether or not the loss event results in widespread damage or affects a substantial area.

**B. We will not pay for loss or damage caused by or resulting from any of the following:**

**1. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:**

- a. Electrical or electronic wire, device, appliance, system or network; or
- b. Device, appliance, system or network utilizing cellular or satellite technology; creating a short circuit or other electric disturbance within an article covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this coverage form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

**2. Delay, loss of use, loss of market or any other consequential loss.**

**3. Dishonest or criminal act committed by:**

- a. You, your elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units;
- b. Anyone else with an interest in the property, or their employees or authorized representatives; or
- c. Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- 4. Explosion, rupture, or bursting of any steam boiler, steam piping, or pressure vessel owned, leased or operated by the Insured. But if the explosion of steam boilers, steam pipes or pressure vessels results in fire or combustion explosion, we will pay for the loss or damaged caused by that fire or combustion explosion.
- 5. Lifting a load that exceeds the manufacturer's load charge specifications, or by any operation that stresses the machine beyond the manufacturer's suggested operational limitations.
- 6. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 7. Unauthorized instructions to transfer property to any person or to any place.
- 8. Unexplained loss, mysterious disappearance or shortage found upon taking of inventory.
- 9. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**C. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a "Specified Cause of Loss" results, we will pay for the loss or damage caused by that "Specified Cause of Loss".**

- 1. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.



2. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
3. Collapse of all or part of any building or structure.
4. Corrosion, rust, dampness, or changes or extremes of temperatures.
5. Faulty, inadequate or defective:
  - a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction; or
  - c. Materials used in repair, construction, renovation or remodeling; or
  - d. Maintenance;of part or all of any property wherever located.
6. Insects, vermin, rodents.
7. Mechanical breakdown.
8. Wear and tear, depreciation.
9. Weather Conditions. But this exclusion only applies if the weather conditions contribute in any way with an occurrence excluded by Paragraph **A.** of this Section.
10. Work upon the property.

But if work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

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### SECTION III – LIMITS OF INSURANCE

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#### **A. Limits of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

#### **B. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

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### SECTION IV – ADDITIONAL CONDITIONS

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#### **A. The Valuation** General Condition in the Commercial Inland Marine Conditions is replaced by the following:

1. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.
2. The value of all other Covered Property, including newly acquired property, will be the least of the following amounts:
  - a. The actual cash value of that property;
  - b. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
  - c. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

However, we will not deduct depreciation on the adjustment of a partial loss to an item when the loss or damage is less than 20% of the actual cash value of the item.

**B.** The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**1. Coverage Territory**

**a.** We cover property wherever located within:

- (1)** The United States of America (including its territories and possessions);
- (2)** Puerto Rico; and
- (3)** Canada.

**b.** We also cover property being shipped by air within and between points in Paragraph **(1)**.

**2. Coinsurance**

All Covered Property must be insured for at least 90% of its actual cash value as of the time of loss or damage or you will incur a penalty.

We will not pay the full amount of any loss or damage if the value of an item of Covered Property at the time of loss or damage times the Coinsurance percentage is greater than the Limit of Insurance for the item.

Instead, we will determine the most we will pay using the following steps:

- a.** Multiply the value of the item of Covered Property at the time of loss or damage by the Coinsurance percentage;
- b.** Divide the Limit of Insurance of the property by the figure determined in Step **a.**;
- c.** Multiply the total amount of loss or damage, before the application of any deductible, by the figure determined in Step **b.**; and
- d.** Subtract the deductible from the figure determined in Step **c.**

We will pay the amount determined in Step **d.** or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

This provision does not apply to blanket property or rented equipment.

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## SECTION V - DEFINITIONS

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**A. "Contractors' Equipment"** means any machinery, equipment or tools of a mobile nature that the named insured uses in any construction, installation, erection, repair, or moving operations and projects. It also includes self-propelled vehicles that transport mounted equipment and any vehicle not registered or licensed and not used on public roads.

**B. "Pollutants"** mean:

- 1.** Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2.** Any other emission, odor, noise, oil, oil products, infectious or medical waste.
- 3.** Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.

**C. "Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; weight of snow, ice or sleet; water damage.

Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL INLAND MARINE  
MISCELLANEOUS ARTICLES AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, 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 IV – DEFINITIONS**.

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**SECTION I - COVERAGE**

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We will pay for loss of or damage to Covered Property from any of the Covered Causes of Loss.

**A. Covered Property**

1. Miscellaneous Articles as used in this Coverage Form, means property:

- a. You own; or
- b. Is in your care, custody or control.

Miscellaneous Articles does not include Emergency Portable Equipment; and

2. Emergency Portable Equipment means that equipment used by the emergency response personnel in the rendering of the preservation of life or property:

- a. You own; or
- b. Is in your care, custody or control.

Emergency Portable Equipment does not include Miscellaneous Articles

**B. Property Not Covered**

Covered Property does not include:

- 1. Accounts, bills, precious and semi-precious stones, currency, deeds, evidences of debt, money, notes, securities, plans, blueprints, designs, specifications or valuable papers;
- 2. Aircraft, motor vehicles designed for highway use, snowmobiles, all-terrain vehicles or watercraft;
- 3. Animals;
- 4. Contraband, or property in the course of illegal transportation or trade;
- 5. "Fine Arts";
- 6. Real Property and buildings, improvements and betterment thereto, fixtures, furniture or furnishings thereof and expendable supplies contained therein, unless specifically endorsed hereon.; or
- 7. Overhead transmission, distribution lines and non-decorative light or utility poles.

**C. Covered Causes Of Loss**

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

**D. Additional Coverages**

**1. Debris Removal**

- a. We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the Policy Period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. The most we will pay under this Additional Coverage is the lesser of the following:

- (1) 10% of the amount we pay for the direct physical loss or damage to Covered Property;  
or
- (2) \$5,000 for the sum of all debris removal expenses arising out of the Covered Causes of Loss occurring during the Policy Period
- (3) This Additional Coverage does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.

Payment under this Additional Coverage will not increase the applicable Limit of Insurance.

## 2. Pollutant Cleanup And Removal

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the Policy Period shown in the Declarations. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during the Policy Period.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

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## SECTION II - EXCLUSIONS

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A. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

### 1. Earth Movement

- a. Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased
- d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion.

But if Earth Movement, as described in 1.a. through 1.d. above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion or if volcanic eruption, explosion or effusion results in fire, we will pay for the loss or damage caused by that fire.

### 2. Flood

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- b. Mudslide or mudflow.

But if flood, as described above, results in fire or explosion, we will pay for the loss or damage caused by that fire, explosion.

### 3. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

#### **4. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

#### **5. War And Military Action**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

#### **B. We will not pay for loss or damage caused by or resulting from any of the following:**

1. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- a. Electrical or electronic wire, device, appliance, system or network; or
- b. Device, appliance, system or network utilizing cellular or satellite technology;

creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current, including arcing; electrical charge produced or conducted by a magnetic or electromagnetic field; pulse of electromagnetic energy; electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

2. Breakdown of refrigeration equipment.

But we will pay for such loss or damage caused directly by fire, lightning, explosion, windstorm, vandalism, aircraft, rioters, strikers, theft or attempted theft, or by "accident" to the vehicle carrying the property if these causes of loss would be covered under this Coverage Form.

3. Delay, loss of use, loss of market or any other consequential loss.

4. Dishonest or criminal act committed by:

- a. You, your elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units;
- b. Anyone else with an interest in the property, or their employees or authorized representatives; or
- c. Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

5. Marring, scratching, chipping or denting.

6. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

7. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry. But this exclusion does not apply to property in the custody of a carrier for hire.

8. Unauthorized instructions to transfer property to any person or to any place.

9. Unexplained loss, mysterious disappearance or shortage found upon taking of inventory.

10. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  11. Work upon the property.  
But if work upon the property results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
- C. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a "Specified Cause of Loss" results, we will pay for the loss or damage caused by that "Specified Cause of Loss".
1. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  2. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
  3. Collapse of all or part of any building or structure.
  4. Corrosion, rust, dampness, or changes or extremes of temperatures.
  5. Faulty, inadequate or defective:
    - a. Planning, zoning, development, surveying, siting;
    - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction; or
    - c. Materials used in repair, construction, renovation or remodeling; or
    - d. Maintenance;of part or all of any property wherever located.
  6. Insects, vermin, rodents.
  7. Mechanical breakdown.
  8. Wear and tear, depreciation.
  9. Weather Conditions. But this exclusion only applies if the weather conditions contribute in any way with an occurrence excluded by Paragraph A. of this Section.

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### SECTION III – LIMITS OF INSURANCE

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#### A. Limits

The most we will pay for loss or damage for any single item of Miscellaneous Articles or Emergency Portable Equipment is the per item limit shown in the Declaration. The most we will pay for loss or damage in any one occurrence for Miscellaneous Articles or Emergency Portable Equipment is the per occurrence Limit of Insurance shown in the Declarations.

#### B. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

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### SECTION IV - DEFINITIONS

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#### A. "Accident" means:

1. Upset or overturn of the transporting vehicle; or
2. The violent and accidental contact of the transporting vehicle with another vehicle or object, but not including:
  - a. The roadbed or curbing;
  - b. Rails or ties of street, steam or electric railroad; or
  - c. Any stationary object while backing for loading or unloading purposes.

- B. "Fine Arts"** means property that is of rare, historical or artistic merit, such as: paintings, etchings, pictures, statuary, sculptures, antique furniture and objects, bric-a-brac, and porcelains. As used in this definition, antique refers to an object or furniture having value because of its:
1. Craftsmanship in the style of former times; and
  2. Age being 100 years or older.
- C. "Pollutants"** mean:
1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
  3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.
- D. "Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; weight of snow, ice or sleet; water damage.

Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMMERCIAL INLAND MARINE CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

**LOSS CONDITIONS**

**A. Abandonment**

There can be no abandonment of any property to us.

**B. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

**C. Deductible**

In the event that loss occurs as a result of one occurrence and the loss would require the application of more than one deductible, only the highest deductible will apply.

**D. Duties In The Event Of Loss**

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

**E. Insurance Under Two Or More Coverages**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.



## **F. Loss Payment**

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

## **G. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

## **H. Pair, Sets Or Parts**

### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

## **I. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

## **J. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

## **K. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

## **GENERAL CONDITIONS**

### **A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### **B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### **C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

### **D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### **E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

### **F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**DOCK LIMITATION**

This endorsement modifies insurance provided under the following:

- COMMERCIAL INLAND MARINE**
- CONTRACTORS' - SCHEDULED EQUIPMENT COVERAGE FORM**
- MISCELLANEOUS ARTICLES AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Piers, wharves, or docks, when covered under this policy, are not covered against loss caused by freezing, thawing, or impact of watercraft or by the pressure or weight of ice or water whether driven by wind or not.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST VALUATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL INLAND MARINE  
CONTRACTORS – SCHEDULED EQUIPMENT COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

For those items marked in the Declarations as replacement cost, **SECTION IV - ADDITIONAL CONDITIONS** is deleted in its entirety and replaced by the following:

**A.** The **Valuation** General Condition in the Commercial Inland Marine Conditions is replaced by the following:

1. You may make a claim for "loss" covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have "loss" settled on an actual cash value basis, you may still make a claim for the additional coverage this replacement cost provision provides if you notify us of your intent to do so within 180 days after the "loss".
2. We will not pay on a replacement cost basis for any "loss":
  - a. Until the lost or damaged property is actually repaired or replaced; and
  - b. Unless the repairs or replacement are made as soon as reasonably possible after the "loss".
3. The value of property will be the least of the following amounts:
  - a. The Limit of Insurance applicable to the item(s) involved in the "loss"; or
  - b. The cost to repair or replace the damaged or destroyed property, or any part thereof, with materials of like kind and quality, without deduction for depreciation; or
  - c. The amount you actually spend that is necessary to repair or replace the lost or damaged property.

You may substitute property of a different kind or quality, but we will not pay more than what it would cost to replace the damaged or destroyed property with substantially identical property.

**B.** The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**1. Coverage Territory**

- a. We cover property wherever located within:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.
- b. We also cover property being shipped by air within and between points in Paragraph (1).

**C. Coinsurance**

All Covered Property must be insured for at least 90% of its replacement cost value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations bears to 90% of the replacement cost value of the Covered Property as of the time of "loss."

If a "loss" applies to two or more items, we have the option to apply Coinsurance to each item separately.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**REPLACEMENT COST VALUATION**

This endorsement modifies insurance provided under the following:

**INLAND MARINE CONDITIONS**

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

With respect to the **MISCELLANEOUS ARTICLES AND EMERGENCY PORTABLE EQUIPMENT COVERAGE FORM**, Section **F. Valuation** in the **GENERAL CONDITIONS** is deleted in its entirety and replaced by the following:

**F. Valuation**

1. You may make a claim for loss covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have "loss" settled on an actual cash value basis, you may still make a claim for the additional coverage this replacement cost provision provides if you notify us of your intent to do so within 180 days after the loss.
2. We will not pay on a replacement cost basis for any loss:
  - a. Until the lost or damaged property is actually repaired or replaced; and
  - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss.
3. The value of property will be the least of the following amounts:
  - a. The Limit of Insurance applicable to the item(s) involved in the loss; or
  - b. The cost to repair or replace the damaged or destroyed property, or any part thereof, with materials of like kind and quality, without deduction for depreciation; or
  - c. The amount you actually spend that is necessary to repair or replace the lost or damaged property.

You may substitute property of a different kind or quality, but we will not pay more than what it would cost to replace the damaged or destroyed property with substantially identical property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

## KENTUCKY CHANGES

This endorsement modifies insurance provided under the following:

### COMMERCIAL INLAND MARINE COVERAGE PART

**A.** The following exclusion is added:

1. We will not pay for loss or damage arising out of any act committed:
  - a. By or at the direction of any insured; and
  - b. With the intent to cause a loss.
2. However, this exclusion will not apply to deny coverage to an innocent co-insured who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and:
  - a. The loss arose out of a pattern of domestic violence and abuse; and
  - b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.
3. If we pay a claim pursuant to Paragraph **A.2.**, our payment to the insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

**B.** The **Transfer Of Rights Of Recovery Against Others To Us** Loss Condition in the Commercial Inland Marine Conditions is amended by the addition of the following:

If we pay an innocent co-insured for a loss described in Paragraph **A.2.**, the rights of the innocent co-insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the perpetrator of the domestic violence

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ELECTRONIC DATA PROCESSING SYSTEMS  
SUPPLEMENTAL DECLARATIONS**

These Supplemental Declarations form a part of policy number U23PKG80466-04

**PREMIUM**

The Premium for Electronic Data Processing Systems Coverage INCLUDED

**Electronic Data Processing Systems Coverage**

No coverage is afforded for any Coverage unless specific Limits of Insurance are provided for that Coverage.

**SECTION A**

**A. Computer Equipment**

- A. On your property consisting of Computer Equipment in the amount of:
1. \$ 393,630 located at Per Schedule on File with Company
  2. \$ \_\_\_\_\_ located at \_\_\_\_\_
- B. Valuation
1.  Actual Cash Value with \_\_\_\_\_ % coinsurance.
  2.  Replacement cost with 100% coinsurance
- C. While in transit and temporarily at other Premises \$ 393,630

**DEDUCTIBLE**

The Deductible amount for A. Computer Equipment See Section E

**SECTION B**

**B. Data and Media Coverage**

- A. On your property consisting of Data and Media located at:
- |   | DATA            | MEDIA           | TOTAL            |
|---|-----------------|-----------------|------------------|
| 1. <u>Per Schedule on File with Company</u> | <u>Included</u> | <u>Included</u> | <u>\$100,000</u> |
| 2. _____                                    | _____           | _____           | _____            |
- B. While in transit and temporarily at other \_\_\_\_\_

- C. Articles which cannot be replaced must be insured for a specific amount.

	Specific Coverage on Data and Media			
LOCATION	SPECIFIC ITEMS	NO. OF ITEMS	VALUE OF ITEMS	TOTAL
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____

- D. Data or Media not to be insured:

**DEDUCTIBLE**

The Deductible amount for B. Data and Media Coverage is \$ See Section E

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**SECTION C  
Optional Coverage - Extra Expense Endorsement**

A. The limit of Insurance for Extra Expense \$100,000

**DEDUCTIBLE**

The Deductible amount for Extra Expense See Section E

**SECTION D  
Optional Coverage - Loss of Business Income Endorsement**

A. The Limit of Insurance for Business Income is \$100,000

B. The Coinsurance Percentage \_\_\_\_\_ %

**DEDUCTIBLE**

The Waiting Period for Loss of Business Income See Section E hours.

**SECTION E  
Extensions of Coverage Endorsement**

If an "X" is placed in any box preceding any of the following clauses, the coverage is extended to provide coverage as provided in **Extensions of Coverage**.

A. **Combined Deductible**

The individual deductibles in each Section that are marked with an "X" in a box below are superseded:

- A – Computer Equipment Coverage
- B - Media and Data Coverage
- Optional Coverage – Extra Expense
- Optional Coverage – Loss of Business Income

and the following is substituted:

The Deductible amount is \$1,000 for any one loss.

This Deductible amount does not apply to the other coverages provided by the Extensions of Coverage

B. **Breakdown Coverage**

**Premium** - The Premium for Breakdown insurance Included

**Limit of Insurance** - The Limit of Insurance for this coverage is \$ \$393,630

**Deductible** - The Deductible amount for Breakdown coverage is See Section E

C. **Earth Movement**

**Premium** - The Premium for Earth Movement coverage is \$ Excluded

**Limits of Insurance** - 1. \$0 Any One Earth Movement

2. \$0 Annual Aggregate

**Deductible** - The Deductible amount for Earth Movement is \$ \$0

D. **Flood**

**Premium** - The Premium for Flood coverage is Excluded

**Limits of Insurance** - 1. \$0 Any One Flood

2. \$0 Annual Aggregate

**Deductible** - The Deductible amount for Flood is \$0

**FORMS AND ENDORSEMENTS**

Forms and endorsements applying to this Coverage Part and made a part of this policy at time of issue:  
Refer to AL000103.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, 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**.

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**SECTION I - COVERAGES**

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We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

**A. Computer Equipment**

**1. Covered Property**, as used in this Coverage Form, means "computer equipment" which is:

- a. Owned by you;
- b. Leased or rented to you; or
- c. Similar property of others in your care, custody or control.

But, only if a Limit of Insurance is listed for "computer equipment" in the Declarations.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts, program documentation or other documents;
- b. Contraband, or property in the course of illegal transportation or trade;
- c. "Data" and "Media";
- d. Portable personal computers, including laptops and notebooks;
- e. Property leased or rented to others while away from your premises described in the Declarations; or
- f. Property while it is waterborne, unless on transporting vehicles aboard a regular ferry operating on inland waterways.

**B. Data and Media**

**1. Covered Property**, as used in this Coverage Form, means "data" and "media" which is:

- a. Owned by you;
- b. Leased or rented to you; or
- c. Similar property of others in your care, custody or control.

But, only if a Limit of Insurance is listed for "data" and "media" in the Declarations.

**2. Property Not Covered.** Covered Property does not include:

- a. Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts, program documentation or other documents, unless converted to "data" and then only in that form.
- b. "Computer equipment".
- c. Contraband, or property in the course of illegal transportation or trade.
- d. Property while it is waterborne, unless on transporting vehicles aboard a regular ferry operating on inland waterways.
- e. Any "data" or "media" which cannot be replaced with others of like kind or quality.

**C. Covered Causes Of Loss**

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

## **D. Additional Coverages**

### **1. Additional Acquired Property**

a. If during the Policy Period listed in the Declarations, you acquire additional property of the kind insured by this Coverage Form, we will provide coverage for Covered Property for up to 30 days. The most we will pay for loss or damage is the lesser of:

- (1) 25% of the total Limit of Insurance shown in the Declarations for all individually listed and described items; or
- (2) \$250,000.

b. You will report the values of such property to us within 30 days from the date you take possession and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date you take possession of the property or at the end of the Policy Period, whichever occurs first.

c. The coinsurance clause in this Coverage Form does not apply to this Additional Coverage.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

### **2. Debris Removal**

a. We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the Policy Period listed in the Declarations. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

b. We will not pay more than the lesser of:

- (1) Than your actual cost of debris removal, **or**
- (2) 10% of the amount we pay for direct physical loss or damage to Covered Property; or
- (3) \$100,000.

In no event will we pay any expense resulting from the enforcement of any law or ordinance.

This Additional Coverage does not increase the Limit of Insurance.

### **3. Preservation Of Property**

If it is necessary to move Covered Property to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

This Additional Coverage does not increase the Limit of Insurance.

### **4. Recharging Or Refilling Fire Protection Devices**

a. We will pay the cost to recharge or refill:

- (1) Any fire protection device which is designed specifically to protect "computer equipment"; and
- (2) Other fire protection devices in the same room where covered "computer equipment" is located;

when these devices have been discharged during the Policy Period as a result of a fire or explosion.

b. We shall not pay more than \$25,000 for the expenses to refill or recharge fire protection devices.

c. The coinsurance clause in the Coverage Form does not apply to this Additional Coverage.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

### **5. Transfer Between Locations**

a. If during the Policy Period you transfer Covered Property between locations specified in the Declarations, or to a new location not specified in the Declarations, we will provide coverage for such Covered Property for up to 30 days. The most we will pay for loss or damage is the lesser of:

- (1) 25% of the highest Limit of insurance at any location shown in the Declarations; or
- (2) \$250,000.

- b. You will report the change in location to us and provide us with the value and specifics of the Covered Property transferred to another location within 30 days from the date you transferred the Covered Property. If you do not do so, coverage will cease automatically 30 days after the date you transferred the Covered Property between locations.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

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## SECTION II - EXCLUSIONS

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- A.** We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

**1. Earth Movement**

- a. Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- b. Landslide, including any earth sinking, rising or shifting related to such event;
- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased
- d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion.

But if Earth Movement, as described in **1.a.** through **1.d.** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion or if volcanic eruption, explosion or effusion results in fire, we will pay for the loss or damage caused by that fire.

**2. Flood**

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- b. Mudslide or mudflow.

But if flood, as described above, results in fire or explosion, we will pay for the loss or damage caused by that fire, explosion.

**3. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

**4. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

**5. War And Military Action**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

- B.** We will not pay for loss or damage caused by or resulting from any of the following:

- 1. Delay, loss of use, loss of market or any other consequential loss.

2. Dishonest or criminal act committed by:
  - a. You, your elected and appointed officials, including members of your operating authorities, boards, commissions, districts, or any other governmental units;
  - b. Anyone else with an interest in the property, or their employees or authorized representatives; or
  - c. Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

3. "Electrical disturbance" or "power supply disturbance" if the cause of such disturbance took place more than 100 feet from the premises where the loss or damage occurred.
  4. Malfunction or failure of moving or electronic parts, component failure, faulty installation, or blowout.
  5. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
  6. Unauthorized instructions to transfer property to any person or to any place.
  7. Virus, harmful code or similar instruction introduced into or enacted on a computer system or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- C. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a "Specified Cause of Loss" results, we will pay for the loss or damage caused by that "Specified Cause of Loss".
1. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  2. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.
  3. Collapse of all or part of any building or structure.
  4. Corrosion, rust, humidity, dampness, dryness or changes in or extremes in temperature, rot, or mold.
  5. Faulty, inadequate or defective:
    - a. Planning, zoning, development, surveying, siting;
    - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading or compaction; or
    - c. Materials used in repair, construction, renovation or remodeling; or
    - d. Maintenance;of part or all of any property wherever located.
  6. Insects, vermin or rodents.
  7. Leased covered property, unless you are responsible for it under the terms of a lease or rental agreement.
  8. "Pollutants".
  9. Wear and tear, depreciation, or obsolescence.
  10. Weather Conditions. But this exclusion only applies if the weather conditions contribute in any way with an occurrence excluded by Paragraph **A.** of this Section
  11. Work upon, installation, or testing of the Covered Property.

But if work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

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## SECTION III – LIMITS OF INSURANCE

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### A. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

### B. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

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## SECTION IV – ADDITIONAL CONDITIONS

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### A. Valuation

The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

1. The value of "computer equipment" will be:

- a. The cost of replacing the equipment with new property functionally identical to the damaged equipment if replaced; or
- b. Actual cash value if the property is not repaired or replaced.

In the event of partial damage to an item of "computer equipment", we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

2. The value of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".
3. The value of "media" will be the cost to repair or replace the "media" with substantially identical property.

### B. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. **Coverage Territory**

a. We cover property wherever located within:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

b. We also cover property being shipped by air within and between points in Paragraph (1).

2. **Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

With respect to "computer equipment", we will not pay the full amount of any loss or damage if the value of "computer equipment" at the location where the loss occurred at the time of loss or damage times the Coinsurance percentage shown in the Declarations is greater than the applicable Limit of Insurance for "computer equipment".

Instead, we will determine the most we will pay using the following steps:

- a. Multiply the value of "computer equipment" at the time of loss or damage by the Coinsurance percentage;
- b. Divide the Limit of Insurance of the property by the figure determined in Step a.;
- c. Multiply the total amount of loss or damage, before the application of any deductible, by the figure determined in Step b.; and
- d. Subtract the deductible from the figure determined in Step c.

We will pay the amount determined in Step d. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

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## SECTION V – DEFINITIONS

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**A. "Computer equipment"** means:

1. Your programmable electronic equipment that is used to store, retrieve and process data. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations; and
2. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

"Computer equipment" does not mean "data", "media" or "telecommunications equipment".

**B. "Data"** means:

1. Files, documents and information in an electronic format and that are stored on "media"; and
2. Programming records used for electronic data processing or electronically controlled equipment.

**C. "Electrical Disturbance"** means electrical or magnetic damage, disturbance of electronic recordings, or erasure of electronic recordings.

**D. "Media"** means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.

**E. "Pollutants"** mean:

1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.

**F. "Power supply disturbance"** means interruption of power supply, power surge, blackout, or brown out.

**G. "Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; volcanic action; weight of snow, ice or sleet; water damage.

Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.

**H. "Telecommunications Equipment"** means telephone components and equipment used for the transmission of communications, including:

1. Telephone switchgear (including PBX systems);
2. Telephone operating programs and related software;
3. Facsimile transmission equipment;
4. Video conferencing equipment; or
5. Other related telephone hardware (including computers dedicated to voice mail).

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

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	MO.	DAY	YR.	12:01 A.M.	NOON		
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ELECTRONIC DATA PROCESSING SYSTEMS  
EXTRA EXPENSE COVERAGE**

This endorsement modifies insurance provided under the following:

**ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A.** As respects to the coverage provided by this Endorsement, it is agreed that the Coverage Section is amended to include the following coverage:

**1. Extra Expense**

We will pay the actual and necessary "extra expense" you sustain, due to direct physical loss of or damage to:

- a. Covered Property at your premises or in transit;
  - b. The building in which the Covered Property is located if the building is damaged to an extent that prevents access to the Covered Property;
  - c. The air conditioning system that specifically services your "Computer Equipment"; or
  - d. The electrical system that specifically services your data operation if the damage to the system occurs inside, or within 100 feet of, the building housing your "Computer Equipment";
- if such loss or damage occurred during the Policy Period listed in the Declarations.

**2.** This insurance only applies to "extra expense" that is the result of loss or damage that is caused by or resulted from a Covered Cause of Loss under **ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**.

**B.** With respect to the coverage provided under this Endorsement, the following Exclusions are added to the Exclusions Section:

We will not pay for any "extra expense" loss caused by:

- 1. Programming errors; or
- 2. Incorrect instructions.

**C.** With respect to the coverage provided under this Endorsement, the following is added to the Limit of Insurance Section:

**1. Limit Of Insurance – Extra Expense**

The most we will pay for loss or damage under this coverage is the applicable Limit of Insurance listed in the Declarations.

## 2. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

D. With respect to the coverage provided under this Endorsement, the following definitions are added to the Definitions Section:

1. **“Extra Expense”** means the following necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
  - a. Expenses to avoid or minimize the suspension of, and to continue your operations at:
    - (1) The described premises; and
    - (2) Replacement premises or temporary premises. These expenses include relocation expenses and costs to equip and operate the replacement or temporary locations;
  - b. Expenses to minimize the suspension of your operations if you cannot continue such operations; or
  - c. Expenses to:
    - (1) Repair or replace any Covered Property; or
    - (2) Research, replace or restore the lost information stored on Covered Property; to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage.
2. **“Period of restoration”** means the period of time that:
  - a. Begins with the date of loss caused by or resulting from a Covered Cause of Loss at a covered location; and
  - b. Ends on the date when the property at the covered location should be repaired, rebuilt or replaced with reasonable speed and similar quality.



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**ELECTRONIC DATA PROCESSING SYSTEMS  
LOSS OF BUSINESS INCOME**

This endorsement modifies insurance provided under the following:

**ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

- A.** With respect to the coverage provided by this Endorsement, it is agreed that the following is added to **SECTION I - COVERAGES:**

**Electronic Data Processing Systems Loss Of Business Income Coverage**

Subject to the Limit of Insurance listed in the Declarations, we will pay for the actual loss of "business income" you sustain due to the necessary suspension of your operations during the "period of restoration". The suspension must be caused by accidental direct physical loss to Covered Property caused by or resulting from a Covered Cause Of Loss.

- B.** With respect to the coverage provided under this Endorsement, the following Additional Coverages apply:

**1. Extra Expense**

In the event of a covered loss of "business income", we will pay any "extra expense" to avoid or minimize the suspension of business if you cannot continue operations; and to continue operations to the extent it reduces the amount of loss that otherwise would have been payable under this coverage form.

The total of our payment for loss of "business income" and "extra expense" will not be more than the "business income" loss that would have been payable under this Coverage Form (after application of any Coinsurance penalty) if the "extra expense" had not been incurred. This coverage does not increase the Limit of Insurance.

The Coinsurance Condition does not apply specifically to such "extra expense", but it is used as described above to determine the total amount payable.

**2. Civil Authority**

We will pay for the actual loss of "business income" and necessary "extra expense" caused by action of civil authority that prohibits access to your described premises due to direct physical loss to property other than your Covered Property caused by or resulting from a Covered Cause of Loss.

Civil Authority Coverage will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to two consecutive weeks from the date on which such coverage began.

**3. Support Systems**

We will also pay for the actual loss of "business income" you sustain due to the necessary suspension of operations during the "period of restoration" when, as a direct result of physical loss of or damage, the air conditioning system or electrical system necessary for the operation of your data processing system is so damaged as to reduce or suspend your ability to perform the operations normally performed by that data processing system.

These Additional Coverages will not increase the Limit of Insurance for Business Income.

**C.** With respect to the coverage provided under this Endorsement, the following Exclusions are added to the Exclusions Section:

1. We will not pay for any "business income" loss, unless the "business income" loss was caused by a Covered Cause of Loss that is covered under the **ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**.
2. We will not pay for any "extra expense" loss, unless it begins during the Policy Period listed in the Declarations.
3. We will not pay for "business income" loss which is the result of or increased by:
  - a. The application of any law or ordinance regulating the construction or repair of buildings or structures;
  - b. The suspension, lapse or cancellation of any lease, contract or order;
  - c. Interference by strikers or other persons with rebuilding, repairing or replacing property or the resumption or continuation of business;
  - d. Any other consequential or indirect loss; or
  - e. The purchase, construction, repair or replacement of any physical property unless incurred for the purpose of reducing the covered loss under this coverage form, and then only to the extent provided for in the Extra Expense Additional Coverage above.
4. We will not pay under this section for direct or indirect physical loss to any property covered under the **ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**.
5. We will not pay for any loss caused by or resulting from:
  - a. Programming errors; or
  - b. Incorrect instructions.

**D.** It is agreed the following Limit of Insurance applies to coverage provided under this Endorsement:

**1. Limit Of Insurance**

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

**2. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

**E.** With respect to the coverage provided under this Endorsement, the following condition is added to the Conditions Section:

**Loss Determination**

The amount of "business income" loss will be determined based on:

1. The net income of the business before the direct physical loss occurred;
2. The likely net income of the business if no loss had occurred;
3. The operating expenses, including payroll expenses necessary to resume operations with the same quality of service that existed just before the direct physical loss; and
4. Other relevant sources of information including:
  - a. Your financial records and accounting procedures;
  - b. Bills, invoices and other vouchers; and



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**ELECTRONIC DATA PROCESSING SYSTEMS  
EXTENSION OF COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**ELECTRONIC DATA PROCESSING SYSTEMS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

If shown in Section **E.** of the **ELECTRONIC DATA PROCESSING SYSTEMS SUPPLEMENTAL DECLARATIONS**, coverage is extended as provided below:

**A. COMBINED DEDUCTIBLE**

It is agreed that the deductible amounts listed in the Declarations for each separate coverage are deleted and replaced as follows:

We will not pay for loss in any one occurrence until the amount of loss for all sections exceeds the Deductible Amount shown in Section **E.A.** of the Declarations. We will then pay the amount of loss in excess of the deductible, up to the applicable Limit of Insurance.

**B. BREAKDOWN COVERAGE**

1. If an X is placed in the appropriate box in Section **E.B.** of the Declarations we will pay for direct physical loss to covered property caused by:

- a. Mechanical failure, faulty construction or error in design of the equipment insured;
- b. Short circuit, blowout of other electrical disturbance, other than lightning, within electrical apparatus;
- c. Data processing "data" or "media" failure or breakdown or malfunction of the data processing system equipment or the "computer equipment" and component parts.

2. The premium for Breakdown Coverage is as stated in Section **E.B.** of the Declarations.

**3. Limits Of Insurance**

- a. The Limit of Insurance shown in Section **E.B.** of the Declarations is the most we will pay for a Breakdown loss.
- b. The following is added to the Limits of Insurance provision contained in the applicable Coverage Form:

Payments under the Breakdown Coverage Extension will not increase the applicable Limit of Insurance.

**4. Deductible**

We will not pay for loss in any one occurrence until the amount of loss exceeds the Deductible amount shown in Section **E.B.** of the Declarations. We will then pay the amount of loss in excess of the deductible, up to the Limit of Insurance for Breakdown Coverage.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**CRIME COVERAGE FORM  
LOSS SUSTAINED FORM - GENERAL PROVISIONS**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is or is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to U.S. Specialty Insurance Company.

Words and phrases in quotation marks are defined in the Coverage Form.

Unless stated otherwise in any Crime Coverage Section attached, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Sections forming part of this Coverage Form.

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**SECTION I - GENERAL EXCLUSIONS**

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We will not pay for loss as specified below:

**1. Acts Committed by You or Your Partners**

Loss resulting from any dishonest or criminal act committed by your or any of your partners whether acting alone or in collusion with other persons.

**2. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**3. Indirect Loss**

Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to loss resulting from:

- a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to Covered Property.
- b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

**4. Legal Expenses**

Expenses related to any legal action.

**5. Nuclear**

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

**6. War And Military Action**

Loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War And Military Action Exclusion supersedes the Nuclear Exclusion.

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## SECTION II - GENERAL CONDITIONS

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### 1. Concealment, Misrepresentation or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This insurance;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this insurance.

### 2. Consolidation - Merger

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity:

- a. Any additional persons become "employees"; or
- b. You acquire the use and control of any additional "premises";

any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises," for a period of 60 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities.

You must give us written notice within this 60 day period and obtain our written consent to extend this insurance to such additional "employees" or "premises". Upon obtaining our written consent, you must pay us an additional premium.

If you fail to notify us in writing within this 60 day period, then this insurance shall automatically terminate as to such additional "employees" or "premises".

### 3. Coverage Extensions

Unless stated otherwise, our liability under any Coverage Extension is part of, not in addition to, the Limit Of Insurance applying to the Coverage or Coverage Section.

### 4. Duties in the Event of Loss

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

- a. Notify us as soon as possible.
- b. Submit to examination under oath at our request and give us a signed statement of your answers.
- c. Give us a detailed, sworn proof of loss within 120 days.
- d. Cooperate with us in the investigation and settlement of any claim.

### 5. Extended Period To Discover Loss

We will pay only for covered loss discovered no later than one year from the end of the Policy Period.

### 6. Joint Insured

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.

- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

## **7. Legal Action Against Us**

You may not bring any legal action against us involving loss:

- a. Unless you have complied with all the terms of this insurance; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

## **8. Liberalization**

If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.

## **9. Loss Covered Under More Than One Coverage of This Insurance**

If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:

- a. The actual amount of loss; or
- b. The sum of the limits of insurance applicable to those coverages.

## **10. Loss Sustained During Prior Insurance**

- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:

- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.

- b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

- (1) This insurance as of its effective date; or
- (2) The prior insurance had it remained in effect.

## **11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate**

If any loss is covered:

- a. Partly by this insurance; and
- b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit Of Insurance cumulates from year to year or period to period.

## **12. Other Insurance**

This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit Of Insurance shown in the Declarations.

## **13. Ownership of Property; Interests Covered**

The property covered under this insurance is limited to property:

- a. That you own or hold; or



- b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

#### **14. Policy Period**

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

#### **15. Records**

You must keep records of all Covered Property so we can verify the amount of any loss.

#### **16. Recoveries**

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
  - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (2) Then to us, until we are reimbursed for the settlement made;
  - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
  - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - (2) Of original "securities" after duplicates of them have been issued.

#### **17. Territory**

This insurance covers only acts committed or events occurring within the United States of America, U. S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

#### **18. Transfer of Your Rights of Recovery Against Others to Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

#### **19. Valuation - Settlement**

- a. Subject to the applicable Limit of Insurance provision we will pay for:
  - (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
    - (a) At face value in the "money" issued by that country; or
    - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
  - (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
    - (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
    - (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities."
      - i. Value of the "securities" at the close of business on the day the loss was discovered; or
      - ii. Limit of Insurance.
  - (3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;
- (b) Cost of repairing the property or “premises”; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than “money”:
  - (1) In the “money” of the country in which the loss occurred; or
  - (2) In the United States of America dollar equivalent of the “money” of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.
- c. Any property that we pay for or replace becomes our property.

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### SECTION III - GENERAL DEFINITIONS

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1. **“Employee”** means:

- a. Any natural person:
  - (1) While in your service (and for 90 days after termination of service); and
  - (2) Whom you compensate directly by salary, wages or commissions; and
  - (3) Whom you have the right to direct and control while performing services for you; or
- b. Any natural person who is furnished to you to:
  - (1) Substitute for a permanent “employee” on leave; or
  - (2) Meet seasonal or short-term work load conditions;while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the “premises”.

But “employee” does not mean any:

- (1) Agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. **“Money”** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

3. **“Property Other Than Money and Securities”** means any tangible property other than “money” and “securities” that has intrinsic value but does not include any property listed in any Crime Coverage Section as Property Not Covered.

4. **“Securities”** means negotiable and non-negotiable instruments or contracts representing either “money” or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include “money”.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADD FAITHFUL PERFORMANCE OF DUTY**

This endorsement modifies insurance provided under the following:

**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION O — PER LOSS  
PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION P — PER EMPLOYEE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**PROVISIONS**

1. The following is added as a **Covered Cause of Loss**:

Failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

2. The following **Additional Exclusion** is added:

**Depository Failure:** loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

3. Part **2.a.(1)** of the **Additional Condition, Cancellation as to Any Employee**, is deleted and the following substituted:

Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees of any act on the part of an "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of this Coverage Section, as amended by this endorsement.

4. Part **2.c.** of the **Additional Condition, Indemnification**, is deleted and the following substituted:

**Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BONDED EMPLOYEE AMENDMENT**

This endorsement modifies insurance provided under the following:

**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION O — PER LOSS**  
**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION P — PER EMPLOYEE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Item **1.c.** in the **ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS** section is deleted in its entirety and replaced by:

- c. Bonded Employee:** loss caused by any “employee” required by law to be individually bonded. This exclusion does not apply to any “employee” required to be bonded under the provisions of ERISA.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**COMPUTER FRAUD COVERAGE SECTION  
CRIME — COVERAGE SECTION F**

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**SECTION I - COVERAGE**

---

We will pay for loss of and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "Securities", and "Property Other Than Money and Securities".
2. **Covered Cause of Loss:** "Computer Fraud".

---

**SECTION II - LIMIT OF INSURANCE**

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The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

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**SECTION III - DEDUCTIBLE**

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We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

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**SECTION IV - ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS**

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In addition to the provisions in the Crime General Provisions Form, this Coverage is also subject to the following paragraphs.

1. **Additional Exclusions.** We will not pay for loss as specified below:
  - a. **Acts of Employees, Directors, Trustees or Representatives** – Loss resulting from any dishonest or criminal act committed by any of your "employees", directors, trustees or authorized representatives:
    - (1) Acting alone or in collusion with other persons; or
    - (2) While performing services for you or otherwise.
  - b. **Inventory Shortage** - Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.
2. **Additional Conditions.**
  - a. **Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of the law, you must notify the police.
    - b. **Special Limit of Insurance for Specified Property:** We will only pay up to \$5,000 for any one "occurrence" of loss of, and loss from damage to, manuscripts, drawing, or records of any kind or the cost of reconstructing them or reproducing any information contained therein.
3. **Additional Definitions:**
  - a. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
  - b. **"Computer Fraud"** means "theft" of property following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises" to a person (other than a "messenger") outside those "premises" or to a place outside the "premises".
  - c. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises".

d. **“Occurrence”** means an:

- (1) Act or series of related acts involving one or more persons; or
- (2) Act or event, or a series of related acts or events not involving any person.

- 4. **“Premises”** means the interior of that portion of any building you occupy in conducting your business.
- 5. **“Theft”** means any act of stealing.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**FORGERY OR ALTERATION COVERAGE SECTION  
CRIME — COVERAGE SECTION B**

---

**SECTION I - COVERAGE**

---

We will pay for loss involving Covered Instruments resulting directly from the Covered Causes of Loss.

- 1. Covered Instruments:** Checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
  - a. Made or drawn by or drawn upon you;
  - b. Made or drawn by one acting as your agent;or that are purported to have been so made or drawn;
- 2. Covered Causes Of Loss:** Forgery or alteration of, on or in any Covered Instrument.

**3. Coverage Extension**

**Legal Expenses:** If you are sued for refusing to pay any Covered Instrument on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay under this extension is in addition to the Limit of Insurance applicable to this insurance.

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**SECTION II - LIMIT OF INSURANCE**

---

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

---

**SECTION III - DEDUCTIBLE**

---

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. This provision does not apply to legal expenses paid under the Coverage Extension.

---

**SECTION IV - ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS**

---

In addition to the provisions in the Crime General Provisions Form, this Coverage Section is also subject to the following:

**1. Additional Exclusion**

**Acts of Employees, Directors, or Trustees:** We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees," directors, or trustees:

- a. Whether acting alone or in collusion with other persons; or
- b. Whether while performing services for you or otherwise.

**2. Additional Conditions**

- a. **Facsimile Signatures:** We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- b. **General Amendment:** As respects this Coverage Section, the words Covered Property in the Crime General Provisions mean Covered Instruments.
- c. **Proof of Loss:** You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.
- d. **Territory:** We will cover loss you sustain anywhere in the world.

The Territory General Condition does not apply to this Coverage Section.

**3. Additional Definition**

"Occurrence" means all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION  
CRIME COVERAGE SECTION O — PER LOSS**

---

**SECTION I - COVERAGE**

---

We will pay loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".
2. **Covered Cause of Loss:** "Employee dishonesty."
3. **Coverage Extension**

**Employees Temporarily Outside Coverage Territory:** We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

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**SECTION II - LIMIT OF INSURANCE**

---

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

---

**SECTION III - DEDUCTIBLE**

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1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.
2. You must:
  - a. Give us notice as soon as possible of any loss of the type insured under this Coverage even though it falls entirely within the Deductible Amount.
  - b. Upon our request, give us a statement describing the loss.

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**SECTION IV - ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS**

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In addition to the provisions in the Crime General Provisions, this Coverage Section is subject to the following:

1. **Additional Exclusions:** We will not pay for loss or damages as specified below:
  - a. **Employee Cancelled Under Prior Insurance:** loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
  - b. **Inventory Shortages:** loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - (1) An inventory computation; or
    - (2) A profit and loss computation.
  - c. **Bonded Employee:** loss caused by any "employee" required by law to be individually bonded.
  - d. **Treasurer or Tax Collector:** loss caused by a treasurer or tax collector by whatever name known.
  - e. **Damages:** damages for which you are legally liable as a result of:
    - (1) The deprivation or violation of the civil rights of any person by an "employee"; or
    - (2) The tortious conduct of an "employee," except conversion of property of other parties held by you in any capacity.
2. **Additional Conditions:**
  - a. **Cancellation as to Any Employee:**

This insurance is cancelled as to any "employee":



(1) Immediately upon discovery by you or any official or employee authorized to manage, govern or control your employees, of any dishonest act committed by that "employee" whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

**b. Sole Benefit:** This insurance is for your sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than you.

**c. Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through dishonest acts of persons who serve under them, subject to the Limit of Insurance.

### 3. Additional Definitions

**a. "Employee Dishonesty"** in Paragraph 2., **COVERAGE** Section, means only dishonest acts committed by an "employee," whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing, or pensions) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

**b. "Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE SECTION  
CRIME – COVERAGE SECTION C**

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**SECTION I - COVERAGE**

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We will pay for loss of Covered property resulting directly from the Covered Causes of Loss.

**Section 1. — Inside the Premises**

**1. Covered property:** “Money” and “securities” inside the “premises” or a “banking premises.”

**2. Covered Causes of Loss**

- a. “Theft”
- b. Disappearance
- c. Destruction

**3. Coverage Extensions**

**a. Containers of Covered Property:** We will pay for loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the “premises” resulting directly from an actual or attempted:

- (1) “Theft” of; or
- (2) Unlawful entry into those containers.

**b. Premises Damage:** We will pay for loss from damage to the “premises” or its exterior resulting directly from an actual or attempted “theft” of Covered Property if you are the owner of the “premises” or are liable for damage to it.

**Section 2. — Outside the Premises**

**1. Covered Property:** “Money” and “securities” outside the “premises” in the care and custody of a “messenger.”

**2. Covered Causes of Loss**

- a. “Theft”
- b. Disappearance
- c. Destruction

**3. Coverage Extension**

**Conveyance of Property by Armored Motor Vehicle Company:** We will pay for loss of Covered Property resulting directly from the Covered Causes of Loss while outside the “premises” in the care and custody of an armored motor vehicle company.

But we will pay only for the amount of loss that you cannot recover:

- a. Under your contract with the armored motor vehicle company; and
- b. From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

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**SECTION II - LIMIT OF INSURANCE**

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The most we will pay for loss in any one “occurrence” is the applicable Limit of Insurance shown in the Declarations.

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**SECTION III - DEDUCTIBLE**

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We will not pay for loss in any one “occurrence” unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount may be applied.

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## SECTION IV - ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS

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In addition to the provisions in the Crime General Provisions, this Coverage Section is subject to the following:

### Additional Exclusions:

We will not pay for loss as specified below:

1. **Accounting or Arithmetic Errors or Omissions:** Loss resulting from accounting or arithmetic errors or omissions.
2. **Acts of Employees, Directors, Trustees or Representatives:** Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:
  - a. Acting alone or in collusion with other persons; or
  - b. While performing services for you or otherwise.
3. **Exchanges or Purchases:** Loss resulting from the giving or surrendering of property in any exchange or purchase.
4. **Fire:** Loss from damage to the "premises" resulting from fire, however caused.
5. **Money Operated Devices:** Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
6. **Transfer or Surrender of Property**
  - a. Loss of property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
    - (1) On the basis of unauthorized instructions; or
    - (2) As a result of a threat to do:
      - (a) Bodily harm to any person; or
      - (b) Damage to any property.
  - b. But this exclusion does not apply under **COVERAGE**, Section 2. to loss of Covered Property while outside the "premises" or "banking premises" in the care and custody of a "messenger" if you:
    - (1) Had no knowledge of any threat at the time the conveyance began; or
    - (2) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
7. **Vandalism:** Loss from damage to the "premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.
8. **Voluntary Parting of Title to or Possession of Property:** Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

### Additional Condition

**Duties in the Event of Loss:** If you have reason to believe that any loss of, or loss from damage to, Covered Property involves a violation of law, you must notify the police.

### Additional Definitions

1. **"Banking Premises"** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. **"Messenger"** means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."
3. **"Occurrence"** means an:
  - a. Act or series of related acts involving one or more persons; or
  - b. Act or event, or a series of related acts or events not involving any person.
4. **"Premises"** means the interior of that portion of any building you occupy in conducting your business.
5. **"Theft"** means any act of stealing.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VOLUNTEER WORKERS, OTHER THAN FUND SOLICITORS, AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

**CRIME COVERAGE FORM – LOSS SUSTAINED FORM – GENERAL PROVISIONS**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

“Employee” also includes any non-compensated natural person, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an “employee”.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY CHANGES – CANCELLATION OF EMPLOYEE**

This endorsement modifies insurance provided under the following:

**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION O — PER LOSS  
PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION P — PER EMPLOYEE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

Paragraph **2.a. Additional Conditions, Cancellation as to Any Employee** under the **ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS** Section is deleted.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY CHANGES – BINDING ARBITRATION**

This endorsement modifies insurance provided under the following:

**CRIME COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The following General Condition is added:

**Binding Arbitration**

If you and we disagree on the amount of loss, both parties may, by mutual consent, agree to arbitration of the disagreement.

If both parties agree to arbitrate, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree on the third within 30 days, both parties must request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the umpire equally.

Unless both parties agree otherwise, arbitration will take place in the county or parish in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by any two will be binding.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCLUDE VOLUNTEER WORKERS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

**CRIME COVERAGE FORM – LOSS SUSTAINED FORM – GENERAL PROVISIONS**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

The definition of “employee” is amended to include any non-compensated natural person:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an “employee”; or
2. While acting as a fund solicitor during fundraising campaigns.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

ENDORSEMENT NO. \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCLUDE TREASURERS OR TAX COLLECTOR AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION O — PER LOSS**  
**PUBLIC EMPLOYEE DISHONESTY COVERAGE SECTION P — PER EMPLOYEE**

With respect to coverage provided by this endorsement, the provisions of the Coverage Section apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SCHEDULE**

<b>Treasurers Or Tax Collectors</b>
Treasurers or Tax Collectors of the Named Insured
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion **1.d. Additional Exclusions, Treasurer Or Tax Collector** under the **ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS** Section is deleted.



**U.S SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**BUSINESS AUTO SUPPLEMENTAL DECLARATIONS**

**ITEM ONE** Named Insured: FLEMING COUNTY WATER ASSOCIATION INC

Policy Period : From **07/01/2023** To **07/01/2024**

At 12:01 AM Standard Time at your mailing address shown on the Common Declarations

Type of Entity: Municipality

**ITEM TWO** Schedule Of Coverages And Covered Autos

Only those coverages where a Covered Auto Symbol or Premium is shown below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES	COVERED AUTOS	LIMIT	PREMIUM
Covered Autos Liability	1	\$ 1,000,000	INCLUDED
Personal Injury Protection (or Equivalent No-Fault Coverage)	5	Separately Stated In Each Personal Injury Protection Endorsement Minus \$ NIL Deductible	INCLUDED
Added Personal Injury Protection (or Equivalent Added No-Fault Coverage)		Separately Stated In Each Added Personal Injury Protection Endorsement	EXCLUDED
Property Protection Insurance (Michigan Only)		Separately Stated In Each Personal Injury Protection Endorsement Minus \$ Deductible For Each Accident	EXCLUDED
Auto Medical Payments		\$ Each Insured	
Uninsured Motorists	6	\$ 60,000	INCLUDED
Underinsured Motorists (When not included in Uninsured Motorists Coverage)	6	\$ 60,000	INCLUDED
Physical Damage Comprehensive Coverage	7,8	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$1,000 Deductible For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire or Lightning*	INCLUDED
Physical Damage Specified Causes of Loss Coverage		Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$ Deductible For Each Covered Auto For Loss Caused By Mischief Or Vandalism*	
Physical Damage Collision Coverage	7,8	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$1,000 Deductible For Each Covered Auto*	INCLUDED
Physical Damage Towing and Labor		\$0 for each disablement of a private passenger "auto"	EXCLUDED
		Total Premium	<b>INCLUDED</b>

\*See Item Four For Hired Or Borrowed Autos

**ITEM THREE**

**Schedule Of Covered Autos You Own**

Covered Auto Description		
Description Year, Model, Trade Name	Vehicle Identification Number (VIN)	Territory
PER SCHEDULE ON FILE		

**ITEM FOUR**

**Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums**

Covered Autos Liability Coverage				
State	Estimated No. of Employees For All States	Rate Per Employee	Factor (If Covered Autos Liability Coverage Is Primary)	Premium
KENTUCKY	INCLUDED	INCLUDED	INCLUDED	INCLUDED
			Premium	\$ INCLUDED
Physical Damage Coverages (Other Than Mobile Equipment)				
Coverages	Rate Per Each Employee	Limit Of Insurance	Estimated No. of Employees For Each State (Excluding Autos Hired With A Driver)	Premium
Comprehensive	INCLUDED	Actual Cash Value, Cost of Repairs or \$                    Whichever Is Less, Minus \$ 1,000            Deductible For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning	\$ INCLUDED	\$ INCLUDED
Specified Causes Of Loss		Actual Cash Value, Cost of Repairs or \$                    Whichever Is Less, Minus \$                    Deductible For Each Covered Auto For Loss Caused By Mischief Or Vandalism	\$	\$
Collision	INCLUDED	Actual Cash Value, Cost of Repairs or \$                    Whichever Is Less, Minus \$ 1,000            Deductible For Each Covered Auto	\$ INCLUDED	\$ INCLUDED
Total Hired Auto Premium				\$ INCLUDED

**ITEM FIVE**

**Schedule For Non-ownership Covered Autos Liability**

Named Insured's Business	Rating Basis	Number	Premium
Other Than Social Service Agencies	Number Of Employees/Volunteers		\$ INCLUDED
Social Service Agency	Number Of Employees/Volunteers		\$

AUTO FORMS
See Schedule Of Forms and Endorsements

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**BUSINESS AUTO COVERAGE FORM**

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to U. S. Specialty Insurance Company.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS**.

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**SECTION I – COVERED AUTOS**

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**ITEM TWO** of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

**A. Description Of Covered Auto Designation Symbols**

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the Coverage Form begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees" or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your operations. This includes "autos" owned by your "employees" or members of their households.

<b>19</b>	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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**B. Owned Autos You Acquire After The Policy Begins**

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in **ITEM TWO** of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the Policy Period.
2. But, if Symbol **7** is entered next to a coverage in **ITEM TWO** of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

**C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos**

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

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**SECTION II – COVERED AUTOS LIABILITY COVERAGE**

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**A. Coverage**

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

**1. Who Is An Insured**

The following are "insureds":

- a. You for any covered "auto".
- b. Your elected and appointed officials, including members of your operating authorities, boards, commissions, districts or any other governmental unit, while using a covered "auto" in the course and scope of their duties for you.
- c. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".  
This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.
  - (2) Your "employee" or "volunteer" if the covered "auto" is owned by that "employee", or "volunteer" or a member of his or her household.
  - (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
  - (4) Anyone other than your "employees", "volunteers" or a lessee or borrower or any of their "employees" while moving property to or from a covered "auto".
- d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## 2. Coverage Extensions

### a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,500 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.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on that part of any judgment for which we make payment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

The Supplementary Payments will not reduce the Limit of Insurance.

### b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of "loss" because of these extensions.

## B. Exclusions

This insurance does not apply to any of the following:

## **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force by any "insured" which is performed within the "insured's" legal authority to protect persons or property.

## **2. Contractual**

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- b. That the "insured" would have in the absence of the contract or agreement.

## **3. Workers' Compensation**

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

## **4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course and scope of employment by the "insured", or a "volunteer" while performing the duties related to the conduct of the "insured's" operations; or
- b. The spouse, child, parent, brother or sister of that "employee" or "volunteer" as a consequence of Paragraph a. above.

This exclusion applies:

- (1) Whether the "insured" may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

## **5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your operations; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

## **6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

## **7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

## **8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

## **9. Operations**

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or

- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

#### 10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

#### 11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

**12. War**

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

**13. Racing**

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

**C. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Form.

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**SECTION III – MEDICAL PAYMENTS**

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**A. Coverage**

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an "insured" who sustains "bodily injury" caused by "accident". We will pay only those expenses incurred, for services rendered within three years from the date of the "accident".

**B. Who Is An Insured**

The term "insured" as used herein means anyone "occupying":

- 1. A covered "auto"; or
- 2. A temporary substitute for a covered "auto" if the covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.

**C. Exclusions**

This insurance does not apply to any of the following:

- 1. "Bodily injury" sustained by an "insured" while "occupying" a vehicle located for use as a premises.
- 2. "Bodily injury" sustained by an "insured" while "occupying" or struck by any vehicle (other than a covered "auto") owned by you or furnished or available for your regular use.
- 3. "Bodily injury" to your "employee" arising out of and in the course of employment by you.
- 4. "Bodily injury" arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or



- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority or defending against any of these.
- 5. "Bodily injury" to anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- 6. "Bodily Injury" sustained by an "insured" while "occupying" any covered "auto" while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any "bodily injury" sustained by an "insured" while the "auto" is being prepared for such a contest or activity.

**D. Limit Of Insurance**

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for "bodily injury" for each "insured" injured in any one "accident" is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Form.

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**SECTION IV – PHYSICAL DAMAGE COVERAGE**

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**A. Coverage**

- 1. We will pay for "loss" to a covered "auto" or its equipment under:

- a. **Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- b. **Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

- c. **Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

- 2. **Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

If glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

### 3. Coverage Extensions

#### a. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicates that Specified Causes of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is a maximum of \$500 per accident.

#### b. Lease Gap Coverage

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- (1) The amount paid under the Physical Damage Coverage under this Coverage Form; and
- (2) Any:
  - (a) Overdue lease/loan payments at the time of the "loss",
  - (b) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage.
  - (c) Security deposits not returned by the lessor;
  - (d) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
  - (e) Carry-over balances from previous loans or leases.

#### c. Transportation Expenses

We will pay up to \$50 per day to a maximum of \$1000, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the Coverage Form's expiration, when the covered "auto" is returned to use or we pay for its "loss".

### B. Exclusions

1. We will not pay for "loss" caused by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss".

#### a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

#### b. War Or Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.
3. We will not pay for "loss" due and confined to:
  - a. Wear and tear, freezing, mechanical or electrical breakdown.
  - b. Blowouts, punctures or other road damage to tires.This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".
4. We will not pay for "loss" to any of the following:
  - a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
  - b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed measuring equipment.
  - c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
  - d. Any accessories used with the electronic equipment described in Paragraph c. above.
  - e. "Electronic data".
5. We will not pay for "loss" to a covered "auto" due to "diminution in value".

#### **C. Limit Of Insurance**

1. The most we will pay for "loss" to any one covered "auto" is the lesser of:
  - a. The actual cash value of the damaged or stolen property as of the time of the "loss"; or
  - b. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

#### **D. Deductible**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

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## **SECTION V – BUSINESS AUTO CONDITIONS**

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The following conditions apply in addition to the Common Policy Conditions:

#### **A. Loss Conditions**

##### **1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the claim.

## **2. Duties In The Event Of Accident, Claim, "Suit" Or "Loss"**

We have no duty to provide coverage under this Coverage Form unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;
  - (2) The "insured's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
  - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
  - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
  - (4) Authorize us to obtain medical records or other pertinent information.
  - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is "loss" to a covered "auto" or its equipment you must also do the following:
  - (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
  - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
  - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
  - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

## **3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

## **4. Loss Payment – Physical Damage Coverages**

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

## **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

This condition does not apply to **SECTION III – MEDICAL PAYMENTS**

## **B. General Conditions**

### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" will not relieve us of any obligations under this Coverage Form.

### **2. Concealment, Misrepresentation Or Fraud**

This Coverage Form is void in any case of fraud by you at any time as it relates to this Coverage Form. It is also void if you or any other "insured", at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

### **3. Liberalization**

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

### **5. Other Insurance**

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:
  - (1) Excess while it is connected to a motor vehicle you do not own; or
  - (2) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

### **6. Policy Period, Coverage Territory**

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the Policy Period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if:

- (a) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
- (b) Provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

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## SECTION VI - DEFINITIONS

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- A. **"Accident"** includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
  - B. **"Auto"** means:
    - 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads;
    - 2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- "Auto" does not include "mobile equipment".  
Any land motor vehicle or "trailer" you own or lease that is designed for travel on public roads is an "auto" and not "mobile equipment" if the sole reason for considering it "mobile equipment" is such vehicle is used solely on roads you own.
- C. **"Bodily injury"** means injury to the physical body, sickness, disease and death, resulting from any of these at any time, and if arising out of the foregoing, mental anguish, mental injury or disability.
  - D. **"Covered pollution cost or expense"** means any cost or expense arising out of:
    - 1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
    - 2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and

- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E. "Diminution in value"** means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F. "Electronic data"** means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- G. "Employee"** includes a "leased worker" and a "temporary worker".
- H. "Insured"** means any person or organization qualifying as an "insured" in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each "insured" who is seeking coverage or against whom a claim or "suit" is brought.
- I. "Insured contract"** means:
  - 1. A lease of premises;
  - 2. A sidetrack agreement;
  - 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - 5. That part of any other contract or agreement pertaining to your operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
  - 6. That part of any contract or agreement entered into, as part of your operations, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

- J. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker".
- K. **"Loss"** means direct and accidental loss or damage.
- L. **"Mobile equipment"** means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;
  4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - a. Power cranes, shovels, loaders, diggers or drills; or
    - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
  5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
    - b. Cherry pickers and similar devices used to raise or lower workers; or
  6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
    - a. Equipment designed primarily for:
      - (1) Snow removal;
      - (2) Road maintenance, but not construction or resurfacing; or
      - (3) Street cleaning;
    - b. Cherry pickers and similar devices mounted on "auto" or truck chassis and used to raise or lower workers; and
    - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.
- However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
- M. **"Occupying"** means in, upon, getting in, on, out or off.
- N. **"Pollutants"** mean:
1. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
  2. Any other emission, odor, noise, oil, oil products, infectious or medical waste.
  3. Any substance exhibiting hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the USEPA or any state or local counterpart.
- O. **"Property damage"** means damage to or loss of use of tangible property.
- P. **"Suit"** means a civil proceeding in which:
1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense";
- to which this insurance applies, are alleged.



"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" submits with our consent.
- Q. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- R. **"Trailer"** includes semitrailer.
- S. **"Volunteer"** means a person who is not your "employee" who donates his or her work, acts at the direction of and within the course and scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else in return for the work performed.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS AUTO DEDUCTIBLE AMENDATORY ENDORSEMENT**

This endorsement modifies insurance under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**TWO OR MORE DEDUCTIBLES**

The following provision is added to Paragraph **D. Deductible** of **SECTION IV - PHYSICAL DAMAGE COVERAGE**:

If two or more Coverage Forms or policies issued to you by us, or any company affiliated with us, apply to the same "loss", the deductible due hereunder will be as follows:

1. The deductible applicable to such "loss" will be calculated in accordance with the terms and conditions of each Coverage Form or policy that applies to the "loss".
2. The insured will be responsible to pay only the highest deductible amount, as calculated in 1. above, under the Coverage Forms or policies applicable to such "loss".

**U.S. SPECIALTY INSURANCE COMPANY  
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**EMERGENCY RESPONSE OPERATIONS AND EMERGENCY  
VEHICLE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A.** With respect to the coverage provided by this endorsement, **SECTION VI – DEFINITIONS** is amended to include the following:

1. The definition of “volunteer” also includes any firefighter, first responder or emergency medical technician that is not your “employee”, but performs services for you on an on-call or as needed basis, whether paid or not, but only while acting at the direction of and within the course and scope of duties determined by you.
2. The following definitions apply to coverage provided by this endorsement:
  - a. **“Emergency Response Operations”** means actions involving your firefighting or emergency medical operations, which are urgent responses for protection of property, human life, health or safety.
  - b. **“Emergency Vehicle”** means an “auto” that is equipped with emergency equipment and used for “emergency response operations” involving your law enforcement, firefighting or emergency medical operations. “Emergency vehicle” also includes the following:
    - (1) Permanently attached machinery or equipment;
    - (2) Customized equipment of such “emergency vehicles”; and
    - (3) Equipment parts, other than equipment or tools designed for use apart and away from the “emergency vehicle”, that are removable from a housing unit attached to an “emergency vehicle”.
  - c. **“Occurrence”** means the sum of all individual “losses” arising from one event regardless of the number of covered “emergency vehicles”, “insureds”, premiums paid, claims made or “suits” brought.

**B. SECTION II – COVERED AUTOS LIABILITY COVERAGE, Who Is An Insured,** is amended to include the following paragraph:

The owner of an “auto” that you commandeer, borrow, seize or take over for official use during an “emergency response operation” while such “auto” is in your temporary care, custody or control.

**C. SECTION II - COVERED AUTOS LIABILITY COVERAGE, Paragraph B.** Exclusions is amended to include the following:

**1. Injury To “Volunteers”**

- a. “Bodily injury” to any “volunteer” of the “insured” if sustained while such person is going to, located at, or returning from your “emergency response operation”;
- b. “Bodily injury” to any fellow “volunteer” firefighter or other “volunteer” of the “insured” if sustained in the course of your “emergency response operation”.

**2. Professional Services**

- a. “Bodily injury” resulting from the providing of or the failure to provide any medical or other professional services.
- b. “Bodily injury” resulting from food or drink furnished with these services.
- c. “Bodily injury” resulting from handling a corpse or performing an autopsy.

**D. SECTION IV – PHYSICAL DAMAGE COVERAGE, Paragraph A.** Coverage is amended to include the following:

**1.** We will pay for “loss” to an “emergency vehicle” under:

- a. Comprehensive Coverage only if the Declarations indicate that such coverage is provided for the covered “emergency vehicle”;
- b. Specified Causes of Loss only if the Declarations indicate that such coverage is provided for the covered “emergency vehicle”; or
- c. Collision only if the Declarations indicate that such coverage is provided for the covered “emergency vehicle”.

**2.** Paragraph **A.3.**, Coverage Extensions is amended to include:

**a. Physical Damage To Employees’ Or Volunteers’ Personal Autos**

For “autos” owned by your “employees” or “volunteers”, used in your “emergency response operations”, we will pay up to \$1,000, or the amount of the deductible under any “auto” policy available to your “volunteers” or “employees”, whichever is less, for any “loss” described under paragraph **A.1.** of **SECTION IV** while such “auto” is being used within the course and scope of their duties for the “insured”. In no event will we pay for any “loss” under this extension to any “auto” owned, leased, hired, rented or borrowed by you.

**b. Commandeered Auto**

The Physical Damage coverage provided by the Coverage Form is extended for “loss” to an “auto” that you commandeer, borrow, seize or take over for official use during an “emergency response operation”. Each “loss” to a commandeered “auto” is subject to a deductible amount of \$500.

**c. Personal Effects Of Emergency Response Operation Employees Or Volunteers**

**(1)** We will pay for “loss” to personal effects owned by an “employee” or “volunteer” of your “emergency response operations” provided:

- (a)** Such personal effects are located within an “auto” owned by that “employee” or “volunteer”;
- (b)** The “employee” or “volunteer” is going to, located at, or returning from an “emergency response operation”; and
- (c)** The “employee” or “volunteer” is acting within the course and scope of duties for you.

**(2)** The most we will pay for “loss” to personal effects is:

- (a)** \$500 to any one “employee” or “volunteer”; or
- (b)** \$10,000 each “occurrence”.

**(3)** We will not pay for “loss” caused by theft to personal effects from an unattended “auto” unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

(4) The insurance provided by this Coverage Extension is excess over any other insurance.

**E. SECTION IV – PHYSICAL DAMAGE COVERAGE, Paragraph B.** Exclusions is amended as follows:

1. Exclusion **3.a.** does not apply to “loss” to permanently attached special equipment common to an “emergency vehicle” caused by freezing from exposure to cold temperatures. This exception does not apply if the “loss” is caused by your failure to properly maintain such equipment. Such equipment shall include, but is not limited to, pumps, gauges and tanks.

In no event will the “loss” to an “emergency vehicle” engine caused by freezing from exposure to cold temperatures be covered by this insurance.

- 2 Exclusions **4.c.** and **4.d.** do not apply to your covered “emergency vehicle”.

**F. SECTION IV – PHYSICAL DAMAGE COVERAGE, Paragraph C.** Limit Of Insurance is amended to include the following wording:

1. We will pay the costs to recertify Pumper Equipment when such recertification is made necessary because of a “loss” to a covered “emergency vehicle” for which coverage is otherwise provided hereunder.

2. For “loss” to a covered “emergency vehicle’s”:

- a. Equipment listed in Paragraph **A.2.b.(1)** through **(3)**, of this endorsement; or
- b. Customized painting and gold leaf lettering on a covered “emergency vehicle”;

we will pay the cost necessary to repair or replace such items with property of like kind and quality, without deduction for depreciation. We will also include the cost to install such items onto a replacement “emergency vehicle” if the covered “emergency vehicle” is not repairable. This coverage does not increase the Limit of Insurance.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EMPLOYEE OR VOLUNTEER AS INSURED**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Section II – Covered Autos Liability Coverage**, Paragraph **A.1. Who Is An Insured** provision:

1. Any "employee" or "volunteer" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow while performing within the course and scope of his or her duties related to the conduct of your operations, provided that valid and collectible primary insurance is available to such "employee" or "volunteer" having auto liability limits of no less than \$250,000 per person/\$500,000 per accident for bodily injury and \$50,000 per accident for property damage, or \$500,000 Combined Single Limit.
2. The insurance provided by this endorsement applies only in excess of all such valid and collectible primary insurance accident for "bodily injury" and "property damage and only excess of the limits shown in Paragraph 1. above.
3. We shall have no duty to defend any "employee" or "volunteer" against any "suit" seeking "damages" to which this insurance applies or investigate any claim or "suit" until all applicable primary limits of insurance have been exhausted by payment of judgments or settlements.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

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**PROFESSIONAL SERVICES NOT COVERED**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**Covered Autos Liability Coverage** is changed by adding the following exclusions:

This insurance does not apply to:

1. "Bodily injury" resulting from the providing or the failure to provide any medical or other professional services.
2. "Bodily injury" resulting from food or drink furnished with these services.
3. "Bodily injury" or "property damage" resulting from the handling of corpses.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY CHANGES**

For a covered "auto" licensed or principally garaged in Kentucky, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. Changes In Covered Autos**

The following is added to Paragraph **C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos** of **Section I – Covered Autos**:

If Collision Coverage is provided by the Coverage Form, any "auto" you do not own which is loaned to you as a temporary substitute for a covered "auto" you own that is out of use because of its breakdown, repair or servicing by a person, firm or corporation engaged in the business of selling, repairing and servicing "autos" is a covered "auto" for Collision Coverage.

**B. Changes In Covered Autos Liability Coverage**

The following Covered Autos Liability Coverage exclusions apply only to the extent that the limits of liability for such coverage exceed the limits of liability required by the Kentucky Motor Vehicle Reparations Act:

1. Expected Or Intended Injury;
2. Care, Custody Or Control; and
3. Pollution.

**C. Changes In Physical Damage Coverage**

No deductible applies under Comprehensive Coverage to "loss" to:

1. Glass used in the windshield, doors and windows; and
2. Glass, plastic or any other material used in lights required on an automobile by Chapter 189 of Kentucky Revised Statutes.

All other Physical Damage Coverage Provisions apply.

**D. Changes In Conditions**

1. The **Concealment, Misrepresentation Or Fraud** Condition is amended by the addition of the following:



However, once an "accident" has occurred while this Coverage Form is in effect, this condition does not apply to the Covered Autos Liability Coverage provided by this Coverage Form, except that we will provide Covered Autos Liability Coverage only up to the minimum limits of liability required by the Kentucky Motor Vehicle Reparations Act if you, or any other "insured", intentionally conceals or misrepresents a material fact, or commits fraud, in obtaining this policy.

2. The **Other Insurance** Condition in the Business Auto Coverage Form is changed by adding the following:
  - a. For a temporary substitute for an "auto" you own which is out of use because of its breakdown, repair or servicing, if the substitute "auto" is operated by an "insured" and is loaned to you, with or without consideration, by a person engaged in the business of selling, repairing and servicing "autos", Covered Autos Liability and Collision Coverages provided by this form shall be primary in the event of an "accident" or "loss" caused by the negligence of the "insured".
  - b. If you are engaged in the business of selling, repairing and servicing "autos", then for any "auto" you own, which is loaned to a customer, with or without consideration, as a temporary substitute for an "auto" owned by the customer which is out of use because of its breakdown, repair or servicing, Covered Autos Liability and Collision Coverages provided by this form shall be excess in the event of an "accident" or "loss" caused by the negligence of the customer.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

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**KENTUCKY PERSONAL INJURY PROTECTION**

For a covered "auto" licensed or principally garaged in Kentucky, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**A. Coverage**

The company will pay Personal Injury Protection benefits in accordance with Kentucky Revised Statutes Chapter 304, Subtitle 39, incurred with respect to "bodily injury" sustained by an "insured" and caused by an "accident" arising out of the operation, maintenance or use of a "motor vehicle" as a vehicle. These Personal Injury Protection benefits consist of the following:

**1. Medical Expense**

Reasonable charges incurred for reasonably needed products, services and accommodations, including those for medical care, physical rehabilitation, rehabilitative occupational training, licensed ambulance services and other remedial treatment and care, any nonmedical remedial treatment rendered in accordance with a recognized religious method of healing, and any healing arts professions of a type licensed by the Commonwealth of Kentucky, provided that medical expense shall not include that portion of a charge for a room in a hospital, clinic, convalescent or nursing home or any other institution engaged in providing nursing care and related services, in excess of a reasonable and customary charge for semiprivate accommodations, unless intensive care is medically required.

**2. Work Loss**

Loss of income from work the "insured" would probably have performed if he or she had not been injured, and expenses reasonably incurred by him or her in obtaining services in lieu of those he or she would have performed for income, reduced by any income from substitute work actually performed by him or her.

**3. Replacement Services Loss**

Expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those the "insured" would have performed, not for income, but for the benefit of himself or his family if he had not been injured.

#### **4. Survivor's Economic Loss**

Loss after the "insured's" death of contributions of things of economic value to his "survivors", not including services they would have received from the "insured" had he not suffered the fatal injury, less expenses of the "survivors" avoided by reason of the eligible injured person's death.

#### **5. Survivor's Replacement Services Loss**

Expenses reasonably incurred by "survivors" after the "insured's" death in obtaining ordinary and necessary services in lieu of those the "insured" would have performed for their benefit had he not suffered the fatal injury, less expenses of the "survivors" avoided by reason of the "insured's" death and not subtracted in calculating survivor's economic loss.

#### **6. Funeral Expense**

Reasonable charges incurred for expenses in any way related to funeral, cremation or burial.

### **B. Who Is An Insured**

1. The "named insured" or any "relative" who sustains "bodily injury" while "occupying" or while a "pedestrian" through being struck by any "motor vehicle", provided that, if such person has rejected the limitation upon  
his tort rights pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an "insured", unless personal injury protection coverage has subsequently been purchased for such person under this policy; or
2. Any other person who sustains "bodily injury" while "occupying" or while a "pedestrian" through being struck by the "insured motor vehicle", provided that, if such person has rejected the limitation upon his tort right pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, he shall not be an "insured".

### **C. Exclusions**

We will not pay personal injury protection benefits for "bodily injury":

1. Sustained by the "named insured" or any "relative", who has not rejected his tort limitation pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39, while "occupying" or while a "pedestrian" through being struck by any "motor vehicle", other than the "insured motor vehicle", with respect to which the security required under Kentucky Revised Statutes Chapter 304, Subtitle 39, is in effect unless the provider of such security fails to make payment for loss within 30 days of reasonable proof of the fact and the amount of loss sustained.
2. Sustained by any person if such injury arises from his conduct within the course of a business of repairing, servicing or otherwise maintaining "motor vehicles" unless such conduct occurs off the business premises.
3. Sustained by any person arising from conduct in the course of loading or unloading any "motor vehicle" unless such conduct occurs while "occupying" such "motor vehicle".
4. With respect to any benefits any person would otherwise be entitled to receive hereunder for "bodily injury" intentionally caused by such person or arising out of his intentionally attempting to cause "bodily injury", and, if any person dies as a result of intentionally causing or attempting to cause "bodily injury" to himself, his survivors are not entitled to any survivor's economic loss or survivor's replacement services loss benefits.
5. Sustained by any "pedestrian", other than the "named insured" or any "relative", outside the Commonwealth of Kentucky.
6. Sustained by any person, other than the "named insured" or any "relative", while "occupying" a "motor vehicle" which is regularly used in the course of the business of transporting persons or property and which is one of five or more "motor vehicles" under common ownership, or a "motor vehicle" owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations or public agencies, if the accident occurs outside the Commonwealth of Kentucky.

This exclusion does not apply to "bodily injury" sustained by any occupant of a bus if such occupant is a Kentucky resident, boarded the bus in Kentucky and the bus is registered in Kentucky with the security required under Kentucky Revised Statutes Chapter 304, Subtitle 39. However, this exception does not apply if the bus is owned by a government other than the Commonwealth of Kentucky, its political subdivisions, municipal corporations or public agencies.

7. Sustained by any person arising out of the use of any "motor vehicle" while located as a residence or premises.
8. Arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
9. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
10. Sustained by any person while "occupying" a motorcycle, unless the Declarations indicates a premium for Motorcycle Personal Injury Protection Coverage.
11. Sustained by any person other than the "named insured" or any "relative" which arises from the operation, maintenance or use of a "motor vehicle" without a good faith belief that he or she is legally entitled to do so.

#### **D. Limit Of Insurance**

1. Regardless of the number of persons insured, policies or approved plans of self-insurance applicable, premiums paid, claims made or "insured motor vehicles" to which this coverage applies, the company's liability for personal injury protection benefits with respect to "bodily injury" sustained by any one "insured" in any one "motor vehicle" "accident" shall not exceed \$10,000 in the aggregate, and subject to such aggregate limit:
  - a. The maximum amount payable for work loss, replacement services loss, survivor's economic loss and survivor's replacement services loss shall not exceed \$200 per week in the aggregate prorated for any lesser period, provided that, if the "insured's" earnings or work is seasonal or irregular, the weekly limit shall be equitably adjusted or apportioned on an annual basis;
  - b. The maximum amount payable for funeral expense shall not exceed \$1,000.
2. Any amount payable by the company under the terms of this coverage shall be reduced by any applicable deductible set forth in the Declarations, but only with respect to "bodily injury" sustained by the "named insured" or any "relative", provided that, if two or more such persons sustain "bodily injury" in the same "motor vehicle" "accident", such deductible applicable to all of them shall not exceed such deductible amount and such amount shall be allocated equally among them. Provided further that a "named insured" or "relative" is entitled to receive under this coverage the difference between this deductible and a greater deductible applicable under another policy applying to personal injury protection coverage pursuant to Kentucky Revised Statutes Chapter 304, Subtitle 39.
3. In calculating loss or expense for which personal injury protection benefits are payable under this coverage, a reduction shall be made in the amount of:
  - a. All benefits or advantages a person receives or is entitled to receive from workmen's compensation, unless these benefits or advantages have not been received before personal injury protection benefits are overdue or the claim is paid.
  - b. Any income tax saving resulting from benefits or advantages received for loss of income under this coverage or from like benefits or advantages received under workmen's compensation which are not considered taxable income, provided that the maximum reduction may not exceed 15% of the loss of income and shall be in lesser amount if the claimant furnishes to the company reasonable proof of a lower value of the income tax advantage.

#### **E. Changes In Conditions**

The Conditions are changed for Personal Injury Protection as follows:

1. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Coverage Form is amended by the addition of the following:
  - a. In the event of an "accident", written notice containing particulars sufficient to identify the "insured" and also reasonably obtainable information respecting the time, place and circumstances of the "accident" shall be given by or on behalf of each "insured" to the company or any of its authorized agents as soon as practicable.
  - b. As soon as practicable, the "insured" or someone on his behalf shall give the company written proof of claim, under oath if required, including full particulars of the nature and extent of the "bodily injury" treatment and rehabilitation received and contemplated and such other information as may assist the company in determining the amount due and payable. The "insured" shall submit, when required by order of a court, to a physical or mental examination by a physician specified in the court order.

2. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

**Transfer Of Rights Of Recovery Against Others To Us**

Subject to the provisions of the Kentucky Revised Statutes Chapter 304, Subtitle 39, in the event of any payment under this coverage, the Company is subrogated to the rights of the person to whom or for whose benefit such payments were made to the extent of such payments. Such person shall execute and deliver the instruments and papers and do whatever else is necessary to secure such rights. Such person shall do nothing after loss to prejudice such rights.

3. The **Other Insurance** Condition is replaced by the following:

In the event an "insured" has other similar insurance, including approved self-insurance plans, available and applicable to the "accident", the maximum recovery under all such insurance shall not exceed the

amount which would have been payable under the provisions of the insurance providing the highest dollar limit, and the company shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limit of liability of this coverage and such other insurance.

4. The following conditions are added:

**Excess Coverages**

- a. Any amount payable under the uninsured motorists coverage shall be excess insurance over any personal injury protection benefits paid or payable under this or any other automobile insurance policy because of "bodily injury" sustained by an "insured";
- b. Any automobile medical payments or expense coverages afforded under this policy shall be excess insurance over any personal injury protection benefits paid or payable but for the application of a deductible under this or any other automobile insurance policy because of "bodily injury" sustained by an "insured".

**Nonduplication Of Benefits**

No "insured" shall recover duplicate benefits for the same elements of loss under this or any similar insurance, including approved self-insurance plans.

**Constitutionality Clause**

The premium for and the coverages of the policy have been established in reliance upon the provisions of the Kentucky Revised Statutes Chapter 304, Subtitle 39. In the event a court of competent jurisdiction declares, or enters a judgment the effect of which is to render, the provisions of such statutes invalid or unenforceable in whole or in part, the company shall have the right to recompute the premium payable for the policy, and the provisions of this endorsement shall be voidable or subject to amendment at the option of the company.

**Notice To Policyholders**

Acceptance of the coverage described in Kentucky Revised Statutes Chapter 304, Subtitle 39, places some limitations on your right to bring suit for "bodily injury". Kentucky Revised Statutes Section 304.39-060 provides in part that:

- (1) Any person who registers, operates, maintains or uses a "motor vehicle" on the public roadways of this Commonwealth shall, as a condition of such registration, operation, maintenance or use of such "motor vehicle" and use of the public roadways, be deemed to have accepted the provisions of this subtitle, and in particular those provisions which are contained in this section.
- (2)(a) Tort liability with respect to accidents occurring in this Commonwealth and arising from the ownership, maintenance or use of a "motor vehicle" is 'abolished' for damages because of "bodily injury", sickness or disease to the extent the basic reparation benefits provided in this subtitle are payable therefor, or that would be payable but for any deductible authorized by this subtitle, under any insurance policy or other method of security complying with the requirements of this subtitle, except to the extent noneconomic detriment qualifies under Subsection (2)(b) hereof.
- (b) In any action of tort brought against the owner, registrant, operator or occupant of a "motor vehicle" with respect to which security has been provided as required in this subtitle, or against any person or organization legally responsible for his or her acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish and inconvenience because of "bodily injury", sickness or disease arising out of the ownership, maintenance, operation or use of such "motor vehicle" only in the event that the benefits which are payable for such injury as 'medical expense' or which would be payable but for any exclusion or deductible authorized by this subtitle exceed \$1,000, or the injury or disease consists in whole or in part of permanent disfigurement, a fracture to a bone, a compound, comminuted, displaced or compressed fracture, loss of a body member, permanent injury within reasonable medical probability, permanent loss of bodily function or death.
- Any person who is entitled to receive free medical and surgical benefits shall be deemed in compliance with the requirements of this subsection upon a showing that the medical treatment received has an equivalent value of at least \$1,000.
- (c) Tort liability is not so limited for injury to a person who is not an owner, operator, maintainer or user of a "motor vehicle" within Subsection (1) of this section, nor for injury to the passenger of a motorcycle arising out of the maintenance or use of such motorcycle.
- (3) Any person may refuse to consent to the limitations of his or her tort rights and liabilities as contained in this section. Such rejection must be completed in writing or electronically in a form to be prescribed by the Department of Insurance and must have been executed and filed with the Department at a time prior to any "motor vehicle" accident for which such rejection is to apply.

These are some of the exceptions to the limitations on your right to sue and are not intended to comprise a complete enumeration of all circumstances under which suit may be brought for "bodily injury".

#### **F. Additional Definitions**

As used in this endorsement:

1. "Named insured" means the person or organization named in the Declarations.
2. "Motor vehicle" means a vehicle as defined in Kentucky Revised Statutes Chapter 304, Subtitle 39.
3. "Insured motor vehicle" means a "motor vehicle" with respect to which:
  - a. The "bodily injury" Covered Autos Liability insurance of the policy applies and for which a specific premium is charged; and
  - b. The "named insured" is required to maintain security under the provisions of Kentucky Revised Statutes Chapter 304, Subtitle 39.
4. "Occupying" means in or upon, entering into or alighting from.
5. "Pedestrian" means a person who is not "occupying" a "motor vehicle" at the time the injury occurs.

6. "Relative" means the spouse and any person related to the "named insured" by blood, marriage or adoption, including a minor in the custody of the "named insured", spouse or such related person who is a resident of the same household as the "named insured", whether or not temporarily residing elsewhere, but does not include any such person who is a "named insured" under any other policy providing the security under Kentucky Revised Statutes Chapter 304, Subtitle 39.
7. "Survivor" means a person identified in Kentucky Revised Statutes Section 411.130 as one entitled to receive benefits by reason of the death of another person.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY UNDERINSURED MOTORISTS COVERAGE**

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Kentucky, this endorsement modifies insurance provided under the following

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

**SCHEDULE**

<b>Limit Of Insurance: \$ 60,000</b>	<b>Each "Accident"</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Coverage**

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "underinsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

**B. Who Is An Insured**

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
  - a. The Named Insured and any "family members".
  - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
  - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
  - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.



- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

### C. Exclusions

This insurance does not apply to any of the following:

1. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
2. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
3. Punitive or exemplary damages.
4. "Bodily injury" arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

### D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Underinsured Motorists Insurance shown in the Schedule or Declarations. If there is more than one covered "auto", our Limit of Insurance for any one "accident", if the "bodily injury" is sustained by an individual Named Insured or any "family member", is the sum of the limits applicable to each covered "auto". Subject to this maximum limit of liability for all damages:
  - a. The most we will pay for all damages sustained in such "accident" by an "insured" other than an individual Named Insured or any "family member" is that "insured's" pro rata share of the limit shown in the Schedule or Declarations applicable to the vehicle that "insured" was "occupying" at the time of the "accident".
  - b. An individual Named Insured or any "family member" who sustains "bodily injury" in such "accident" will also be entitled to a pro rata share of the limit described in Paragraph a. above.

A person's pro rata share is the proportion that that person's damages bears to the total damages sustained by all "insureds".

2. If the "bodily injury" is sustained by any "insured", other than the individual Named Insured or any "family member", in an "accident" in which neither such Named Insured nor any "family member" sustained "bodily injury", the Limit Of Liability shown in the Schedule or Declarations for this coverage is our maximum limit of liability for all damages resulting from any such "accident".
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Uninsured Motorists Coverage endorsement attached to this Coverage Part.
4. We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
5. We will reduce the "insured's" total damages by any amount available to that "insured" under any liability bonds or policies applicable to the "underinsured motor vehicle" that such "insured" did not recover as a result of a settlement between that "insured" and the insurer of an "underinsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

This paragraph shall not apply if we advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "underinsured motor vehicle".

6. We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

### E. Changes In Conditions

The Conditions are changed for Underinsured Motorists Coverage as follows:

1. **Other Insurance** in the Coverage Form is changed by addition of the following:

- a. The reference to "other collectible insurance" applies only to other collectible underinsured motorists insurance.

- b. Any insurance we provide with respect to a vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form, shall be excess over any other collectible underinsured motorists insurance providing coverage on a primary basis.

2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Coverage Form is changed by adding the following:

A person seeking Underinsured Motorists Coverage must also promptly notify us in writing by certified or registered mail of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us to advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

3. The **Legal Action Against Us** Provision is replaced by the following:

**Legal Action Against Us**

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.

- b. Any legal action against us under this Coverage Form must be brought within two years after the date of the "accident". However, this Paragraph 3.b. does not apply to an "insured" if, within two years after the date of the "accident", we and the "insured" agree to arbitration in accordance with this endorsement.

4. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if we:

- a. Have been given prompt written notice by certified or registered mail of a tentative settlement between the "insured" and the insurer of an "underinsured motor vehicle"; and

- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to an "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and

- b. We also have the right to recover the advanced payment.

In any recovery, we will be entitled to payment only after the "insured" has been fully compensated.

5. The following condition is added:

**Arbitration**

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated.

However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. Any decision agreed to by two of the arbitrators will be binding.

- c. The "insured" shall not be required to arbitrate disputed claims.

6. The **Two Or More Coverage Forms Or Policies Issued By Us** General Condition does not apply to Underinsured Motorists Coverage. However, no one will be entitled to receive duplicate payments for the same elements of "loss".

**F. Additional Definitions**

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Underinsured motor vehicle" means a land motor vehicle or "trailer" to which a liability bond or policy applies at the time of an "accident", but the amount paid for bodily injury under that bond or policy to the "insured" is not enough to pay the full amount the "insured" is legally entitled to recover as damages.

However, "underinsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Designed for use mainly off public roads while not on public roads;
- c. To which a bodily injury liability bond or policy applies at the time of the accident, but its limit for "bodily injury" liability is less than the minimum limit for "bodily injury" liability specified by the financial responsibility law of the state in which the covered "auto" is principally garaged; or
- d. Owned by or furnished or available for the regular use of you or any "family member".

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY UNINSURED MOTORISTS COVERAGE**

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Kentucky, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

<b>Named Insured:</b> FLEMING COUNTY WATER ASSOCIATION INC
<b>Endorsement Effective Date:</b> 07/01/2023

**SCHEDULE**

<b>Limit Of Insurance:</b> \$ 60,000	<b>Each "Accident"</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Coverage**

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".
2. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

**B. Who Is An Insured**

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
  - a. The Named Insured and any "family members".
  - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
  - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
  - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
  - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

### **C. Exclusions**

This insurance does not apply to any of the following:

1. Any claim settled without our consent.
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
4. Punitive or exemplary damages.
5. "Bodily injury" arising directly or indirectly out of:
  - a. War, including undeclared or civil war;
  - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

### **D. Limit Of Insurance**

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident", is the limit of Uninsured Motorists Insurance shown in the Schedule or Declarations. If there is more than one covered "auto", our Limit of Insurance for any one "accident", if the "bodily injury" is sustained by an individual Named Insured or any "family member", is the sum of the limits applicable to each covered "auto". Subject to this maximum limit of liability for all damages:
  - a. The most we will pay for all damages sustained in such "accident" by an "insured" other than an individual Named Insured or any "family member" is that "insured's" pro rata share of the limit shown in the Schedule or Declarations applicable to the vehicle that "insured" was "occupying" at the time of the "accident".
  - b. An individual Named Insured or any "family member" who sustains "bodily injury" in such "accident" will also be entitled to a pro rata share of the limit described in Paragraph a. above.A person's pro rata share is the proportion that that person's damages bears to the total damages sustained by all "insureds".
2. If the "bodily injury" is sustained by any "insured", other than the individual Named Insured or any "family member", in an "accident" in which neither such Named Insured nor any "family member" sustained "bodily injury", the Limit Of Liability shown in the Schedule or Declarations for this coverage is our maximum limit of liability for all damages resulting from any such "accident".
3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.
4. We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
5. We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any workers' compensation, disability benefits or similar law.

### **E. Changes In Conditions**

The Conditions are changed for Uninsured Motorists Coverage as follows:

1. **Other Insurance** in the Business Auto Coverage Forms is changed by addition of the following:
  - a. The reference to "other collectible insurance" applies only to other collectible uninsured motorists insurance.
  - b. Any insurance we provide with respect to a vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form, shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.
2. **Duties In The Event Of Accident, Claim, Suit Or Loss** in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:
  - a. Promptly notify the police if a hit-and-run driver is involved; and
  - b. Promptly send us copies of the legal papers if a "suit" is brought.
3. The **Legal Action Against Us** provision is replaced by the following:

**Legal Action Against Us**

  - a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
  - b. Any legal action against us under this Coverage Form must be brought within two years after the date of the "accident". However, this Paragraph **3.b.** does not apply to an "insured" if, within two years after the date of the "accident", we and the "insured" agree to arbitration in accordance with this endorsement.
4. **Transfer Of Rights Of Recovery Against Others To Us** is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

In any recovery, we will be entitled to payment only after the "insured" has been fully compensated.
5. The following conditions are added:

**Arbitration**

  - a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expense of the third arbitrator equally.
  - b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. Any decision agreed to by two of the arbitrators will be binding.
  - c. The "insured" will not be required to arbitrate disputed claims.
6. The **Two Or More Coverage Forms Or Policies Issued By Us** General Condition does not apply to Uninsured Motorists Coverage. However, no one will be entitled to receive duplicate payments for the same elements of "loss".

#### F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
  - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;

- b.** For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- c.** That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying" or must hit another vehicle which, in turn, hits an "insured", a covered "auto" or a vehicle an "insured" is "occupying".

However, "uninsured motor vehicle" does not include any vehicle:

- a.** Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b.** Owned by a governmental unit or agency; or
- c.** Designed for use mainly off public roads while not on public roads.

**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.**

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KENTUCKY SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS**

For a covered "auto" licensed or principally garaged in Kentucky, this endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. The following exclusion is added to Covered Autos Liability Coverage:**

**Silica Or Silica-related Dust Exclusion For Covered Autos**

**Exposure**

To the extent that the limits of liability exceed the limits of liability required by the Kentucky Motor Vehicle Repairs Act, this insurance does not apply to:

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any "insured" or by any other person or entity.

**B. Additional Definitions**

As used in this endorsement:

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.



**U.S. SPECIALTY INSURANCE COMPANY  
PUBLIC RISK**

**ENDORSEMENT NO.** \_\_\_\_\_

ATTACHED TO AND FORMING A PART OF POLICY NUMBER	ENDORSEMENT EFFECTIVE (Standard Time)					INSURED	AGENCY AND CODE
	MO.	DAY	YR.	12:01 A.M.	NOON		
U23PKG80466-04	7	1	2023	X		FLEMING COUNTY WATER ASSOCIATION INC	00713

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PHYSICAL DAMAGE TO ELECTED OR APPOINTED OFFICIALS, VOLUNTEERS' OR  
EMPLOYEES' PERSONAL AUTOS**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

For "autos" owned by your elected or appointed officials, volunteers or "employees", **SECTION IV — PHYSICAL DAMAGE COVERAGE, A. Coverage, 3. Coverage Extensions** is amended to include the following:

We will pay up to \$1,000 or the amount of the deductible, whichever is less, for any owned "auto" covered under any automobile policy available to you:

1. Elected or appointed officials;
2. "employees"; or
3. "volunteers".

Coverage is for "loss" described under paragraph **A.1.** of this section and is only available while the elected or appointed official, "employee" or "volunteer" is acting at the direction of and within the course and scope of duties determined by the insured.

In no event will we pay for any "loss" under this endorsement to any "auto" owned, leased, hired, rented or borrowed by you, or for any "loss" arising out of "emergency response operations".

Elected and appointed officials, includes members of your operating authorities, boards, commissions, districts, or any other governmental units.

The following definition applies to coverage provided by this endorsement:

**"Emergency Response Operations"** means actions involving your firefighting or emergency medical operations, which are urgent responses for protection of property, human life, health or safety.