



**Pennsylvania Intergovernmental Risk Management  
Association**  
(A Local Government Risk Pool)

**GOVERNMENTAL PROPERTY AGREEMENT  
COVERAGE DECLARATIONS**

This Agreement is issued under and pursuant to the terms, conditions, covenants, Property Addendum dated 09/08/2014 and stipulations of the Intergovernmental Contract dated 09/08/2014 between the Member stated herein and Pennsylvania Intergovernmental Risk Management Association, (hereinafter, the Pool). All terms and conditions of said contract are incorporated herein by reference. In the event that any provision of this Agreement is in conflict with or is inconsistent with the Intergovernmental Contract or any appendix or attachment thereto, the terms and conditions of such Intergovernmental Contract, appendix or attachment shall prevail and take precedence.

GIVE WRITTEN NOTICE OF ANY LOSS HEREUNDER TO

H.A. Thomson Company  
961 Pottstown Pike  
Chester Springs, PA 19425

NAMED MEMBER: Catharine Township, Blair County

MEMBER NUMBER: 0544


MAILING ADDRESS: 1229 Recreation Drive  
Williamsburg, PA 16693

AGREEMENT PERIOD: Commencing at 12:01 A.M. on the effective date indicated below until canceled or replaced.

EFFECTIVE DATE: 02/22/2020

FORMS ATTACHED:	Form Number	Description	Revision Date
	GPA 0600 (01-19)	Property Schedule of Benefits (01-19)	01/2019
	GPA 0601	Section 1	01/2019
	GPA 0601	Section 2	01/2019
	GPA 0601	Section 3	01/2019
	GPA 0601	Section 4	01/2019
	GPA 0601	Section 5	01/2019
	GPA 0601	Section 6	01/2019
	GPA 0601	Section 7	01/2019
	GPA 0625	Underground Lines	01/2019
	GPA 0626	Schedule of Covered Vehicles	
	GPA 0626 MP	Statement of Additional Property	
	GPA 0644	Boiler & Machinery Deductibles Endorsement	01/2019
	GPA 0760	Cyber Breach Coverage	04/2018
	GPA 0761	Cyber Breach Dates and Limits	01/2019
	GPA 0780	Terrorism	01/2019

Countersigned: 02/21/2020

By: 



## Schedule of Covered Vehicles

**Catharine Township, Blair  
County**

**Effective Date:** 02/22/2020

**Printed on:** 02/21/2020

#	Year	Make	Model	VIN	Type	Value	Valuation Comp	Ded	Coll	Ded
1	2011	Ford	F550 w/radio, plow, spreader	1FDUF5H T3BEA07 036	Dump Trucks	\$63,632	ACV Y	\$100	Y	\$250
2	2008	Ford	F550 w/radio, plow, spreader	1FDAF57 R88ED23 310	Dump Trucks	\$61,442	ACV Y	\$100	Y	\$250
3	2005	International	7400	1HTWDA ZR25J136 074	Dump Trucks	\$5,000	ACV Y	\$100	Y	\$250
4	1994	Miscellaneous	Eager Beaver Trailer	112HTN3 0XRL0428 55	Trailers	\$3,050	ACV Y	\$100	Y	\$250
5	2016	Miscellaneous	Sure-Trac Trailer	5JW2D10 2XG4143 183	Trailers	\$4,095	ACV Y	\$100	Y	\$250

Total Location Vehicle Value: \$137,219

**Total ACV Value:** \$137,219    **Total RC Value:** 0    **Total SA Value:** 0    **Grand Total Vehicle Value:** \$137,219



## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2020

Printed on: 02/21/2020

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
-											
<hr/>											
	<b>Value</b>					<b>Valuation</b>					<b>Deductible</b>
EDP - Hardware	\$2,000					RC					\$250
Miscellaneous Property Scheduled	\$90,900					ACV					\$250
Miscellaneous Property Unscheduled	\$259,000					ACV					\$250
<b>Total Location TIV</b>	<b>\$351,900</b>										
<hr/>											
1 - 1 1021 Recreation Drive Williamsburg, PA Concrete Block Garage/Storage/Municipal Building/Addition	3300	0		1996		2	5	Y	N	N	Y
	<b>Value</b>					<b>Valuation</b>					<b>Deductible</b>
Building	\$244,859					RC					\$250
Personal Property	\$2,000										\$250
<b>Total Location TIV</b>	<b>\$246,859</b>										
<hr/>											
1 - 2 1021 Recreation Drive Williamsburg, PA Frame Salt Shed, 24 X 24, 16 ft. high	576	0		1998		1	5	Y	N	N	Y
	<b>Value</b>					<b>Valuation</b>					<b>Deductible</b>
Building	\$21,083					RC					\$250
<b>Total Location TIV</b>	<b>\$21,083</b>										
<hr/>											
1 - 3 1021 Recreation Drive Williamsburg, PA Two (2) Plastic Brine Tanks w/ Pump	0	0				3	5	Y	N	N	Y
	<b>Value</b>					<b>Valuation</b>					<b>Deductible</b>
Building	\$3,121					RC					\$250
<b>Total Location TIV</b>	<b>\$3,121</b>										
<hr/>											
						Total Blanket TIV					\$271,063
						Building					\$269,063



## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2020

Printed on: 02/21/2020

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
											\$2,000
											\$2,000
											\$90,900
											\$259,000
											<b>\$622,963</b>



## Additional Property Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2020

Printed on: 02/21/2020

### Location Information N/A

Line	Classification	Description	Serial No	Coverage Limit	Valuation	Deductible
1	Miscellaneous Property Scheduled	Rhino Boom Mower w/flailhead	SV15-2071R-04	\$14,500	ACV	\$250
2	EDP - Hardware	Unscheduled Hardware & Software		\$2,000	RC	\$250
3	Miscellaneous Property Unscheduled	Leased and Rented Equipment		\$250,000	ACV	\$250
4	Miscellaneous Property Unscheduled	Small Tools & Equipment (no one item over \$1,000)		\$9,000	ACV	\$250
5	Miscellaneous Property Scheduled	1984 Paver	ETNYREFCR00	\$2,500	ACV	\$250
6	Miscellaneous Property Scheduled	CAT Payloader	3TJ00253	\$18,900	ACV	\$250
7	Miscellaneous Property Scheduled	2005 John Deere Loader/Tractor w/bucket, broom & attachment	LV5325P133208	\$55,000	ACV	\$250

Total EDP - Hardware	\$2,000
Total Miscellaneous Property Scheduled	\$90,900
Total Miscellaneous Property Unscheduled	\$259,000
<b>Total Location Additional Property Scheduled Value</b>	<b>\$351,900</b>

Grand Total EDP - Hardware	\$2,000
Grand Total Miscellaneous Property Scheduled	\$90,900
Grand Total Miscellaneous Property Unscheduled	\$259,000
<b>Grand Total Additional Property Scheduled Value</b>	<b>\$351,900</b>



# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2020

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION III – PROPERTY DAMAGE</b>		
Buildings*	\$269,063	\$250
Personal Property*	\$2,000	\$250
Accounts Receivable	\$250,000	
Animals	\$25,000	
Appearance Allowance	\$25,000	
Arson or Theft Reward	\$10,000	
Athletic Surfaces	\$50,000	
Computer Virus	\$50,000	
Cyber Breach Coverage Aggregate	\$250,000	
Cyber Breach Coverage Per Occurrence	\$250,000	
Debris Removal	\$250,000	
Decontamination Costs	\$25,000	
Equipment Rental Reimbursement	\$250,000	
Errors or Omissions	\$500,000	
Expediting Expenses	\$250,000	
Fine Arts - Unscheduled	\$25,000	
Fire Department Service Charge	Actual Cost	
Fire Extinguishing Systems	Actual Cost	
Fire Hydrants (Unscheduled)	\$10,000	
Golf Course Sand Traps, Tee and Greens	10,000/250,000	
Green Coverage	\$100,000	
Guide Rails	\$10,000	
Land and Water Cleanup Expense	\$10,000	
Locks and Keys	\$25,000	
Money and Securities	\$25,000	
New Generation	\$10,000	

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SECTION	COVERAGE LIMIT	DEDUCTIBLE
Off-Premises Service Interruption Property Damage	\$25,000	
Off-Premises Storage - Property Under Construction	\$10,000	
Ordinance or Law	\$500,000	
Outdoor Signs	\$10,000	
Outdoor Trees and Shrubs	10,000/250,000	
Parking Meters and Charging Stations	\$5,000	
Personal Prop Not at a Covered Location	\$50,000	
Pollution Cleanup Expense	\$100,000	
Professional Fees	\$5,000	
Property Removed from a Covered Location	\$250,000	
Protection and Preservation of Property	\$250,000	
Telecommunications Fraud Aggregate	\$50,000	
Telecommunications Fraud Per Occurrence	\$25,000	
Terrorism	See GPA 0780	\$0
Transit Coverage	\$100,000	
Underground Fiber Optic Cable	\$10,000	
Underground Lines	\$1,000,000	
Unscheduled Misc Property	\$10,000	
Unscheduled Playground Equipment	\$25,000	
Valuable Papers and Records	\$250,000	
Water and Sewer Backup	\$100,000	



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SECTION	COVERAGE LIMIT	DEDUCTIBLE
SECTION IV - TIME ELEMENT		
Civil Authority	\$25,000	
Computer Systems and Non-physical Damage	\$10,000	
Contingent Tax Revenue Interruption	\$25,000	
Contingent Time Element	\$10,000	
Earnings During Protection/Preservation	\$25,000	
Expenses to Reduce Loss	\$25,000	
Extended Earnings, Extra Expense and Cost	\$50,000	
Extended Period of Coverage	\$25,000	
Extra Expense and Cost	\$250,000	
Gross Earnings	\$250,000	
Leasehold Interest	\$10,000	
Rental Coverage	\$10,000	
Soft Costs	\$5,000	
Storm Debris Removal	\$5,000	

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SECTION	COVERAGE LIMIT	DEDUCTIBLE
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#### SECTION V - EQUIPMENT BREAKDOWN

Total Limit per one Breakdown*	\$265,788	See GPA 0644
Power Generating Equipment	Excluded	
Equipment Breakdown Civil Authority	\$25,000	
Equipment Breakdown Data or Media	\$250,000	
Equipment Breakdown Defense	Unlimited	
Equipment Breakdown Dependent Properties	\$25,000	
Equipment Breakdown Earnings	\$100,000	
Equipment Breakdown Electrical Surge and Electrical Disturbance	\$100,000	
Equipment Breakdown Error in Description	\$500,000	
Equipment Breakdown Expediting Expenses	\$250,000	
Equipment Breakdown Extended Earnings and Extra Expense	\$100,000	
Equipment Breakdown Extra Expense	\$100,000	
Equipment Breakdown Green Alternatives	\$100,000	
Equipment Breakdown Hazardous Substance	\$100,000	
Equipment Breakdown New Generation	\$10,000	
Equipment Breakdown Newly Acquired Locations	\$2,000,000	
Equipment Breakdown Off Premises Equipment	\$50,000	
Equipment Breakdown Ordinance or Law	\$500,000	
Equipment Breakdown Refrigerant Contamination	\$100,000	
Equipment Breakdown Service Interruption	\$100,000	
Equipment Breakdown Spoliage	Included	
Equipment Breakdown Water Damage	\$100,000	

#### SECTION VI – CRIME

Crime	\$10,000	
Computer Fraud and Funds Transfer	\$10,000	
Employee Theft - Per Employee	\$10,000	
Employee Theft - Per Loss	\$10,000	
Forgery or Alteration	\$10,000	
Inside Premises - Robbery or Safe Burglary	\$10,000	
Money Orders and Counterfeit Money	\$10,000	
Outside Premises	\$10,000	
Theft, Disappearance, Destruction of Money	\$10,000	

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SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION VII - AUTOMOBILE PHYSICAL DAMAGE</b>		
Airbags	\$5,000	
Commandeered Property	\$250,000	
Emergency Response Automobile	\$25,000	
Freezing of Equipment Coverage	\$25,000	
Hired Automobile Physical Damage	\$50,000	
Lease Gap	\$25,000	
Not At Fault Collision Deductible Waiver	\$2,500	
Personal Automobile (Deductible)	Actual Cost	
Property in an Unattended Auto	\$1,000	
Recertification	Actual Cost	
Rental Automobile Agreement	\$10,000	
Rental Reimbursement Aggregate	\$100,000	
Rental Reimbursement Per Day	\$1,000	
Roadside Assistance	\$5,000	
Temporary Substitute Automobile	\$2,500	
Terrorism	See GPA 0780	

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## SECTION I GENERAL PROVISIONS

This **Governmental Property Agreement** is issued pursuant to and in accordance with the Intergovernmental Agreement and is subject to the terms, conditions, covenants and stipulations set forth herein and as specified on the **Declarations** or in any endorsement hereto. In the event that any provision of this **Agreement** is in conflict with, or is incompatible with, the Intergovernmental Agreement or any appendix or attachment thereto, the terms and conditions of the Intergovernmental Agreement, appendix or attachment thereto shall take precedence.

All **SECTIONS** included in this **Agreement** are subject to **SECTION I GENERAL PROVISIONS** of this **Agreement**, except for any modifications included in such other **SECTIONS** of this **Agreement**.

Various provisions in this **Agreement** restrict coverage. Read the entire **Agreement** carefully to determine rights, duties and what benefits are and are not provided.

Throughout this **Agreement**, words and phrases that appear in **bold italics** have special meaning. **You** and **your** refer to the Named Member as specified on the **Declarations**. **We**, **us** and **our** refer to the **Pool**.

Other words and phrases that appear in **bold italics** also have special meaning and are defined in **SECTION I GENERAL PROVISIONS** of this **Agreement** or in the other **SECTIONS** of this **Agreement**.

Coverage applies only to **losses** occurring during the **Agreement Period**. In return for the payment of the contribution and subject to all of the terms of this **Agreement** and the Intergovernmental Contract, the **Pool** agrees to provide coverage pursuant to those Coverage Agreements comprising this **Agreement**.

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

1. **Actual Cash Value** means:
  - a. For a **covered building or structure**, the cost to repair, rebuild or replace the lost or damaged property at the time and place of the **loss**, with property of like kind and quality, less allowance for physical deterioration, depreciation and depletion;
  - b. For a **covered automobile** or all other property, the market value of such **automobile** or property in a used condition at the time and place of the **loss**, if reasonably available in the used market. If not reasonably available in the used market, **actual cash value** means the market value of new, identical or nearly identical **automobile** or property, less allowance for physical deterioration, depreciation, depletion and obsolescence.
2. **Agreement** means this Governmental Property Agreement, including the **Declarations**, **SECTION I GENERAL PROVISIONS**, **SECTION II LOSS ADJUSTMENT AND SETTLEMENT**, **SECTION III PROPERTY DAMAGE**, **SECTION IV TIME ELEMENT**, **SECTION V EQUIPMENT BREAKDOWN**, **SECTION VI CRIME**, **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**, **SECTION VIII EARTH MOVEMENT**, **SECTION**

**IX FLOOD**, and any attached endorsements and any amendments to the Governmental Property Agreement.

3. **Agreement Period** means each period of one year following the effective date and time of this **Agreement** or, such lesser period if the time between the effective date and termination or cancellation of this **Agreement** is less than one year.
4. **Agreement Territory** means the United States of America, its territories, and Canada.
5. **Aircraft** means any machine designed to travel through the air, including but not limited to, airplanes, balloons, dirigibles or helicopters, but aircraft does not mean a **drone**.
6. **Authorized Volunteer** means an individual volunteer while performing a service for **you** at **your** request and at no expense. This term does not include individual volunteers performing services for or on behalf of independent volunteer fire companies, ambulance companies or other entities.
7. **Automobile**
  - a. **Automobile** means a land motor vehicle, motorcycle, motor truck, trailer or semi-trailer, or any similar means of transporting persons or property designed and licensed for travel on public roads, including any permanently attached machinery or apparatus, or equipment removed on a seasonable basis if attached thereto.
  - b. **Automobile** does not include **mobile equipment**.
8. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution in conducting its business.
9. **Blanket Limit** means a single limit of coverage that applies to one or more **covered locations**. The **Blanket Limit** is equal to the total values scheduled for all buildings and personal property on the Statement of Values that are indicated as being part of the **Blanket Limit** and such total is listed as the **Blanket Limit** on the Statement of Values.
10. **Contaminant** means anything that causes **contamination**.
11. **Contamination** means any condition of property due to the actual or suspected presence of any: foreign substance, impurity, **pollutant**, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, **fungi**, mold or mildew.
12. **Covered Automobile** means: an **automobile** specified on the Statement of Values on file with **us** which is owned, leased, or borrowed by **you**, and which **you** acquire, lease, rent, or borrow during the **Agreement Period**, subsequent to the completion of the most recent Statement of Values on file with **us**.
13. **Covered Building or Structure** means a building or structure, described on the Statement of Values on file with **us**, located on a **covered location** and used for the conduct of **your operations**.

14. **Covered Location** means a location specified on the Statement of Values on file with **us** or a location subsequently reported.
15. **Data** means all information stored on media devices including facts, concepts, statistics, texts, sounds, graphics, images, quantities, characters, symbols or computer programs converted to a form usable in a data processing operation.
16. **Declarations** means the Declarations of Coverage attached to and incorporated into the **Agreement**, setting forth the specific indication of the coverages, limits, sublimits, deductibles, contributions, special provisions elected by the **Member**, corresponding schedules and any modifications made by issuance of amendatory Declarations of Coverage.
17. **Drone** means a remote controlled and unmanned aerial vehicle (UAV).
18. **Earth Movement** means **earthquakes**; landslides; mudslides; mudflows; **volcanic eruption**; subsidence, including **mine subsidence**; or earth sinking, rising or shifting; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural and manmade causes, and includes aftershocks therefrom.
20. **Electronic Data Processing Equipment Or Media** means any computer, computer system or component, **hardware**, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, **data** or programs, whether the property of the **member** or not.
21. **Employee**
- a. **Employee** means any individual while in **your** service and in the conduct of **your operations**, whose labor or service is engaged by **you** in your capacity as an employer, subject to Pennsylvania worker's compensation laws, whom **you** compensate by salary, wages or commissions, and have the right to govern and direct in the performance of such service.
  - b. **Employee** does not mean any broker, commission merchant, consignee contractor, retained professional, independent contractor or other representative of the same general character.
22. **Fine Arts** means paintings, drawings, etchings, prints, pictures, tapestries, art glass windows, valuable rugs and tapestries, statuary, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, potteries, rare or art glass, bric-a-brac and similar property of rarity, historical or cultural value, or artistic merit.
23. **Flood** means surface waters; rising waters; storm surge; sea surge; wave wash; waves; tsunami; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of water from natural or man-made bodies of water, or the spray therefrom, all irrespective of whether driven by wind; mudslide or mudflow resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made,



contributing concurrently or in any other sequence of **loss**. **Loss** from **flood** associated with a storm or weather disturbance, whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of the **Agreement**. However, **loss** by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be **loss** by **flood** within the terms and conditions of this **Agreement**.

24. **Functional Replacement Cost** means the cost to repair or replace a building, or the portion of the building being used by **you** for **your** operations, with commonly used construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
25. **Fungi** means any type or form of fungus, including mold, mildew, and any mycotoxin spores, scents or by-products produced or released by **fungi**.
26. **Green** means products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
27. **Green Authority** means an authority on **green** buildings, products, materials, methods or processes, including the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certifications, Green Building Initiative's Green Globes Certification, U.S. Department of Energy/Environmental Protection Agencies' Energy Star Rating System or any other recognized **green** rating system.
28. **Hardware** means a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.
29. **High Hazard Flood Zones** means Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA), including, but not limited to, Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.
30. **Improvements and Betterments** means the fixtures, alterations, installations or additions made a part of the building or structure **you** occupy, but do not own, and that **you** acquired or made at **your** expense, but cannot legally remove.
31. **Land** means any solid portion of the earth except for structures reported on the Statement of Values on file with **us**, such as dikes, levees, retaining walls and other containment structures.
32. **Loss** means direct loss or damage to **you** of **COVERED PROPERTY** occurring during the **Agreement Period**.
33. **Member** means **you** and, while actively engaged in activities on **your** behalf or in **your** interest, any:
  - a. Member of **your** governing body;
  - b. Member of **your** Boards, Commissions, or Councils;

- c. Elected or appointed officers;
- d. **Employees** acting within the scope of their employment; or
- e. **Authorized volunteers**.

34. **Mine Subsidence** means **loss** caused by lateral or vertical ground movement, resulting from the collapse of man-made underground mines, including but not limited to, coal, clay, limestone or fluorspar mines. However, **mine subsidence** does not mean lateral or vertical ground movement caused by:

- a. **Earthquake** or landslide;
- b. Soil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs;
- c. Collapse of storm sewer drains or rapid transit tunnels; or
- d. **Sinkhole Collapse**.

35. **Mobile Equipment**

a. **Mobile equipment** is considered personal property and 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 and not licensed for highway use;
- (3) Vehicles that travel on crawler treads;
- (4) Vehicles, irrespective of whether self-propelled, maintained primarily to provide mobility to:
  - (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 a.(1), a.(2), a.(3) or a.(4) of this definition of **Mobile Equipment** 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 or similar devices used to raise or lower workers;

(6) Vehicles not described in a.(5)(a) or a.(5)(b) of this definition of **Mobile Equipment** that are maintained primarily for purposes other than the transportation of persons or cargo; and

(7) **Drones**.

b. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment**, but will be considered **automobiles**:

(1) Equipment designed primarily for:

(a) Snow removal; or

(b) Street cleaning;

(2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

36. **Money**

a. **Money** means currency, coins, and bank notes in current use and having a face value.

b. **Money** does not mean bitcoin or any other form of cryptocurrency or unregulated **securities** processed through blockchain technologies.

37. **Nuclear Hazard** means nuclear reaction, radiation or radioactive **contamination**, however caused.

38. **Occurrence** means the sum total of all loss, arising out of or caused by one event:

a. Occurring during the **Agreement Period**; or

b. Commencing during the **Agreement Period**, as respects the following:

(1) **Earth Movement: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Earth Movement** during a continuous period of up to one hundred sixty-eight (168) hours.

(2) **Flood: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Flood** within a period of continued rising or overflow and subsidence of same.

(3) **Terrorism: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

(4) **Wind: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Wind** during a continuous period of seventy-two (72) hours.

39. **Operations** means *your* customary activities for which you have been legally or statutorily authorized to undertake.
40. **Period of Restoration**:
- a. Means the period of time that begins on the date the **loss** occurs and ends the earlier of when **your operations** are resumed at a new permanent location or the date the damaged property should, with reasonable speed, be repaired, rebuilt or replaced. The expiration date of this **Agreement** will not lessen the **period of restoration**; and
  - b. Does not include any increased period attributable to the enforcement of an ordinance, law, order, rule or ruling that:
    - (1) Prohibits, regulates or restricts the alteration, construction, installation, operation, use or repair of any property;
    - (2) Requires the tearing down or demolition of any property; or
    - (3) Requires **you** 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**.
41. **Pollutant** means any solid, liquid, gaseous, fibrous, or thermal irritant or **contaminant**, including but not limited to, smoke, vapor, soot, fumes, particulates, acids, alkalis, chemicals, asbestos, **fungi**, lead, silica, waste and any unhealthful or hazardous building materials. Unhealthful or hazardous building materials include, but are not limited to, asbestos and lead products or materials containing lead. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
42. **Pool** means Pennsylvania Intergovernmental Risk Management Association.
43. **Rental Equipment** means equipment which is leased or rented under contract from others by the *member* or other covered party.
44. **Replacement Cost**
- a. **Replacement cost** means the lesser of the following:
    - (1) The cost to repair;
    - (2) The cost to rebuild or replace on the same site, with new materials of like kind and quality;
    - (3) On buildings or structures, machinery, fixtures, and equipment: the actual expenditure incurred in rebuilding, repairing, or replacing the damaged or destroyed property on the same or another site, but not to exceed the size, operating capacity and usage that existed at the time of **loss**; or
    - (4) On all other property, the amount actually expended to replace.

- b. Property not actually repaired or replaced shall be valued at **actual cash value**.
45. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property, and includes: bitcoins and similar instruments, tokens, tickets, revenue and stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**, but does not include **money**.
46. **Sinkhole Collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. **Sinkhole Collapse** does not include sinking or collapse of land into man-made underground cavities.
47. **Soft Costs** means the costs over and above those that are normal at a **covered location** undergoing renovation or in the course of construction, and limited to the following:
- a. Construction loan fees meaning the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing; accounting work necessary to restructure financing; legal work necessary to prepare new documents; and charges by lenders for the extension or renewal of any necessary loans;
  - b. Commitment fees, leasing and marketing expenses meaning the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s) and the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s);
  - c. Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction;
  - d. Property taxes, building permits, additional interest on loans, and realty taxes.
48. **Software** means facts, concepts or instructions converted to a form usable in **hardware**. This includes computer programs and the materials on which information is stored, including, but not limited to, disks, magnetic tapes, CD-ROMs and disc packs.
49. **Terrorism** means any act involving the use or threat of force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution; or any similar act; when the effect or apparent purpose is:
- a. To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
  - b. To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
50. **Theft** means any unlawful taking of property.
51. **Transmission and Distribution Systems** means **your** systems for the delivery of products or services, including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, **data**, internet, cable television, and video. Such systems

shall include pipes, mains, valves, poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

52. ***Vacant Building***

- a. ***Vacant Building*** means a building or structure that does not contain property to conduct ***your operations***. A building is deemed vacant when less than 10% of its total square footage is used by ***you*** to conduct ***your operations***.
- b. ***Vacant Building*** does not mean a building under construction or being remodeled.

53. ***Valuable Papers and Records***

- a. ***Valuable Papers and Records*** means inscribed, printed or written documents, manuscripts or records, including abstracts, accounts, bills, books, deeds, drawings, evidences of debt, films, maps, mortgages or notes.
- b. ***Valuable Papers and Records*** does not mean ***software***.

54. ***Volcanic Eruption*** means the eruption, explosion or effusion of a volcano.

55. ***War and Military Action*** means:

- a. Hostile or military action in time of peace or war, irrespective of whether declared, including action in inciting, supporting, participating in, hindering, combating, or defending against an actual, impending or expected attack by any:
  - (1) Government or sovereign power (*de jure* or *de facto*);
  - (2) Military, naval or air forces; or
  - (3) Agent or authority of any party specified in a.(1) or a.(2) of this definition of ***War and Military Action***.
- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

56. ***Wind***

- a. ***Wind*** means direct action of the natural movement of air, including substances driven by such movement of air.
- b. ***Wind*** does not mean or include anything defined as ***flood*** in this ***Agreement***.

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**B. CONDITIONS**

## 1. AGREEMENT MODIFICATION

- a. **You** and the **Pool** may agree to changes to this **Agreement**. This **Agreement** can be changed only by written amendments issued by the **Pool** and made a part of this **Agreement**.
- b. Notice to any agent or knowledge possessed by any agent or by any other person will not:
  - (1) create a waiver, or change any part of this **Agreement**, or
  - (2) prevent the **Pool** from asserting any rights under the provisions of this **Agreement**.

## 2. ASSIGNMENT

Assignment of this **Agreement** or any coverage under this **Agreement** will not be valid except with the written consent of the **Pool**.

## 3. ASSISTANCE AND COOPERATION

The **member** agrees to cooperate with **us** and do nothing to impede **our** investigation of any **loss** or in pursuing subrogation recovery. The **member** also agrees to attend hearings and trials, cooperate with any counsel **we** assign to assist or defend it, assist **us** in effecting settlements, and in securing and giving evidence in any litigation, arbitration or other proceeding involving **us**.

## 4. BANKRUPTCY OR INSOLVENCY

**Your** bankruptcy, insolvency or financially distressed status shall not release **us** from **our** obligations under this **Agreement**.

## 5. COMPLIANCE

If any provision of this **Agreement** is determined by a court or regulatory body of competent jurisdiction to be prohibited, illegal or void by any law controlling its construction, validity, or enforcement, the provision shall be deemed to be modified or amended to comply with the minimum requirements of the law. The invalidity of any provision does not invalidate the remainder of this **Agreement**. If any coverage provided in this **Agreement** is determined to not comply with the required coverage of any applicable law, this **Agreement** is amended to provide the minimum coverage required by such law.

## 6. CONCEALMENT, MISREPRESENTATION AND FRAUD

The **Pool** has the right to declare this **Agreement** void:

- a. In case of fraud by the **member** in making application for, negotiating, or entering into this **Agreement**; or

- b. If the **member**, at any time, intentionally conceals or misrepresents a material fact concerning this **Agreement** or a claim under this **Agreement**.

#### 7. CONDITIONS SUSPENDING OR RESTRICTING COVERAGE

Unless otherwise agreed in writing by the **Pool** and added hereto, **we** shall not be liable for **loss** which occurs as a result, in whole or in part, of a hazard which is increased by any means within **your** control or knowledge; provided, however, that coverage under this **Agreement** shall not be prejudiced by any act or neglect of any person (other than a **member**), when such act or neglect is not within **your** control.

#### 8. CONTROL OF PROPERTY

The breach of any condition of this **Agreement** at any one or more **covered locations** will not affect coverage at any **covered location** where, at the time of **loss**, the breach of condition does not exist.

#### 9. COVERAGE UNDER TWO OR MORE COVERAGE PROVISIONS

If two or more coverage provisions apply to the same **loss**, **we** will settle the **loss** under the coverage provision providing the broadest coverage and highest applicable limit, but, in no circumstance, shall we settle the loss in excess of such limit.

#### 10. CURRENCY

All amounts, including contributions, limits of coverage, **loss**, and deductibles provided for in this **Agreement** shall be in the currency of the United States of America.

#### 11. DEDUCTIBLES

- a. In each cause of **loss** covered by this **Agreement**, **our** obligation to pay applies only if the **member** sustains a **loss**, in a single **occurrence** greater than the deductible shown in the **Declarations** or elsewhere within this **Agreement**.
- b. Unless stated otherwise, if two or more deductibles provided in this **Agreement** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable.

#### 12. EFFECTIVE DATE

Coverage under this **Agreement** is effective on the date and time as specified on the **Declarations**. To the extent coverage provided by this **Agreement** replaces coverage in other certificates, agreements or insurance policies terminating at any time on the inception date of this **Agreement**, coverage under this **Agreement** will become effective only after such time as that other coverage has terminated.

#### 13. INSPECTION OF PROPERTY AND RECORDS

**We** have the right, but not the obligation, to inspect **your** property and **operations** at any reasonable time, whether before or after a loss, and to examine and audit **your** books and records at any reasonable time during the **Agreement Period** and within 3 years



after the final termination of this **Agreement**, as long as such inspections relate to this **Agreement**.

#### 14. JURISDICTION; CHOICE OF FORUM

This **Agreement**, including its construction, validity and enforcement, will be governed by the laws of the State of Pennsylvania. Jurisdiction for any disputes arising out of this **Agreement** shall be vested in the exclusive jurisdiction of Pennsylvania

#### 15. LEGAL ACTION AGAINST US

No one may bring a legal action against **us** under this **Agreement** unless there has been full compliance with all of the terms of this **Agreement**.

#### 16. LIBERALIZATION

If **we** adopt any provision that would broaden the coverage provided by this **Agreement**, without additional contribution, within 45 days prior to or during the **Agreement Period**, the broadened coverage will immediately apply to this **Agreement**.

#### 17. LIMITS OF COVERAGE

**Our** maximum limit of coverage in a single **occurrence** will not exceed the amount as specified in the **Declarations** for any one **loss**, subject to the following provisions:

- a. Limits of coverage for an **occurrence** apply only to the total **loss** at all **covered locations** and for all coverages involved, subject to the following provisions:
  - (1) When a limit of liability applies in the aggregate during any **Agreement Period**, **our** maximum amount payable will not exceed such limit of coverage during any **Agreement Period**.
  - (2) When a limit of coverage applies to a **covered location** or other specified property, such limit of coverage will be the maximum amount payable for all **loss** at all **covered locations** arising from **loss** at such location or to such other specified property, unless **Blanket Limit** applies.
- b. Should an **occurrence** result in coverage payable under more than one **Agreement** issued to the **Member** by the **Pool**, the maximum amount payable in the aggregate under all such **Agreements** will be the applicable limit(s) of coverage indicated in the **Declarations**.

#### 18. OTHER COVERAGE

If there are any other certificates, agreements or insurance policies, other than this **Agreement**, which apply to a **loss**, **we** will pay only for the excess of the amount due from such certificates, agreements or insurance policies, irrespective of whether **you** can collect on it.

## 19. OUR PAYMENT OF LOSS

- a. **We** will pay for a loss covered by this **Agreement** within 30 days after receiving a sworn statement of loss, if the **member** has complied with all of the terms of this **Agreement**, and either **we** agree with **you** on the amount of loss or an appraisal award has been made.
- b. **We** will not pay **you** more than **your** financial interest in the **COVERED PROPERTY**. **We** may elect to defend the **member**, at **our** expense, against suits arising from claims of owners of property.

## 20. RECORDS

**You** must keep records of all **COVERED PROPERTY** under this **Agreement** so **we** can verify the amount of any **loss**.

## 21. RECOVERIES

- a. Any recoveries under this **Agreement**, whether made by **us** or **you**, shall be applied net of the expense of such recovery:
  - (1) First, to **you** in satisfaction of any deductible on a pro rata basis; and
  - (2) Second, to **us** in satisfaction of amounts paid in settlement of **your** claim.
- 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.

## 22. TITLES

The titles in this **Agreement** are only for reference. The titles do not in any way affect the provisions of this **Agreement**.

## 23. UNINSURABLE RISKS

**We** reserve the right to remove or limit coverage on specific property exposures which **we** deem uninsurable due to the high risk of loss associated with those property exposures.

## 24. WAIVER

No waiver of any provisions of this **Agreement** shall be valid and enforceable, or no permission shall be granted, except as expressed in writing by **us** and added hereto. No provision, stipulation, or forfeiture shall be deemed waived by any requirement or proceeding on **our** part relating to any appraisal or examination provided for in this **Agreement**.

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

## 1. NUCLEAR HAZARD

**Nuclear Hazard**, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by covered loss or damage. However:

- a. If fire or sprinkler leakage not otherwise excluded ensues, **we** shall be liable for loss or damage by such ensuing fire or sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive **contamination**; and
- b. This **Agreement** does cover loss or damage caused by sudden and accidental radioactive **contamination**, including resultant radiation damage, from material used or stored or from **your operations** or **your** premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel at the **covered location**.

## 2. POLLUTION

Pollution, meaning the discharge, dispersal, seepage, migration, release or escape of any **pollutant**.

## 3. TERRORISM

- a. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this **Agreement** covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this **Agreement**, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this **Agreement** or to any other coverages provided by this **Agreement**.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this **Agreement**.

4. WAR AND MILITARY ACTION

*War and Military Action.*

**SECTION II**  
**LOSS ADJUSTMENT AND SETTLEMENT**

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## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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**SECTION II LOSS ADJUSTMENT AND SETTLEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

### A. LOSS ADJUSTMENT/PAYABLE

Loss covered by this *Agreement*, if any, will be adjusted with and payable to **you** or to **your** designee. Additional parties will also be included in covered loss payment as their interests may appear when specifically named in an endorsement to this *Agreement*.

### B. DUTIES IN THE EVENT OF A LOSS

**You** or **your** authorized representative must do all of the following in the event of a loss:

1. Notify the police if a law may have been broken;
2. Notify **us** promptly of the loss or of an event that may give rise to a claim for loss;
3. Take all reasonable steps to protect the property from further loss. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of **your** expenses for emergency and temporary repairs for consideration in the settlement of the loss;
4. As soon as possible, give **us** a description of how, when and where the loss occurred;
5. At **our** request, give **us** complete inventories of the damaged property, including quantities, costs, values and amount of loss claimed;
6. Cooperate with **us** in the investigation of the claim;
7. As often as **we** may reasonably require **you** to:
  - a. Permit **us** to inspect the property which is the subject of the claimed loss and all that remains of any such property;
  - b. Submit to examination under oath by any person designated by **us** and sign the written transcript of such examinations;
  - c. Produce for examination at **our** request:
    - (1) All books of accounts, business records, bills, invoices and other vouchers; or
    - (2) Certified copies if originals are lost, and, if requested, make copies for **us**; and
  - d. Permit **us** to take samples of damaged property for inspection, testing and analysis;
8. Within 60 days after **our** request, send **us** a signed, sworn proof of loss containing the information **we** request to investigate the claim; and
9. Repair or replace the damaged property, as soon as reasonably possible, but not to exceed two years from the date of loss.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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### C. POOL OPTION

**We** have the option to take all or any part of the damaged property at the agreed or appraised value. **We** must give notice to **you** of **our** intention to do so within 60 days after **our** receipt of the proof of loss.

### D. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a covered loss in excess of any applicable deductible, **we** will advance mutually agreed upon partial payment(s) for such covered loss, subject to the **Agreement's** provisions. To obtain such partial payments, **you** must submit a signed and sworn proof of loss as described in this **Agreement**, with adequate supporting documentation.

### E. COLLECTION FROM OTHERS

**We** will not be liable for any loss to the extent **you** have collected for such loss from others.

### F. SUBROGATION

1. **You** are required to cooperate in any subrogation proceedings. **We** may require from **you** an assignment or other transfer of all rights of recovery against any party for loss to the extent of **our** payment.
2. **We** will not acquire any rights of recovery that **you** have expressly waived prior to a loss, nor will such waiver affect **your** rights under this **Agreement**.
3. **We** are entitled to priority of recovery to the extent payment has been made to **you** for such loss.

### G. ABANDONMENT

There may be no abandonment of any property to **us**.

### H. APPRAISAL

1. In the event that **you** and the **Pool** fail to agree on the scope or amount of loss within 180 days from a written offer being made by **us**, then, on the written demand of either party, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected. The designated appraisers shall then select a competent and disinterested umpire and failing to agree upon such umpire, then, on request by **you** or the **Pool**, such umpire shall be selected by a judge of a court of record in the jurisdiction in which the **COVERED PROPERTY** is located.
2. The appraisers shall, as soon as practicable, appraise the scope or amount of loss and, if failing to agree, shall submit their differences to the umpire. The decision of the umpire will be binding. Each party shall pay its chosen appraiser and related expenses, and share the expenses of the umpire equally.
3. A demand for appraisal shall not relieve **you** from **your** obligation to comply with the terms and conditions of this **Agreement**, including as provided in, **B. DUTIES IN THE EVENT OF A LOSS** of this **SECTION**.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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4. **We** will not be held to have waived any of **our** rights by any act relating to APPRAISAL.

### I. SUIT AGAINST THE POOL

1. No suit, action or proceeding for the recovery of any claim against the **Pool** will be sustained in any tribunal, including in a court of law or equity, unless:
  - a. **You** have fully complied with all the provisions of this **Agreement**, and
  - b. Legal action is started within two years after inception of the loss.
2. If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be commenced within the shortest limit of time permitted by such laws.

### J. SETTLEMENT OF CLAIMS

The amount of loss for which **we** may be liable will be paid within 30 days after:

1. Proof of loss as described in this **Agreement** is received by **us**; and
2. When a resolution of the amount of loss is made either by:
  - a. Written agreement between **you** and **us**; or
  - b. The receipt by **us** of a binding decision as provided in **H. APPRAISAL** of this **SECTION**.

### K. PROPERTY OF OTHERS

**We** may adjust a loss with the owners of lost or damaged property, if other than **you**. If **we** pay the owners of such property, 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 lost or damaged property.

### L. RECOVERED PROPERTY

If either **you** or **we** recover any **COVERED PROPERTY** after loss settlement, the party making such recovery must give the other party prompt notice of the recovery. At **your** option, such property will be returned to **you** if **you** return to **us** the amount **we** paid **you** for the property or **loss**. **We** will pay recovery expenses and the expense to repair such property subject to the applicable limit.

### M. RESTITUTION

To the extent that restitution is made to **you** for property or payments made by **us** under this **Agreement**, **you** shall remit the same to **us**, regardless of whether such restitution is made within or after the **Agreement Period**.



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**SECTION III PROPERTY DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

This **SECTION** covers property described herein against all risks of *loss*, except as excluded or amended.

#### A. COVERED PROPERTY

Subject to the Limits of Coverage as specified in the *Declarations* or the Statement of Values or other schedule on file with *us*, this **SECTION** addresses the following **COVERED PROPERTY**, unless otherwise excluded elsewhere in this *Agreement*, to the extent of the interest of the *member* in such **COVERED PROPERTY**:

1. REAL PROPERTY in which *you* have an insurable interest that:
  - a. Is included in the Statement of Values on file with *us*;
  - b. Is a newly acquired building reported to *us* within 120 days of acquisition;
  - c. Is a building or addition under construction that is reported to *us* within 120 days of start of construction; or
  - d. Consists of *improvements and betterments* in which *you* have an insurable interest.
2. PERSONAL PROPERTY on, at or within 1,000 feet of a *covered location* that is:
  - a. Personal property owned, leased, rented, or borrowed by *you*;
  - b. Materials, equipment, supplies and temporary structures which are used for making additions, alterations or repairs to buildings or structures that are **COVERED PROPERTY**;
  - c. Personal property of *your* officers and *employees*, while on *your* premises;
  - d. Personal property of others in *your* care, custody or control to the extent *you* are under obligation by contract to keep such personal property insured for *loss* covered by this **SECTION**;
  - e. Personal property of others that is in *your* care, custody or control, to the extent *you* are legally liable for covered *loss* to that personal property;
  - f. *Your* personal property that is temporarily at a location *you* do not own, lease or operate, up to the limit specified in the *Declarations* for Temporary Storage Location;
  - g. *Your* personal property at any location *you* newly acquire or lease, up to the limit specified in the *Declarations* for Personal Property at Newly Acquired or Leased Locations, but only until this *Agreement* is terminated, 120 days after *you* acquire or lease that location, or *you* report the values to *us*, whichever occurs first;

- h. **Your** personal property in the open or in an **automobile**; or
- i. Of contractors' and subcontractors' during construction to the extent of **your** legal liability for covered **loss** to such property.

### 3. ERRORS OR OMISSIONS

Any real or personal property, other than **fine arts**, **you** own or occupy and for which coverage would otherwise be available under this **SECTION**, up to the limit specified in the **Declarations** for Errors or Omissions:

- a. for the **member's** unintentional failure to include such owned property or property occupied by **you** on the Statement of Values on file with **us** for this **Agreement Period**;
- b. for which the description, location or valuation is incomplete on the Statement of Values on file with **us** solely because of the **member's** unintentional error or unintentional omission; or
- c. for the **member's** unintentional failure to report such owned property or property occupied by **you** if such property was built or acquired by **you** during this **Agreement Period**.

The unintentional error, omission or failure must be reported in writing and corrected when discovered and the appropriate contribution charged and paid.

### 4. FINE ARTS

**Fine arts** as described on a schedule on file with **us**.

**Fine Arts** shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

### 5. PROPERTY THAT MUST BE SCHEDULED

Irrespective of Section 3 above, Property and equipment of the following types must be included on the Statement of Values on file with **us**, on another schedule on file with **us**, or covered by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS** of this **SECTION**, to be covered:

Fences, gates, retaining walls, flag poles, radio or television antennas and their related wiring, masts or towers, windmills, wind turbines, free standing signs, swimming pools, bulkheads, pilings, piers, wharves or docks, fire hydrants, street lights, traffic lights and related equipment, traffic signs, bridges, tunnels, overpasses, playground equipment, artificial athletic surfaces, basketball and tennis courts, roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, free standing lights and light poles, guide rails, road signs and any off-premises piping, off-premises underground wiring, off-premises optic cables or telephone and communication lines or off-premises electric **transmission and distribution systems** including poles and pole-mounted transformers.

The above-referenced property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

6. MISCELLANEOUS PERSONAL PROPERTY

Miscellaneous personal property as described on a schedule on file with **us**.

Miscellaneous personal property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

**B. PROPERTY EXCLUDED**

This **SECTION** excludes the following, except when included on the Statement of Values on file with **us**, another schedule on file with **us**, or as otherwise stated elsewhere in this **Agreement**:

1. Animals, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 2. ANIMALS of this **SECTION**.
2. Swimming pools, basketball and tennis courts and athletic fields.
3. **Automobiles** licensed for highway use or owned by **your** directors, officers or **employees**, except as provided by **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**.
4. Bridges, overpasses, and tunnels intended for use by **automobiles**.
5. Docks, piers, wharves, pilings or bulkheads which are not a structural part of a **covered building or structure**.
6. Electric **transmission and distribution systems** including poles and pole-mounted transformers except when located at or within 1,000 feet of a **covered location**.
7. Fences, gates, retaining walls, flag poles, radio or television antennas, masts or towers and their related wiring.
8. Fire hydrants that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 13. FIRE HYDRANTS of this **SECTION**.
9. **Land, land** values, any substance in or on **land**, or any alteration to the natural condition of the **land**, including golf course sand traps, tees and greens, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 14. GOLF COURSE SAND TRAPS, TEES AND GREENS of this **SECTION**.
10. Free-standing lights and light poles, traffic lights and related equipment.
11. **Money** or **securities**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 19. MONEY AND SECURITIES of this **SECTION**.
12. Growing crops, standing timber, plants, lawns, trees, or shrubs except as provided by **D**.

**ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 25. OUTDOOR TREES AND SHRUBS of this SECTION.**

13. Playground equipment, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 35. UNSCHEDULED PLAYGROUND EQUIPMENT of this SECTION.**
14. Reservoirs, canals, dikes or dams.
15. Roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 5. ATHLETIC SURFACES of this SECTION.**
16. Satellites, *aircraft* or *drones*.
17. Traffic signs, road signs, and free-standing signs that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 24. OUTDOOR SIGNS of this SECTION.**
18. Steam boilers, steam pipes, steam engines, and steam turbines caused by or resulting from any condition or event inside such equipment. However, **we** will pay for a **loss** 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.
19. Property in transit, except as otherwise provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. TRANSIT COVERAGE of this SECTION.**
20. Underground mines, mine shafts, or any property within such mine or shaft.
21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. UNDERGROUND FIBER OPTIC CABLE of this SECTION.**
23. **Vacant Buildings** which have been vacant for more than 120 consecutive days, and the **loss** results from vandalism, sprinkler leakage (unless the **member** has protected the system against freezing), building glass breakage, water damage, **theft**, or attempted **theft**.
24. Water, except for water contained within any swimming pool, water tank, enclosed tank, or water processing equipment that is included on the Statement of Values on file with **us**.
25. Watercraft, except rowboats and canoes.

**C. CAUSE OF LOSS EXCLUDED**

This **SECTION** excludes coverage for:

1. Interruption of business.
2. Loss of market or loss of use, except loss of use of the **member's electronic data processing equipment or media**.
3. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained **loss**.
4. **Loss** from enforcement of any law or ordinance except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 23. ORDINANCE OR LAW** of this **SECTION**.
5. **Loss** resulting from the voluntary parting with title or possession of **COVERED PROPERTY** unless induced by any fraudulent act or by false pretense.
6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - a. Any wrongful or dishonest act, including but not limited to **theft**, committed alone or in collusion with others, at any time:
    - (1) by a **member**, or
    - (2) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **member** to do anything in connection with **COVERED PROPERTY** by this **SECTION**.

However, this **SECTION** does cover acts of direct covered physical damage intentionally caused, without **your** knowledge, by **your employee** or any individual specified in **C. CAUSE OF LOSS EXCLUDED, 6.a.(2)** of this **SECTION**.
  - b. Lack of incoming electricity, fuel, water, gas, steam or refrigerant caused by an event away from a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 21. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE** of this **SECTION**. Additionally, if the lack of such a service directly causes physical damage at the **covered location**, then only that resulting damage is covered.
  - c. **Earth Movement** except as may be provided in **SECTION VIII EARTH MOVEMENT** of this **Agreement**.
  - d. **Sinkhole collapse** except resulting damage to **your** real or personal property.
  - e. **Flood**, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as may be provided in **SECTION IX FLOOD** of this **Agreement**.

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- f. Seepage or influx of water from natural underground sources.
7. The following types of **loss**, provided that, if physical damage is not excluded by this **SECTION** from any of the following types of **loss**, then only that resulting damage is covered:
- a. **Loss** caused by or resulting from wear and tear, deterioration, depletion, rust, corrosion, inherent vice or latent defect.
  - b. **Loss** to any **fine arts** as a result of restoring, repairing or retouching processes.
  - c. **Loss** to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested or otherwise worked on.
  - d. **Loss** caused by or resulting from:
    - (1) Changes in temperature, atmospheric or otherwise, except damage to machinery or equipment including fire protection equipment; or
    - (2) Changes in relative humidity, atmospheric or otherwise.
  - e. **Loss** caused by or resulting from settling, cracking, shrinking, bulging or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery);
    - (2) Walls;
    - (3) Floors;
    - (4) Pavements or roadways;
    - (5) Roofs; or
    - (6) Ceilings.
  - f. **Loss** caused by or resulting from insects, termites, moths, or arachnids, unless **loss** not otherwise excluded in this **SECTION** ensues, and then only for such ensuing **loss**.
  - g. **Loss** caused by or resulting from waste, discharge or excretions from rodents, birds, vermin, or other animals.
  - h. **Loss** to personal property in the open caused by or resulting from rain, sleet, hail, ice, snow, dust or sand.
  - i. **Loss** to the interior portion of buildings under construction caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, when the installation of the roof, walls and windows of such buildings have not been completed.



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- j. **Loss** to the interior portion of any building or structure, or the property inside the building or structure, caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, unless the building or structure first sustains **wind** or hail damage to its roof or walls through which the rain, sleet, hail, ice, snow, dust or sand enters.
8. All **loss**, cost, expense or remediation directly arising out of, resulting from, or in any manner related to any of the following:
- a. **Contamination**, including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 8. DECONTAMINATION COSTS** of this **SECTION**.
  - b. Shrinkage, evaporation or loss of weight, unless directly resulting from other physical damage not excluded by this **SECTION**.
  - c. Changes in color, flavor, texture or finish.
  - d. **Pollutants, fungi**, wet or dry rot, irrespective of whether there is another cause of loss which may have contributed concurrently or in any sequence to a loss, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 17. LAND AND WATER CLEANUP EXPENSE** or **28. POLLUTION CLEANUP EXPENSE** of this **SECTION**.
9. **Loss** caused by or resulting from faulty, inadequate or defective:
- a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - d. Maintenance; or
  - e. Programming or machine instructions.
10. Equipment breakdown loss except as provided elsewhere in this **Agreement**.
11. **Loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 37. WATER AND SEWER BACKUP** of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most **we** will pay are the limits for each **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically

stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

#### 1. ACCOUNTS RECEIVABLE

- a. This **EXTENSION** covers amounts which the **member** is unable to collect as a direct result of covered **loss** to accounts receivable at a **covered location**.
- b. Coverage includes:
  - (1) Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected. Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted;
  - (2) Collection expenses in excess of normal collection costs; and
  - (3) Other reasonable expenses incurred by the **member** in recreating records of accounts receivable.
- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** excludes shortage caused by or resulting from:

  - (1) Bookkeeping, accounting, or billing errors or omissions.
  - (2) Alteration, falsification, manipulation, **theft**, concealment, destruction or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, obtaining or withholding of **money**, **securities** or other property.

#### 2. ANIMALS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by a **member** to replace (including training of such replacement) of a dog or horse owned by the **member** that is stolen or killed, or if the animal's death or necessary destruction is a result of an accident or exposure to any contagious or communicable disease, which occurs during the **Agreement Period** and while the animal is being used in the conduct of **your operations**.
- b. The most **we** will pay for any one covered dog or covered horse in any one **occurrence** is the limit of coverage specified in the **Declarations**.
- c. No deductible applies to this **EXTENSION**.

#### 3. APPEARANCE ALLOWANCE

This **EXTENSION** covers the reasonable cost incurred by **you** to refinish or replace:

- a. The undamaged portion of a façade of a **covered building or structure**, which has been damaged by a covered **loss**, to visually match the repaired portion, but only

when the façade of such **covered building or structure** visually matched the damaged portion prior to the **loss**: or

- b. The undamaged portion of a façade of a **covered building or structure**, located within 1,000 feet of a **covered building or structure** which has been damaged by a covered **loss**, to visually match the repaired property, but only when the façade of such **covered building or structure** visually matched the damaged **covered building or structure** prior to the **loss**.

#### 4. ARSON OR THEFT REWARD

- a. This **EXTENSION** covers payment of any reward offered by the **member** or on the **member's** behalf for information that leads to conviction of the perpetrator(s) of arson to or **theft** of **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

#### 5. ATHLETIC SURFACES

This **EXTENSION** covers **loss** to artificial, man-made paved impervious or paved athletic surfaces.

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
- b. **Your loss** resulting from the necessary interruption of **your operations**;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.

#### 7. DEBRIS REMOVAL

- a. This **EXTENSION** covers the reasonable and necessary costs incurred to remove debris as a result of a covered **loss**.
- b. This coverage includes the costs of removal of contaminated property only if the **contamination** is due to the actual, not suspected, presence of **contaminant(s)** in the debris.

#### 8. DECONTAMINATION COSTS

- a. If **COVERED PROPERTY** is contaminated as a direct result of covered **loss** and there is any law or ordinance in force at the time of the **loss** regulating **contamination** due to the actual, not suspected, presence of **contaminant(s)**, then

this **EXTENSION** covers the increased cost of decontamination and/or removal of such contaminated **COVERED PROPERTY** in a manner to satisfy such law or ordinance.

- b. This **EXTENSION** applies only to that part of **COVERED PROPERTY** so contaminated due to the actual, not suspected, presence of *contaminant(s)* as a direct result of covered physical damage.

#### 9. EQUIPMENT RENTAL REIMBURSEMENT

- a. This **EXTENSION** covers the rental expenses incurred by *you* for the rental of substitute equipment because of *loss* to **COVERED PROPERTY** by a covered cause of *loss*, when such rental is necessary to sustain *your* normal operations.
- b. **We** will pay those rental expenses incurred by *you* for the rental of substitute equipment during the period commencing 24 hours after the date of *loss*, and ending, regardless of the expiration of the **Agreement Period**, when such **COVERED PROPERTY** has been replaced or restored to service or *your* need for the substitute equipment no longer exists, whichever comes first.
- c. The most **we** will pay for rental expenses in any one *loss* shall not exceed the limit designated in the **Declarations** for Equipment Rental Reimbursement.
- d. No deductible applies to this **EXTENSION**.

#### 10. EXPEDITING EXPENSES

- a. With respect to **COVERED PROPERTY** that has sustained covered *loss*, this **EXTENSION** covers the reasonable and necessary costs incurred to temporarily repair or replace, and to expedite the permanent repair or replacement of, such **COVERED PROPERTY**.
- b. This coverage does not include expenses payable elsewhere in this **EXTENSION**, including the cost of permanent repair or replacement of damaged property.

#### 11. FINE ARTS - UNSCHEDULED

This **EXTENSION** covers *loss* to, or theft of, *fine arts* not scheduled on the Statement of Values on file with *us*, while anywhere within the **Agreement Territory** including in transit.

#### 12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by *you* during the **Agreement Period** when a fire department, other than *your* fire department, is called to save or protect *your* **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

## 14. FIRE HYDRANTS

This **EXTENSION** covers **loss** to **your** unscheduled fire hydrants.

## 15. GOLF COURSE SAND TRAPS, TEES AND GREENS

This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to repair or replace physically damaged golf course sand traps, tees or greens with material of comparable kind and quality, as a result of **loss** caused by fire, lightning, explosion, **aircraft**, **automobiles**, riot or civil commotion, vandalism, or **sinkhole collapse**.

## 16. GREEN COVERAGE

- a. This **EXTENSION** covers the reasonable and necessary additional costs incurred by **you**, as a direct result of covered **loss**:
  - (1) To repair or replace physically damaged **COVERED PROPERTY** with material of comparable kind and quality which qualifies as **green**.
  - (2) To replace the physically damaged portions of covered roofing systems with vegetative roof(s) which qualify as **green**.
  - (3) As part of **green** reconstruction, to flush out the air in the area of the physically damaged **COVERED PROPERTY** with 100 percent outside air and to provide replacement filtration media for the building's ventilation system that controls the damaged area.
  - (4) For an accredited professional certified by a **green authority** to participate in the design and construction for repairing or rebuilding the damaged property as **green**.
  - (5) For the process of certification or recertification of the repaired or replaced **COVERED PROPERTY** as **green**.
  - (6) For **green** removal, disposal or recycling of the damaged **COVERED PROPERTY**.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover:

- (1) Stock, raw materials, work in process, finished goods, merchandise, production machinery and equipment, **electronic data processing equipment** not used in functional support of the real property, property in the open, property of others for which you are legally liable, and personal property of **your** directors, officers or **employees**.
- (2) Any property adjusted on other than repair or replacement per the Valuation clauses of this **SECTION**.
- (3) Any **loss** recoverable elsewhere in this **Agreement**.

#### 17. GUIDE RAILS

This **EXTENSION** covers **loss** to **your** unscheduled guide rails, high-tension cable barriers, bollards or other traffic restraining structures.

#### 18. LAND AND WATER CLEANUP EXPENSE

- a. **We** will pay reasonable and necessary additional expenses incurred by **you** to remove, dispose of, or clean up the actual presence of **pollutants** from **land** or water at any **covered location** when such **land** or water is contaminated or polluted due to a covered **loss** at a **covered location** up to the limit specified in the **Declarations** for this **EXTENSION**.
- b. This additional coverage does not apply unless such expenses are reported to **us** within 180 days after the date of such covered **loss**.

#### 19. LOCKS AND KEYS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by **you** to replace undamaged keys and to replace, adjust or reprogram undamaged locks to accept new keys or entry codes as a result of covered **loss**.
- b. No deductible applies to this **EXTENSION**.

#### 20. MONEY AND SECURITIES

- a. This **EXTENSION** covers **loss** to **your money** and **securities** at a **covered location** resulting from fire, explosion or sprinkler leakage.
- b. There will be no coverage for any **loss** to **money** and **securities** unless such **loss** is reported to **us** within 14 days of the date of **loss**.

#### 21. NEW GENERATION

If **you** elect to replace damaged **COVERED PROPERTY** with a newer generation of **COVERED PROPERTY** of the same capacity, **we** will pay up to 25% more than **COVERED PROPERTY** of like kind, quality and capacity would have cost at the time of **loss**.

## 22. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE

- a. This **EXTENSION** covers **loss** at a **covered location** caused by or resulting from the interruption, in whole or in part, of incoming electric, gas, fuel, steam, water, refrigeration, or outgoing sewage or incoming or outgoing voice, **data**, internet, cable television, or video services.
- b. The interruption of such services must be by reason of an accidental event, not otherwise excluded by this **Agreement**, to the property of the service provider(s) located within the **Agreement Territory**.
- c. The following Additional Condition applies to this **EXTENSION**:  
**We** will not be liable for deliberate act(s) by the service provider to shed load, constrain or limit its service to maintain its system integrity.
- d. The following Additional Exclusions apply to this **EXTENSION**:  
This **EXTENSION** does not cover **loss** caused by or resulting from the following regardless of any other cause or event, irrespective of whether covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**:
  - (1) **Terrorism**; or
  - (2) The interruption of incoming or outgoing voice, **data**, internet, cable television or video service for any reason involving a satellite.

## 23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- a. This **EXTENSION** covers **loss**, not otherwise excluded, to property under contract to be used in a construction project at a **covered location**:
  - (1) From the time such property is delivered to the **member** or the **member's** contractor (with respect to the property under construction) by the manufacturer or supplier;
  - (2) While such property is located at a storage site; or
  - (3) While such property is in transit from a storage site to another storage site or to a construction project at a **covered location**,all while within the **Agreement Territory** but away from the **covered location**.
- b. This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.
- c. The following Additional Exclusions apply to this **EXTENSION**:

- (1) As respects property in transit, the Transit Coverage Exclusions clause of **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 33. TRANSIT COVERAGE of this **SECTION** applies.
- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement** or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

#### 24. ORDINANCE OR LAW

- a. The following modified definition applies only to this **EXTENSION**:

**Building** means building, structure, machinery, or equipment.

- b. This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to comply with the enforcement of the minimum requirements of any law or ordinance that:

- (1) Regulates the demolition, construction, repair, replacement or use of **buildings**;
- (2) Is enforced as a direct result of covered **loss**; and
- (3) Is in force at the time of such **loss**.

- c. Value of the Undamaged Building

**We** will pay for the value of the undamaged portion of the **covered building or structure** that was required to be demolished by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law. **We** will do this on the same valuation basis that applies to the entire **building**. This does not include any increased costs to repair, replace or rebuild the **covered building or structure** due to a requirement to comply with any ordinance or law;

- d. Demolition Costs:

**We** will pay the actual cost to demolish the undamaged portion of the **covered building or structure**, to take necessary actions to secure the structural integrity of any remaining portion of the covered building or structure, and to clear the site of the undamaged portion of the **building** when required to do so by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law; and

- e. Increased Costs and Increased Cost of Construction:

- (1) If the **covered building or structure** is subject to the **Replacement Cost** (RC) provision on the Statement of Values on file with **us**, and **you** rebuild the **covered building or structure**, **we** will pay for the actual increased costs to repair, replace or rebuild the **covered building or structure** at the same location or at another location if it is a requirement to comply with an ordinance or law, for



the same general size and the same general use, to the minimum standards to comply with such ordinance or law.

- (2) **We** will not pay for these increased costs until the **covered building or structure** is actually repaired or replaced.
  - (3) **You** may choose to replace the **covered building or structure** at another location, however, **we** will not pay more for increased cost of construction at the new location than the amount of such costs **we** would have paid to replace the **covered building or structure** at the original location.
  - (4) If **you** choose to replace the **covered building or structure** at another location, **we** will not pay for the purchase of the **land** or any expenses related to the purchase, subdivision, development, testing or preparation of the **land** for the new location.
- f. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** excludes coverage for:
- (1) Any cost incurred as a direct or indirect result of enforcement of any building, zoning or land use ordinance or law regarding any form of **contamination**;
  - (2) Any cost incurred due to any law or ordinance with which **you** were legally obligated to comply prior to the time of the **loss**;
  - (3) Any machinery or equipment manufactured by or for **you**, unless used by **you** at the **covered location** suffering the **loss**; and
  - (4) **We** will not pay costs for the compliance with any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the **loss** but not to exceed two years.
- g. **Our** maximum cost for this coverage in any one **occurrence** will not exceed the limit specified in the **Declarations**.

## 25. OUTDOOR SIGNS

This **EXTENSION** covers **loss** to outdoor signs, other than traffic signs or road signs, that are located more than 1,000 feet from a **covered location**.

## 26. OUTDOOR TREES AND SHRUBS

- a. This **EXTENSION** covers **loss** to outdoor trees, shrubs or plants located within 100 feet of a **covered building**. However, this **EXTENSION** does not apply to **loss** caused by **wind**, hail, or weight of ice or snow.
- b. This **EXTENSION** covers **loss** caused by **wind** to outdoor trees, shrubs or plants planted for cosmetic effect at a **covered location**.

## 27. PARKING METERS AND CHARGING STATIONS

This **EXTENSION** covers **loss** to parking meters, smart parking meter systems, and electric **automobile** charging stations owned by **you**, not otherwise covered by this **Agreement**.

## 28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

a. This **EXTENSION** covers **loss** to personal property:

(1) Owned by **you**; or

(2) Property of others in the **member's** custody, to the extent **you** are obligated to provide coverage;

not within 1,000 feet of a **covered location** while anywhere within the **Agreement Territory**.

b. The following additional exclusion applies:

This **EXTENSION** does not cover **loss** caused by or resulting from **earth movement** or **flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

## 29. POLLUTION CLEANUP EXPENSE

a. This **EXTENSION** covers the cost to remove **pollutants** from permanently installed water and wastewater treatment equipment at a **covered location** caused by an off-premises event which results in the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

b. **C. CAUSE OF LOSS EXCLUDED**, 8.a. and 8.d. of this **SECTION** do not apply to this **EXTENSION**.

## 30. PROFESSIONAL FEES

a. This **EXTENSION** covers the reasonable and necessary expenses incurred by **you** and agreed to by **us**, for:

(1) Auditors;

(2) Accountants;

(3) Architects;

(4) Engineers; or

(5) Other professionals;

to produce and certify particulars or details to determine the amount of **loss** payable under this **SECTION**.

- b. This coverage does not include the fees and expenses of attorneys, public adjusters, or any of their subsidiaries or related or associated entities.
- c. No deductible applies to this **EXTENSION**.

### 31. PROPERTY REMOVED FROM A COVERED LOCATION

- a. This **EXTENSION** applies to **COVERED PROPERTY** when removed from a **covered location** to avoid or prevent immediately impending covered **loss** to such property. This **EXTENSION** covers such property for **loss** which would have been covered at the location from which the property was removed.
- b. This coverage applies for a period of 120 days from the date of removal of the **COVERED PROPERTY** from a **covered location**, but not beyond the **Agreement Period**.

### 32. PROTECTION AND PRESERVATION OF PROPERTY – PROPERTY DAMAGE

- a. This **EXTENSION** covers the reasonable and necessary expenses incurred for:
  - (1) Actions to temporarily protect or preserve **COVERED PROPERTY**, provided that such actions are necessary due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**;
  - (2) The water used for fighting a fire in, on or exposing the **COVERED PROPERTY**; and
  - (3) Temporary security for a period of time not to exceed 30 consecutive days due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

### 33. TRANSIT COVERAGE

- a. This **EXTENSION** covers **loss** to or of the following personal property, except as excluded by this **Agreement**:
  - (1) Owned by **you**;
  - (2) Of others to the extent of **your** interest or legal liability while in the actual or constructive custody of the **member**; or
  - (3) Shipped to others on Free on Board (FOB), Cost and Freight (C&F) or similar terms;

while in transit within the **Agreement Territory** from the time such **COVERED PROPERTY** leaves the original point of shipment, continuously in the due course of transit and until delivered at the point of destination.

b. This **EXTENSION**:(1) Covers **loss** caused by or resulting from:

- (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts by the **member** or **your** agent, customer or consignee; or
- (b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.

(2) Covers general average and salvage charges on shipments while waterborne.

c. The following Additional Conditions apply to this **EXTENSION**:(1) Permission is granted to the **member**, without prejudice to this coverage, to accept ordinary bills of lading used by carriers, including:

- (a) Released and/or undervalued bills of lading; or
- (b) Shipping or messenger receipts;

(2) **You** may waive subrogation against railroads under sidetrack agreements; and(3) **You** may not enter into any special agreement with carriers releasing them from their legal liability.d. This **EXTENSION** shall not inure directly or indirectly to the benefit of any carrier or bailee.e. The following Additional Exclusions apply to this **EXTENSION**:This **EXTENSION** does not cover:

- (1) Shipments by air unless made by regularly scheduled airlines; or
- (2) Any transporting vehicle, **automobile** or **mobile equipment**.

## 34. UNDERGROUND FIBER OPTIC CABLE

This **EXTENSION** covers **loss** to unscheduled underground fiber optic cable, running within **your** political boundaries that is either:

- a. Owned by **you**; or
- b. Leased by **you** from others under a contract that requires **you** to obtain insurance (on their behalf) against property damage.

## 35. UNSCHEDULED MISCELLANEOUS PERSONAL PROPERTY

This **EXTENSION** covers **loss** to miscellaneous personal property that is not included on the Statement of Values on file with **us**:

- a. Owned by a **member** while actively engaged in activities on **your** behalf or in **your** interest; or
- b. While in **your** care, custody or control.

#### 36. UNSCHEDULED PLAYGROUND EQUIPMENT

This **EXTENSION** covers **loss** to playground equipment owned by **you** that is not included on the Statement of Values on file with **us**.

#### 37. VALUABLE PAPERS AND RECORDS

- a. This **EXTENSION** covers **loss** to **your valuable papers and records** while anywhere within the **Agreement Territory**, including in transit.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover errors or omissions in the processing or copying of **valuable papers and records**.

#### 38. WATER AND SEWER BACKUP

This **EXTENSION** covers **loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump.

### E. DEDUCTIBLE

Unless noted to the contrary in this **SECTION**, or elsewhere in this **Agreement**, each claim payable under this **SECTION** is subject to the deductible set forth in the **Declarations**.

### F. VALUATION

Adjustment of the **loss** amount under this **SECTION** will be computed as of the date of **loss** at the place of **loss**, and for no more than the interest of the **member**. Unless stated otherwise in an **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**, adjustment of **loss** to **COVERED PROPERTY** will be subject to the following:

1. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Actual Cash Value** (ACV), **we** will pay the lesser of the:
  - a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - c. **Actual cash value** of the damaged or stolen property; or
  - d. Limit designated in the Statement of Values on file with **us** for such property.
2. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC), and for new buildings under construction:

- 
- a. **We** will pay the lesser of the:
    - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
    - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
    - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
    - (4) Limit designated in the Statement of Values on file with **us** for such property.
  - b. **We** will not pay on a **replacement cost** basis until the property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the damaged or stolen property.
3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,
    - a. **We** will pay the lesser of the:
      - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
      - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
      - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
      - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
    - b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
    - c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
    - d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.
  4. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Functional Replacement Cost** (FRC),
    - a. **We** will pay the lesser of:

- 
- (1) In the event of a total **loss**, the cost to replace the damaged building on the same site or on another site with a building that is functionally equivalent to the damaged building;
  - (2) The limit designated in the Statement of Values on file with **us** for such property;
  - (3) In the event of a partial **loss**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building and the cost to repair the damaged building with property of comparable kind and quality; or
    - (b) The amount **you** actually spend that is necessary to repair or replace the building with new materials of comparable kind and quality;
  - (4) In the event that **you** decide to continue operations at another **covered building or structure**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building; and
    - (b) The amount you actually spend to modify such other **covered building or structure** to permit **you** to continue **your** operations; or
  - b. **We** will not pay more than the **actual cash value** of the property unless such repairs or replacement are completed.
5. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as Stated Amount (SA), **we** will pay the lesser of the:
- a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality; or
  - c. Limit designated in the Statement of Values on file with **us** for such property.
6. For APPEARANCE ALLOWANCE, **we** will pay the lesser of the following:
- a. The amount you actually spend to refinish or replace the façade of the **covered building or structure**; or
  - b. The limit specified in the **Declarations** for APPEARANCE ALLOWANCE.
7. For covered **fine arts**, whether scheduled or unscheduled:
- a. **We** will pay the lesser of the following:
    - (1) The cost to repair or restore the article to the condition that existed immediately prior to the **loss**;

- 
- (2) The cost to replace the article;
  - (3) The valuation designated in the Statement of Values on file with **us**; or
  - (4) The limit shown in the **Declarations** for **Fine Arts**; and
- b. In case of **loss** to, or **theft** of, an article that is part of a pair or a set, **we** will pay the lesser of the full value or the amount scheduled on the Statement of Values on file with **us**, if any, of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the **loss** or **theft** and the **member** surrenders the remaining article or articles of the pair or set to **us**.
8. For covered Fire Hydrants, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged article;
    - b. The amount **you** actually spend to repair or replace the damaged article; or
    - c. The limit specified in the **Declarations** for Fire Hydrants.
  9. For Green Coverage, the most **we** will pay will not exceed the lesser of the following:
    - a. 25% of the cost to repair or replace physically damaged **COVERED PROPERTY**; or,
    - b. The limit designated in the **Declarations** for Green Coverage.
  10. For covered Guide Rails, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged property;
    - b. The amount **you** actually spend that is necessary to repair or replace the damaged property; or
    - c. The limit specified in the **Declarations** for Guide Rails.
  11. For POLLUTION CLEANUP EXPENSE, **we** will pay the lesser of the following:
    - a. The cost that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment;
    - b. The amount you actually spend that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment; or
    - c. The limit specified in the **Declarations** for POLLUTION CLEANUP EXPENSE.
  12. For Scheduled Miscellaneous Personal Property designated on the Statement of Values on file with **us** as **Replacement Cost** valuation, if the amount **you** actually spend to replace damaged **COVERED PROPERTY** with comparable kind and quality exceeds the limit designated for such property, **we** will pay up to 120% of the limit designated on the Statement of Values or other schedule on file with **us** for Miscellaneous Personal Property for that property, subject to the limit scheduled for the damaged **COVERED**



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**PROPERTY** plus the limit designated in the *Declarations* for Scheduled Miscellaneous Property Replacement Cost Allowance.

13. For TRANSIT COVERAGE, the **loss** amount will not exceed the following:
- a. For property shipped to or for **you** account, the actual invoice to **you**, including such costs and charges (including the commission of you as selling agent) as may have accrued and become legally due on such property;
  - b. For property that has been sold by **you** and shipped to or for the account of the purchaser (if covered by the TRANSIT COVERAGE EXTENSION), the amount of **your** selling invoice, including prepaid or advanced freight;
  - c. For property not under invoice:
    - (1) For **your** property, at the valuation provisions of this **SECTION** applying at the place from which the property is being transported; or
    - (2) For other property, the **actual cash value** at point of destination on the date of **loss**;
- less any charges saved which would have become due and payable upon arrival at the point of destination.
14. For covered transformers that are 25 years and older, or 25 years since the last complete rewind, **we** will pay the lesser of the following:
- a. The cost to repair the property;
  - b. The cost to replace the property with property of comparable capacity, kind and quality; or
  - c. The **actual cash value** of the property.
15. For covered VALUABLE PAPERS AND RECORDS, whether scheduled or unscheduled, **we** will pay the lesser of the following:
- a. The cost to repair or restore the property to the condition that existed immediately prior to the **loss**;
  - b. The cost to replace the property with property of comparable kind and quality, including the cost of researching, gathering and/or assembling information; or
  - c. The value designated in the *Declarations* for VALUABLE PAPERS AND RECORDS.
16. On all other **COVERED PROPERTY**, the **loss** amount will not exceed the lesser of the following:
- a. The cost to repair or replace the damaged property with materials of comparable kind and quality;

- b. The amount **you** actually spend that is necessary to repair or replace the damaged property with materials of comparable kind and quality;
- c. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is most functionally equivalent to that damaged equipment, even if such equipment has technological advances or improvements in function;
- d. The cost to repair or replace real property on the same site with materials of comparable kind and quality;
- e. The market value of real property, machinery and equipment, or stock, offered for sale at the time of **loss**;
- f. The unamortized **actual cash value** of **improvements and betterments** if such property is not repaired;
- g. The increased cost of demolition, if any, resulting from **loss** covered by this **SECTION**, if such property is scheduled for demolition; or
- h. The **actual cash value** of the damaged property.

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**SECTION IV TIME ELEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

#### A. LOSS COVERED

1. This **SECTION** covers Time Element loss, as provided in **B. TIME ELEMENT COVERAGE** of this **SECTION**, directly resulting from *loss* covered by this *Agreement* to **COVERED PROPERTY**.
2. This **SECTION** covers loss only to the extent that it cannot be reduced through:
  - a. The use of any property or service owned or controlled by *you*;
  - b. The use of any property or service obtainable from other sources;
  - c. Working extra time or overtime; or
  - d. The use of inventory;all whether at a **covered location** or any other premises. *We* reserve the right to take into consideration the combined operating results of all of *your* associated, affiliated or subsidiary entities in determining the extent of a Time Element loss.
3. This **SECTION** covers expenses reasonably and necessarily incurred by *you* to reduce the loss otherwise payable under this **SECTION**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
4. In determining the amount of loss payable, *we* will consider *your* financial history before and after the loss. *We* will consider any historic increase or decrease in demand for *your* services during the Period of Coverage, defined in **C. PERIOD OF COVERAGE** of this **SECTION**, even if such increase or decrease is from the same event that caused *loss* starting the Period of Coverage.

#### B. TIME ELEMENT COVERAGE

1. GROSS EARNINGS
  - a. This **SECTION** covers *your* actual loss of Gross Earnings during the PERIOD OF COVERAGE, less all charges and expenses that do not necessarily continue during the interruption of *your operations*, plus all other earnings derived from *your operations*.
  - b. *We* will only consider the continuation of those normal charges and expenses that would have been earned had there been no interruption of *your operations*.
2. EXTRA EXPENSE AND COST
  - a. This **SECTION** covers *your* actual Extra Expense and Cost during the PERIOD OF COVERAGE for the following reasonable and necessary extra expenses incurred by *you*:

- (1) Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** operations;
  - (2) Extra expenses to expedite repair of damage or replacement of property; and
  - (3) Extra expenses of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Coverage for property obtained in connection with the above.
- b. The following Additional Exclusions apply only to this **SECTION**:
- This **SECTION** does not cover:
- (1) Any loss of income;
  - (2) Costs that **you** normally would have incurred in conducting **your** operations during the same period had no loss occurred;
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed; or
  - (4) Any cost or expense recoverable elsewhere in this **Agreement**.
3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST
- B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS and 2. EXTRA EXPENSE AND COST of this **SECTION** are extended to cover loss, directly resulting from **loss** covered by this **Agreement** to **COVERED PROPERTY**, incurred during the period that:
- a. Begins on the earlier of:
    - (1) The date the **COVERED PROPERTY** should be repaired or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location; and
  - b. Ends on the earlier of:
    - (1) The date the operations should have been restored, with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
    - (2) The number of consecutive days specified for Gross Earnings in the **Declarations**, after the date determined in **B. TIME ELEMENT COVERAGE**, 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST, a. of this **SECTION**.
4. LEASEHOLD INTEREST
- a. This **SECTION** covers **your** Leasehold Interest, incurred by **you** during the Period of Coverage for the following:

- (1) If the lease agreement requires continuation of rent, and if the property is wholly untenantable or unusable, the actual rent payable for the unexpired term of the lease or, if the property is partially untenantable or unusable, the proportion of the rent payable for the unexpired term of the lease.
  - (2) If the lease is canceled by **you** pursuant to the lease agreement or by the operation of law, **we** will pay for the first three months' rent following the date of loss.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any increase in loss **you** incur from exercising an option to cancel the lease, or from any default under the lease.

#### 5. RENTAL COVERAGE

- a. This **SECTION** covers the actual rental loss sustained by **you** during the Period of Coverage for the following:
- (1) The fair rental value of any portion of the property rented by **you** to a third party;
  - (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;
- not to include non-continuing charges and expenses.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any loss of rental income during any period in which the **COVERED PROPERTY** would not have been tenantable for any reason other than a covered **loss**.

#### C. PERIOD OF COVERAGE

1. The Period of Coverage applying to all **B. TIME ELEMENT COVERAGE**, except 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST and 4. LEASEHOLD INTEREST of this **SECTION**, and as shown below, or as otherwise provided under **E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS** of this **SECTION**, and subject to any time limit provided in the Limits of Coverage clause in the **Declarations**, is as follows:
  - a. For Real and Personal Property, the period starting from the time of the **loss** of the type covered against; and ending when with due diligence and dispatch the building and equipment could be:
    - (1) Repaired or replaced including time to comply with any building, zoning, property maintenance or land use ordinance or law;

- (2) Made ready for operations, under the same or equivalent physical and operating conditions that existed prior to the damage; and
  - (3) Not to be limited by the expiration of this **Agreement Period**.
- b. For Real Property under construction:
- (1) The equivalent of the period of time described in **C. PERIOD OF COVERAGE**, 1.a. of this **SECTION** will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no **loss** occurred; and
  - (2) Due consideration will be given to the actual financial history of the business compiled after completion of the construction and startup.
- c. For loss to **Electronic Data Processing Equipment or Media**, the time to recreate or restore the lost information.
2. If two or more Periods of Coverage apply, the longer of the Periods of Coverage will apply.

#### D. TIME ELEMENT EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. Fines or penalties of any nature;
2. Any increase in loss due to the purchase of electrical power; and
3. Any increase in loss due to additional costs associated with generating electrical power from alternative sources owned by **you**.

#### E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

The most **we** will pay are the limits for each **ADDITIONAL TIME ELEMENT COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **TIME ELEMENT COVERAGE EXTENSION**.

1. CIVIL AUTHORITY
  - a. **B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
  - b. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

## 2. COMPUTER SYSTEMS NON-PHYSICAL DAMAGE

- a. This **EXTENSION** covers the actual loss sustained for EXTRA EXPENSE AND COST incurred by **you** during the **Period of Interruption** directly resulting from the failure of **your data, hardware** or **software** to operate, provided such failure is the direct result of a malicious act directed at **you**.
- b. This **EXTENSION** will only apply if the **Period of Interruption** is in excess of 48 hours.
- c. The following Additional Definition applies only to this **EXTENSION**.

As used in this **EXTENSION**, the **Period of Interruption**:

- (1) Means the period starting when **your data, hardware** or **software** fails to operate, and ending when, with due diligence and dispatch, **your data, hardware** or **software** could be restored to the same or equivalent operating condition that existed prior to the failure; and
- (2) Does not mean the additional time to make changes to **your data, hardware** or **software**.

## 3. CONTINGENT TAX REVENUE INTERRUPTION

- a. This **EXTENSION** covers the actual loss sustained by **you** that is directly resulting from necessary interruption of **your** tax revenue, caused by damage or destruction to property which is not operated by **you** and which wholly or partially prevents the generation of revenue for **you**.
- b. **We** shall be liable for the actual loss sustained for only such length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property, or to provide a replacement source for such tax revenue, commencing with the date of damage to the contributing property, but not limited by the **Agreement Period**.

## 4. CONTINGENT TIME ELEMENT

**B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover the actual loss **you** incur that directly results from physical damage to property of the type not otherwise excluded by this **Agreement** at direct supplier or direct customer locations, irrespective of whether such location is owned by **you**, that prevents a supplier of goods or service to **you** from supplying such goods or services, or that prevents a recipient of goods or services from **you** from accepting such goods or services.

## 5. EXPENSES TO REDUCE LOSS

**We** will also pay such expenses as **you** incur for the purpose of reducing loss under this **SECTION**, except those incurred to extinguish a fire, but in no event to exceed the amount by which loss is thereby reduced.



## 6. GROSS EARNINGS DURING PROTECTION AND PRESERVATION OF PROPERTY

This **EXTENSION** covers the actual loss of gross earnings sustained by **you** for a period of time not to exceed 72 hours prior to and 72 hours after **you** first take reasonable action for the temporary protection and preservation of **COVERED PROPERTY** by this **Agreement**, provided such action is necessary to prevent immediately impending covered **loss** to such **COVERED PROPERTY**.

## 7. SOFT COSTS

This **EXTENSION** covers the actual loss incurred by **you** for **soft costs** directly resulting from **loss** to **COVERED PROPERTY** undergoing renovation or in the course of construction at a **covered location** as specified in the **Declarations**.

## 8. STORM DEBRIS REMOVAL

a. This **EXTENSION** covers the **extra expense** incurred by **you**, during the **period of restoration**, to remove debris, consisting of downed trees, branches, light poles, and signs, from **your** public trails and pathways that are determined, due to the existence of such downed debris, to be unsafe for public travel.

b. The following Additional Definitions apply only to this **EXTENSION**:

As used in this **EXTENSION**:

(1) **Extra expense** means necessary expenses **you** incur that are in excess of **your** normal operating expenses.

(2) **Loss occurrence** means all downed trees, branches, light poles, and signs occurring during any period of 72 consecutive hours of lightning, **wind**, ice storm or any combination thereof.

(3) **Period of restoration** means the period of time that:

(a) Begins at the end of the **loss occurrence** causing the debris; and

(b) Ends at the time when the trails and pathways are, with reasonable speed, returned to a condition that is safe for public travel.

## SECTION V EQUIPMENT BREAKDOWN

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**SECTION V  
EQUIPMENT BREAKDOWN**

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**SECTION V EQUIPMENT BREAKDOWN** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

**We** will pay for **loss** that is the result of a **breakdown** to **covered equipment**, which occurs during the **Agreement Period**, except as hereinafter excluded or amended.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

##### 1. **Breakdown**

- a. **Breakdown** means the following direct physical **loss**, that causes physical damage to **covered equipment** and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing;

unless such **loss** or damage is otherwise excluded within this **Agreement** or any Endorsement forming a part of this **Agreement**.

- b. **Breakdown** does not mean or include:

- (1) Malfunction, including but not limited to, misadjustment, misalignment, miscalibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in **computer equipment, data, media** 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;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

2. **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**.

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### 3. *Covered Equipment*

a. ***Covered equipment*** means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of its contents;
- (2) Communication equipment;
- (3) ***Computer equipment***;
- (4) ***Diagnostic equipment***;
- (5) Any other electrical, electronic or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (6) Fiber optic cable.

b. ***Covered Equipment*** does not mean or include any:

- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellite or spacecraft (including satellite or spacecraft contents 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 does mean any electrical machine or apparatus mounted on or used with this equipment;
- (5) Equipment, or any part of equipment, manufactured by ***you*** for sale or rent;
- (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) ***Media***;
- (9) 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;
- (10) Part of pressure equipment or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

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- (12) Rotating Biological Contactors (RBC), including any shaft, cylinder disk or support forming a part of an RBC. However, **covered equipment** will include any motor or gear set used to drive an RBC;
- (13) **Power generating equipment** unless shown as INCLUDED in the **Declarations**;
- (14) Structure, foundation, cabinet or compartment supporting or containing the **covered equipment** or part of the **covered equipment** including penstock, draft tube or well casing; or
- (15) **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.
- c. 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**.
4. **Covered Territory** means anywhere in the Continental United States, except as provided in H. **ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 15. OFF PREMISES EQUIPMENT** of this **SECTION**.
5. **Dependent Property** means property designated as a Dependent Property Location shown in the **Declarations** operated by others upon whom **you** depend to:
- a. Deliver materials or services to **you** or to others for their account. This does not include any property which delivers to **you** any of the following utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
- b. Accept **your** products or services;
- c. Manufacture products for delivery to **your** customers under contract of sale; or
- d. Attract customers to **your** business.
6. **Diagnostic Equipment** means any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
7. **Hazardous Substance** means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
8. **Media** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
9. **One Breakdown** means: if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **one breakdown**.

10. **Period of Restoration for Dependent Property**

- a. **Period of restoration for dependent property** means the period of time that:
- (1) Begins at the time of **loss** caused by or resulting from a **breakdown** to **covered equipment** at the **dependent property**; and
  - (2) Ends on the date when the property at the premises of the **dependent property** should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. **Period of restoration for dependent property** does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires **you** 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 **hazardous substance**.

11. **Portable Covered Equipment** shall mean **covered equipment** that is transported by a **vehicle** and used for service outside of the **vehicle**.

12. **Power Generating Equipment**

- a. **Power generating equipment** means any pressure, mechanical or electrical equipment, machinery, or apparatus used in, or associated with, the generation of electric power.
- b. **Power generating equipment** does not include any equipment that is less than or equal to 1000kw and used solely for the generation of emergency power.

13. **Suit** means a civil proceeding to which this **Agreement** applies and includes:

- a. An arbitration proceeding in which damages are claimed and to which **you** must submit with **our** consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which **you** must submit with **our** consent.

14. **Total Limit Per One Breakdown** means the total maximum amount payable for all coverages provided under this **SECTION** as the result of **one breakdown**.

15. **Vehicle** means any machine or apparatus (except conveyors) that is used to transport passengers, goods, materials or equipment or that moves under its own power, regardless of whether it is intended for highway use.

**B. ADDITIONAL CONDITIONS**

The following Additional Conditions apply only to this **SECTION**:

## 1. COVERAGE DISAGREEMENT

In the event of loss and expense covered under this **SECTION** and elsewhere in this **Agreement** or other coverage, and there is disagreement with respect to:

- a. Whether such loss was caused by a **breakdown** covered by this **SECTION** or elsewhere in this **Agreement** or Other Coverage; or
- b. The extent of participation of this **SECTION** and such other coverage, partially or wholly, by any or all of this **Agreement** or Other Coverage;

**we** shall, upon **your** written request and subject to **our** reimbursement as set forth below, pay **you** one-half of the amount of the loss and expense which is in disagreement, but in no event more than **we** would have paid if there had been no other coverage in effect, subject to the following conditions:

- (1) The amount of the loss and expense which is in disagreement is limited to the minimum amount remaining payable under either this **SECTION** or other coverage, after making provisions for any undisputed claims payable under other coverage or this **Agreement** and after the amount of the loss and expense is agreed upon by **you, us** and the provider of other coverage;
- (2) The other coverage provider(s) shall simultaneously pay **you** one-half of the amount which is in disagreement;
- (3) Such payments by **us** and the other coverage provider(s) and acceptance of those sums by **you** signify the agreement of **us** and the other coverage provider(s) for arbitration within ninety (90) days of such payment for the amount, if any, which is in disagreement. The arbitrators shall be three (3) in number, one of whom shall be appointed by **us** and one of whom shall be appointed by the other coverage provider(s) and the third appointed by consent of the other two arbitrators. The decision of the arbitrators shall be binding on **you, us** and the other coverage provider(s) and that judgment upon such award may be entered in any court of competent jurisdiction;
- (4) **You** agree to cooperate in connection with such arbitration but not to take a position contrary to **us**;
- (5) The provisions of this Condition shall not apply unless the policy(ies) issued by the other coverage provider(s) is(are) similarly endorsed, or the other coverage provider agrees to the same in resolution of a coverage disagreement; and
- (6) Acceptance by **you** of any payment pursuant to the provisions of this Condition, including any arbitration award, shall not alter, waive or surrender or in any way affect the rights **you** have against **us** or the other coverage provider(s).

## 2. EXPERIENCE

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10.



EXTRA EXPENSE and 18. SERVICE INTERRUPTION **we** will consider the financial history of **your operations** before the **breakdown** and the probable financial history **you** would have had without the **breakdown** in determining the amount of **our** payment to **you**.

### 3. JURISDICTIONAL INSPECTIONS

If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **we** agree to perform such inspection on **your** behalf. **We** do not warrant that conditions are safe or healthful.

### 4. REDUCING YOUR LOSS

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 10. EXTRA EXPENSE, 16. OFF PREMISES EQUIPMENT, 18. SERVICE INTERRUPTION and 19. SPOILAGE, **you** must reduce **your** loss and expense, if possible, by:

- a. Resuming business, partially or completely;
- b. Using merchandise or other property available to **you**; or
- c. Using the property or services of others.

### 5. SUSPENSION

- a. 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 **SECTION**.
- b. **We** will deliver or mail a written notice of suspension to **your** last known address or the address where the **covered equipment** is located.
- c. Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that **covered equipment**.

## C. COVERED PROPERTY

1. **Covered property** means any property, including **covered equipment**, that **you** own or that is in **your** care, custody or control and for which **you** are legally liable, while located at a **covered location**.
2. **Portable covered equipment, covered location** is understood to include anywhere within the **coverage territory**.
3. **Covered property** does not mean:
  - a. Live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects; or
  - b. Any property that is obsolete or useless to **you**.

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

1. **Earth Movement.**
2. Water meaning:
  - a. **Flood;**
  - b. Water damage caused by backup of sewers, drains, or drainage piping;
  - c. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; or
  - d. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
3. Damage to **covered equipment** undergoing any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler, fired vessel or electrical steam generator; or
  - b. An insulation breakdown test of any type of electrical or electronic **covered equipment.**
4. Fire or combustion explosion.
5. **Aircraft**, civil commotion; collapse; **drones**; freezing caused by cold weather; hail; impact of **aircraft**, missile or **vehicle**; lightning; molten material; objects falling from **aircraft** or missiles; riot; smoke; vandalism; **vehicles**; weight of snow, ice or sleet; or **wind**; except as provided in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 6. ELECTRICAL SURGE and ELECTRICAL DISTURBANCE.
6. An explosion. However, **we** will pay for **loss** caused by an explosion of **covered equipment** of the following kind:
  - 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.

7. Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a **breakdown** ensues, **we** will pay the ensuing loss not otherwise excluded.
8. Ordinance or Law
  - a. Increase in **loss** from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of **covered property**, except as provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE and 16. ORDINANCE OR LAW of this **SECTION**.
  - b. However, the words “use” and “operation” shall be eliminated as respects a covered **breakdown** of electrical supply and emergency generating equipment located on any **covered location**, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
9. **Breakdown** if such **breakdown** results from a collision, overturn, collapse or upset of **covered equipment** or the **vehicle** by which the **covered equipment** is transported.

#### E. EQUIPMENT BREAKDOWN EXCLUSIONS

**We** will not pay for loss:

1. With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE or 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. **Your** operations that would not or could not continue if the **breakdown** had not occurred;
  - b. **Your** failure to use due diligence and dispatch to operate **your** operations as nearly normal as practicable at the **covered location**; and
  - c. The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time **your** operations could have resumed if the contract had not lapsed, been suspended or canceled.
2. With respect to coverage provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. Acts of sabotage; or
  - b. Deliberate act(s) of load shedding by the supplying or distributing utility.

#### F. OUR PAYMENT OF LOSS

As respects coverage provided under this **SECTION** only, the following shall apply:

## 1. VALUATION

- a. **We** will pay the amount **you** spend to repair, rebuild or replace **covered property** with other property of like kind, quality and capacity if such **covered property** is directly damaged by a **breakdown** to **covered equipment** or **covered portable equipment**. **Our** payment will be the lesser of:
- (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property; or
  - (3) The amount **you** actually spend that is necessary to repair or replace the damaged property.
- b. If **covered property** cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the **covered property** equals or exceeds 100% of the **actual cash value** of the **covered equipment** or **covered portable equipment**, **you** may choose to apply the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**.
- c. Except for the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES and 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**, **you** must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. If any damaged **covered property** that is intended for **your** use is protected by an extended warranty or maintenance or service contract, and that warranty or contract becomes void or unusable due to **breakdown**; **we** will reimburse **you** for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.
- e. **We** will determine the value of **covered property** under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 19. SPOILAGE of this **SECTION** as follows:
- (1) For raw materials, the **replacement cost**;
  - (2) For goods in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (3) For finished goods, the selling price, as if no **loss** had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- f. On any articles that are part of a pair or set, **we** will pay no more than the reasonable and fair proportion the article or articles bear to the total value of the pair or set, giving consideration to the importance of said article, but in no event shall such **loss** be considered to mean a total **loss** of the pair or set.

## 2. SPECIAL LIMITS OF COVERAGE

- a. The most **we** will pay for loss and expense arising from any **one breakdown** is the Coverage Limit specified as the limit per **one breakdown** in the **Declarations**. This limit applies to all coverages, including those provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION**.
- b. The Coverage Limit under each of the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION** for loss and expense arising from any **one breakdown** is the amount shown in the **Declarations** for that **EXTENSION**. If two or more limits apply to the same portion of loss and expense, the most **we** will pay is the highest limit.
- c. The most **we** will pay for **loss** arising from the **breakdown** of **diagnostic equipment** is the **Diagnostic Equipment** Limit specified in the **Declarations**.

## G. DEDUCTIBLES

As respects coverage provided under this **SECTION**, the following shall apply:

## 1. APPLICATION OF DEDUCTIBLES

- a. **We** will not pay for **loss** resulting from any **one breakdown** until the amount of covered loss exceeds the deductible shown in the **Declarations**. **We** will then pay the amount of covered loss and expense in excess of the deductible, up to the applicable Coverage Limit.
- b. Deductibles apply separately for each applicable coverage, except if more than one **covered equipment** is involved in **one breakdown**, then only the highest deductible shall apply for each of the applicable coverages.

## 2. DETERMINATION OF DEDUCTIBLES

## a. Dollar Deductible

If a dollar deductible is shown in the **Declarations**, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

## b. Multiple per Unit Deductible

If a multiple of units is shown in the **Declarations**, 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.)

## c. Time Deductible

If a time deductible is shown in the **Declarations**, **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 (24) consecutive hours.

d. Minimum Or Maximum Deductible

(1) If a minimum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

(2) If a maximum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

#### H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

The most **we** will pay under these **EXTENSIONS** are the Coverage Limits specified in the **Declarations**. These limits are a part of and not in addition to the **total limit per one breakdown**.

These **EXTENSIONS** apply only to that portion of the loss that is the result of a **breakdown** to **covered equipment** that is not excluded elsewhere in this **Agreement**.

1. CIVIL AUTHORITY

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
- b. The action of civil authority must be due to **loss** caused by a **breakdown** to **covered equipment** at locations other than **covered locations** that are within 100 miles of the **covered location**.
- c. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

2. DATA OR MEDIA COVERAGE

- a. If **media** is damaged or **data** is lost or corrupted, **we** will pay **your** actual loss of earnings or **your** extra expenses during the time necessary to:
- (1) Research, recreate, replace or restore the damaged **media** or lost or corrupted **data**; and
- (2) Reprogram instructions used in any covered **computer equipment**.
- b. **We** will not pay for any **data** or **media** that cannot be replaced, recreated or restored.

## 3. DEFENSE

If a claim or **suit** is brought against **you** alleging that **you** are liable for damage to property of others in **your** care, custody or control, **we** will either settle the claim or **suit** or defend **you** against the claim or **suit** but retain the right to settle it at any point. With respect to any claim or **suit we** defend, **we** will pay:

- a. All expenses **we** incur;
- b. The cost of bonds to release attachments, but **we** do not have to furnish these bonds;
- c. All reasonable expenses incurred by **you** at **our** request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings because of time off from work;
- d. All costs taxed against **you** in any **suit we** defend;
- e. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Coverage Limits, **we** will not pay prejudgment interest based on that period of time after the offer; and
- f. All interest that accumulates on the full amount of any judgment 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 Coverage Limit.

## 4. DEPENDENT PROPERTIES

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the necessary partial or total interruption of **your operations** during the **period of restoration for dependent property**. The interruption must be caused by **loss** or damage to **dependent property** caused by or resulting from a **breakdown** to its **covered equipment**.
- b. However, this **EXTENSION** does not apply when the only **loss** to **dependent property** is **loss** or damage to **data**, including destruction or corruption of **data**. If the **dependent property** sustains **loss** or damage to **data** and other property, coverage under this **EXTENSION** will end once the other property is repaired, rebuilt or replaced.

## 5. EARNINGS

**We** will pay **your** actual loss of earnings sustained during the **period of restoration** due to the necessary interruption of **your operations**. **We** will also pay any necessary expense **you** incur to reduce the amount of this loss, but only to the extent that the loss otherwise payable is reduced.

## 6. ELECTRICAL SURGE AND ELECTRICAL DISTURBANCE

**We** will pay for loss if the **breakdown** results from an electrical surge or electrical disturbance:

- a. caused by excluded peril(s) identified in **D. CAUSE OF LOSS**, 5. of this **SECTION** that occurs away from the **covered location** and causes an electrical surge or other electrical disturbance;
- b. transmitted through utility transmission lines to the **covered location**;
- c. that results in a **breakdown** to **covered equipment**, at such **covered location**, that **you** own, operate or is under the control of **you** or **your** landlord; and
- d. that is not a covered cause of loss under another **SECTION** of this **Agreement**, another coverage part or policy of insurance **you** have, irrespective of whether collectible, and without regard to whether the coverage under another **SECTION** of this **Agreement**, another coverage part or policy of insurance provides the same coverage, scope of coverage and/or deductibles as coverage provided in this paragraph.

## 7. ERROR IN DESCRIPTION

- a. **We** will pay **your** loss covered by this **SECTION** if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as covered under this **SECTION**.
- b. **You** agree to give **us** prompt notice of any correction or addition to the description of a location covered under this **SECTION**.

## 8. EXPEDITING EXPENSE

With respect to **your** damaged **covered property**, **we** will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

## 9. EXTENDED EARNINGS AND EXTRA EXPENSE

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. **EARNINGS** and 10. **EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused solely by a **breakdown** to **covered equipment** and incurred during the period that:

- a. Begins on the earlier of:
  - (1) The date the damaged property at the **covered location** in the **Declarations** should be repaired or replaced with reasonable speed and similar quality; or



- (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for EXTENDED EARNINGS in the **Declarations**, after the date determined in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, a. of this SECTION.**

#### 10. EXTRA EXPENSE

**We** will pay all expenses that exceed the normal operating expenses that would have been incurred to conduct **your operations** during the **period of restoration** if no **breakdown** had occurred.

#### 11. GREEN ALTERNATIVES

- a. With respect to **covered property** that was damaged as a result of a **breakdown** to **covered equipment**, **we** will pay for:
- (1) The reasonable additional cost incurred to repair or replace the damaged or destroyed portions of the **covered property** (except as may be provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 13. NEW GENERATION** of this **SECTION** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**;
  - (2) The reasonable additional cost incurred to employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
  - (3) **We** will pay for the following reasonable additional expenses incurred to attain or re-attain **green** certification from a **green authority**:
    - (a) The reasonable additional expense incurred to hire a qualified engineer or other professional required by the **green authority** to be involved in:
      - i. Designing, overseeing or documenting the repair or replacement of the damaged or destroyed **covered property**; or
      - ii. Testing and recalibrating the systems and mechanicals of the damaged or destroyed **covered property** to verify that the systems and

mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

- (b) The reasonable registration and recertification fees charged by the **green authority**.

Coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a.(1), a.(2) and a.(3) of this **SECTION** applies only if **replacement cost** valuation applies to the damaged or destroyed **covered property** and then only if the **covered property** is actually repaired or replaced as soon as reasonably possible after the **breakdown to covered equipment**.

- b. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS and 10. EXTRA EXPENSE of this **SECTION** are extended to cover the loss incurred during the time necessary to:
- (1) Repair or replace the damaged or destroyed portions of the **covered property** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**; and
  - (2) Employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**.
- c. The most **we** will pay for coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES of this **SECTION** for any one **breakdown** is the sum of:
- (1) 5% of the amount **we** would otherwise pay for a **breakdown** as provided by **F. OUR PAYMENT OF LOSS**, 1. VALUATION, a. prior to the application of any applicable deductible, for **loss** or expense covered under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a. of this **SECTION**; plus
  - (2) 5% of the amount **we** would otherwise pay for loss covered under the applicable **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS or 10. EXTRA EXPENSE of this **SECTION**, prior to the application of any applicable deductible, for EARNINGS or EXTRA EXPENSE covered under b. of this **EXTENSION**;

subject to a maximum of the **total limit per one breakdown**. These limits are a part of and not in addition to the **total limit per one breakdown**.

## 12. HAZARDOUS SUBSTANCE

- a. If **covered property** is damaged, contaminated or polluted by a **hazardous substance**, **we** will pay for any **additional expenses** incurred by **you** for cleanup, repair, replacement or disposal of that property.
- b. As used in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE of this **SECTION**, **additional expenses** means the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the **loss**.

## 13. NEW GENERATION

If **you** want to replace damaged **covered property** with a newer generation of **covered property** of the same capacity, **we** will pay up to 25% more than **covered property** of like kind, quality and capacity would have cost at the time of the **breakdown**.

## 14. NEWLY ACQUIRED LOCATIONS

- a. **We** will automatically provide coverage at **your** newly acquired location(s) reported to **us** within 120 days of acquisition.
- b. If the coverages and deductibles vary for existing **covered locations**, then the coverages for the newly acquired location(s) will be the broadest coverage, highest limits and highest deductibles applicable to the existing **covered locations**.

## 15. OFF PREMISES EQUIPMENT

**We** will pay for **loss** caused by a **breakdown** to **your portable covered equipment** that, at the time of the **breakdown**, is located within the **Agreement Territory** but is at a temporary location that is not a **covered location** or any other location owned, leased or operated by **you**.

## 16. ORDINANCE OR LAW

If a **loss** occurs to a **covered building or structure**:

- a. **We** will pay for the following:
  - (1) **Loss** to the undamaged portion of a **covered building or structure** caused by enforcement of any ordinance or law, in force at the time of the **loss**, that:
    - (a) Regulates the construction or repair or establishes zoning or land use requirements at the **covered location**; or
    - (b) Requires the demolition of parts of the undamaged portion of the building or structure;
  - (2) The increased cost to repair, rebuild or construct the property caused by enforcement of a building, zoning or land use ordinance or law, if the **Replacement Cost** Valuation applies to the **covered building or structure**. If

the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law; and

- (3) The cost to demolish and clear the site of undamaged parts of the **covered building or structure** caused by enforcement of the building, zoning or land use ordinance or law.

b. **We** will not pay for the:

- (1) Increased costs of construction if the **covered building or structure** is not repaired, reconstructed or remodeled within 2 years after the **loss**; or
- (2) Costs associated with the enforcement of any ordinance or law that requires **you** 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 a **hazardous substance**.

#### 17. REFRIGERANT CONTAMINATION

If **covered property** is contaminated by a refrigerant, **we** will pay for such refrigerant contamination, including cleanup, repair or replacement or disposal of the **covered property** and salvage expense.

#### 18. SERVICE INTERRUPTION

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE, and 19. SPOILAGE** of this **SECTION** are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive; and
- b. The **covered equipment** is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to **your covered location**.

#### 19. SPOILAGE

**We** will pay **you** for spoilage damage to raw materials, property in process or finished products provided all of the following conditions are met:

- a. The raw material, property in process or finished products must be in storage or in the course of being manufactured; and
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and

- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

20. WATER DAMAGE

If ***covered property*** is damaged by water as a direct result of a ***breakdown*** to ***covered equipment***, ***we*** will pay for such water damage, including salvage expense.

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**SECTION VI CRIME** of this **Agreement** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

1. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution or similar safe depository in conducting its business.
2. **Counterfeit Money** means an imitation of **money** that is intended to deceive and to be taken as genuine.
3. **Covered Cause of Loss** means **theft**, disappearance, or destruction.
4. **Covered Instruments** means checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **money** that are made or drawn by or drawn upon **you**; or made or drawn by one acting as **your** agent; or purport to have been so made or drawn.
5. **Discover** or **discovered** means the time when **you** first:
  - a. become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Agreement** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
  - b. receive notice of an actual or potential claim in which it is alleged that **you** are liable to a third party under circumstances which, if true, would constitute a loss under this **Agreement**.
6. **Employee**
  - a. **Employee** means:
    - (1) Any individual:
      - (a) While in **your** service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;
      - (b) Who **you** compensate directly by salary, wages or commissions; or
      - (c) Who **you** have the right to direct and control while performing services for **you**;
    - (2) Any individual who is furnished temporarily to **you**:
      - (a) To substitute for a permanent **employee** as defined in **A. ADDITIONAL DEFINITIONS**, 6. **Employee**, a.(1) of this **SECTION**, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing service for **you**, excluding, however, any such person having care and custody of property outside the **premises**;

(3) Any individual who is leased to **you** under a written agreement between **you** and a labor leasing firm, to perform duties related to the conduct of **your** business, but does not mean a temporary employee as defined in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(2) of this SECTION**;

(4) Any individual who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(b) An official of **yours** while that person is engaged in handling **funds** of any employee benefit plan;

(5) Any individual who is a former official, **employee** or trustee retained as a consultant while performing services for **you**; or

(6) Any individual who is a student, intern or volunteer while performing services for **you**.

b. **Employee** does not mean any agent, independent contractor or representative of the same general character not specified in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(4)(a) of this SECTION**.

7. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. **Funds** means **money** and **securities**.

9. **Messenger** means **you** or any **employee** while having care and custody of property outside the **premises**.

10. **Occurrence** means:

a. Under **B. CRIME COVERAGE, 1. EMPLOYEE THEFT – PER LOSS COVERAGE** of this **SECTION**:

(1) An individual act;

(2) The combined total of all separate acts irrespective of whether related; or

(3) A series of acts irrespective of whether related;



committed by an **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- b. Under **B. CRIME COVERAGE**, 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by each **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- c. Under **B. CRIME COVERAGE**, 3. FORGERY OR ALTERATION of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- d. Under all Other Coverage agreements in **B. CRIME COVERAGE** of this **SECTION**:

- (1) An individual act or event;
- (2) The combined total of all separate acts or events irrespective of whether related;  
or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons or not committed by any person, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

#### 11. **Other Property**

- a. **Other Property** means any tangible property other than **funds** that has intrinsic value.
- b. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Agreement**.

12. **Premises** means any building **you** occupy in conducting **your operations**.

- 
13. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person harm; or
  - Committed an obviously unlawful act witnessed by that person.
14. **Safe Burglary** means the unlawful taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - A safe or vault from inside the **premises**.
15. **Theft** means the unlawful taking of property to **your** deprivation.

## B. CRIME COVERAGE

This **SECTION** provides the following coverage and applies to loss that **you** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by **you** during the **Agreement Period** or in the extended period described in **D. ADDITIONAL CONDITIONS**, 1.a. Prior Bond or 1.b. Policy Bridge – Discovery Replacing Loss Sustained of this **SECTION**.

### 1. EMPLOYEE THEFT – PER LOSS COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by an **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER LOSS COVERAGE, **theft** shall also include **forgery**.

### 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by each **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER EMPLOYEE COVERAGE, **theft** shall also include **forgery**.

### 3. FORGERY OR ALTERATION

- We** will pay for loss resulting directly from **forgery** or alteration of **covered instruments**.
- If **you** are sued for refusing to pay any instrument covered in FORGERY OR ALTERATION, a., 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 that **we** will pay is in addition to the Limit of Coverage applicable to this coverage agreement.

- c. For the purposes of this coverage agreement, a substitute check, as defined in the federal Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

#### 4. THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES

**We** will pay for loss of or damage to **money** and **securities** resulting directly from **theft**, disappearance or destruction inside **your premises** or **your banking premises**.

#### 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY

- a. **We** will pay for loss of or damage to **other property**:

- (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **member**, or

- (2) Inside the **premises** in a safe or vault resulting directly from an actual or attempted **safe burglary**.

- b. **We** will pay for **loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

- c. **We** will pay for loss of or damage to a locked safe or vault located inside the **premises** resulting directly from an actual or attempted **robbery** or **safe burglary**.

#### 6. OUTSIDE THE PREMISES

- a. **We** will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

- b. **We** will pay for loss of or damage to **other property** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from an actual or attempted **robbery**.

#### 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE

- a. **We** will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer or electronic device to fraudulently cause a transfer of that property from inside **your premises** or **banking premises** to a person, other than an **employee**, or place outside of such **premises**.

- b. **We** will pay for loss directly resulting from fraudulent instruction by a **member** directing a financial institution to transfer, pay or deliver funds from **your** transfer account.

## 8. MONEY ORDERS AND COUNTERFEIT MONEY

**We** will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, **money** or services;

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. **Counterfeit money** that is acquired during the regular course of business.

## C. CRIME EXCLUSIONS

1. The coverage provided under this **SECTION** does not apply to:

- a. Acts Of A **Member** Learned Of By **You** Prior To The Agreement Period

Loss caused by a **member** if the **member** had also committed **theft** or any other dishonest act prior to the effective date of this **Agreement** and **you** or any of **your** officials, not in collusion with the **member**, learned of that **theft** or dishonest act prior to the **Agreement Period** shown in the **Declarations**.

- b. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of **your** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by **you** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

- c. Indirect Loss

Loss that is an indirect result of an **occurrence** covered by this **Agreement** including, but not limited to, loss resulting from **your** inability to realize income that **you** would have realized had there been no loss of or damage to **money**, **securities**, or **other property**.

- d. Costs, Fees, or Other Expenses

**We** will not pay for any costs, fees, or other expenses the **member** incurs in establishing either the existence or the amount of loss under this coverage.

- e. Payment of Damages

- (1) **We** will not pay for damages of any type for which **you** are legally liable, but, **we** will pay compensatory damages arising directly from a loss covered under this **SECTION**.

## f. Kidnap, Ransom or Extortion

**We** will not pay for loss resulting directly or indirectly from kidnap, extortion or ransom payments, other than **theft**, surrendered by any person as a result of a threat.

## g. Legal Fees, Costs and Expenses

**We** will not pay for fees, costs and expenses related to any legal action, except when covered under FORGERY OR ALTERATION of this **Agreement**.

2. The coverage provided under **B. CRIME COVERAGE**, EMPLOYEE THEFT – PER LOSS COVERAGE and THEFT – PER EMPLOYEE COVERAGE of this **SECTION** does not apply to:

## a. Bonded Employees

Loss caused by any **employee** required by law to be individually bonded.

## b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

## c. Trading

Loss resulting from trading, whether in **your** name or in a genuine or fictitious account.

## d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. The coverage provided under **B. CRIME COVERAGE**, THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES; INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY; and OUTSIDE THE PREMISES of this **SECTION** does not apply to:

## a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

## b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

## c. Fire

Loss or damage resulting from fire, however caused.

## d. 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.
- e. Vandalism
- Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
- f. Voluntary Parting Of Title To Or Possession Of Property
- Loss resulting from the **member**, or anyone acting on the **member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to, or possession of, any property.
4. The coverage provided under **B. CRIME COVERAGE**, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE of this **SECTION** does not apply to:
- a. Credit Card Transactions
- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b. Inventory Shortage
- Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.
- c. Dishonest or Criminal Act
- Loss resulting from any dishonest or criminal act committed by a **member** whether acting alone or in collusion with other persons.
- d. Failure of Depository
- Loss caused by or resulting from the failure of any entity acting as a depository for **your** property or property for which **you** are responsible.

#### D. ADDITIONAL CONDITIONS

1. The following Additional Conditions apply only to **B. CRIME COVERAGE** of this **SECTION**:
- a. Prior Bond
- (1) If **you** sustained loss during the period of any prior bond or insurance that **you** could have recovered under such prior bond or insurance, except that the time within which to discover loss has expired, **we** will pay for such loss under this coverage provided:

- 
- (a) that this coverage became effective at the time of cancellation or termination of the prior bond or insurance, and
  - (b) the loss would have been covered by this **B. CRIME COVERAGE** of this **SECTION** had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The coverage under this Condition is part of, and not in addition to, the limits of coverage applying to this coverage and is limited to the lesser of the amount recoverable under this coverage as of its effective date, or the prior bond or insurance had it remained in effect.
  - (3) If any loss is covered partly by this coverage, and partly by any prior canceled or terminated coverage that **we** issued to **you**, the most **we** will pay is the lesser of the amount recoverable under this coverage or the prior coverage.
- b. Policy Bridge – Discovery Replacing Loss Sustained
- If **B. CRIME COVERAGE** of this **SECTION** replaces a prior bond or insurance that provided **you** with an extended period of time after the termination or cancellation of such prior bond or insurance in which to discover loss, then, and only with respect to loss discovered during such extended period but sustained prior to the termination of such prior bond or insurance, the coverage afforded by **B. CRIME COVERAGE** of this **SECTION** applies as follows:
- (1) **We** will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior bond or insurance; provided that in such case, **we** will pay **you** for the excess of such loss subject to the terms and conditions of **B. CRIME COVERAGE** of this **SECTION**.
  - (2) However, any payment **we** make to **you** for such excess loss will not be greater than the difference between the limit of insurance of **your** prior insurance and the limit of coverage of **B. CRIME COVERAGE** of this **SECTION**.
- c. Other Coverage
- (1) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any other valid and collectible bond or insurance available to **you** unless such other bond or insurance is written to be specifically excess of **B. CRIME COVERAGE** of this **SECTION** by named reference in the other bond or insurance.
  - (2) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any indemnification to which **you** are entitled from any other person or entity.
  - (3) As excess coverage, **B. CRIME COVERAGE** of this **SECTION** will not apply or contribute to the payment for any loss to **you** until the amount of such other bond, insurance or indemnity has been exhausted by loss covered thereunder.

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- (4) If the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss, **B. CRIME COVERAGE** of this **SECTION** will apply to that part of the loss not recoverable or recovered under the other bond, insurance or indemnity.
- (5) **B. CRIME COVERAGE** of this **SECTION** will not be subject to the terms of any other bond, insurance or indemnity.
- d. Cumulative Limit
- Regardless of the number of years this coverage remains in force, no limit of coverage cumulates from **Agreement Period** to **Agreement Period**.
- e. Rights and Benefits
- This coverage is for **your** benefit only. It provides no rights or benefits to any other person or entity.
- f. Payment After Agreement Period
- We** will pay only for covered loss **discovered** no later than one year from the end of the **Agreement Period**.
2. The following Additional Conditions apply only to **B. CRIME COVERAGE**, 1. EMPLOYEE THEFT – PER LOSS COVERAGE and 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:
- a. Indemnification
- We** will indemnify any of **your** officials who are required by law to give individual bonds for the faithful performance of their duties against loss through **theft** committed by **employees** who serve under them, subject to the applicable Limit of Crime Coverage as specified in the **Declarations**.
- b. Termination As To Any Employee
- B. CRIME COVERAGE** of this **SECTION** terminates as to any **employee** on the earlier of the following:
- (1) As soon as:
- (a) **You**; or
- (b) Any of **your** officials or **employees** authorized to manage, govern or control **your employees**, who are not in collusion with the **employee**, learn of **theft** or any other dishonest act committed by the **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. **We** will mail or deliver our notice to **your** last mailing



address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. The following Additional Conditions apply only to **B. CRIME COVERAGE 3. FORGERY OR ALTERATION** of this **SECTION**:

- a. Electronic And Mechanical Signatures

**We** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

- b. 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.

4. The following Additional Conditions apply only to **B. CRIME COVERAGE, 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY** and **6. OUTSIDE THE PREMISES** of this **SECTION**:

- a. Special Limit Of Coverage For Specified Property

**We** will only pay up to the limit specified in the **Declarations** for loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

- b. Armored Motor Vehicle Companies

Under **B. CRIME COVERAGE, 6. OUTSIDE THE PREMISES** of this **SECTION**, **we** will only pay for the amount of loss **you** cannot recover:

(1) Under **your** contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of, the armored motor vehicle company.

5. The following Additional Conditions apply only to **B. CRIME COVERAGE, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE** of this **SECTION**:

Special Limit Of Coverage For Specified Property:

**We** will only pay up to the limit specified in the **Declarations** for any loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

#### **E. VALUATION - SETTLEMENT**

1. The value of any loss for purposes of coverage under this **SECTION** shall be determined as follows:

- a. Loss of **money** will be valued only up to and including its face value at the time of the loss.

- b. Loss of **securities** will be valued only up to and including their value at the close of business on the day the loss was discovered. **We** may, at **our** option, pay the value of such **securities** or replace them in kind, in which event **you** must assign to **us** all of **your** rights, title, and interest in and to those **securities**.
  - c. Loss of, or loss from damage to, property other than **money** and **securities** or **loss** from damage to the **premises** will be valued at the lesser of the **actual cash value** of the property on the day the loss was discovered, the cost of repairing the property or premises, or the cost of replacing the property with property of like kind and quality.
  - d. **We** may, at **our** option, pay the **actual cash value** of the property, repair it, or replace it.
2. **We** will pay only for covered loss discovered no later than one year from the end of the **Agreement Period**.
  3. If the **member** has reason to believe that any loss of, or loss from damage to, covered property involves a violation of law, the **member** must promptly notify the police and the **Pool**.

**SECTION VII  
AUTOMOBILE PHYSICAL DAMAGE**

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## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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**SECTION VII AUTOMOBILE PHYSICAL DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

*We* will pay for *loss* to **covered automobiles** that occurs during the *Agreement Period* while the **covered automobile** is within the *Agreement Territory*, as set forth in this **SECTION**.

### A. ADDITIONAL DEFINITIONS

The following Additional Definitions apply only to this **SECTION**:

1. **Hired Automobile** means an **automobile** not owned by the **member** which is used under contract for less than six months on **your** behalf.
2. **Outstanding Balance** means the amount the **member** owes on the lease at the time of **loss**, less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage, excess wear and tear, and lease termination fees.

### B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

#### 1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

#### 2. COLLISION COVERAGE

This coverage applies to damage caused by collision of a **covered automobile** with another **automobile**, **mobile equipment**, or object, or by upset of such **covered automobile**.

### C. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS

The most *we* will pay are the limits for each **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION** as specified in the *Declarations*. Except when specifically stated otherwise, the deductibles as set forth in the *Declarations* shall apply to the **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION**.

#### 1. AIRBAG COVERAGE

- a. *We* will pay for **loss** to a **covered automobile** caused by an accidental discharge of its airbag(s).
- b. **D. EXCLUSIONS**, 1.c. of this **SECTION** does not apply to this **EXTENSION**.
- c. No deductible applies to this **EXTENSION**.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 2. COMMANDEERED PROPERTY COVERAGE

- a. Commandeered Property means an **automobile** belonging to others that is seized or taken over by the **member** for **your** official use to handle an emergency situation.
- b. To be deemed Commandeered Property, the seizure or taking of the **automobile** must be a spontaneous, non-planned action on the part of the officer in charge at the emergency situation.
- c. Comprehensive and Collision coverage applies to the Commandeered Property Coverage.
- d. No deductible applies to this **EXTENSION**.

### 3. EMERGENCY RESPONSE AUTOMOBILE COVERAGE

With respect to **loss** to an emergency response **covered automobile**, if such **loss** is payable under **F. VALUATION** of this **SECTION** as:

- a. 2. Stated Amount (SA) a. or b.; or
- b. 3. **Replacement Cost** (RC) a. or b.;

**we** will pay up to an additional 25% of the actual costs **you** incur to repair or replace the damaged or stolen parts to be in compliance with current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations.

### 4. FREEZING OF EQUIPMENT COVERAGE

- a. For a fire department **covered automobile**, **we** will pay for repair or replacement of equipment, other than engines, caused by freezing or extremes of temperature.
- b. No deductible applies to this **EXTENSION**.

### 5. HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- a. **Hired automobiles** which are hired or rented on a short-term basis, for a period not to exceed six months, and for which coverage has not been specifically adopted in this **Agreement**, are included in the definition of **covered automobile**.
- b. As respects **hired automobiles**, coverage shall be excess over any other valid and collectible insurance available to the **automobile** owner.
- c. **We** will not pay more than the limit designated in the **Declarations** for Hired Automobile Physical Damage Coverage for damage that results from any one accident to any one **hired automobile**.
- d. Payments for physical damage to a **hired automobile** owner under this provision will be subject to the automobile physical damage deductible shown in the **Declarations** for Hired Automobile Physical Damage Coverage.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 6. LEASE GAP COVERAGE

If a long-term leased **automobile** is a **covered automobile** and the lessor is named as an Additional Insured-Lessor, **we** will pay in the event of a total **loss** the **member's** additional legal obligation to the lessor for any difference between the **actual cash value** of the **automobile** at the time of the **loss** and the **outstanding balance** of the lease.

### 7. NOT AT FAULT COLLISION DEDUCTIBLE WAIVER

- a. **We** will waive the applicable deductible to **your covered automobile** for a collision **loss** in which the **member** is determined by **us** to be less than 50% at fault.
- b. The most **we** will waive in any one collision **loss** shall not exceed the limit designated in the **Declarations** for Not At Fault Collision Deductible Waiver.

### 8. PERSONAL AUTOMOBILE COVERAGE

- a. **We** will pay up to the limit specified in the **Declarations** or reimburse the deductible, whichever is less, for **loss** to an **automobile**, owned by **your** elected or appointed official, **authorized** volunteer or **employee**, which occurs while that elected or appointed official, **authorized volunteer** or **employee** is acting on **your** behalf.
- b. No deductible applies to this **EXTENSION**.

### 9. PROPERTY IN AN UNATTENDED AUTOMOBILE COVERAGE

- a. **We** will pay for **loss** to, or **theft** of, personal property of a **member** in an unattended **automobile** if the **loss** or theft occurs while the **member** is acting on **your** behalf.
- b. Coverage does not apply to **valuable papers and records, money, securities, bullion, fine arts**, precious stones, jewelry or other similar valuables.
- c. **Replacement Cost** valuation applies to this **EXTENSION**.
- d. No deductible applies to this **EXTENSION**.

### 10. RECERTIFICATION COVERAGE

- a. **We** will pay the cost of recertification of fire department equipment if such recertification is made necessary by covered **loss** to a **covered automobile**.
- b. No deductible applies to this **EXTENSION**.

### 11. RENTAL REIMBURSEMENT COVERAGE

- a. **We** will pay for rental expenses incurred by the **member** for the rental of an **automobile** because of **loss** to a **covered automobile**. Coverage applies in excess of any other coverage available to the **member**.
- b. In the event of **loss** other than by **theft**, **we** will pay those rental expenses incurred by the **member** beginning 24 hours after the **loss** and ending, regardless of the

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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expiration of the **Agreement Period**, with the number of days reasonably required to repair or replace the **covered automobile**.

- c. In the event of **loss** by **theft**, **we** will pay those rental expenses incurred by the **member** for the rental of a substitute **automobile** during the period commencing 48 hours after such theft has been reported to both **us** and the police, and terminating, regardless of the expiration of the **Agreement Period**, when such **automobile** is returned to use or **we** pay for the **loss**.
- d. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Rental Reimbursement Coverage.
- e. This Rental Reimbursement Coverage does not apply while there are spare or reserve **automobile** available to the **member** for its **operations**.
- f. No deductible applies to this **EXTENSION**.

### 12. RENTAL AUTOMOBILE AGREEMENT COVERAGE

- a. **We** will pay the following rental **automobile** expenses the **member** is contractually obligated to pay because of **loss** to a rental **automobile**, for which **loss** is payable under this **SECTION**, provided the rental **automobile** was rented for the conduct of **your operations** and the rental period as specified in the rental contract was for a period of no more than 31 consecutive days:
  - (1) Loss of income incurred by the lessor of that rental **automobile** during the period of time the **automobile** is out of use because of that **loss**;
  - (2) Decrease in trade-in value of the rental **vehicle** because of the **loss**; and
  - (3) Any related administrative expenses incurred by the rental agency as stated in the rental contract.
- b. No deductible applies to this **EXTENSION**.

### 13. ROADSIDE ASSISTANCE COVERAGE

- a. We will reimburse the **member**, subject to the limit designated in the **Declarations** in any one disablement, for the actual expense incurred by the **member** for towing and other roadside assistance when a **covered automobile** is disabled in the **Agreement Territory** and during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

### 14. TEMPORARY SUBSTITUTE AUTOMOBILE

- a. If coverage is provided under this **Agreement** for a **covered automobile**, and that **covered automobile** is out of service because of:
  - (1) Breakdown;

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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- (2) Repair;
- (3) Servicing; or
- (4) **Loss**;

The coverage applicable to that **covered automobile** will also apply to any temporary substitute **automobile you** do not own while used by **you** with the permission of its owner.

- b. **We** will pay the owner for **loss** to their **automobile**.

### D. EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. **Loss** that is due to and confined to:
  - a. Wear and tear, latent defect, and/or gradual deterioration;
  - b. Freezing, except as provided in **C. ADDITIONAL COVERAGE EXTENSIONS, 4. FREEZING OF EQUIPMENT COVERAGE** of this **SECTION**; or
  - c. Mechanical or electrical breakdown or failure, unless such **loss** is the result of other **loss** covered by this **Agreement**.
2. Tires, unless:
  - a. **Loss** is coincidental with and from the same cause as other **loss** covered by this **Agreement**; or
  - b. Damaged by fire, malicious mischief or vandalism, or **theft** and, as to the **covered automobile**, **loss** caused by such damage or **theft** is covered by this **Agreement**.
3. Under **B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE, 2. COLLISION COVERAGE** of this **SECTION**, to breakage of glass if coverage with respect to such breakage is otherwise afforded herein.

### E. DEDUCTIBLE

1. Unless noted to the contrary in this **Agreement**, each **loss** payable under this **SECTION** is subject to the applicable Deductible set forth in the **Declarations**.
2. For a **loss** covered by this **SECTION**, **we** will pay the amount of **loss** that is in excess of the applicable deductible as specified on the Statement of Values on file with **us**. If more than one deductible is applicable under this **Agreement**, **we** will apply the largest applicable deductible.
3. However, if **loss** to a **covered automobile** is confined to windshield damage, no deductible will apply to repair of that damage or replacement of the windshield.



## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### F. VALUATION

Unless otherwise stated in this **SECTION**, *our* limit of coverage for *loss* is:

1. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Actual Cash Value** (ACV), *we* will pay the lesser of:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. **Actual cash value** of the damaged or stolen **covered automobile**.
2. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as Stated Amount (SA), *we* will pay the lesser of the:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. Amount as specified on the Statement of Values on file with *us* as applicable to that **covered automobile**.
3. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Replacement Cost** (RC),
  - a. *We* will pay the lesser of the:
    - (1) Cost to repair the damaged **covered automobile**;
    - (2) Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**; or
    - (3) Cost to replace the damaged or stolen **covered automobile** with new property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; and

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- b. **We** will not pay on a replacement cost basis until the **covered automobile** is actually replaced and such replacement is made as soon as possible after the **loss**. If **you** do not replace the **covered automobile**, **we** will not pay more than the **actual cash value**; and
- c. In the event **your** damaged **covered automobile**, other than a fire or ambulance vehicle, is deemed by **us** to be a total **loss**, was purchased new within two years of the date of **loss** and has less than 50,000 miles, **we** will pay up to 105% of the limit designated for the damaged **covered automobile** to replace it with one of comparable kind and quality, that is the same model year or the next model year if available.

## UNDERGROUND LINES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**B. PROPERTY EXCLUDED** is modified by deleting the following, but only as respects this coverage:

21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 33. UNDERGROUND FIBER OPTIC CABLE of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by adding:

UNDERGROUND LINES

This **EXTENSION** covers **loss** to **your** underground pipes, flues, drains, tanks, lines, wiring, fiber optic cable, tunnels, or passageways, which are within 1,000 feet of a **covered building or structure**.

This endorsement does not apply to the following sections:

**SECTION IV – TIME ELEMENT**

**SECTION V – EQUIPMENT BREAKDOWN**

**SECTION VI – CRIME**

**SECTION VII – AUTO PHYSICAL DAMAGE**

**SECTION VIII – EARTH MOVEMENT**

**SECTION IX - FLOOD**

All other terms and conditions remain unchanged.

## DEDUCTIBLE - EQUIPMENT BREAKDOWN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION V – EQUIPMENT BREAKDOWN, G. DEDUCTIBLES** is modified by the following:

Any Deductible Per Unit designated below shall apply to any loss to ***covered equipment*** described below, subject to the Minimum Deductible designated for such ***covered equipment***.

<u>Equipment</u>	<u>Deductible Per Unit</u>	<u>Minimum Deductible</u>
Water & Sewer	\$1,000	
All Other Covered Equipment	\$250	

All other terms and conditions remain unchanged.

## CYBER BREACH COVERAGE

This endorsement modifies the Governmental Property Agreement. It is understood and agreed that, unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement.

### I. COVERAGE

#### A. SECURITY AND PRIVACY COVERAGE

To pay on **your** behalf all sums which **you** shall become legally obligated to pay as **loss** resulting from any **claim**, alleging a **security failure** or **privacy event**, first made against **you** and reported to **us** during the **agreement period** for any **third party event** of **yours**, but only if such **third party event** first occurs on or after the **retroactive date**.

#### B. EVENT MANAGEMENT COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of an alleged **security failure** or **privacy event** that has actually occurred or is reasonably believed by **you** and **us** to have occurred, and is first discovered during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### C. NETWORK INTERRUPTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur after the **waiting hours period** of twelve (12) hours and solely as a result of a **security failure** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### D. CYBER EXTORTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of a **security threat** or **privacy threat** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### E. TELECOMMUNICATIONS FRAUD COVERAGE

To pay on **your** behalf all **loss** resulting directly from **telecommunications fraud**.

### II. DEFINITIONS

- A. **"Bodily Injury"** means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- B. **"Claim"** means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
  - (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations;
  - (3) a **Suit**; or
  - (4) a **Regulatory Action**.
- C. **"Client"** means any person, firm, company, corporation, organization, association or other entity to whom **you** provide goods or services for a fee pursuant to a legitimate written contract that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.

D. "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, **you**.

Solely with respect to Coverages A(S&P) and B(EM), "**computer system**" also means "cloud computing" and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to **you** as provided in a written contract between such third party and **you**.

E. "**Confidential Information**" means any of the following in **your** or an **information holder's** care, custody or control or for which **you** or the **information holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
- (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- (4) information used for authenticating customers for normal business transactions; or
- (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

F. "**Continuity Date**" means the date(s) set forth in the Declarations.

G. "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by **us** (unless otherwise provided for by this **agreement**) in connection with any **suit** or **regulatory action** brought against **you**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **claim** by **us** or by **you** with **our** written consent. **Defense costs** shall not include: (i) compensation of any **member**; or (ii) any fees, costs or expenses incurred prior to the time that a **claim** is first made against **you**.

H. "**Electronic Data**" means any software or data stored electronically on a **computer system**, including without limitation, **confidential information**.

I. "**Financial Institution**" means:

- (1) a banking, savings or thrift institution; or
- (2) a stockbroker, mutual fund, liquid assets fund or similar investment institution.

J. "**First Party Coverage**" means Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunications Fraud Coverage.

K. "**First Party Event**" means:

- (1) with respect to Event Management Coverage any **privacy event** or **security failure**;

- (2) with respect to Network Interruption Coverage any **security failure**; and
- (3) with respect to Cyber Extortion Coverage any **security threat** or **privacy threat**.

L. "**Information Holder**" means a third party that: (1) **you** have provided **confidential information** to; or (2) has received **confidential information** on **your** behalf.

M. "**Loss**" means:

**Solely with respect to Security and Privacy Coverage:**

compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **defense costs**, including without limitation:

- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages;
- (2) civil fines or penalties imposed by a governmental agency and arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
- (3) any monetary amounts **you** are required by law or have agreed by settlement to deposit into a consumer redress fund; and
- (4) amounts payable in connection with a **PCI-DSS Assessment**.

**Solely with respect to Event Management Coverage:**

the following reasonable and necessary expenses and costs **you** incur within one year of the **security failure** or **privacy event**:

- (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **security failure** or **privacy event**;
- (2) for a public relations firm, crisis management firm or law firm agreed to by **us** to advise **you** on minimizing the harm to **you**, including, without limitation, maintaining and restoring public confidence in **you**;
- (3) to notify those whose **confidential information** is the subject of the **security failure** or **privacy event** and advise of any available remedy in connection with the **security failure** or **privacy event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
- (4) for identity theft education and assistance, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a **security failure** or **privacy event** pursuant to subparagraph (3) above;
- (5) for any other services approved by **us** at **our** sole and absolute discretion;
- (6) to restore, recreate or recollect **electronic data**; or
- (7) to determine whether **electronic data** can or cannot be restored, recollected, or recreated.

Provided, however, with respect to Event Management Coverage, **loss** shall not include compensation, fees, benefits, or **your** overhead or internal charges.

**Solely with respect to Network Interruption Coverage:**

the below listed costs incurred from the beginning of a **material interruption** through the 120th day after the end of the **material interruption** (or 120 days after the **material interruption** would have ended if **you** exercised due diligence and dispatch):

- (1) costs that would not have been incurred but for a **material interruption**; and
- (2) the sum of all of following, which shall be calculated on an hourly basis:
  - (a) net income (net profit or loss before income taxes) that would have been earned; and

- (b) continuing normal operating expenses incurred, including payroll.

**Solely with respect to Cyber Extortion Coverage:**

- (1) monies paid by **you** with **our** prior written consent to terminate or end a **security threat** or **privacy threat** that would otherwise result in harm to **you**; and
- (2) the costs to conduct an investigation to determine the cause of a **security threat** or **privacy threat**.

**Solely with respect to Telecommunications Fraud Coverage:**

charges for voice telephone calls which were incurred solely due to and as a direct result of **telecommunications fraud**.

- N. "**Material interruption**" means the actual and measureable interruption or suspension of **your** business directly caused by a **security failure**.
- O. "**Money**" means currency, coins, bank notes and bullion, traveler's checks, registered checks and money orders held for sale to the public.
- P. "**PCI Data Security Standards**" means generally accepted and published Payment Card Industry standards for data security (commonly referred to as "**PCI-DSS**").
- Q. "**PCI-DSS Assessment**" means any written demand received by **you** from a Payment Card Association (e.g., MasterCard, Visa, American Express) or bank processing payment card transactions (i.e., an "Acquiring Bank") for a monetary assessment (including a contractual fine or penalty) in connection with **your** non-compliance with **PCI data security standards** which resulted in a **security failure** or **privacy event**.
- R. "**Privacy Event**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**■

- (1) any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
- (2) any failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**;
- (3) any unintentional failure of **you** to comply with those parts of **your** privacy agreement that (a) prohibit or restrict the disclosure or sale of **confidential information** by **you**, or (b) require **you** to allow an individual to access or correct **confidential information** about such individual; or
- (4) any violation of a federal, state, foreign or local privacy statute alleged in connection with a **claim** for a failure described in subparagraphs (1) or (2) above.

**Solely with respect to Event Management Coverage:**

any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise), including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation.

- S. "**Privacy Threat**" means any threat or connected series of threats to unlawfully use or publicly



disclose **confidential information** misappropriated from **you** for the purpose of demanding money, securities or other tangible or intangible property of value from **you**.

- T. "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include **electronic data**.
- U. "**Regulatory Action**" means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.
- V. "**Related Acts**" means all **first party events** and **third party events** which are the same, related or continuous and all **first party events** and **third party events** which arise from a common nucleus of facts. All **related acts** shall be considered to have occurred at the time the first such **related act** occurred.
- W. "**Retroactive Date**" means the date set forth in the Declarations for Security and Privacy Coverage.
- X. "**Securities**" means all negotiable and non-negotiable instruments or contracts representing either money or property and include revenue and other stamps in current use, tokens and tickets, but does not include **money**.
- Y. "**Security Breach Notice Law**" means any federal, state, local or foreign statute or regulation that requires an entity collecting or storing **confidential information**, or any entity that has provided **confidential information** to an **information holder**, to provide notice of any actual or potential unauthorized access by others to such **confidential information**, including, but not limited to, the statute known as California sb 1386 (§1798.82, *et. seq.* of the California civil code).
- Z. "**Security Failure**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**:

- (1) a failure or violation of the security of a **computer system** including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code; or
- (2) failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**.

"**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code from **your** premises, the **computer system**, or an officer, director or employee of **yours** by non-electronic means.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

a failure or violation of the security of a **computer system**, including, without limitation, that which results in, or fails to mitigate, any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. **Security failure** includes any such failure or violation resulting from the theft of a password or access code from **your** premises, **your computer system**, or an officer or employee of **yours** by non-electronic means.

- AA. **"Security Threat"** means any threat or connected series of threats to commit an intentional attack against a **computer system** for the purpose of demanding **money, securities** or other tangible or intangible property of value from **you**.
- AB. **"Suit"** means a civil proceeding for monetary, non-monetary or injunctive relief that is commenced by service of a complaint or similar pleading. **Suit** shall also include a binding arbitration proceeding to which **you** must submit or submit with **our** consent.
- AC. **"Telecommunications Fraud"** means the fraudulent use or fraudulent manipulation of an account code or system password required to obtain access to a **telecommunications system** owned or leased by **you**, installed on **your** premises, whose system administration is performed and controlled by **you**, provided, however, that the unauthorized access was not made possible by either:
- (1) failure to incorporate a system password feature; or
  - (2) failure to have a call-disconnect feature in operation to automatically terminate a caller's access to the **telecommunications system** after unsuccessful attempts to input an account code.
- AD. **"Telecommunications System"** means a **computer system** installed in one location which functions as a private branch exchange (PBX), voicemail processor, automated call attendant or provides a similar capability used for the direction or routing of telephone calls in a voice communications network.
- AE. **"Third Party Event"** means a **privacy event** or **security failure**.
- AF. **"Third Party Coverage"** means Security and Privacy Coverage.
- AG. **"Vendor"** means any person, firm, company, corporation, organization, association or other entity that provides goods or services to **you** pursuant to a legitimate relationship that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.
- AH. **"Waiting Hours Period"** means the number of hours that must elapse once a **material interruption** has begun for Network Interruption Coverage.

### III. EXCLUSIONS

This **agreement** shall not cover any **claim** made against **you** or any **loss**:

- A. alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:
- (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of **yours**, whether acting alone or in collusion with other persons; or
  - (2) past or present employee or independent contractor employed by **you** or an **information holder** if any person referenced in subparagraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct **loss** to **you** or any other person;

provided, however, solely with respect to the Security and Privacy Coverage, **we** will defend **suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication as to such conduct in any action or proceeding other than an action or proceeding initiated by **us** to determine coverage under this **agreement**, at which time **you** shall reimburse **us** for **defense costs**.

- B. alleging, arising out of, based upon or attributable to any (1) presence of **pollutants**, (2) the

or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, or in any way respond to or assess the effects of **pollutants**.

C. alleging, arising out of, based upon or attributable to any **bodily injury** or **property damage**.

**Solely with respect to Security and Privacy Coverage**

D. alleging, arising out of, based upon or attributable to any infringement of patent, or any misappropriation of a trade secret by **you**.

E. alleging, arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
- (3) electrical or mechanical failures of infrastructure not under **your** control, including any electrical power interruption, surge, brownout or blackout; provided, however, this subparagraph (3) shall not apply to a **security failure** or a **privacy event** that is caused by such electrical or mechanical failure;
- (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under **your** control; provided, however, this subparagraph (4) shall not apply to a **security failure** or a **privacy event** that is caused by such failure of telephone lines, data transmission lines or other telecommunication or networking infrastructure; or
- (5) satellite failure.

F. alleging, arising out of, based upon or attributable to any:

- (1) purchase, sale, or offer or solicitation of an offer to purchase or sell **securities**;
- (2) violation of any **securities** law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **claim** alleging a **privacy event** in violation of regulation s-p (17 c.f.r. § 248); provided further, however, this exclusion does not apply to a **claim** alleging a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**; or
- (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law.

G. alleging, arising out of, based upon or attributable to **your** employment of any individual or any of **your** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related **claim**); provided, however, this exclusion shall not apply to any **claim** by an individual to the extent such individual is alleging (1) a **privacy event** in connection with such individual's employment or application for employment with **you**, or (2) a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**.

- H. alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal law regulating such conduct, or that is brought by or on behalf of the Federal Trade Commission (“FTC”) or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, this paragraph (H) shall not apply to any **loss** arising out of a covered **regulatory action**.
- I. brought by or on behalf of:
- (1) **you**;
  - (2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by **you**; or
  - (3) any parent company, subsidiary, successor or assignee of **yours**, or any person or entity affiliated with **you** or such business entity through common management control.
- J. for any of the following:
- (1) the return of **your** fees or compensation;
  - (2) any profit or advantage to which **you** are not legally entitled;
  - (3) **your** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
  - (4) **your** cost of providing, correcting, re-performing or completing any services;
  - (5) civil or criminal fines or penalties imposed by law against **you** and any matters deemed uninsurable under the law pursuant to which this agreement shall be construed; provided, however, this subparagraph (5) shall not apply to (a) any monetary amounts **you** are required by law or have agreed to by settlement to deposit into a consumer redress fund, or (b) any civil fine or penalty imposed by a governmental agency arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
  - (6) **your** costs and expenses of complying with any injunctive or other form of equitable relief;
  - (7) taxes incurred by **you**;
  - (8) the amounts for which **you** are not financially liable or which are without legal recourse to **you**, or
  - (9) amounts **you** agree to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not apply to any **PCI-DSS assessment**.
- K. alleging, arising out of, based upon or attributable to any obligation **you** have under contract; provided, however, this exclusion shall not apply to:
- (1) the obligation to prevent a **security failure** or a **privacy event**, including, without limitation, whether same is in violation of an implied or statutory standard of care;
  - (2) liability **you** would have in the absence of such contract or agreement;
  - (3) the obligation to comply with **PCI data security standards**; or
  - (4) a **privacy event** with respect to any liability or obligation under the confidentiality or non-disclosure provisions of any agreement;
- L. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, alleged or contained in any **claim** which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which this Security and Privacy Coverage is a renewal or replacement or which it may succeed in time.
- M. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event** occurring prior to the **retroactive date** or any **related acts** thereto, regardless of when such **related acts** occurs.
- N. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**

**related act** occurs), if, as of the **continuity date**, **you** knew or could have reasonably foreseen that such **security failure** or a **privacy event** did or would result in a **claim** against **you**.

O. alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** by order of any governmental or public authority.

P. for any of the following:

- (1) the theft of **money** or **securities** from **you**; or
- (2) the transfer or **loss** of **money** or **securities** from **your accounts** or **accounts** under **your** control, including customer **accounts**. For purposes of this paragraph P., the term "**accounts**" shall include, but are not limited to, deposit, credit, debit, prepaid and **securities** brokerage accounts.

**Solely with respect to Event Management Coverage, Network Interruption Coverage and Cyber Extortion Coverage:**

Q. arising out of, based upon or attributable to any war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

R. arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused; or
- (2) satellite failure.

S. arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** or **electronic data** by order of any governmental or public authority.

T. arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which Event Management Coverage or Network Interruption Coverage is a renewal or replacement or which it may succeed in time.

**Solely with respect to Event Management Coverage:**

U. arising out of, based upon or attributable to any misappropriation of **your** trade secret, any misappropriation of a trade secret by **you** or any employee of **yours** or any infringement of patent, copyright, trademark or trade dress.

V. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Network Interruption Coverage:**

W. arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

X. arising out of, based upon or attributable to: (1) any liability to third parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any **computer system** to a level beyond that which existed prior to sustaining **loss**; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

**Solely with respect to Cyber Extortion Coverage:**

Y. arising out of, based upon or attributable to any misappropriation of **your** trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

Z. for any profit or advantage to which **you** are not legally entitled.

AA. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Telecommunications Fraud Coverage:**

AB. **loss** resulting from any **telecommunications fraud** occurring prior to the applicable **retroactive date**;

AC. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by **you**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of **yours**, whether acting alone or in collusion with others;

AD. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **client**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of a **client**, whether acting alone or in collusion with others;

AE. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **vendor**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of the **vendor**, whether acting alone or in collusion with others;

AF. the costs of defending any legal proceeding brought against **you**, or the fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceeding;

AG. **loss** arising out of war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;

AH. **loss** resulting directly or indirectly from the actual or alleged use of credit, debit, charge, access, electronic benefit transfer, convenience, cash management or other cards;

AI. **loss** to the extent that such **loss** has been reversed or returned by a credit card company, **financial institution** or telecommunications provider;

AJ. **loss** arising out of accounting or arithmetical errors or omissions;

AK. **loss** of potential income, including interest and dividends, of **you**, a **client**, a **vendor** or any third party;

AL. any fines, penalties, consequential damages, punitive damages, expenses as a result of regularly scheduled recurring or routine regulatory examinations, or compliance activities or non-monetary relief, including, without limitation, injunctive relief, or other equitable

remedies of any type for which **you** are legally liable;

AM. **loss** resulting from **telecommunications fraud** which induces **you** to make any purchase or sale, whether legitimate or fraudulent;

AN. **loss** resulting from **telecommunications fraud** arising out of unintentional errors or omissions;

AO. **loss** of computer or telephone time or use due to **telecommunications fraud**;

AP. **loss** resulting from the loss of or damage to manuscripts, books of account or records maintained in any format or medium;

AQ. **loss** resulting directly or indirectly from any authorized or unauthorized trading of **money**, **securities** or other tangible property whether or not in **your** name and whether or not in a genuine or fictitious account;

AR. any **indirect** or consequential result of any **telecommunications fraud**, including, but not limited to, damages of any type for which **you** are legally liable;

AS. **loss** as a result of a threat:

- (1) to do bodily harm to any person;
- (2) to do damage to **your** premises or property; or
- (3) to **computer systems** operations; or

AT. **loss** resulting directly or indirectly from the (i) theft, disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

- (1) confidential or non-public; or
- (2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, under any agreement, or any industry guideline or standard.

Notwithstanding the foregoing, however, this exclusion shall not apply to the extent that any **telecommunications fraud loss** results directly from the unauthorized use or disclosure of a password or other user credential information.

#### IV. GENERAL CONDITIONS

##### A. DEFENSE

- (a) **we** have the right and duty to defend a **suit** or **regulatory action** alleging a **security failure** or a **privacy event**, even if the **suit** or **regulatory action** is groundless, false or fraudulent;
- (b) **we** have the right to investigate any **claim**; and
- (c) **our** duty to defend ends if **you** refuse to consent to a settlement that **we** recommend pursuant to the settlement provision below and that the claimant will accept. As a consequence of **your** refusal, **our** liability shall not exceed the amount for which **you** could have settled such **claim** had **you** consented, plus **defense costs** incurred prior to the date of such refusal, plus 50% of **defense costs** incurred with **our** prior written consent after the date of such refusal.

##### B. SETTLEMENT

**We** have the right, with **your** written consent, to settle any **claim** if **we** believe that it is proper.

##### C. CYBER BREACH COVERAGE LIMIT

The Cyber Breach Limit set forth in the Declarations is **our** maximum liability for all **loss** under Security and Privacy Coverage, Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunication Fraud Coverage combined, and **we** shall not be responsible to pay any such **loss** upon exhaustion of the Cyber Breach Limit.

If a sublimit of liability is stated in the Declarations, then such sublimit of liability shall be **our** maximum liability for all **loss** with respect to such coverage and **we** shall not be responsible to pay any **loss** under such coverage upon exhaustion of such sublimit of liability. Any sublimit of liability described above shall be part of and not in addition to the Cyber Breach Limit and shall in no way serve to increase the Cyber Breach Limit.

Solely with respect to Telecommunications Fraud Coverage, coverage will be in excess of any other valid and collectible crime insurance or indemnity available to **you**.

Solely with respect to Security and Privacy Coverage, a **claim** which is made subsequent to the **agreement period**, but no later than thirty (30) days thereafter, which is considered to be made during the **agreement period**, shall also be subject to the Cyber Breach Limit and any applicable sublimit of liability described above.

#### D. NOTICE

- (a) **You** shall, as a condition precedent to **our** obligations under this Cyber Breach Coverage, give written notice to **us** of any **claim** made against **you** or a **first party event** as soon as practicable.

If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

#### E. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **loss** (and otherwise) under Network Interruption Coverage, due consideration shall be given to the prior experience of **your** business before the beginning of the **security failure** and to the probable business **you** could have performed had no **security failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this endorsement shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **security failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on **your** actual net profit (or net loss) and charges and expenses.

#### F. APPRAISAL

If **you** and **we** disagree on the amount of **loss**, either may make a written demand for an appraisal of such **loss**. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

**You** and **we** will:

- (1) pay **our** respective chosen appraiser; and



(2) bear the expenses of the umpire equally.

Any appraisal of **loss** shall be calculated in accordance with all terms, conditions and exclusions of this Cyber Breach Coverage.

#### **G. WORLDWIDE TERRITORY**

Where legally permissible, this endorsement shall apply to **first party events** and **third party events** occurring, **claims** made or **losses** suffered anywhere in the world.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

## **CYBER BREACH COVERAGE DATES AND LIMITS**

This endorsement modifies the Governmental Property Agreement for this coverage only.

The following limits are added to the **CYBER BREACH COVERAGE** Endorsement - GPA 0761 (04/18):

Telecommunication Fraud Per Occurrence:	\$25,000
Telecommunication Fraud Annual Aggregate:	\$50,000
Cyber Breach Coverage Per Occurrence:	\$250,000
Cyber Breach Coverage Annual Aggregate:	\$250,000

The Cyber Breach Coverage Annual Aggregate includes Telecommunication Fraud.

The following dates are added to the **CYBER BREACH COVERAGE** Endorsement - GPA 0761 (04/18):

Retroactive Date:	04/01/2018
Continuity Date:	04/01/2018

All other terms and conditions remain unchanged.

# TERRORISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION 1 – GENERAL PROVISIONS** is modified by amending the following, but only as respects this coverage:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

3. TERRORISM

- a. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, unless agreed to by the **Pool** in writing prior to such action being taken.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

39. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage** and is primary over any other coverage provided by the Governmental Property Agreement.
- b. The following Additional Definitions apply only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss that would otherwise be covered by this **Agreement** arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss or damage to power transmission, feeder lines or pipelines not on **your** premises.
- (14) Watercraft.

(15)Plants and living things, of all types.

- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by adding the following, but only as respects this coverage:

**A. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS**

15. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional Definition applies only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss (which would otherwise be covered by this **Agreement**) arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.

- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
  - (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
  - (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
  - (10) Loss or increased cost as a result of threat or hoax.
  - (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
  - (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

All other terms and conditions remain unchanged.



**Pennsylvania Intergovernmental Risk Management  
Association**  
(A Local Government Risk Pool)

**GOVERNMENTAL PROPERTY AGREEMENT  
COVERAGE DECLARATIONS**

This Agreement is issued under and pursuant to the terms, conditions, covenants, Property Addendum dated 09/08/2014 and stipulations of the Intergovernmental Contract dated 09/08/2014 between the Member stated herein and Pennsylvania Intergovernmental Risk Management Association, (hereinafter, the Pool). All terms and conditions of said contract are incorporated herein by reference. In the event that any provision of this Agreement is in conflict with or is inconsistent with the Intergovernmental Contract or any appendix or attachment thereto, the terms and conditions of such Intergovernmental Contract, appendix or attachment shall prevail and take precedence.

GIVE WRITTEN NOTICE OF ANY LOSS HEREUNDER TO

H.A. Thomson Company  
961 Pottstown Pike  
Chester Springs, PA 19425

NAMED MEMBER: Catharine Township, Blair County

MEMBER NUMBER: 0544


MAILING ADDRESS: 1229 Recreation Drive  
Williamsburg, PA 16693

AGREEMENT PERIOD: Commencing at 12:01 A.M. on the effective date indicated below until canceled or replaced.

EFFECTIVE DATE: 02/22/2021

FORMS ATTACHED:	Form Number	Description	Revision Date
	GPA 0600 (01-19)	Property Schedule of Benefits (01-19)	01/2019
	GPA 0601	Section 1	01/2019
	GPA 0601	Section 2	01/2019
	GPA 0601	Section 3	01/2019
	GPA 0601	Section 4	01/2019
	GPA 0601	Section 5	01/2019
	GPA 0601	Section 6	01/2019
	GPA 0601	Section 7	01/2019
	GPA 0625	Underground Lines	01/2019
	GPA 0626	Schedule of Covered Vehicles	
	GPA 0626 MP	Statement of Additional Property	
	GPA 0644	Boiler & Machinery Deductibles Endorsement	01/2019
	GPA 0760	Cyber Breach Coverage	04/2018
	GPA 0761	Cyber Breach Dates and Limits	01/2019
	GPA 0780	Terrorism	01/2019
	GPA 0781	Unscheduled Property in the Open	01/2021
	GPA 0785	Earth Movement	01/2021
	GPA 0786	General Endorsement Bridges	01/2021

Countersigned: 02/19/2021

By: 





# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2021

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION III – PROPERTY DAMAGE</b>		
Buildings*	\$274,444	\$250
Personal Property*	\$2,000	\$250
Accounts Receivable	\$250,000	
Animals	\$25,000	
Appearance Allowance	\$25,000	
Arson or Theft Reward	\$10,000	
Athletic Surfaces	\$50,000	
Computer Virus	\$50,000	
Cyber Breach Coverage Aggregate	\$250,000	
Cyber Breach Coverage Per Occurrence	\$250,000	
Debris Removal	\$250,000	
Decontamination Costs	\$25,000	
Equipment Rental Reimbursement	\$250,000	
Errors or Omissions	\$500,000	
Expediting Expenses	\$250,000	
Fine Arts - Unscheduled	\$25,000	
Fire Department Service Charge	Actual Cost	
Fire Extinguishing Systems	Actual Cost	
Fire Hydrants (Unscheduled)	\$10,000	
Golf Course Sand Traps, Tee and Greens	\$10,000/\$250,000	
Green Coverage	\$100,000	
Guide Rails	\$10,000	
Land and Water Cleanup Expense	\$10,000	
Locks and Keys	\$25,000	
Money and Securities	\$25,000	
New Generation	\$10,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2021

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
Off-Premises Service Interruption Property Damage	\$25,000	
Off-Premises Storage - Property Under Construction	\$10,000	
Ordinance or Law	\$500,000	
Outdoor Signs	\$10,000	
Outdoor Trees and Shrubs	\$10,000/\$250,000	
Parking Meters and Charging Stations	\$5,000	
Personal Prop Not at a Covered Location	\$50,000	
Personal Property at Newly Acquired or Leased Locations	\$1,000,000	\$0
Pollution Cleanup Expense	\$100,000	
Professional Fees	\$5,000	
Property Removed from a Covered Location	\$250,000	
Protection and Preservation of Property	\$250,000	
Telecommunications Fraud Aggregate	\$50,000	
Telecommunications Fraud Per Occurrence	\$25,000	
Terrorism	See GPA 0780	\$0
Transit Coverage	\$100,000	
Underground Fiber Optic Cable	\$10,000	
Underground Lines	\$1,000,000	
Unscheduled Misc Property	\$10,000	
Unscheduled Playground Equipment	\$25,000	
Unscheduled Property in the Open	\$100,000	\$250
Valuable Papers and Records	\$250,000	
Water and Sewer Backup	\$100,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2021

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION IV - TIME ELEMENT</b>		
Civil Authority	\$25,000	
Computer Systems and Non-physical Damage	\$10,000	
Contingent Tax Revenue Interruption	\$25,000	
Contingent Time Element	\$10,000	
Earnings During Protection/Preservation	\$25,000	
Expenses to Reduce Loss	\$25,000	
Extended Earnings, Extra Expense and Cost	\$50,000	
Extended Period of Coverage	\$25,000	
Extra Expense and Cost	\$250,000	
Gross Earnings	\$250,000	
Leasehold Interest	\$10,000	
Rental Coverage	\$10,000	
Soft Costs	\$5,000	
Storm Debris Removal	\$5,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2021

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
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#### SECTION V - EQUIPMENT BREAKDOWN

Total Limit per one Breakdown*	\$265,788	See GPA 0644
Power Generating Equipment	Excluded	
Civil Authority	\$25,000	
Data or Media	\$250,000	
Defense	Unlimited	
Dependent Properties	\$25,000	
Earnings	\$100,000	
Electrical Surge and Electrical Disturbance	\$100,000	
Error in Description	\$500,000	
Expediting Expenses	\$250,000	
Extended Earnings and Extra Expense	\$100,000	
Extra Expense	\$100,000	
Green Alternatives	\$100,000	
Hazardous Substance	\$100,000	
New Generation	\$10,000	
Newly Acquired Locations	\$2,000,000	
Off Premises Equipment	\$50,000	
Ordinance or Law	\$500,000	
Refrigerant Contamination	\$100,000	
Service Interruption	\$100,000	
Spoilage	Included with Refrigerant Contamination	
Water Damage	\$100,000	

#### SECTION VI – CRIME

Crime	\$10,000	
Computer Fraud and Funds Transfer	\$10,000	
Employee Theft - Per Employee	\$10,000	
Employee Theft - Per Loss	\$10,000	
Forgery or Alteration	\$10,000	
Inside Premises - Robbery or Safe Burglary	\$10,000	
Money Orders and Counterfeit Money	\$10,000	
Outside Premises	\$10,000	
Theft, Disappearance, Destruction of Money	\$10,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2021

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION VII - AUTOMOBILE PHYSICAL DAMAGE</b>		
Airbags	\$5,000	
Commandeered Property	\$250,000	
Emergency Response Automobile	\$25,000	
Freezing of Equipment Coverage	\$25,000	
Hired Automobile Physical Damage	\$50,000	
Lease Gap	\$25,000	
Not At Fault Collision Deductible Waiver	\$2,500	
Personal Automobile (Deductible)	Actual Cost	
Property in an Unattended Auto	\$1,000	
Recertification	Actual Cost	
Rental Automobile Agreement	\$10,000	
Rental Reimbursement Aggregate	\$100,000	
Rental Reimbursement Per Day	\$1,000	
Roadside Assistance	\$5,000	
Temporary Substitute Automobile	\$2,500	
Terrorism	See GPA 0780	



## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2021

Printed on: 03/03/2021

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
1 - 1 1021 Recreation Drive Williamsburg, PA 16693 Concrete Block Garage/Storage/Municipal Building/Addition	3300	0		1996		2	5	Y	N	N	Y

	Value	Valuation	Deductible
Building	\$249,756	RC	\$250
Personal Property	\$2,000		\$250
<b>Total Location TIV</b>	<b>\$251,756</b>		

1 - 2 1021 Recreation Drive Williamsburg, PA 16693 Frame Salt Shed (24 x 24 x 16)	576	0		1998		1	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$21,505	RC	\$250
<b>Total Location TIV</b>	<b>\$21,505</b>		

1 - 3 1021 Recreation Drive Williamsburg, PA 16693 Two (2) Plastic Brine Tanks w/pumps	0	0				3	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$3,183	RC	\$250
<b>Total Location TIV</b>	<b>\$3,183</b>		

Total Blanket TIV	\$276,444
Building	\$274,444
Personal Property	\$2,000
<b>Total TIV</b>	<b>\$276,444</b>



## Schedule of Covered Vehicles

**Catharine Township, Blair  
County**

**Effective Date:** 02/22/2021

**Printed on:** 03/03/2021

#	Year	Make	Model	VIN	Type	Value	Valuation Comp	Ded	Coll	Ded
1	2011	Ford	F550 w/radio, plow & spreader	1FDUF5H T3BEA07 036	Dump Trucks	\$63,632	ACV Y	\$100	Y	\$250
2	2008	Ford	F550 w/radio, plow & spreader	1FDAF57 R88ED23 310	Dump Trucks	\$61,442	ACV Y	\$100	Y	\$250
3	2005	International	7400	1HTWDA ZR25J136 074	Dump Trucks	\$5,000	ACV Y	\$100	Y	\$250
4	1994	Miscellaneous	Eager Beaver Trailer	112HTN3 0XRLO428 55	Trailers	\$3,050	ACV Y	\$100	Y	\$250
5	2016	Miscellaneous	Sure-Trac Trailer	5JW2D10 2XG4143 183	Trailers	\$4,095	ACV Y	\$100	Y	\$250

Total Location Vehicle Value: \$137,219

**Total ACV Value:** \$137,219    **Total RC Value:** 0    **Total SA Value:** 0    **Grand Total Vehicle Value:** \$137,219



## Additional Property Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2021

Printed on: 03/03/2021

### Location Information N/A

Line	Classification	Description	Serial No	Coverage Limit	Valuation	Deductible
1	Miscellaneous Property Unscheduled	Leased & Rented Equipment		\$250,000	ACV	\$250
2	Miscellaneous Property Unscheduled	Miscellaneous Tools & Equipment; no one item over \$1,000		\$9,000	ACV	\$250
3	Miscellaneous Property Scheduled	1984 Paver	ETNYREFCR00	\$2,500	ACV	\$250
4	Miscellaneous Property Scheduled	Rhino Boom Mower w/flailhead	SV15-2071R-04	\$14,500	ACV	\$250
5	Miscellaneous Property Scheduled	CAT Payloader	3TJ00253	\$18,900	ACV	\$250
6	Miscellaneous Property Scheduled	2005 John Deere Loader/Tractor w/bucket, broom & attachment	LV5325P133208	\$55,000	ACV	\$250
7	EDP - Hardware	Unscheduled Hardware & Software		\$2,000	RC	\$250

Total EDP - Hardware	\$2,000
Total Miscellaneous Property Scheduled	\$90,900
Total Miscellaneous Property Unscheduled	\$259,000
<b>Total Location Additional Property Scheduled Value</b>	<b>\$351,900</b>

Grand Total EDP - Hardware	\$2,000
Grand Total Miscellaneous Property Scheduled	\$90,900
Grand Total Miscellaneous Property Unscheduled	\$259,000
<b>Grand Total Additional Property Scheduled Value</b>	<b>\$351,900</b>



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10. Contaminant	1 - 2
11. Contamination	1 - 2
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## SECTION I GENERAL PROVISIONS

This **Governmental Property Agreement** is issued pursuant to and in accordance with the Intergovernmental Agreement and is subject to the terms, conditions, covenants and stipulations set forth herein and as specified on the **Declarations** or in any endorsement hereto. In the event that any provision of this **Agreement** is in conflict with, or is incompatible with, the Intergovernmental Agreement or any appendix or attachment thereto, the terms and conditions of the Intergovernmental Agreement, appendix or attachment thereto shall take precedence.

All **SECTIONS** included in this **Agreement** are subject to **SECTION I GENERAL PROVISIONS** of this **Agreement**, except for any modifications included in such other **SECTIONS** of this **Agreement**.

Various provisions in this **Agreement** restrict coverage. Read the entire **Agreement** carefully to determine rights, duties and what benefits are and are not provided.

Throughout this **Agreement**, words and phrases that appear in **bold italics** have special meaning. **You** and **your** refer to the Named Member as specified on the **Declarations**. **We**, **us** and **our** refer to the **Pool**.

Other words and phrases that appear in **bold italics** also have special meaning and are defined in **SECTION I GENERAL PROVISIONS** of this **Agreement** or in the other **SECTIONS** of this **Agreement**.

Coverage applies only to **losses** occurring during the **Agreement Period**. In return for the payment of the contribution and subject to all of the terms of this **Agreement** and the Intergovernmental Contract, the **Pool** agrees to provide coverage pursuant to those Coverage Agreements comprising this **Agreement**.

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

1. **Actual Cash Value** means:
  - a. For a **covered building or structure**, the cost to repair, rebuild or replace the lost or damaged property at the time and place of the **loss**, with property of like kind and quality, less allowance for physical deterioration, depreciation and depletion;
  - b. For a **covered automobile** or all other property, the market value of such **automobile** or property in a used condition at the time and place of the **loss**, if reasonably available in the used market. If not reasonably available in the used market, **actual cash value** means the market value of new, identical or nearly identical **automobile** or property, less allowance for physical deterioration, depreciation, depletion and obsolescence.
2. **Agreement** means this Governmental Property Agreement, including the **Declarations**, **SECTION I GENERAL PROVISIONS**, **SECTION II LOSS ADJUSTMENT AND SETTLEMENT**, **SECTION III PROPERTY DAMAGE**, **SECTION IV TIME ELEMENT**, **SECTION V EQUIPMENT BREAKDOWN**, **SECTION VI CRIME**, **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**, **SECTION VIII EARTH MOVEMENT**, **SECTION**

**IX FLOOD**, and any attached endorsements and any amendments to the Governmental Property Agreement.

3. **Agreement Period** means each period of one year following the effective date and time of this **Agreement** or, such lesser period if the time between the effective date and termination or cancellation of this **Agreement** is less than one year.
4. **Agreement Territory** means the United States of America, its territories, and Canada.
5. **Aircraft** means any machine designed to travel through the air, including but not limited to, airplanes, balloons, dirigibles or helicopters, but aircraft does not mean a **drone**.
6. **Authorized Volunteer** means an individual volunteer while performing a service for **you** at **your** request and at no expense. This term does not include individual volunteers performing services for or on behalf of independent volunteer fire companies, ambulance companies or other entities.
7. **Automobile**
  - a. **Automobile** means a land motor vehicle, motorcycle, motor truck, trailer or semi-trailer, or any similar means of transporting persons or property designed and licensed for travel on public roads, including any permanently attached machinery or apparatus, or equipment removed on a seasonable basis if attached thereto.
  - b. **Automobile** does not include **mobile equipment**.
8. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution in conducting its business.
9. **Blanket Limit** means a single limit of coverage that applies to one or more **covered locations**. The **Blanket Limit** is equal to the total values scheduled for all buildings and personal property on the Statement of Values that are indicated as being part of the **Blanket Limit** and such total is listed as the **Blanket Limit** on the Statement of Values.
10. **Contaminant** means anything that causes **contamination**.
11. **Contamination** means any condition of property due to the actual or suspected presence of any: foreign substance, impurity, **pollutant**, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, **fungi**, mold or mildew.
12. **Covered Automobile** means: an **automobile** specified on the Statement of Values on file with **us** which is owned, leased, or borrowed by **you**, and which **you** acquire, lease, rent, or borrow during the **Agreement Period**, subsequent to the completion of the most recent Statement of Values on file with **us**.
13. **Covered Building or Structure** means a building or structure, described on the Statement of Values on file with **us**, located on a **covered location** and used for the conduct of **your operations**.

14. **Covered Location** means a location specified on the Statement of Values on file with **us** or a location subsequently reported.
15. **Data** means all information stored on media devices including facts, concepts, statistics, texts, sounds, graphics, images, quantities, characters, symbols or computer programs converted to a form usable in a data processing operation.
16. **Declarations** means the Declarations of Coverage attached to and incorporated into the **Agreement**, setting forth the specific indication of the coverages, limits, sublimits, deductibles, contributions, special provisions elected by the **Member**, corresponding schedules and any modifications made by issuance of amendatory Declarations of Coverage.
17. **Drone** means a remote controlled and unmanned aerial vehicle (UAV).
18. **Earth Movement** means **earthquakes**; landslides; mudslides; mudflows; **volcanic eruption**; subsidence, including **mine subsidence**; or earth sinking, rising or shifting; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural and manmade causes, and includes aftershocks therefrom.
20. **Electronic Data Processing Equipment Or Media** means any computer, computer system or component, **hardware**, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, **data** or programs, whether the property of the **member** or not.
21. **Employee**
- a. **Employee** means any individual while in **your** service and in the conduct of **your operations**, whose labor or service is engaged by **you** in your capacity as an employer, subject to Pennsylvania worker's compensation laws, whom **you** compensate by salary, wages or commissions, and have the right to govern and direct in the performance of such service.
  - b. **Employee** does not mean any broker, commission merchant, consignee contractor, retained professional, independent contractor or other representative of the same general character.
22. **Fine Arts** means paintings, drawings, etchings, prints, pictures, tapestries, art glass windows, valuable rugs and tapestries, statuary, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, potteries, rare or art glass, bric-a-brac and similar property of rarity, historical or cultural value, or artistic merit.
23. **Flood** means surface waters; rising waters; storm surge; sea surge; wave wash; waves; tsunami; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of water from natural or man-made bodies of water, or the spray therefrom, all irrespective of whether driven by wind; mudslide or mudflow resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made,

contributing concurrently or in any other sequence of **loss**. **Loss** from **flood** associated with a storm or weather disturbance, whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of the **Agreement**. However, **loss** by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be **loss** by **flood** within the terms and conditions of this **Agreement**.

24. **Functional Replacement Cost** means the cost to repair or replace a building, or the portion of the building being used by **you** for **your** operations, with commonly used construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
25. **Fungi** means any type or form of fungus, including mold, mildew, and any mycotoxin spores, scents or by-products produced or released by **fungi**.
26. **Green** means products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
27. **Green Authority** means an authority on **green** buildings, products, materials, methods or processes, including the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certifications, Green Building Initiative's Green Globes Certification, U.S. Department of Energy/Environmental Protection Agencies' Energy Star Rating System or any other recognized **green** rating system.
28. **Hardware** means a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.
29. **High Hazard Flood Zones** means Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA), including, but not limited to, Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.
30. **Improvements and Betterments** means the fixtures, alterations, installations or additions made a part of the building or structure **you** occupy, but do not own, and that **you** acquired or made at **your** expense, but cannot legally remove.
31. **Land** means any solid portion of the earth except for structures reported on the Statement of Values on file with **us**, such as dikes, levees, retaining walls and other containment structures.
32. **Loss** means direct loss or damage to **you** of **COVERED PROPERTY** occurring during the **Agreement Period**.
33. **Member** means **you** and, while actively engaged in activities on **your** behalf or in **your** interest, any:
  - a. Member of **your** governing body;
  - b. Member of **your** Boards, Commissions, or Councils;

- c. Elected or appointed officers;
- d. **Employees** acting within the scope of their employment; or
- e. **Authorized volunteers**.

34. **Mine Subsidence** means **loss** caused by lateral or vertical ground movement, resulting from the collapse of man-made underground mines, including but not limited to, coal, clay, limestone or fluorspar mines. However, **mine subsidence** does not mean lateral or vertical ground movement caused by:

- a. **Earthquake** or landslide;
- b. Soil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs;
- c. Collapse of storm sewer drains or rapid transit tunnels; or
- d. **Sinkhole Collapse**.

35. **Mobile Equipment**

a. **Mobile equipment** is considered personal property and 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 and not licensed for highway use;
- (3) Vehicles that travel on crawler treads;
- (4) Vehicles, irrespective of whether self-propelled, maintained primarily to provide mobility to:
  - (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 a.(1), a.(2), a.(3) or a.(4) of this definition of **Mobile Equipment** 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 or similar devices used to raise or lower workers;

(6) Vehicles not described in a.(5)(a) or a.(5)(b) of this definition of **Mobile Equipment** that are maintained primarily for purposes other than the transportation of persons or cargo; and

(7) **Drones**.

b. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment**, but will be considered **automobiles**:

(1) Equipment designed primarily for:

(a) Snow removal; or

(b) Street cleaning;

(2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

36. **Money**

a. **Money** means currency, coins, and bank notes in current use and having a face value.

b. **Money** does not mean bitcoin or any other form of cryptocurrency or unregulated **securities** processed through blockchain technologies.

37. **Nuclear Hazard** means nuclear reaction, radiation or radioactive **contamination**, however caused.

38. **Occurrence** means the sum total of all loss, arising out of or caused by one event:

a. Occurring during the **Agreement Period**; or

b. Commencing during the **Agreement Period**, as respects the following:

(1) **Earth Movement: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Earth Movement** during a continuous period of up to one hundred sixty-eight (168) hours.

(2) **Flood: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Flood** within a period of continued rising or overflow and subsidence of same.

(3) **Terrorism: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

(4) **Wind: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Wind** during a continuous period of seventy-two (72) hours.



39. **Operations** means **your** customary activities for which you have been legally or statutorily authorized to undertake.
40. **Period of Restoration**:
- a. Means the period of time that begins on the date the **loss** occurs and ends the earlier of when **your operations** are resumed at a new permanent location or the date the damaged property should, with reasonable speed, be repaired, rebuilt or replaced. The expiration date of this **Agreement** will not lessen the **period of restoration**; and
  - b. Does not include any increased period attributable to the enforcement of an ordinance, law, order, rule or ruling that:
    - (1) Prohibits, regulates or restricts the alteration, construction, installation, operation, use or repair of any property;
    - (2) Requires the tearing down or demolition of any property; or
    - (3) Requires **you** 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**.
41. **Pollutant** means any solid, liquid, gaseous, fibrous, or thermal irritant or **contaminant**, including but not limited to, smoke, vapor, soot, fumes, particulates, acids, alkalis, chemicals, asbestos, **fungi**, lead, silica, waste and any unhealthful or hazardous building materials. Unhealthful or hazardous building materials include, but are not limited to, asbestos and lead products or materials containing lead. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
42. **Pool** means Pennsylvania Intergovernmental Risk Management Association.
43. **Rental Equipment** means equipment which is leased or rented under contract from others by the *member* or other covered party.
44. **Replacement Cost**
- a. **Replacement cost** means the lesser of the following:
    - (1) The cost to repair;
    - (2) The cost to rebuild or replace on the same site, with new materials of like kind and quality;
    - (3) On buildings or structures, machinery, fixtures, and equipment: the actual expenditure incurred in rebuilding, repairing, or replacing the damaged or destroyed property on the same or another site, but not to exceed the size, operating capacity and usage that existed at the time of **loss**; or
    - (4) On all other property, the amount actually expended to replace.

- b. Property not actually repaired or replaced shall be valued at **actual cash value**.
45. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property, and includes: bitcoins and similar instruments, tokens, tickets, revenue and stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**, but does not include **money**.
46. **Sinkhole Collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. **Sinkhole Collapse** does not include sinking or collapse of land into man-made underground cavities.
47. **Soft Costs** means the costs over and above those that are normal at a **covered location** undergoing renovation or in the course of construction, and limited to the following:
- a. Construction loan fees meaning the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing; accounting work necessary to restructure financing; legal work necessary to prepare new documents; and charges by lenders for the extension or renewal of any necessary loans;
  - b. Commitment fees, leasing and marketing expenses meaning the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s) and the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s);
  - c. Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction;
  - d. Property taxes, building permits, additional interest on loans, and realty taxes.
48. **Software** means facts, concepts or instructions converted to a form usable in **hardware**. This includes computer programs and the materials on which information is stored, including, but not limited to, disks, magnetic tapes, CD-ROMs and disc packs.
49. **Terrorism** means any act involving the use or threat of force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution; or any similar act; when the effect or apparent purpose is:
- a. To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
  - b. To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
50. **Theft** means any unlawful taking of property.
51. **Transmission and Distribution Systems** means **your** systems for the delivery of products or services, including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, **data**, internet, cable television, and video. Such systems

shall include pipes, mains, valves, poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

52. ***Vacant Building***

- a. ***Vacant Building*** means a building or structure that does not contain property to conduct ***your operations***. A building is deemed vacant when less than 10% of its total square footage is used by ***you*** to conduct ***your operations***.
- b. ***Vacant Building*** does not mean a building under construction or being remodeled.

53. ***Valuable Papers and Records***

- a. ***Valuable Papers and Records*** means inscribed, printed or written documents, manuscripts or records, including abstracts, accounts, bills, books, deeds, drawings, evidences of debt, films, maps, mortgages or notes.
- b. ***Valuable Papers and Records*** does not mean ***software***.

54. ***Volcanic Eruption*** means the eruption, explosion or effusion of a volcano.

55. ***War and Military Action*** means:

- a. Hostile or military action in time of peace or war, irrespective of whether declared, including action in inciting, supporting, participating in, hindering, combating, or defending against an actual, impending or expected attack by any:
  - (1) Government or sovereign power (*de jure* or *de facto*);
  - (2) Military, naval or air forces; or
  - (3) Agent or authority of any party specified in a.(1) or a.(2) of this definition of ***War and Military Action***.
- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

56. ***Wind***

- a. ***Wind*** means direct action of the natural movement of air, including substances driven by such movement of air.
- b. ***Wind*** does not mean or include anything defined as ***flood*** in this ***Agreement***.

**B. CONDITIONS**

## 1. AGREEMENT MODIFICATION

- a. **You** and the **Pool** may agree to changes to this **Agreement**. This **Agreement** can be changed only by written amendments issued by the **Pool** and made a part of this **Agreement**.
- b. Notice to any agent or knowledge possessed by any agent or by any other person will not:
  - (1) create a waiver, or change any part of this **Agreement**, or
  - (2) prevent the **Pool** from asserting any rights under the provisions of this **Agreement**.

## 2. ASSIGNMENT

Assignment of this **Agreement** or any coverage under this **Agreement** will not be valid except with the written consent of the **Pool**.

## 3. ASSISTANCE AND COOPERATION

The **member** agrees to cooperate with **us** and do nothing to impede **our** investigation of any **loss** or in pursuing subrogation recovery. The **member** also agrees to attend hearings and trials, cooperate with any counsel **we** assign to assist or defend it, assist **us** in effecting settlements, and in securing and giving evidence in any litigation, arbitration or other proceeding involving **us**.

## 4. BANKRUPTCY OR INSOLVENCY

**Your** bankruptcy, insolvency or financially distressed status shall not release **us** from **our** obligations under this **Agreement**.

## 5. COMPLIANCE

If any provision of this **Agreement** is determined by a court or regulatory body of competent jurisdiction to be prohibited, illegal or void by any law controlling its construction, validity, or enforcement, the provision shall be deemed to be modified or amended to comply with the minimum requirements of the law. The invalidity of any provision does not invalidate the remainder of this **Agreement**. If any coverage provided in this **Agreement** is determined to not comply with the required coverage of any applicable law, this **Agreement** is amended to provide the minimum coverage required by such law.

## 6. CONCEALMENT, MISREPRESENTATION AND FRAUD

The **Pool** has the right to declare this **Agreement** void:

- a. In case of fraud by the **member** in making application for, negotiating, or entering into this **Agreement**; or

- b. If the **member**, at any time, intentionally conceals or misrepresents a material fact concerning this **Agreement** or a claim under this **Agreement**.

#### 7. CONDITIONS SUSPENDING OR RESTRICTING COVERAGE

Unless otherwise agreed in writing by the **Pool** and added hereto, **we** shall not be liable for **loss** which occurs as a result, in whole or in part, of a hazard which is increased by any means within **your** control or knowledge; provided, however, that coverage under this **Agreement** shall not be prejudiced by any act or neglect of any person (other than a **member**), when such act or neglect is not within **your** control.

#### 8. CONTROL OF PROPERTY

The breach of any condition of this **Agreement** at any one or more **covered locations** will not affect coverage at any **covered location** where, at the time of **loss**, the breach of condition does not exist.

#### 9. COVERAGE UNDER TWO OR MORE COVERAGE PROVISIONS

If two or more coverage provisions apply to the same **loss**, **we** will settle the **loss** under the coverage provision providing the broadest coverage and highest applicable limit, but, in no circumstance, shall we settle the loss in excess of such limit.

#### 10. CURRENCY

All amounts, including contributions, limits of coverage, **loss**, and deductibles provided for in this **Agreement** shall be in the currency of the United States of America.

#### 11. DEDUCTIBLES

- a. In each cause of **loss** covered by this **Agreement**, **our** obligation to pay applies only if the **member** sustains a **loss**, in a single **occurrence** greater than the deductible shown in the **Declarations** or elsewhere within this **Agreement**.
- b. Unless stated otherwise, if two or more deductibles provided in this **Agreement** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable.

#### 12. EFFECTIVE DATE

Coverage under this **Agreement** is effective on the date and time as specified on the **Declarations**. To the extent coverage provided by this **Agreement** replaces coverage in other certificates, agreements or insurance policies terminating at any time on the inception date of this **Agreement**, coverage under this **Agreement** will become effective only after such time as that other coverage has terminated.

#### 13. INSPECTION OF PROPERTY AND RECORDS

**We** have the right, but not the obligation, to inspect **your** property and **operations** at any reasonable time, whether before or after a loss, and to examine and audit **your** books and records at any reasonable time during the **Agreement Period** and within 3 years

after the final termination of this **Agreement**, as long as such inspections relate to this **Agreement**.

#### 14. JURISDICTION; CHOICE OF FORUM

This **Agreement**, including its construction, validity and enforcement, will be governed by the laws of the State of Pennsylvania. Jurisdiction for any disputes arising out of this **Agreement** shall be vested in the exclusive jurisdiction of Pennsylvania

#### 15. LEGAL ACTION AGAINST US

No one may bring a legal action against **us** under this **Agreement** unless there has been full compliance with all of the terms of this **Agreement**.

#### 16. LIBERALIZATION

If **we** adopt any provision that would broaden the coverage provided by this **Agreement**, without additional contribution, within 45 days prior to or during the **Agreement Period**, the broadened coverage will immediately apply to this **Agreement**.

#### 17. LIMITS OF COVERAGE

**Our** maximum limit of coverage in a single **occurrence** will not exceed the amount as specified in the **Declarations** for any one **loss**, subject to the following provisions:

- a. Limits of coverage for an **occurrence** apply only to the total **loss** at all **covered locations** and for all coverages involved, subject to the following provisions:
  - (1) When a limit of liability applies in the aggregate during any **Agreement Period**, **our** maximum amount payable will not exceed such limit of coverage during any **Agreement Period**.
  - (2) When a limit of coverage applies to a **covered location** or other specified property, such limit of coverage will be the maximum amount payable for all **loss** at all **covered locations** arising from **loss** at such location or to such other specified property, unless **Blanket Limit** applies.
- b. Should an **occurrence** result in coverage payable under more than one **Agreement** issued to the **Member** by the **Pool**, the maximum amount payable in the aggregate under all such **Agreements** will be the applicable limit(s) of coverage indicated in the **Declarations**.

#### 18. OTHER COVERAGE

If there are any other certificates, agreements or insurance policies, other than this **Agreement**, which apply to a **loss**, **we** will pay only for the excess of the amount due from such certificates, agreements or insurance policies, irrespective of whether **you** can collect on it.

## 19. OUR PAYMENT OF LOSS

- a. **We** will pay for a loss covered by this **Agreement** within 30 days after receiving a sworn statement of loss, if the **member** has complied with all of the terms of this **Agreement**, and either **we** agree with **you** on the amount of loss or an appraisal award has been made.
- b. **We** will not pay **you** more than **your** financial interest in the **COVERED PROPERTY**. **We** may elect to defend the **member**, at **our** expense, against suits arising from claims of owners of property.

## 20. RECORDS

**You** must keep records of all **COVERED PROPERTY** under this **Agreement** so **we** can verify the amount of any **loss**.

## 21. RECOVERIES

- a. Any recoveries under this **Agreement**, whether made by **us** or **you**, shall be applied net of the expense of such recovery:
  - (1) First, to **you** in satisfaction of any deductible on a pro rata basis; and
  - (2) Second, to **us** in satisfaction of amounts paid in settlement of **your** claim.
- 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.

## 22. TITLES

The titles in this **Agreement** are only for reference. The titles do not in any way affect the provisions of this **Agreement**.

## 23. UNINSURABLE RISKS

**We** reserve the right to remove or limit coverage on specific property exposures which **we** deem uninsurable due to the high risk of loss associated with those property exposures.

## 24. WAIVER

No waiver of any provisions of this **Agreement** shall be valid and enforceable, or no permission shall be granted, except as expressed in writing by **us** and added hereto. No provision, stipulation, or forfeiture shall be deemed waived by any requirement or proceeding on **our** part relating to any appraisal or examination provided for in this **Agreement**.

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

## 1. NUCLEAR HAZARD

**Nuclear Hazard**, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by covered loss or damage. However:

- a. If fire or sprinkler leakage not otherwise excluded ensues, **we** shall be liable for loss or damage by such ensuing fire or sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive **contamination**; and
- b. This **Agreement** does cover loss or damage caused by sudden and accidental radioactive **contamination**, including resultant radiation damage, from material used or stored or from **your operations** or **your** premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel at the **covered location**.

## 2. POLLUTION

Pollution, meaning the discharge, dispersal, seepage, migration, release or escape of any **pollutant**.

## 3. TERRORISM

- a. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this **Agreement** covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this **Agreement**, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this **Agreement** or to any other coverages provided by this **Agreement**.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this **Agreement**.



4. WAR AND MILITARY ACTION

*War and Military Action.*

**SECTION II**  
**LOSS ADJUSTMENT AND SETTLEMENT**

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## SECTION II LOSS ADJUSTMENT AND SETTLEMENT

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**SECTION II LOSS ADJUSTMENT AND SETTLEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

### A. LOSS ADJUSTMENT/PAYABLE

Loss covered by this *Agreement*, if any, will be adjusted with and payable to **you** or to **your** designee. Additional parties will also be included in covered loss payment as their interests may appear when specifically named in an endorsement to this *Agreement*.

### B. DUTIES IN THE EVENT OF A LOSS

**You** or **your** authorized representative must do all of the following in the event of a loss:

1. Notify the police if a law may have been broken;
2. Notify **us** promptly of the loss or of an event that may give rise to a claim for loss;
3. Take all reasonable steps to protect the property from further loss. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of **your** expenses for emergency and temporary repairs for consideration in the settlement of the loss;
4. As soon as possible, give **us** a description of how, when and where the loss occurred;
5. At **our** request, give **us** complete inventories of the damaged property, including quantities, costs, values and amount of loss claimed;
6. Cooperate with **us** in the investigation of the claim;
7. As often as **we** may reasonably require **you** to:
  - a. Permit **us** to inspect the property which is the subject of the claimed loss and all that remains of any such property;
  - b. Submit to examination under oath by any person designated by **us** and sign the written transcript of such examinations;
  - c. Produce for examination at **our** request:
    - (1) All books of accounts, business records, bills, invoices and other vouchers; or
    - (2) Certified copies if originals are lost, and, if requested, make copies for **us**; and
  - d. Permit **us** to take samples of damaged property for inspection, testing and analysis;
8. Within 60 days after **our** request, send **us** a signed, sworn proof of loss containing the information **we** request to investigate the claim; and
9. Repair or replace the damaged property, as soon as reasonably possible, but not to exceed two years from the date of loss.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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### C. POOL OPTION

**We** have the option to take all or any part of the damaged property at the agreed or appraised value. **We** must give notice to **you** of **our** intention to do so within 60 days after **our** receipt of the proof of loss.

### D. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a covered loss in excess of any applicable deductible, **we** will advance mutually agreed upon partial payment(s) for such covered loss, subject to the **Agreement's** provisions. To obtain such partial payments, **you** must submit a signed and sworn proof of loss as described in this **Agreement**, with adequate supporting documentation.

### E. COLLECTION FROM OTHERS

**We** will not be liable for any loss to the extent **you** have collected for such loss from others.

### F. SUBROGATION

1. **You** are required to cooperate in any subrogation proceedings. **We** may require from **you** an assignment or other transfer of all rights of recovery against any party for loss to the extent of **our** payment.
2. **We** will not acquire any rights of recovery that **you** have expressly waived prior to a loss, nor will such waiver affect **your** rights under this **Agreement**.
3. **We** are entitled to priority of recovery to the extent payment has been made to **you** for such loss.

### G. ABANDONMENT

There may be no abandonment of any property to **us**.

### H. APPRAISAL

1. In the event that **you** and the **Pool** fail to agree on the scope or amount of loss within 180 days from a written offer being made by **us**, then, on the written demand of either party, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected. The designated appraisers shall then select a competent and disinterested umpire and failing to agree upon such umpire, then, on request by **you** or the **Pool**, such umpire shall be selected by a judge of a court of record in the jurisdiction in which the **COVERED PROPERTY** is located.
2. The appraisers shall, as soon as practicable, appraise the scope or amount of loss and, if failing to agree, shall submit their differences to the umpire. The decision of the umpire will be binding. Each party shall pay its chosen appraiser and related expenses, and share the expenses of the umpire equally.
3. A demand for appraisal shall not relieve **you** from **your** obligation to comply with the terms and conditions of this **Agreement**, including as provided in, **B. DUTIES IN THE EVENT OF A LOSS** of this **SECTION**.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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4. **We** will not be held to have waived any of **our** rights by any act relating to APPRAISAL.

### I. SUIT AGAINST THE POOL

1. No suit, action or proceeding for the recovery of any claim against the **Pool** will be sustained in any tribunal, including in a court of law or equity, unless:
  - a. **You** have fully complied with all the provisions of this **Agreement**, and
  - b. Legal action is started within two years after inception of the loss.
2. If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be commenced within the shortest limit of time permitted by such laws.

### J. SETTLEMENT OF CLAIMS

The amount of loss for which **we** may be liable will be paid within 30 days after:

1. Proof of loss as described in this **Agreement** is received by **us**; and
2. When a resolution of the amount of loss is made either by:
  - a. Written agreement between **you** and **us**; or
  - b. The receipt by **us** of a binding decision as provided in **H. APPRAISAL** of this **SECTION**.

### K. PROPERTY OF OTHERS

**We** may adjust a loss with the owners of lost or damaged property, if other than **you**. If **we** pay the owners of such property, 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 lost or damaged property.

### L. RECOVERED PROPERTY

If either **you** or **we** recover any **COVERED PROPERTY** after loss settlement, the party making such recovery must give the other party prompt notice of the recovery. At **your** option, such property will be returned to **you** if **you** return to **us** the amount **we** paid **you** for the property or **loss**. **We** will pay recovery expenses and the expense to repair such property subject to the applicable limit.

### M. RESTITUTION

To the extent that restitution is made to **you** for property or payments made by **us** under this **Agreement**, **you** shall remit the same to **us**, regardless of whether such restitution is made within or after the **Agreement Period**.

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**SECTION III PROPERTY DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

This **SECTION** covers property described herein against all risks of *loss*, except as excluded or amended.

#### A. COVERED PROPERTY

Subject to the Limits of Coverage as specified in the *Declarations* or the Statement of Values or other schedule on file with *us*, this **SECTION** addresses the following **COVERED PROPERTY**, unless otherwise excluded elsewhere in this *Agreement*, to the extent of the interest of the *member* in such **COVERED PROPERTY**:

1. REAL PROPERTY in which *you* have an insurable interest that:
  - a. Is included in the Statement of Values on file with *us*;
  - b. Is a newly acquired building reported to *us* within 120 days of acquisition;
  - c. Is a building or addition under construction that is reported to *us* within 120 days of start of construction; or
  - d. Consists of *improvements and betterments* in which *you* have an insurable interest.
2. PERSONAL PROPERTY on, at or within 1,000 feet of a *covered location* that is:
  - a. Personal property owned, leased, rented, or borrowed by *you*;
  - b. Materials, equipment, supplies and temporary structures which are used for making additions, alterations or repairs to buildings or structures that are **COVERED PROPERTY**;
  - c. Personal property of *your* officers and *employees*, while on *your* premises;
  - d. Personal property of others in *your* care, custody or control to the extent *you* are under obligation by contract to keep such personal property insured for *loss* covered by this **SECTION**;
  - e. Personal property of others that is in *your* care, custody or control, to the extent *you* are legally liable for covered *loss* to that personal property;
  - f. *Your* personal property that is temporarily at a location *you* do not own, lease or operate, up to the limit specified in the *Declarations* for Temporary Storage Location;
  - g. *Your* personal property at any location *you* newly acquire or lease, up to the limit specified in the *Declarations* for Personal Property at Newly Acquired or Leased Locations, but only until this *Agreement* is terminated, 120 days after *you* acquire or lease that location, or *you* report the values to *us*, whichever occurs first;



- h. **Your** personal property in the open or in an **automobile**; or
- i. Of contractors' and subcontractors' during construction to the extent of **your** legal liability for covered **loss** to such property.

### 3. ERRORS OR OMISSIONS

Any real or personal property, other than **fine arts**, **you** own or occupy and for which coverage would otherwise be available under this **SECTION**, up to the limit specified in the **Declarations** for Errors or Omissions:

- a. for the **member's** unintentional failure to include such owned property or property occupied by **you** on the Statement of Values on file with **us** for this **Agreement Period**;
- b. for which the description, location or valuation is incomplete on the Statement of Values on file with **us** solely because of the **member's** unintentional error or unintentional omission; or
- c. for the **member's** unintentional failure to report such owned property or property occupied by **you** if such property was built or acquired by **you** during this **Agreement Period**.

The unintentional error, omission or failure must be reported in writing and corrected when discovered and the appropriate contribution charged and paid.

### 4. FINE ARTS

**Fine arts** as described on a schedule on file with **us**.

**Fine Arts** shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

### 5. PROPERTY THAT MUST BE SCHEDULED

Irrespective of Section 3 above, Property and equipment of the following types must be included on the Statement of Values on file with **us**, on another schedule on file with **us**, or covered by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS** of this **SECTION**, to be covered:

Fences, gates, retaining walls, flag poles, radio or television antennas and their related wiring, masts or towers, windmills, wind turbines, free standing signs, swimming pools, bulkheads, pilings, piers, wharves or docks, fire hydrants, street lights, traffic lights and related equipment, traffic signs, bridges, tunnels, overpasses, playground equipment, artificial athletic surfaces, basketball and tennis courts, roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, free standing lights and light poles, guide rails, road signs and any off-premises piping, off-premises underground wiring, off-premises optic cables or telephone and communication lines or off-premises electric **transmission and distribution systems** including poles and pole-mounted transformers.

The above-referenced property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

6. MISCELLANEOUS PERSONAL PROPERTY

Miscellaneous personal property as described on a schedule on file with **us**.

Miscellaneous personal property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

**B. PROPERTY EXCLUDED**

This **SECTION** excludes the following, except when included on the Statement of Values on file with **us**, another schedule on file with **us**, or as otherwise stated elsewhere in this **Agreement**:

1. Animals, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 2. ANIMALS of this **SECTION**.
2. Swimming pools, basketball and tennis courts and athletic fields.
3. **Automobiles** licensed for highway use or owned by **your** directors, officers or **employees**, except as provided by **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**.
4. Bridges, overpasses, and tunnels intended for use by **automobiles**.
5. Docks, piers, wharves, pilings or bulkheads which are not a structural part of a **covered building or structure**.
6. Electric **transmission and distribution systems** including poles and pole-mounted transformers except when located at or within 1,000 feet of a **covered location**.
7. Fences, gates, retaining walls, flag poles, radio or television antennas, masts or towers and their related wiring.
8. Fire hydrants that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 13. FIRE HYDRANTS of this **SECTION**.
9. **Land, land** values, any substance in or on **land**, or any alteration to the natural condition of the **land**, including golf course sand traps, tees and greens, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 14. GOLF COURSE SAND TRAPS, TEES AND GREENS of this **SECTION**.
10. Free-standing lights and light poles, traffic lights and related equipment.
11. **Money** or **securities**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 19. MONEY AND SECURITIES of this **SECTION**.
12. Growing crops, standing timber, plants, lawns, trees, or shrubs except as provided by **D**.

**ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 25. OUTDOOR TREES AND SHRUBS of this SECTION.**

13. Playground equipment, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 35. UNSCHEDULED PLAYGROUND EQUIPMENT of this SECTION.**
14. Reservoirs, canals, dikes or dams.
15. Roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 5. ATHLETIC SURFACES of this SECTION.**
16. Satellites, *aircraft* or *drones*.
17. Traffic signs, road signs, and free-standing signs that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 24. OUTDOOR SIGNS of this SECTION.**
18. Steam boilers, steam pipes, steam engines, and steam turbines caused by or resulting from any condition or event inside such equipment. However, **we** will pay for a **loss** 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.
19. Property in transit, except as otherwise provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. TRANSIT COVERAGE of this SECTION.**
20. Underground mines, mine shafts, or any property within such mine or shaft.
21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. UNDERGROUND FIBER OPTIC CABLE of this SECTION.**
23. **Vacant Buildings** which have been vacant for more than 120 consecutive days, and the **loss** results from vandalism, sprinkler leakage (unless the **member** has protected the system against freezing), building glass breakage, water damage, **theft**, or attempted **theft**.
24. Water, except for water contained within any swimming pool, water tank, enclosed tank, or water processing equipment that is included on the Statement of Values on file with **us**.
25. Watercraft, except rowboats and canoes.

**C. CAUSE OF LOSS EXCLUDED**

This **SECTION** excludes coverage for:

1. Interruption of business.
2. Loss of market or loss of use, except loss of use of the **member's electronic data processing equipment or media**.
3. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained **loss**.
4. **Loss** from enforcement of any law or ordinance except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 23. ORDINANCE OR LAW** of this **SECTION**.
5. **Loss** resulting from the voluntary parting with title or possession of **COVERED PROPERTY** unless induced by any fraudulent act or by false pretense.
6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - a. Any wrongful or dishonest act, including but not limited to **theft**, committed alone or in collusion with others, at any time:
    - (1) by a **member**, or
    - (2) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **member** to do anything in connection with **COVERED PROPERTY** by this **SECTION**.

However, this **SECTION** does cover acts of direct covered physical damage intentionally caused, without **your** knowledge, by **your employee** or any individual specified in **C. CAUSE OF LOSS EXCLUDED, 6.a.(2)** of this **SECTION**.
  - b. Lack of incoming electricity, fuel, water, gas, steam or refrigerant caused by an event away from a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 21. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE** of this **SECTION**. Additionally, if the lack of such a service directly causes physical damage at the **covered location**, then only that resulting damage is covered.
  - c. **Earth Movement** except as may be provided in **SECTION VIII EARTH MOVEMENT** of this **Agreement**.
  - d. **Sinkhole collapse** except resulting damage to **your** real or personal property.
  - e. **Flood**, except **MISCELLANEOUS PERSONAL PROPERTY** as described on a schedule on file with **us**, and except as may be provided in **SECTION IX FLOOD** of this **Agreement**.

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- f. Seepage or influx of water from natural underground sources.
7. The following types of **loss**, provided that, if physical damage is not excluded by this **SECTION** from any of the following types of **loss**, then only that resulting damage is covered:
- a. **Loss** caused by or resulting from wear and tear, deterioration, depletion, rust, corrosion, inherent vice or latent defect.
  - b. **Loss** to any **fine arts** as a result of restoring, repairing or retouching processes.
  - c. **Loss** to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested or otherwise worked on.
  - d. **Loss** caused by or resulting from:
    - (1) Changes in temperature, atmospheric or otherwise, except damage to machinery or equipment including fire protection equipment; or
    - (2) Changes in relative humidity, atmospheric or otherwise.
  - e. **Loss** caused by or resulting from settling, cracking, shrinking, bulging or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery);
    - (2) Walls;
    - (3) Floors;
    - (4) Pavements or roadways;
    - (5) Roofs; or
    - (6) Ceilings.
  - f. **Loss** caused by or resulting from insects, termites, moths, or arachnids, unless **loss** not otherwise excluded in this **SECTION** ensues, and then only for such ensuing **loss**.
  - g. **Loss** caused by or resulting from waste, discharge or excretions from rodents, birds, vermin, or other animals.
  - h. **Loss** to personal property in the open caused by or resulting from rain, sleet, hail, ice, snow, dust or sand.
  - i. **Loss** to the interior portion of buildings under construction caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, when the installation of the roof, walls and windows of such buildings have not been completed.

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- j. **Loss** to the interior portion of any building or structure, or the property inside the building or structure, caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, unless the building or structure first sustains **wind** or hail damage to its roof or walls through which the rain, sleet, hail, ice, snow, dust or sand enters.
8. All **loss**, cost, expense or remediation directly arising out of, resulting from, or in any manner related to any of the following:
- a. **Contamination**, including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 8. DECONTAMINATION COSTS** of this **SECTION**.
  - b. Shrinkage, evaporation or loss of weight, unless directly resulting from other physical damage not excluded by this **SECTION**.
  - c. Changes in color, flavor, texture or finish.
  - d. **Pollutants, fungi**, wet or dry rot, irrespective of whether there is another cause of loss which may have contributed concurrently or in any sequence to a loss, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 17. LAND AND WATER CLEANUP EXPENSE** or **28. POLLUTION CLEANUP EXPENSE** of this **SECTION**.
9. **Loss** caused by or resulting from faulty, inadequate or defective:
- a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - d. Maintenance; or
  - e. Programming or machine instructions.
10. Equipment breakdown loss except as provided elsewhere in this **Agreement**.
11. **Loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 37. WATER AND SEWER BACKUP** of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most **we** will pay are the limits for each **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically

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stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

1. ACCOUNTS RECEIVABLE

- a. This **EXTENSION** covers amounts which the **member** is unable to collect as a direct result of covered **loss** to accounts receivable at a **covered location**.
- b. Coverage includes:
  - (1) Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected. Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted;
  - (2) Collection expenses in excess of normal collection costs; and
  - (3) Other reasonable expenses incurred by the **member** in recreating records of accounts receivable.
- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** excludes shortage caused by or resulting from:

  - (1) Bookkeeping, accounting, or billing errors or omissions.
  - (2) Alteration, falsification, manipulation, **theft**, concealment, destruction or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, obtaining or withholding of **money**, **securities** or other property.

2. ANIMALS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by a **member** to replace (including training of such replacement) of a dog or horse owned by the **member** that is stolen or killed, or if the animal's death or necessary destruction is a result of an accident or exposure to any contagious or communicable disease, which occurs during the **Agreement Period** and while the animal is being used in the conduct of **your operations**.
- b. The most **we** will pay for any one covered dog or covered horse in any one **occurrence** is the limit of coverage specified in the **Declarations**.
- c. No deductible applies to this **EXTENSION**.

3. APPEARANCE ALLOWANCE

This **EXTENSION** covers the reasonable cost incurred by **you** to refinish or replace:

- a. The undamaged portion of a façade of a **covered building or structure**, which has been damaged by a covered **loss**, to visually match the repaired portion, but only

when the façade of such **covered building or structure** visually matched the damaged portion prior to the **loss**: or

- b. The undamaged portion of a façade of a **covered building or structure**, located within 1,000 feet of a **covered building or structure** which has been damaged by a covered **loss**, to visually match the repaired property, but only when the façade of such **covered building or structure** visually matched the damaged **covered building or structure** prior to the **loss**.

#### 4. ARSON OR THEFT REWARD

- a. This **EXTENSION** covers payment of any reward offered by the **member** or on the **member's** behalf for information that leads to conviction of the perpetrator(s) of arson to or **theft** of **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

#### 5. ATHLETIC SURFACES

This **EXTENSION** covers **loss** to artificial, man-made paved impervious or paved athletic surfaces.

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
- b. **Your loss** resulting from the necessary interruption of **your operations**;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.

#### 7. DEBRIS REMOVAL

- a. This **EXTENSION** covers the reasonable and necessary costs incurred to remove debris as a result of a covered **loss**.
- b. This coverage includes the costs of removal of contaminated property only if the **contamination** is due to the actual, not suspected, presence of **contaminant(s)** in the debris.

#### 8. DECONTAMINATION COSTS

- a. If **COVERED PROPERTY** is contaminated as a direct result of covered **loss** and there is any law or ordinance in force at the time of the **loss** regulating **contamination** due to the actual, not suspected, presence of **contaminant(s)**, then



this **EXTENSION** covers the increased cost of decontamination and/or removal of such contaminated **COVERED PROPERTY** in a manner to satisfy such law or ordinance.

- b. This **EXTENSION** applies only to that part of **COVERED PROPERTY** so contaminated due to the actual, not suspected, presence of *contaminant(s)* as a direct result of covered physical damage.

#### 9. EQUIPMENT RENTAL REIMBURSEMENT

- a. This **EXTENSION** covers the rental expenses incurred by *you* for the rental of substitute equipment because of **loss** to **COVERED PROPERTY** by a covered cause of **loss**, when such rental is necessary to sustain *your* normal operations.
- b. **We** will pay those rental expenses incurred by *you* for the rental of substitute equipment during the period commencing 24 hours after the date of **loss**, and ending, regardless of the expiration of the **Agreement Period**, when such **COVERED PROPERTY** has been replaced or restored to service or *your* need for the substitute equipment no longer exists, whichever comes first.
- c. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Equipment Rental Reimbursement.
- d. No deductible applies to this **EXTENSION**.

#### 10. EXPEDITING EXPENSES

- a. With respect to **COVERED PROPERTY** that has sustained covered **loss**, this **EXTENSION** covers the reasonable and necessary costs incurred to temporarily repair or replace, and to expedite the permanent repair or replacement of, such **COVERED PROPERTY**.
- b. This coverage does not include expenses payable elsewhere in this **EXTENSION**, including the cost of permanent repair or replacement of damaged property.

#### 11. FINE ARTS - UNSCHEDULED

This **EXTENSION** covers **loss** to, or theft of, *fine arts* not scheduled on the Statement of Values on file with *us*, while anywhere within the **Agreement Territory** including in transit.

#### 12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by *you* during the **Agreement Period** when a fire department, other than *your* fire department, is called to save or protect *your* **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

## 14. FIRE HYDRANTS

This **EXTENSION** covers **loss** to **your** unscheduled fire hydrants.

## 15. GOLF COURSE SAND TRAPS, TEES AND GREENS

This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to repair or replace physically damaged golf course sand traps, tees or greens with material of comparable kind and quality, as a result of **loss** caused by fire, lightning, explosion, **aircraft**, **automobiles**, riot or civil commotion, vandalism, or **sinkhole collapse**.

## 16. GREEN COVERAGE

- a. This **EXTENSION** covers the reasonable and necessary additional costs incurred by **you**, as a direct result of covered **loss**:
  - (1) To repair or replace physically damaged **COVERED PROPERTY** with material of comparable kind and quality which qualifies as **green**.
  - (2) To replace the physically damaged portions of covered roofing systems with vegetative roof(s) which qualify as **green**.
  - (3) As part of **green** reconstruction, to flush out the air in the area of the physically damaged **COVERED PROPERTY** with 100 percent outside air and to provide replacement filtration media for the building's ventilation system that controls the damaged area.
  - (4) For an accredited professional certified by a **green authority** to participate in the design and construction for repairing or rebuilding the damaged property as **green**.
  - (5) For the process of certification or recertification of the repaired or replaced **COVERED PROPERTY** as **green**.
  - (6) For **green** removal, disposal or recycling of the damaged **COVERED PROPERTY**.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover:

- (1) Stock, raw materials, work in process, finished goods, merchandise, production machinery and equipment, **electronic data processing equipment** not used in functional support of the real property, property in the open, property of others for which you are legally liable, and personal property of **your** directors, officers or **employees**.
- (2) Any property adjusted on other than repair or replacement per the Valuation clauses of this **SECTION**.
- (3) Any **loss** recoverable elsewhere in this **Agreement**.

#### 17. GUIDE RAILS

This **EXTENSION** covers **loss** to **your** unscheduled guide rails, high-tension cable barriers, bollards or other traffic restraining structures.

#### 18. LAND AND WATER CLEANUP EXPENSE

- a. **We** will pay reasonable and necessary additional expenses incurred by **you** to remove, dispose of, or clean up the actual presence of **pollutants** from **land** or water at any **covered location** when such **land** or water is contaminated or polluted due to a covered **loss** at a **covered location** up to the limit specified in the **Declarations** for this **EXTENSION**.
- b. This additional coverage does not apply unless such expenses are reported to **us** within 180 days after the date of such covered **loss**.

#### 19. LOCKS AND KEYS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by **you** to replace undamaged keys and to replace, adjust or reprogram undamaged locks to accept new keys or entry codes as a result of covered **loss**.
- b. No deductible applies to this **EXTENSION**.

#### 20. MONEY AND SECURITIES

- a. This **EXTENSION** covers **loss** to **your money** and **securities** at a **covered location** resulting from fire, explosion or sprinkler leakage.
- b. There will be no coverage for any **loss** to **money** and **securities** unless such **loss** is reported to **us** within 14 days of the date of **loss**.

#### 21. NEW GENERATION

If **you** elect to replace damaged **COVERED PROPERTY** with a newer generation of **COVERED PROPERTY** of the same capacity, **we** will pay up to 25% more than **COVERED PROPERTY** of like kind, quality and capacity would have cost at the time of **loss**.

## 22. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE

- a. This **EXTENSION** covers **loss** at a **covered location** caused by or resulting from the interruption, in whole or in part, of incoming electric, gas, fuel, steam, water, refrigeration, or outgoing sewage or incoming or outgoing voice, **data**, internet, cable television, or video services.
- b. The interruption of such services must be by reason of an accidental event, not otherwise excluded by this **Agreement**, to the property of the service provider(s) located within the **Agreement Territory**.
- c. The following Additional Condition applies to this **EXTENSION**:  
**We** will not be liable for deliberate act(s) by the service provider to shed load, constrain or limit its service to maintain its system integrity.
- d. The following Additional Exclusions apply to this **EXTENSION**:  
This **EXTENSION** does not cover **loss** caused by or resulting from the following regardless of any other cause or event, irrespective of whether covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**:
  - (1) **Terrorism**; or
  - (2) The interruption of incoming or outgoing voice, **data**, internet, cable television or video service for any reason involving a satellite.

## 23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- a. This **EXTENSION** covers **loss**, not otherwise excluded, to property under contract to be used in a construction project at a **covered location**:
  - (1) From the time such property is delivered to the **member** or the **member's** contractor (with respect to the property under construction) by the manufacturer or supplier;
  - (2) While such property is located at a storage site; or
  - (3) While such property is in transit from a storage site to another storage site or to a construction project at a **covered location**,all while within the **Agreement Territory** but away from the **covered location**.
- b. This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.
- c. The following Additional Exclusions apply to this **EXTENSION**:

- (1) As respects property in transit, the Transit Coverage Exclusions clause of **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 33. TRANSIT COVERAGE of this **SECTION** applies.
- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement** or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

#### 24. ORDINANCE OR LAW

- a. The following modified definition applies only to this **EXTENSION**:

**Building** means building, structure, machinery, or equipment.

- b. This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to comply with the enforcement of the minimum requirements of any law or ordinance that:

- (1) Regulates the demolition, construction, repair, replacement or use of **buildings**;
- (2) Is enforced as a direct result of covered **loss**; and
- (3) Is in force at the time of such **loss**.

- c. Value of the Undamaged Building

**We** will pay for the value of the undamaged portion of the **covered building or structure** that was required to be demolished by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law. **We** will do this on the same valuation basis that applies to the entire **building**. This does not include any increased costs to repair, replace or rebuild the **covered building or structure** due to a requirement to comply with any ordinance or law;

- d. Demolition Costs:

**We** will pay the actual cost to demolish the undamaged portion of the **covered building or structure**, to take necessary actions to secure the structural integrity of any remaining portion of the covered building or structure, and to clear the site of the undamaged portion of the **building** when required to do so by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law; and

- e. Increased Costs and Increased Cost of Construction:

- (1) If the **covered building or structure** is subject to the **Replacement Cost** (RC) provision on the Statement of Values on file with **us**, and **you** rebuild the **covered building or structure**, **we** will pay for the actual increased costs to repair, replace or rebuild the **covered building or structure** at the same location or at another location if it is a requirement to comply with an ordinance or law, for

the same general size and the same general use, to the minimum standards to comply with such ordinance or law.

- (2) **We** will not pay for these increased costs until the **covered building or structure** is actually repaired or replaced.
  - (3) **You** may choose to replace the **covered building or structure** at another location, however, **we** will not pay more for increased cost of construction at the new location than the amount of such costs **we** would have paid to replace the **covered building or structure** at the original location.
  - (4) If **you** choose to replace the **covered building or structure** at another location, **we** will not pay for the purchase of the **land** or any expenses related to the purchase, subdivision, development, testing or preparation of the **land** for the new location.
- f. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** excludes coverage for:
- (1) Any cost incurred as a direct or indirect result of enforcement of any building, zoning or land use ordinance or law regarding any form of **contamination**;
  - (2) Any cost incurred due to any law or ordinance with which **you** were legally obligated to comply prior to the time of the **loss**;
  - (3) Any machinery or equipment manufactured by or for **you**, unless used by **you** at the **covered location** suffering the **loss**; and
  - (4) **We** will not pay costs for the compliance with any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the **loss** but not to exceed two years.
- g. **Our** maximum cost for this coverage in any one **occurrence** will not exceed the limit specified in the **Declarations**.

## 25. OUTDOOR SIGNS

This **EXTENSION** covers **loss** to outdoor signs, other than traffic signs or road signs, that are located more than 1,000 feet from a **covered location**.

## 26. OUTDOOR TREES AND SHRUBS

- a. This **EXTENSION** covers **loss** to outdoor trees, shrubs or plants located within 100 feet of a **covered building**. However, this **EXTENSION** does not apply to **loss** caused by **wind**, hail, or weight of ice or snow.
- b. This **EXTENSION** covers **loss** caused by **wind** to outdoor trees, shrubs or plants planted for cosmetic effect at a **covered location**.

## 27. PARKING METERS AND CHARGING STATIONS

This **EXTENSION** covers **loss** to parking meters, smart parking meter systems, and electric **automobile** charging stations owned by **you**, not otherwise covered by this **Agreement**.

## 28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

a. This **EXTENSION** covers **loss** to personal property:

(1) Owned by **you**; or

(2) Property of others in the **member's** custody, to the extent **you** are obligated to provide coverage;

not within 1,000 feet of a **covered location** while anywhere within the **Agreement Territory**.

b. The following additional exclusion applies:

This **EXTENSION** does not cover **loss** caused by or resulting from **earth movement** or **flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

## 29. POLLUTION CLEANUP EXPENSE

a. This **EXTENSION** covers the cost to remove **pollutants** from permanently installed water and wastewater treatment equipment at a **covered location** caused by an off-premises event which results in the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

b. **C. CAUSE OF LOSS EXCLUDED**, 8.a. and 8.d. of this **SECTION** do not apply to this **EXTENSION**.

## 30. PROFESSIONAL FEES

a. This **EXTENSION** covers the reasonable and necessary expenses incurred by **you** and agreed to by **us**, for:

(1) Auditors;

(2) Accountants;

(3) Architects;

(4) Engineers; or

(5) Other professionals;

to produce and certify particulars or details to determine the amount of **loss** payable under this **SECTION**.

- b. This coverage does not include the fees and expenses of attorneys, public adjusters, or any of their subsidiaries or related or associated entities.
- c. No deductible applies to this **EXTENSION**.

### 31. PROPERTY REMOVED FROM A COVERED LOCATION

- a. This **EXTENSION** applies to **COVERED PROPERTY** when removed from a **covered location** to avoid or prevent immediately impending covered **loss** to such property. This **EXTENSION** covers such property for **loss** which would have been covered at the location from which the property was removed.
- b. This coverage applies for a period of 120 days from the date of removal of the **COVERED PROPERTY** from a **covered location**, but not beyond the **Agreement Period**.

### 32. PROTECTION AND PRESERVATION OF PROPERTY – PROPERTY DAMAGE

- a. This **EXTENSION** covers the reasonable and necessary expenses incurred for:
  - (1) Actions to temporarily protect or preserve **COVERED PROPERTY**, provided that such actions are necessary due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**;
  - (2) The water used for fighting a fire in, on or exposing the **COVERED PROPERTY**; and
  - (3) Temporary security for a period of time not to exceed 30 consecutive days due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

### 33. TRANSIT COVERAGE

- a. This **EXTENSION** covers **loss** to or of the following personal property, except as excluded by this **Agreement**:
  - (1) Owned by **you**;
  - (2) Of others to the extent of **your** interest or legal liability while in the actual or constructive custody of the **member**; or
  - (3) Shipped to others on Free on Board (FOB), Cost and Freight (C&F) or similar terms;

while in transit within the **Agreement Territory** from the time such **COVERED PROPERTY** leaves the original point of shipment, continuously in the due course of transit and until delivered at the point of destination.



b. This **EXTENSION**:(1) Covers **loss** caused by or resulting from:

- (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts by the **member** or **your** agent, customer or consignee; or
- (b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.

(2) Covers general average and salvage charges on shipments while waterborne.

c. The following Additional Conditions apply to this **EXTENSION**:(1) Permission is granted to the **member**, without prejudice to this coverage, to accept ordinary bills of lading used by carriers, including:

- (a) Released and/or undervalued bills of lading; or
- (b) Shipping or messenger receipts;

(2) **You** may waive subrogation against railroads under sidetrack agreements; and(3) **You** may not enter into any special agreement with carriers releasing them from their legal liability.d. This **EXTENSION** shall not inure directly or indirectly to the benefit of any carrier or bailee.e. The following Additional Exclusions apply to this **EXTENSION**:This **EXTENSION** does not cover:

- (1) Shipments by air unless made by regularly scheduled airlines; or
- (2) Any transporting vehicle, **automobile** or **mobile equipment**.

## 34. UNDERGROUND FIBER OPTIC CABLE

This **EXTENSION** covers **loss** to unscheduled underground fiber optic cable, running within **your** political boundaries that is either:

- a. Owned by **you**; or
- b. Leased by **you** from others under a contract that requires **you** to obtain insurance (on their behalf) against property damage.

## 35. UNSCHEDULED MISCELLANEOUS PERSONAL PROPERTY

This **EXTENSION** covers **loss** to miscellaneous personal property that is not included on the Statement of Values on file with **us**:

- a. Owned by a **member** while actively engaged in activities on **your** behalf or in **your** interest; or
- b. While in **your** care, custody or control.

#### 36. UNSCHEDULED PLAYGROUND EQUIPMENT

This **EXTENSION** covers **loss** to playground equipment owned by **you** that is not included on the Statement of Values on file with **us**.

#### 37. VALUABLE PAPERS AND RECORDS

- a. This **EXTENSION** covers **loss** to **your valuable papers and records** while anywhere within the **Agreement Territory**, including in transit.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover errors or omissions in the processing or copying of **valuable papers and records**.

#### 38. WATER AND SEWER BACKUP

This **EXTENSION** covers **loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump.

### E. DEDUCTIBLE

Unless noted to the contrary in this **SECTION**, or elsewhere in this **Agreement**, each claim payable under this **SECTION** is subject to the deductible set forth in the **Declarations**.

### F. VALUATION

Adjustment of the **loss** amount under this **SECTION** will be computed as of the date of **loss** at the place of **loss**, and for no more than the interest of the **member**. Unless stated otherwise in an **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**, adjustment of **loss** to **COVERED PROPERTY** will be subject to the following:

1. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Actual Cash Value** (ACV), **we** will pay the lesser of the:
  - a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - c. **Actual cash value** of the damaged or stolen property; or
  - d. Limit designated in the Statement of Values on file with **us** for such property.
2. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC), and for new buildings under construction:

- 
- a. **We** will pay the lesser of the:
    - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
    - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
    - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
    - (4) Limit designated in the Statement of Values on file with **us** for such property.
  - b. **We** will not pay on a **replacement cost** basis until the property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the damaged or stolen property.
3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,
    - a. **We** will pay the lesser of the:
      - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
      - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
      - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
      - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
    - b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
    - c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
    - d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.
  4. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Functional Replacement Cost** (FRC),
    - a. **We** will pay the lesser of:

- 
- (1) In the event of a total **loss**, the cost to replace the damaged building on the same site or on another site with a building that is functionally equivalent to the damaged building;
  - (2) The limit designated in the Statement of Values on file with **us** for such property;
  - (3) In the event of a partial **loss**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building and the cost to repair the damaged building with property of comparable kind and quality; or
    - (b) The amount **you** actually spend that is necessary to repair or replace the building with new materials of comparable kind and quality;
  - (4) In the event that **you** decide to continue operations at another **covered building or structure**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building; and
    - (b) The amount you actually spend to modify such other **covered building or structure** to permit **you** to continue **your** operations; or
  - b. **We** will not pay more than the **actual cash value** of the property unless such repairs or replacement are completed.
5. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as Stated Amount (SA), **we** will pay the lesser of the:
- a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality; or
  - c. Limit designated in the Statement of Values on file with **us** for such property.
6. For APPEARANCE ALLOWANCE, **we** will pay the lesser of the following:
- a. The amount you actually spend to refinish or replace the façade of the **covered building or structure**; or
  - b. The limit specified in the **Declarations** for APPEARANCE ALLOWANCE.
7. For covered **fine arts**, whether scheduled or unscheduled:
- a. **We** will pay the lesser of the following:
    - (1) The cost to repair or restore the article to the condition that existed immediately prior to the **loss**;

- 
- (2) The cost to replace the article;
  - (3) The valuation designated in the Statement of Values on file with **us**; or
  - (4) The limit shown in the **Declarations** for **Fine Arts**; and
- b. In case of **loss** to, or **theft** of, an article that is part of a pair or a set, **we** will pay the lesser of the full value or the amount scheduled on the Statement of Values on file with **us**, if any, of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the **loss** or **theft** and the **member** surrenders the remaining article or articles of the pair or set to **us**.
8. For covered Fire Hydrants, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged article;
    - b. The amount **you** actually spend to repair or replace the damaged article; or
    - c. The limit specified in the **Declarations** for Fire Hydrants.
  9. For Green Coverage, the most **we** will pay will not exceed the lesser of the following:
    - a. 25% of the cost to repair or replace physically damaged **COVERED PROPERTY**; or,
    - b. The limit designated in the **Declarations** for Green Coverage.
  10. For covered Guide Rails, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged property;
    - b. The amount **you** actually spend that is necessary to repair or replace the damaged property; or
    - c. The limit specified in the **Declarations** for Guide Rails.
  11. For POLLUTION CLEANUP EXPENSE, **we** will pay the lesser of the following:
    - a. The cost that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment;
    - b. The amount you actually spend that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment; or
    - c. The limit specified in the **Declarations** for POLLUTION CLEANUP EXPENSE.
  12. For Scheduled Miscellaneous Personal Property designated on the Statement of Values on file with **us** as **Replacement Cost** valuation, if the amount **you** actually spend to replace damaged **COVERED PROPERTY** with comparable kind and quality exceeds the limit designated for such property, **we** will pay up to 120% of the limit designated on the Statement of Values or other schedule on file with **us** for Miscellaneous Personal Property for that property, subject to the limit scheduled for the damaged **COVERED**

**PROPERTY** plus the limit designated in the *Declarations* for Scheduled Miscellaneous Property Replacement Cost Allowance.

13. For TRANSIT COVERAGE, the **loss** amount will not exceed the following:
- a. For property shipped to or for **you** account, the actual invoice to **you**, including such costs and charges (including the commission of you as selling agent) as may have accrued and become legally due on such property;
  - b. For property that has been sold by **you** and shipped to or for the account of the purchaser (if covered by the TRANSIT COVERAGE EXTENSION), the amount of **your** selling invoice, including prepaid or advanced freight;
  - c. For property not under invoice:
    - (1) For **your** property, at the valuation provisions of this **SECTION** applying at the place from which the property is being transported; or
    - (2) For other property, the **actual cash value** at point of destination on the date of **loss**;
- less any charges saved which would have become due and payable upon arrival at the point of destination.
14. For covered transformers that are 25 years and older, or 25 years since the last complete rewind, **we** will pay the lesser of the following:
- a. The cost to repair the property;
  - b. The cost to replace the property with property of comparable capacity, kind and quality; or
  - c. The **actual cash value** of the property.
15. For covered VALUABLE PAPERS AND RECORDS, whether scheduled or unscheduled, **we** will pay the lesser of the following:
- a. The cost to repair or restore the property to the condition that existed immediately prior to the **loss**;
  - b. The cost to replace the property with property of comparable kind and quality, including the cost of researching, gathering and/or assembling information; or
  - c. The value designated in the *Declarations* for VALUABLE PAPERS AND RECORDS.
16. On all other **COVERED PROPERTY**, the **loss** amount will not exceed the lesser of the following:
- a. The cost to repair or replace the damaged property with materials of comparable kind and quality;

- b. The amount **you** actually spend that is necessary to repair or replace the damaged property with materials of comparable kind and quality;
- c. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is most functionally equivalent to that damaged equipment, even if such equipment has technological advances or improvements in function;
- d. The cost to repair or replace real property on the same site with materials of comparable kind and quality;
- e. The market value of real property, machinery and equipment, or stock, offered for sale at the time of **loss**;
- f. The unamortized **actual cash value** of **improvements and betterments** if such property is not repaired;
- g. The increased cost of demolition, if any, resulting from **loss** covered by this **SECTION**, if such property is scheduled for demolition; or
- h. The **actual cash value** of the damaged property.

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**SECTION IV TIME ELEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

#### A. LOSS COVERED

1. This **SECTION** covers Time Element loss, as provided in **B. TIME ELEMENT COVERAGE** of this **SECTION**, directly resulting from *loss* covered by this *Agreement* to **COVERED PROPERTY**.
2. This **SECTION** covers loss only to the extent that it cannot be reduced through:
  - a. The use of any property or service owned or controlled by *you*;
  - b. The use of any property or service obtainable from other sources;
  - c. Working extra time or overtime; or
  - d. The use of inventory;all whether at a **covered location** or any other premises. *We* reserve the right to take into consideration the combined operating results of all of *your* associated, affiliated or subsidiary entities in determining the extent of a Time Element loss.
3. This **SECTION** covers expenses reasonably and necessarily incurred by *you* to reduce the loss otherwise payable under this **SECTION**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
4. In determining the amount of loss payable, *we* will consider *your* financial history before and after the loss. *We* will consider any historic increase or decrease in demand for *your* services during the Period of Coverage, defined in **C. PERIOD OF COVERAGE** of this **SECTION**, even if such increase or decrease is from the same event that caused *loss* starting the Period of Coverage.

#### B. TIME ELEMENT COVERAGE

1. GROSS EARNINGS
  - a. This **SECTION** covers *your* actual loss of Gross Earnings during the PERIOD OF COVERAGE, less all charges and expenses that do not necessarily continue during the interruption of *your operations*, plus all other earnings derived from *your operations*.
  - b. *We* will only consider the continuation of those normal charges and expenses that would have been earned had there been no interruption of *your operations*.
2. EXTRA EXPENSE AND COST
  - a. This **SECTION** covers *your* actual Extra Expense and Cost during the PERIOD OF COVERAGE for the following reasonable and necessary extra expenses incurred by *you*:

- (1) Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** operations;
  - (2) Extra expenses to expedite repair of damage or replacement of property; and
  - (3) Extra expenses of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Coverage for property obtained in connection with the above.
- b. The following Additional Exclusions apply only to this **SECTION**:
- This **SECTION** does not cover:
- (1) Any loss of income;
  - (2) Costs that **you** normally would have incurred in conducting **your** operations during the same period had no loss occurred;
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed; or
  - (4) Any cost or expense recoverable elsewhere in this **Agreement**.
3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST
- B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS and 2. EXTRA EXPENSE AND COST of this **SECTION** are extended to cover loss, directly resulting from **loss** covered by this **Agreement** to **COVERED PROPERTY**, incurred during the period that:
- a. Begins on the earlier of:
    - (1) The date the **COVERED PROPERTY** should be repaired or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location; and
  - b. Ends on the earlier of:
    - (1) The date the operations should have been restored, with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
    - (2) The number of consecutive days specified for Gross Earnings in the **Declarations**, after the date determined in **B. TIME ELEMENT COVERAGE**, 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST, a. of this **SECTION**.
4. LEASEHOLD INTEREST
- a. This **SECTION** covers **your** Leasehold Interest, incurred by **you** during the Period of Coverage for the following:

- (1) If the lease agreement requires continuation of rent, and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease or, if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
  - (2) If the lease is canceled by **you** pursuant to the lease agreement or by the operation of law, **we** will pay for the first three months' rent following the date of loss.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any increase in loss **you** incur from exercising an option to cancel the lease, or from any default under the lease.

#### 5. RENTAL COVERAGE

- a. This **SECTION** covers the actual rental loss sustained by **you** during the Period of Coverage for the following:
- (1) The fair rental value of any portion of the property rented by **you** to a third party;
  - (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;
- not to include non-continuing charges and expenses.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any loss of rental income during any period in which the **COVERED PROPERTY** would not have been tenantable for any reason other than a covered **loss**.

#### C. PERIOD OF COVERAGE

1. The Period of Coverage applying to all **B. TIME ELEMENT COVERAGE**, except 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST and 4. LEASEHOLD INTEREST of this **SECTION**, and as shown below, or as otherwise provided under **E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS** of this **SECTION**, and subject to any time limit provided in the Limits of Coverage clause in the **Declarations**, is as follows:
  - a. For Real and Personal Property, the period starting from the time of the **loss** of the type covered against; and ending when with due diligence and dispatch the building and equipment could be:
    - (1) Repaired or replaced including time to comply with any building, zoning, property maintenance or land use ordinance or law;

- (2) Made ready for operations, under the same or equivalent physical and operating conditions that existed prior to the damage; and
  - (3) Not to be limited by the expiration of this **Agreement Period**.
- b. For Real Property under construction:
- (1) The equivalent of the period of time described in **C. PERIOD OF COVERAGE**, 1.a. of this **SECTION** will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no **loss** occurred; and
  - (2) Due consideration will be given to the actual financial history of the business compiled after completion of the construction and startup.
- c. For loss to **Electronic Data Processing Equipment or Media**, the time to recreate or restore the lost information.
2. If two or more Periods of Coverage apply, the longer of the Periods of Coverage will apply.

#### D. TIME ELEMENT EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. Fines or penalties of any nature;
2. Any increase in loss due to the purchase of electrical power; and
3. Any increase in loss due to additional costs associated with generating electrical power from alternative sources owned by **you**.

#### E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

The most **we** will pay are the limits for each **ADDITIONAL TIME ELEMENT COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **TIME ELEMENT COVERAGE EXTENSION**.

1. CIVIL AUTHORITY
  - a. **B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
  - b. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

## 2. COMPUTER SYSTEMS NON-PHYSICAL DAMAGE

- a. This **EXTENSION** covers the actual loss sustained for EXTRA EXPENSE AND COST incurred by **you** during the **Period of Interruption** directly resulting from the failure of **your data, hardware** or **software** to operate, provided such failure is the direct result of a malicious act directed at **you**.
- b. This **EXTENSION** will only apply if the **Period of Interruption** is in excess of 48 hours.
- c. The following Additional Definition applies only to this **EXTENSION**.

As used in this **EXTENSION**, the **Period of Interruption**:

- (1) Means the period starting when **your data, hardware** or **software** fails to operate, and ending when, with due diligence and dispatch, **your data, hardware** or **software** could be restored to the same or equivalent operating condition that existed prior to the failure; and
- (2) Does not mean the additional time to make changes to **your data, hardware** or **software**.

## 3. CONTINGENT TAX REVENUE INTERRUPTION

- a. This **EXTENSION** covers the actual loss sustained by **you** that is directly resulting from necessary interruption of **your** tax revenue, caused by damage or destruction to property which is not operated by **you** and which wholly or partially prevents the generation of revenue for **you**.
- b. **We** shall be liable for the actual loss sustained for only such length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property, or to provide a replacement source for such tax revenue, commencing with the date of damage to the contributing property, but not limited by the **Agreement Period**.

## 4. CONTINGENT TIME ELEMENT

**B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover the actual loss **you** incur that directly results from physical damage to property of the type not otherwise excluded by this **Agreement** at direct supplier or direct customer locations, irrespective of whether such location is owned by **you**, that prevents a supplier of goods or service to **you** from supplying such goods or services, or that prevents a recipient of goods or services from **you** from accepting such goods or services.

## 5. EXPENSES TO REDUCE LOSS

**We** will also pay such expenses as **you** incur for the purpose of reducing loss under this **SECTION**, except those incurred to extinguish a fire, but in no event to exceed the amount by which loss is thereby reduced.

## 6. GROSS EARNINGS DURING PROTECTION AND PRESERVATION OF PROPERTY

This **EXTENSION** covers the actual loss of gross earnings sustained by **you** for a period of time not to exceed 72 hours prior to and 72 hours after **you** first take reasonable action for the temporary protection and preservation of **COVERED PROPERTY** by this **Agreement**, provided such action is necessary to prevent immediately impending covered **loss** to such **COVERED PROPERTY**.

## 7. SOFT COSTS

This **EXTENSION** covers the actual loss incurred by **you** for **soft costs** directly resulting from **loss** to **COVERED PROPERTY** undergoing renovation or in the course of construction at a **covered location** as specified in the **Declarations**.

## 8. STORM DEBRIS REMOVAL

a. This **EXTENSION** covers the **extra expense** incurred by **you**, during the **period of restoration**, to remove debris, consisting of downed trees, branches, light poles, and signs, from **your** public trails and pathways that are determined, due to the existence of such downed debris, to be unsafe for public travel.

b. The following Additional Definitions apply only to this **EXTENSION**:

As used in this **EXTENSION**:

- (1) **Extra expense** means necessary expenses **you** incur that are in excess of **your** normal operating expenses.
- (2) **Loss occurrence** means all downed trees, branches, light poles, and signs occurring during any period of 72 consecutive hours of lightning, **wind**, ice storm or any combination thereof.
- (3) **Period of restoration** means the period of time that:
  - (a) Begins at the end of the **loss occurrence** causing the debris; and
  - (b) Ends at the time when the trails and pathways are, with reasonable speed, returned to a condition that is safe for public travel.

## SECTION V EQUIPMENT BREAKDOWN

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**SECTION V  
EQUIPMENT BREAKDOWN**

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**SECTION V EQUIPMENT BREAKDOWN** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

**We** will pay for **loss** that is the result of a **breakdown** to **covered equipment**, which occurs during the **Agreement Period**, except as hereinafter excluded or amended.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

##### 1. **Breakdown**

- a. **Breakdown** means the following direct physical **loss**, that causes physical damage to **covered equipment** and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing;

unless such **loss** or damage is otherwise excluded within this **Agreement** or any Endorsement forming a part of this **Agreement**.

- b. **Breakdown** does not mean or include:

- (1) Malfunction, including but not limited to, misadjustment, misalignment, miscalibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in **computer equipment, data, media** 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;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

2. **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**.

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### 3. *Covered Equipment*

a. ***Covered equipment*** means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of its contents;
- (2) Communication equipment;
- (3) ***Computer equipment***;
- (4) ***Diagnostic equipment***;
- (5) Any other electrical, electronic or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (6) Fiber optic cable.

b. ***Covered Equipment*** does not mean or include any:

- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellite or spacecraft (including satellite or spacecraft contents 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 does mean any electrical machine or apparatus mounted on or used with this equipment;
- (5) Equipment, or any part of equipment, manufactured by ***you*** for sale or rent;
- (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) ***Media***;
- (9) 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;
- (10) Part of pressure equipment or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

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- (12) Rotating Biological Contactors (RBC), including any shaft, cylinder disk or support forming a part of an RBC. However, **covered equipment** will include any motor or gear set used to drive an RBC;
- (13) **Power generating equipment** unless shown as INCLUDED in the **Declarations**;
- (14) Structure, foundation, cabinet or compartment supporting or containing the **covered equipment** or part of the **covered equipment** including penstock, draft tube or well casing; or
- (15) **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.
- c. 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**.
4. **Covered Territory** means anywhere in the Continental United States, except as provided in H. **ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 15. OFF PREMISES EQUIPMENT** of this **SECTION**.
5. **Dependent Property** means property designated as a Dependent Property Location shown in the **Declarations** operated by others upon whom **you** depend to:
- a. Deliver materials or services to **you** or to others for their account. This does not include any property which delivers to **you** any of the following utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
- b. Accept **your** products or services;
- c. Manufacture products for delivery to **your** customers under contract of sale; or
- d. Attract customers to **your** business.
6. **Diagnostic Equipment** means any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
7. **Hazardous Substance** means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
8. **Media** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
9. **One Breakdown** means: if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **one breakdown**.

10. **Period of Restoration for Dependent Property**

- a. **Period of restoration for dependent property** means the period of time that:
- (1) Begins at the time of **loss** caused by or resulting from a **breakdown** to **covered equipment** at the **dependent property**; and
  - (2) Ends on the date when the property at the premises of the **dependent property** should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. **Period of restoration for dependent property** does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires **you** 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 **hazardous substance**.

11. **Portable Covered Equipment** shall mean **covered equipment** that is transported by a **vehicle** and used for service outside of the **vehicle**.

12. **Power Generating Equipment**

- a. **Power generating equipment** means any pressure, mechanical or electrical equipment, machinery, or apparatus used in, or associated with, the generation of electric power.
- b. **Power generating equipment** does not include any equipment that is less than or equal to 1000kw and used solely for the generation of emergency power.

13. **Suit** means a civil proceeding to which this **Agreement** applies and includes:

- a. An arbitration proceeding in which damages are claimed and to which **you** must submit with **our** consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which **you** must submit with **our** consent.

14. **Total Limit Per One Breakdown** means the total maximum amount payable for all coverages provided under this **SECTION** as the result of **one breakdown**.

15. **Vehicle** means any machine or apparatus (except conveyors) that is used to transport passengers, goods, materials or equipment or that moves under its own power, regardless of whether it is intended for highway use.

**B. ADDITIONAL CONDITIONS**

The following Additional Conditions apply only to this **SECTION**:

## 1. COVERAGE DISAGREEMENT

In the event of loss and expense covered under this **SECTION** and elsewhere in this **Agreement** or other coverage, and there is disagreement with respect to:

- a. Whether such loss was caused by a **breakdown** covered by this **SECTION** or elsewhere in this **Agreement** or Other Coverage; or
- b. The extent of participation of this **SECTION** and such other coverage, partially or wholly, by any or all of this **Agreement** or Other Coverage;

**we** shall, upon **your** written request and subject to **our** reimbursement as set forth below, pay **you** one-half of the amount of the loss and expense which is in disagreement, but in no event more than **we** would have paid if there had been no other coverage in effect, subject to the following conditions:

- (1) The amount of the loss and expense which is in disagreement is limited to the minimum amount remaining payable under either this **SECTION** or other coverage, after making provisions for any undisputed claims payable under other coverage or this **Agreement** and after the amount of the loss and expense is agreed upon by **you, us** and the provider of other coverage;
- (2) The other coverage provider(s) shall simultaneously pay **you** one-half of the amount which is in disagreement;
- (3) Such payments by **us** and the other coverage provider(s) and acceptance of those sums by **you** signify the agreement of **us** and the other coverage provider(s) for arbitration within ninety (90) days of such payment for the amount, if any, which is in disagreement. The arbitrators shall be three (3) in number, one of whom shall be appointed by **us** and one of whom shall be appointed by the other coverage provider(s) and the third appointed by consent of the other two arbitrators. The decision of the arbitrators shall be binding on **you, us** and the other coverage provider(s) and that judgment upon such award may be entered in any court of competent jurisdiction;
- (4) **You** agree to cooperate in connection with such arbitration but not to take a position contrary to **us**;
- (5) The provisions of this Condition shall not apply unless the policy(ies) issued by the other coverage provider(s) is(are) similarly endorsed, or the other coverage provider agrees to the same in resolution of a coverage disagreement; and
- (6) Acceptance by **you** of any payment pursuant to the provisions of this Condition, including any arbitration award, shall not alter, waive or surrender or in any way affect the rights **you** have against **us** or the other coverage provider(s).

## 2. EXPERIENCE

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10.

EXTRA EXPENSE and 18. SERVICE INTERRUPTION **we** will consider the financial history of **your operations** before the **breakdown** and the probable financial history **you** would have had without the **breakdown** in determining the amount of **our** payment to **you**.

### 3. JURISDICTIONAL INSPECTIONS

If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **we** agree to perform such inspection on **your** behalf. **We** do not warrant that conditions are safe or healthful.

### 4. REDUCING YOUR LOSS

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 10. EXTRA EXPENSE, 16. OFF PREMISES EQUIPMENT, 18. SERVICE INTERRUPTION and 19. SPOILAGE, **you** must reduce **your** loss and expense, if possible, by:

- a. Resuming business, partially or completely;
- b. Using merchandise or other property available to **you**; or
- c. Using the property or services of others.

### 5. SUSPENSION

- a. 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 **SECTION**.
- b. **We** will deliver or mail a written notice of suspension to **your** last known address or the address where the **covered equipment** is located.
- c. Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that **covered equipment**.

## C. COVERED PROPERTY

1. **Covered property** means any property, including **covered equipment**, that **you** own or that is in **your** care, custody or control and for which **you** are legally liable, while located at a **covered location**.
2. **Portable covered equipment, covered location** is understood to include anywhere within the **coverage territory**.
3. **Covered property** does not mean:
  - a. Live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects; or
  - b. Any property that is obsolete or useless to **you**.

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

1. **Earth Movement.**
2. Water meaning:
  - a. **Flood;**
  - b. Water damage caused by backup of sewers, drains, or drainage piping;
  - c. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; or
  - d. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
3. Damage to **covered equipment** undergoing any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler, fired vessel or electrical steam generator; or
  - b. An insulation breakdown test of any type of electrical or electronic **covered equipment.**
4. Fire or combustion explosion.
5. **Aircraft**, civil commotion; collapse; **drones**; freezing caused by cold weather; hail; impact of **aircraft**, missile or **vehicle**; lightning; molten material; objects falling from **aircraft** or missiles; riot; smoke; vandalism; **vehicles**; weight of snow, ice or sleet; or **wind**; except as provided in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 6. ELECTRICAL SURGE and ELECTRICAL DISTURBANCE.
6. An explosion. However, **we** will pay for **loss** caused by an explosion of **covered equipment** of the following kind:
  - 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.

7. Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a **breakdown** ensues, **we** will pay the ensuing loss not otherwise excluded.
8. Ordinance or Law
  - a. Increase in **loss** from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of **covered property**, except as provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE and 16. ORDINANCE OR LAW of this **SECTION**.
  - b. However, the words “use” and “operation” shall be eliminated as respects a covered **breakdown** of electrical supply and emergency generating equipment located on any **covered location**, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
9. **Breakdown** if such **breakdown** results from a collision, overturn, collapse or upset of **covered equipment** or the **vehicle** by which the **covered equipment** is transported.

#### E. EQUIPMENT BREAKDOWN EXCLUSIONS

**We** will not pay for loss:

1. With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE or 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. **Your** operations that would not or could not continue if the **breakdown** had not occurred;
  - b. **Your** failure to use due diligence and dispatch to operate **your** operations as nearly normal as practicable at the **covered location**; and
  - c. The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time **your** operations could have resumed if the contract had not lapsed, been suspended or canceled.
2. With respect to coverage provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. Acts of sabotage; or
  - b. Deliberate act(s) of load shedding by the supplying or distributing utility.

#### F. OUR PAYMENT OF LOSS

As respects coverage provided under this **SECTION** only, the following shall apply:



## 1. VALUATION

- a. **We** will pay the amount **you** spend to repair, rebuild or replace **covered property** with other property of like kind, quality and capacity if such **covered property** is directly damaged by a **breakdown** to **covered equipment** or **covered portable equipment**. **Our** payment will be the lesser of:
- (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property; or
  - (3) The amount **you** actually spend that is necessary to repair or replace the damaged property.
- b. If **covered property** cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the **covered property** equals or exceeds 100% of the **actual cash value** of the **covered equipment** or **covered portable equipment**, **you** may choose to apply the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**.
- c. Except for the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES and 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**, **you** must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. If any damaged **covered property** that is intended for **your** use is protected by an extended warranty or maintenance or service contract, and that warranty or contract becomes void or unusable due to **breakdown**; **we** will reimburse **you** for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.
- e. **We** will determine the value of **covered property** under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 19. SPOILAGE of this **SECTION** as follows:
- (1) For raw materials, the **replacement cost**;
  - (2) For goods in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (3) For finished goods, the selling price, as if no **loss** had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- f. On any articles that are part of a pair or set, **we** will pay no more than the reasonable and fair proportion the article or articles bear to the total value of the pair or set, giving consideration to the importance of said article, but in no event shall such **loss** be considered to mean a total **loss** of the pair or set.

## 2. SPECIAL LIMITS OF COVERAGE

- a. The most **we** will pay for loss and expense arising from any **one breakdown** is the Coverage Limit specified as the limit per **one breakdown** in the **Declarations**. This limit applies to all coverages, including those provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION**.
- b. The Coverage Limit under each of the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION** for loss and expense arising from any **one breakdown** is the amount shown in the **Declarations** for that **EXTENSION**. If two or more limits apply to the same portion of loss and expense, the most **we** will pay is the highest limit.
- c. The most **we** will pay for **loss** arising from the **breakdown** of **diagnostic equipment** is the **Diagnostic Equipment** Limit specified in the **Declarations**.

## G. DEDUCTIBLES

As respects coverage provided under this **SECTION**, the following shall apply:

## 1. APPLICATION OF DEDUCTIBLES

- a. **We** will not pay for **loss** resulting from any **one breakdown** until the amount of covered loss exceeds the deductible shown in the **Declarations**. **We** will then pay the amount of covered loss and expense in excess of the deductible, up to the applicable Coverage Limit.
- b. Deductibles apply separately for each applicable coverage, except if more than one **covered equipment** is involved in **one breakdown**, then only the highest deductible shall apply for each of the applicable coverages.

## 2. DETERMINATION OF DEDUCTIBLES

## a. Dollar Deductible

If a dollar deductible is shown in the **Declarations**, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

## b. Multiple per Unit Deductible

If a multiple of units is shown in the **Declarations**, 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.)

## c. Time Deductible

If a time deductible is shown in the **Declarations**, **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 (24) consecutive hours.

d. Minimum Or Maximum Deductible

(1) If a minimum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

(2) If a maximum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

#### H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

The most **we** will pay under these **EXTENSIONS** are the Coverage Limits specified in the **Declarations**. These limits are a part of and not in addition to the **total limit per one breakdown**.

These **EXTENSIONS** apply only to that portion of the loss that is the result of a **breakdown** to **covered equipment** that is not excluded elsewhere in this **Agreement**.

1. CIVIL AUTHORITY

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
- b. The action of civil authority must be due to **loss** caused by a **breakdown** to **covered equipment** at locations other than **covered locations** that are within 100 miles of the **covered location**.
- c. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

2. DATA OR MEDIA COVERAGE

- a. If **media** is damaged or **data** is lost or corrupted, **we** will pay **your** actual loss of earnings or **your** extra expenses during the time necessary to:
- (1) Research, recreate, replace or restore the damaged **media** or lost or corrupted **data**; and
- (2) Reprogram instructions used in any covered **computer equipment**.
- b. **We** will not pay for any **data** or **media** that cannot be replaced, recreated or restored.

## 3. DEFENSE

If a claim or **suit** is brought against **you** alleging that **you** are liable for damage to property of others in **your** care, custody or control, **we** will either settle the claim or **suit** or defend **you** against the claim or **suit** but retain the right to settle it at any point. With respect to any claim or **suit we** defend, **we** will pay:

- a. All expenses **we** incur;
- b. The cost of bonds to release attachments, but **we** do not have to furnish these bonds;
- c. All reasonable expenses incurred by **you** at **our** request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings because of time off from work;
- d. All costs taxed against **you** in any **suit we** defend;
- e. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Coverage Limits, **we** will not pay prejudgment interest based on that period of time after the offer; and
- f. All interest that accumulates on the full amount of any judgment 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 Coverage Limit.

## 4. DEPENDENT PROPERTIES

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the necessary partial or total interruption of **your operations** during the **period of restoration for dependent property**. The interruption must be caused by **loss** or damage to **dependent property** caused by or resulting from a **breakdown** to its **covered equipment**.
- b. However, this **EXTENSION** does not apply when the only **loss** to **dependent property** is **loss** or damage to **data**, including destruction or corruption of **data**. If the **dependent property** sustains **loss** or damage to **data** and other property, coverage under this **EXTENSION** will end once the other property is repaired, rebuilt or replaced.

## 5. EARNINGS

**We** will pay **your** actual loss of earnings sustained during the **period of restoration** due to the necessary interruption of **your operations**. **We** will also pay any necessary expense **you** incur to reduce the amount of this loss, but only to the extent that the loss otherwise payable is reduced.

## 6. ELECTRICAL SURGE AND ELECTRICAL DISTURBANCE

**We** will pay for loss if the **breakdown** results from an electrical surge or electrical disturbance:

- a. caused by excluded peril(s) identified in **D. CAUSE OF LOSS**, 5. of this **SECTION** that occurs away from the **covered location** and causes an electrical surge or other electrical disturbance;
- b. transmitted through utility transmission lines to the **covered location**;
- c. that results in a **breakdown** to **covered equipment**, at such **covered location**, that **you** own, operate or is under the control of **you** or **your** landlord; and
- d. that is not a covered cause of loss under another **SECTION** of this **Agreement**, another coverage part or policy of insurance **you** have, irrespective of whether collectible, and without regard to whether the coverage under another **SECTION** of this **Agreement**, another coverage part or policy of insurance provides the same coverage, scope of coverage and/or deductibles as coverage provided in this paragraph.

## 7. ERROR IN DESCRIPTION

- a. **We** will pay **your** loss covered by this **SECTION** if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as covered under this **SECTION**.
- b. **You** agree to give **us** prompt notice of any correction or addition to the description of a location covered under this **SECTION**.

## 8. EXPEDITING EXPENSE

With respect to **your** damaged **covered property**, **we** will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

## 9. EXTENDED EARNINGS AND EXTRA EXPENSE

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. **EARNINGS** and 10. **EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused solely by a **breakdown** to **covered equipment** and incurred during the period that:

- a. Begins on the earlier of:
  - (1) The date the damaged property at the **covered location** in the **Declarations** should be repaired or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for EXTENDED EARNINGS in the **Declarations**, after the date determined in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, a. of this SECTION.**

#### 10. EXTRA EXPENSE

**We** will pay all expenses that exceed the normal operating expenses that would have been incurred to conduct **your operations** during the **period of restoration** if no **breakdown** had occurred.

#### 11. GREEN ALTERNATIVES

- a. With respect to **covered property** that was damaged as a result of a **breakdown** to **covered equipment**, **we** will pay for:
- (1) The reasonable additional cost incurred to repair or replace the damaged or destroyed portions of the **covered property** (except as may be provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 13. NEW GENERATION** of this **SECTION** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**;
  - (2) The reasonable additional cost incurred to employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
  - (3) **We** will pay for the following reasonable additional expenses incurred to attain or re-attain **green** certification from a **green authority**:
    - (a) The reasonable additional expense incurred to hire a qualified engineer or other professional required by the **green authority** to be involved in:
      - i. Designing, overseeing or documenting the repair or replacement of the damaged or destroyed **covered property**; or
      - ii. Testing and recalibrating the systems and mechanicals of the damaged or destroyed **covered property** to verify that the systems and

mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

- (b) The reasonable registration and recertification fees charged by the **green authority**.

Coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a.(1), a.(2) and a.(3) of this **SECTION** applies only if **replacement cost** valuation applies to the damaged or destroyed **covered property** and then only if the **covered property** is actually repaired or replaced as soon as reasonably possible after the **breakdown to covered equipment**.

- b. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS and 10. EXTRA EXPENSE of this **SECTION** are extended to cover the loss incurred during the time necessary to:
- (1) Repair or replace the damaged or destroyed portions of the **covered property** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**; and
  - (2) Employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**.
- c. The most **we** will pay for coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES of this **SECTION** for any one **breakdown** is the sum of:
- (1) 5% of the amount **we** would otherwise pay for a **breakdown** as provided by **F. OUR PAYMENT OF LOSS**, 1. VALUATION, a. prior to the application of any applicable deductible, for **loss** or expense covered under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a. of this **SECTION**; plus
  - (2) 5% of the amount **we** would otherwise pay for loss covered under the applicable **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS or 10. EXTRA EXPENSE of this **SECTION**, prior to the application of any applicable deductible, for EARNINGS or EXTRA EXPENSE covered under b. of this **EXTENSION**;

subject to a maximum of the **total limit per one breakdown**. These limits are a part of and not in addition to the **total limit per one breakdown**.

## 12. HAZARDOUS SUBSTANCE

- a. If **covered property** is damaged, contaminated or polluted by a **hazardous substance**, **we** will pay for any **additional expenses** incurred by **you** for cleanup, repair, replacement or disposal of that property.
- b. As used in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE of this **SECTION**, **additional expenses** means the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the **loss**.

## 13. NEW GENERATION

If **you** want to replace damaged **covered property** with a newer generation of **covered property** of the same capacity, **we** will pay up to 25% more than **covered property** of like kind, quality and capacity would have cost at the time of the **breakdown**.

## 14. NEWLY ACQUIRED LOCATIONS

- a. **We** will automatically provide coverage at **your** newly acquired location(s) reported to **us** within 120 days of acquisition.
- b. If the coverages and deductibles vary for existing **covered locations**, then the coverages for the newly acquired location(s) will be the broadest coverage, highest limits and highest deductibles applicable to the existing **covered locations**.

## 15. OFF PREMISES EQUIPMENT

**We** will pay for **loss** caused by a **breakdown** to **your portable covered equipment** that, at the time of the **breakdown**, is located within the **Agreement Territory** but is at a temporary location that is not a **covered location** or any other location owned, leased or operated by **you**.

## 16. ORDINANCE OR LAW

If a **loss** occurs to a **covered building or structure**:

- a. **We** will pay for the following:
  - (1) **Loss** to the undamaged portion of a **covered building or structure** caused by enforcement of any ordinance or law, in force at the time of the **loss**, that:
    - (a) Regulates the construction or repair or establishes zoning or land use requirements at the **covered location**; or
    - (b) Requires the demolition of parts of the undamaged portion of the building or structure;
  - (2) The increased cost to repair, rebuild or construct the property caused by enforcement of a building, zoning or land use ordinance or law, if the **Replacement Cost** Valuation applies to the **covered building or structure**. If



the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law; and

- (3) The cost to demolish and clear the site of undamaged parts of the **covered building or structure** caused by enforcement of the building, zoning or land use ordinance or law.

b. **We** will not pay for the:

- (1) Increased costs of construction if the **covered building or structure** is not repaired, reconstructed or remodeled within 2 years after the **loss**; or
- (2) Costs associated with the enforcement of any ordinance or law that requires **you** 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 a **hazardous substance**.

#### 17. REFRIGERANT CONTAMINATION

If **covered property** is contaminated by a refrigerant, **we** will pay for such refrigerant contamination, including cleanup, repair or replacement or disposal of the **covered property** and salvage expense.

#### 18. SERVICE INTERRUPTION

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE, and 19. SPOILAGE** of this **SECTION** are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive; and
- b. The **covered equipment** is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to **your covered location**.

#### 19. SPOILAGE

**We** will pay **you** for spoilage damage to raw materials, property in process or finished products provided all of the following conditions are met:

- a. The raw material, property in process or finished products must be in storage or in the course of being manufactured; and
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and

- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

20. WATER DAMAGE

If ***covered property*** is damaged by water as a direct result of a ***breakdown*** to ***covered equipment***, ***we*** will pay for such water damage, including salvage expense.

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**SECTION VI CRIME** of this **Agreement** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

1. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution or similar safe depository in conducting its business.
2. **Counterfeit Money** means an imitation of **money** that is intended to deceive and to be taken as genuine.
3. **Covered Cause of Loss** means **theft**, disappearance, or destruction.
4. **Covered Instruments** means checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **money** that are made or drawn by or drawn upon **you**; or made or drawn by one acting as **your** agent; or purport to have been so made or drawn.
5. **Discover** or **discovered** means the time when **you** first:
  - a. become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Agreement** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
  - b. receive notice of an actual or potential claim in which it is alleged that **you** are liable to a third party under circumstances which, if true, would constitute a loss under this **Agreement**.
6. **Employee**
  - a. **Employee** means:
    - (1) Any individual:
      - (a) While in **your** service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;
      - (b) Who **you** compensate directly by salary, wages or commissions; or
      - (c) Who **you** have the right to direct and control while performing services for **you**;
    - (2) Any individual who is furnished temporarily to **you**:
      - (a) To substitute for a permanent **employee** as defined in **A. ADDITIONAL DEFINITIONS**, 6. **Employee**, a.(1) of this **SECTION**, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing service for **you**, excluding, however, any such person having care and custody of property outside the **premises**;

(3) Any individual who is leased to **you** under a written agreement between **you** and a labor leasing firm, to perform duties related to the conduct of **your** business, but does not mean a temporary employee as defined in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(2) of this SECTION**;

(4) Any individual who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(b) An official of **yours** while that person is engaged in handling **funds** of any employee benefit plan;

(5) Any individual who is a former official, **employee** or trustee retained as a consultant while performing services for **you**; or

(6) Any individual who is a student, intern or volunteer while performing services for **you**.

b. **Employee** does not mean any agent, independent contractor or representative of the same general character not specified in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(4)(a) of this SECTION**.

7. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. **Funds** means **money** and **securities**.

9. **Messenger** means **you** or any **employee** while having care and custody of property outside the **premises**.

10. **Occurrence** means:

a. Under **B. CRIME COVERAGE, 1. EMPLOYEE THEFT – PER LOSS COVERAGE** of this **SECTION**:

(1) An individual act;

(2) The combined total of all separate acts irrespective of whether related; or

(3) A series of acts irrespective of whether related;

committed by an **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- b. Under **B. CRIME COVERAGE**, 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by each **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- c. Under **B. CRIME COVERAGE**, 3. FORGERY OR ALTERATION of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- d. Under all Other Coverage agreements in **B. CRIME COVERAGE** of this **SECTION**:

- (1) An individual act or event;
- (2) The combined total of all separate acts or events irrespective of whether related;  
or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons or not committed by any person, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

#### 11. **Other Property**

- a. **Other Property** means any tangible property other than **funds** that has intrinsic value.
- b. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Agreement**.

12. **Premises** means any building **you** occupy in conducting **your operations**.

- 
13. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person harm; or
  - Committed an obviously unlawful act witnessed by that person.
14. **Safe Burglary** means the unlawful taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - A safe or vault from inside the **premises**.
15. **Theft** means the unlawful taking of property to **your** deprivation.

## B. CRIME COVERAGE

This **SECTION** provides the following coverage and applies to loss that **you** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by **you** during the **Agreement Period** or in the extended period described in **D. ADDITIONAL CONDITIONS**, 1.a. Prior Bond or 1.b. Policy Bridge – Discovery Replacing Loss Sustained of this **SECTION**.

### 1. EMPLOYEE THEFT – PER LOSS COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by an **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER LOSS COVERAGE, **theft** shall also include **forgery**.

### 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by each **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER EMPLOYEE COVERAGE, **theft** shall also include **forgery**.

### 3. FORGERY OR ALTERATION

- We** will pay for loss resulting directly from **forgery** or alteration of **covered instruments**.
- If **you** are sued for refusing to pay any instrument covered in FORGERY OR ALTERATION, a., 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 that **we** will pay is in addition to the Limit of Coverage applicable to this coverage agreement.

- c. For the purposes of this coverage agreement, a substitute check, as defined in the federal Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

#### 4. THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES

**We** will pay for loss of or damage to **money** and **securities** resulting directly from **theft**, disappearance or destruction inside **your premises** or **your banking premises**.

#### 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY

- a. **We** will pay for loss of or damage to **other property**:

- (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **member**, or

- (2) Inside the **premises** in a safe or vault resulting directly from an actual or attempted **safe burglary**.

- b. **We** will pay for **loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

- c. **We** will pay for loss of or damage to a locked safe or vault located inside the **premises** resulting directly from an actual or attempted **robbery** or **safe burglary**.

#### 6. OUTSIDE THE PREMISES

- a. **We** will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

- b. **We** will pay for loss of or damage to **other property** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from an actual or attempted **robbery**.

#### 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE

- a. **We** will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer or electronic device to fraudulently cause a transfer of that property from inside **your premises** or **banking premises** to a person, other than an **employee**, or place outside of such **premises**.

- b. **We** will pay for loss directly resulting from fraudulent instruction by a **member** directing a financial institution to transfer, pay or deliver funds from **your** transfer account.



## 8. MONEY ORDERS AND COUNTERFEIT MONEY

**We** will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, **money** or services;

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. **Counterfeit money** that is acquired during the regular course of business.

## C. CRIME EXCLUSIONS

1. The coverage provided under this **SECTION** does not apply to:

- a. Acts Of A **Member** Learned Of By **You** Prior To The Agreement Period

Loss caused by a **member** if the **member** had also committed **theft** or any other dishonest act prior to the effective date of this **Agreement** and **you** or any of **your** officials, not in collusion with the **member**, learned of that **theft** or dishonest act prior to the **Agreement Period** shown in the **Declarations**.

- b. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of **your** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by **you** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

- c. Indirect Loss

Loss that is an indirect result of an **occurrence** covered by this **Agreement** including, but not limited to, loss resulting from **your** inability to realize income that **you** would have realized had there been no loss of or damage to **money**, **securities**, or **other property**.

- d. Costs, Fees, or Other Expenses

**We** will not pay for any costs, fees, or other expenses the **member** incurs in establishing either the existence or the amount of loss under this coverage.

- e. Payment of Damages

- (1) **We** will not pay for damages of any type for which **you** are legally liable, but, **we** will pay compensatory damages arising directly from a loss covered under this **SECTION**.

## f. Kidnap, Ransom or Extortion

**We** will not pay for loss resulting directly or indirectly from kidnap, extortion or ransom payments, other than **theft**, surrendered by any person as a result of a threat.

## g. Legal Fees, Costs and Expenses

**We** will not pay for fees, costs and expenses related to any legal action, except when covered under FORGERY OR ALTERATION of this **Agreement**.

2. The coverage provided under **B. CRIME COVERAGE**, EMPLOYEE THEFT – PER LOSS COVERAGE and THEFT – PER EMPLOYEE COVERAGE of this **SECTION** does not apply to:

## a. Bonded Employees

Loss caused by any **employee** required by law to be individually bonded.

## b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

## c. Trading

Loss resulting from trading, whether in **your** name or in a genuine or fictitious account.

## d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. The coverage provided under **B. CRIME COVERAGE**, THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES; INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY; and OUTSIDE THE PREMISES of this **SECTION** does not apply to:

## a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

## b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

## c. Fire

Loss or damage resulting from fire, however caused.

## d. 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.
- e. Vandalism
- Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
- f. Voluntary Parting Of Title To Or Possession Of Property
- Loss resulting from the **member**, or anyone acting on the **member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to, or possession of, any property.
4. The coverage provided under **B. CRIME COVERAGE**, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE of this **SECTION** does not apply to:
- a. Credit Card Transactions
- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b. Inventory Shortage
- Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.
- c. Dishonest or Criminal Act
- Loss resulting from any dishonest or criminal act committed by a **member** whether acting alone or in collusion with other persons.
- d. Failure of Depository
- Loss caused by or resulting from the failure of any entity acting as a depository for **your** property or property for which **you** are responsible.

#### D. ADDITIONAL CONDITIONS

1. The following Additional Conditions apply only to **B. CRIME COVERAGE** of this **SECTION**:
- a. Prior Bond
- (1) If **you** sustained loss during the period of any prior bond or insurance that **you** could have recovered under such prior bond or insurance, except that the time within which to discover loss has expired, **we** will pay for such loss under this coverage provided:

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- (a) that this coverage became effective at the time of cancellation or termination of the prior bond or insurance, and
  - (b) the loss would have been covered by this **B. CRIME COVERAGE** of this **SECTION** had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The coverage under this Condition is part of, and not in addition to, the limits of coverage applying to this coverage and is limited to the lesser of the amount recoverable under this coverage as of its effective date, or the prior bond or insurance had it remained in effect.
- (3) If any loss is covered partly by this coverage, and partly by any prior canceled or terminated coverage that **we** issued to **you**, the most **we** will pay is the lesser of the amount recoverable under this coverage or the prior coverage.
- b. Policy Bridge – Discovery Replacing Loss Sustained
- If **B. CRIME COVERAGE** of this **SECTION** replaces a prior bond or insurance that provided **you** with an extended period of time after the termination or cancellation of such prior bond or insurance in which to discover loss, then, and only with respect to loss discovered during such extended period but sustained prior to the termination of such prior bond or insurance, the coverage afforded by **B. CRIME COVERAGE** of this **SECTION** applies as follows:
- (1) **We** will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior bond or insurance; provided that in such case, **we** will pay **you** for the excess of such loss subject to the terms and conditions of **B. CRIME COVERAGE** of this **SECTION**.
  - (2) However, any payment **we** make to **you** for such excess loss will not be greater than the difference between the limit of insurance of **your** prior insurance and the limit of coverage of **B. CRIME COVERAGE** of this **SECTION**.
- c. Other Coverage
- (1) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any other valid and collectible bond or insurance available to **you** unless such other bond or insurance is written to be specifically excess of **B. CRIME COVERAGE** of this **SECTION** by named reference in the other bond or insurance.
  - (2) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any indemnification to which **you** are entitled from any other person or entity.
  - (3) As excess coverage, **B. CRIME COVERAGE** of this **SECTION** will not apply or contribute to the payment for any loss to **you** until the amount of such other bond, insurance or indemnity has been exhausted by loss covered thereunder.

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- (4) If the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss, **B. CRIME COVERAGE** of this **SECTION** will apply to that part of the loss not recoverable or recovered under the other bond, insurance or indemnity.
- (5) **B. CRIME COVERAGE** of this **SECTION** will not be subject to the terms of any other bond, insurance or indemnity.
- d. Cumulative Limit
- Regardless of the number of years this coverage remains in force, no limit of coverage cumulates from **Agreement Period** to **Agreement Period**.
- e. Rights and Benefits
- This coverage is for **your** benefit only. It provides no rights or benefits to any other person or entity.
- f. Payment After Agreement Period
- We** will pay only for covered loss **discovered** no later than one year from the end of the **Agreement Period**.
2. The following Additional Conditions apply only to **B. CRIME COVERAGE**, 1. EMPLOYEE THEFT – PER LOSS COVERAGE and 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:
- a. Indemnification
- We** will indemnify any of **your** officials who are required by law to give individual bonds for the faithful performance of their duties against loss through **theft** committed by **employees** who serve under them, subject to the applicable Limit of Crime Coverage as specified in the **Declarations**.
- b. Termination As To Any Employee
- B. CRIME COVERAGE** of this **SECTION** terminates as to any **employee** on the earlier of the following:
- (1) As soon as:
- (a) **You**; or
- (b) Any of **your** officials or **employees** authorized to manage, govern or control **your employees**, who are not in collusion with the **employee**, learn of **theft** or any other dishonest act committed by the **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. **We** will mail or deliver our notice to **your** last mailing

address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. The following Additional Conditions apply only to **B. CRIME COVERAGE 3. FORGERY OR ALTERATION** of this **SECTION**:

- a. Electronic And Mechanical Signatures

**We** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

- b. 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.

4. The following Additional Conditions apply only to **B. CRIME COVERAGE, 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY** and **6. OUTSIDE THE PREMISES** of this **SECTION**:

- a. Special Limit Of Coverage For Specified Property

**We** will only pay up to the limit specified in the **Declarations** for loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

- b. Armored Motor Vehicle Companies

Under **B. CRIME COVERAGE, 6. OUTSIDE THE PREMISES** of this **SECTION**, **we** will only pay for the amount of loss **you** cannot recover:

(1) Under **your** contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of, the armored motor vehicle company.

5. The following Additional Conditions apply only to **B. CRIME COVERAGE, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE** of this **SECTION**:

Special Limit Of Coverage For Specified Property:

**We** will only pay up to the limit specified in the **Declarations** for any loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

#### **E. VALUATION - SETTLEMENT**

1. The value of any loss for purposes of coverage under this **SECTION** shall be determined as follows:

- a. Loss of **money** will be valued only up to and including its face value at the time of the loss.

- b. Loss of **securities** will be valued only up to and including their value at the close of business on the day the loss was discovered. **We** may, at **our** option, pay the value of such **securities** or replace them in kind, in which event **you** must assign to **us** all of **your** rights, title, and interest in and to those **securities**.
  - c. Loss of, or loss from damage to, property other than **money** and **securities** or **loss** from damage to the **premises** will be valued at the lesser of the **actual cash value** of the property on the day the loss was discovered, the cost of repairing the property or premises, or the cost of replacing the property with property of like kind and quality.
  - d. **We** may, at **our** option, pay the **actual cash value** of the property, repair it, or replace it.
2. **We** will pay only for covered loss discovered no later than one year from the end of the **Agreement Period**.
  3. If the **member** has reason to believe that any loss of, or loss from damage to, covered property involves a violation of law, the **member** must promptly notify the police and the **Pool**.

**SECTION VII  
AUTOMOBILE PHYSICAL DAMAGE**

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## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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**SECTION VII AUTOMOBILE PHYSICAL DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

*We* will pay for *loss* to **covered automobiles** that occurs during the *Agreement Period* while the **covered automobile** is within the *Agreement Territory*, as set forth in this **SECTION**.

### A. ADDITIONAL DEFINITIONS

The following Additional Definitions apply only to this **SECTION**:

1. **Hired Automobile** means an **automobile** not owned by the **member** which is used under contract for less than six months on **your** behalf.
2. **Outstanding Balance** means the amount the **member** owes on the lease at the time of **loss**, less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage, excess wear and tear, and lease termination fees.

### B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

#### 1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

#### 2. COLLISION COVERAGE

This coverage applies to damage caused by collision of a **covered automobile** with another **automobile**, **mobile equipment**, or object, or by upset of such **covered automobile**.

### C. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS

The most *we* will pay are the limits for each **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION** as specified in the *Declarations*. Except when specifically stated otherwise, the deductibles as set forth in the *Declarations* shall apply to the **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION**.

#### 1. AIRBAG COVERAGE

- a. *We* will pay for **loss** to a **covered automobile** caused by an accidental discharge of its airbag(s).
- b. **D. EXCLUSIONS**, 1.c. of this **SECTION** does not apply to this **EXTENSION**.
- c. No deductible applies to this **EXTENSION**.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 2. COMMANDEERED PROPERTY COVERAGE

- a. Commandeered Property means an **automobile** belonging to others that is seized or taken over by the **member** for **your** official use to handle an emergency situation.
- b. To be deemed Commandeered Property, the seizure or taking of the **automobile** must be a spontaneous, non-planned action on the part of the officer in charge at the emergency situation.
- c. Comprehensive and Collision coverage applies to the Commandeered Property Coverage.
- d. No deductible applies to this **EXTENSION**.

### 3. EMERGENCY RESPONSE AUTOMOBILE COVERAGE

With respect to **loss** to an emergency response **covered automobile**, if such **loss** is payable under **F. VALUATION** of this **SECTION** as:

- a. 2. Stated Amount (SA) a. or b.; or
- b. 3. **Replacement Cost** (RC) a. or b.;

**we** will pay up to an additional 25% of the actual costs **you** incur to repair or replace the damaged or stolen parts to be in compliance with current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations.

### 4. FREEZING OF EQUIPMENT COVERAGE

- a. For a fire department **covered automobile**, **we** will pay for repair or replacement of equipment, other than engines, caused by freezing or extremes of temperature.
- b. No deductible applies to this **EXTENSION**.

### 5. HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- a. **Hired automobiles** which are hired or rented on a short-term basis, for a period not to exceed six months, and for which coverage has not been specifically adopted in this **Agreement**, are included in the definition of **covered automobile**.
- b. As respects **hired automobiles**, coverage shall be excess over any other valid and collectible insurance available to the **automobile** owner.
- c. **We** will not pay more than the limit designated in the **Declarations** for Hired Automobile Physical Damage Coverage for damage that results from any one accident to any one **hired automobile**.
- d. Payments for physical damage to a **hired automobile** owner under this provision will be subject to the automobile physical damage deductible shown in the **Declarations** for Hired Automobile Physical Damage Coverage.

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### 6. LEASE GAP COVERAGE

If a long-term leased **automobile** is a **covered automobile** and the lessor is named as an Additional Insured-Lessor, **we** will pay in the event of a total **loss** the **member's** additional legal obligation to the lessor for any difference between the **actual cash value** of the **automobile** at the time of the **loss** and the **outstanding balance** of the lease.

### 7. NOT AT FAULT COLLISION DEDUCTIBLE WAIVER

- a. **We** will waive the applicable deductible to **your covered automobile** for a collision **loss** in which the **member** is determined by **us** to be less than 50% at fault.
- b. The most **we** will waive in any one collision **loss** shall not exceed the limit designated in the **Declarations** for Not At Fault Collision Deductible Waiver.

### 8. PERSONAL AUTOMOBILE COVERAGE

- a. **We** will pay up to the limit specified in the **Declarations** or reimburse the deductible, whichever is less, for **loss** to an **automobile**, owned by **your** elected or appointed official, **authorized** volunteer or **employee**, which occurs while that elected or appointed official, **authorized volunteer** or **employee** is acting on **your** behalf.
- b. No deductible applies to this **EXTENSION**.

### 9. PROPERTY IN AN UNATTENDED AUTOMOBILE COVERAGE

- a. **We** will pay for **loss** to, or **theft** of, personal property of a **member** in an unattended **automobile** if the **loss** or theft occurs while the **member** is acting on **your** behalf.
- b. Coverage does not apply to **valuable papers and records, money, securities, bullion, fine arts**, precious stones, jewelry or other similar valuables.
- c. **Replacement Cost** valuation applies to this **EXTENSION**.
- d. No deductible applies to this **EXTENSION**.

### 10. RECERTIFICATION COVERAGE

- a. **We** will pay the cost of recertification of fire department equipment if such recertification is made necessary by covered **loss** to a **covered automobile**.
- b. No deductible applies to this **EXTENSION**.

### 11. RENTAL REIMBURSEMENT COVERAGE

- a. **We** will pay for rental expenses incurred by the **member** for the rental of an **automobile** because of **loss** to a **covered automobile**. Coverage applies in excess of any other coverage available to the **member**.
- b. In the event of **loss** other than by **theft**, **we** will pay those rental expenses incurred by the **member** beginning 24 hours after the **loss** and ending, regardless of the

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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expiration of the **Agreement Period**, with the number of days reasonably required to repair or replace the **covered automobile**.

- c. In the event of **loss** by **theft**, **we** will pay those rental expenses incurred by the **member** for the rental of a substitute **automobile** during the period commencing 48 hours after such theft has been reported to both **us** and the police, and terminating, regardless of the expiration of the **Agreement Period**, when such **automobile** is returned to use or **we** pay for the **loss**.
- d. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Rental Reimbursement Coverage.
- e. This Rental Reimbursement Coverage does not apply while there are spare or reserve **automobile** available to the **member** for its **operations**.
- f. No deductible applies to this **EXTENSION**.

### 12. RENTAL AUTOMOBILE AGREEMENT COVERAGE

- a. **We** will pay the following rental **automobile** expenses the **member** is contractually obligated to pay because of **loss** to a rental **automobile**, for which **loss** is payable under this **SECTION**, provided the rental **automobile** was rented for the conduct of **your operations** and the rental period as specified in the rental contract was for a period of no more than 31 consecutive days:
  - (1) Loss of income incurred by the lessor of that rental **automobile** during the period of time the **automobile** is out of use because of that **loss**;
  - (2) Decrease in trade-in value of the rental **vehicle** because of the **loss**; and
  - (3) Any related administrative expenses incurred by the rental agency as stated in the rental contract.
- b. No deductible applies to this **EXTENSION**.

### 13. ROADSIDE ASSISTANCE COVERAGE

- a. We will reimburse the **member**, subject to the limit designated in the **Declarations** in any one disablement, for the actual expense incurred by the **member** for towing and other roadside assistance when a **covered automobile** is disabled in the **Agreement Territory** and during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

### 14. TEMPORARY SUBSTITUTE AUTOMOBILE

- a. If coverage is provided under this **Agreement** for a **covered automobile**, and that **covered automobile** is out of service because of:
  - (1) Breakdown;

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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- (2) Repair;
- (3) Servicing; or
- (4) **Loss**;

The coverage applicable to that **covered automobile** will also apply to any temporary substitute **automobile you** do not own while used by **you** with the permission of its owner.

- b. **We** will pay the owner for **loss** to their **automobile**.

### D. EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

- 1. **Loss** that is due to and confined to:
  - a. Wear and tear, latent defect, and/or gradual deterioration;
  - b. Freezing, except as provided in **C. ADDITIONAL COVERAGE EXTENSIONS, 4. FREEZING OF EQUIPMENT COVERAGE** of this **SECTION**; or
  - c. Mechanical or electrical breakdown or failure, unless such **loss** is the result of other **loss** covered by this **Agreement**.
- 2. Tires, unless:
  - a. **Loss** is coincidental with and from the same cause as other **loss** covered by this **Agreement**; or
  - b. Damaged by fire, malicious mischief or vandalism, or **theft** and, as to the **covered automobile**, **loss** caused by such damage or **theft** is covered by this **Agreement**.
- 3. Under **B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE, 2. COLLISION COVERAGE** of this **SECTION**, to breakage of glass if coverage with respect to such breakage is otherwise afforded herein.

### E. DEDUCTIBLE

- 1. Unless noted to the contrary in this **Agreement**, each **loss** payable under this **SECTION** is subject to the applicable Deductible set forth in the **Declarations**.
- 2. For a **loss** covered by this **SECTION**, **we** will pay the amount of **loss** that is in excess of the applicable deductible as specified on the Statement of Values on file with **us**. If more than one deductible is applicable under this **Agreement**, **we** will apply the largest applicable deductible.
- 3. However, if **loss** to a **covered automobile** is confined to windshield damage, no deductible will apply to repair of that damage or replacement of the windshield.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### F. VALUATION

Unless otherwise stated in this **SECTION**, *our* limit of coverage for *loss* is:

1. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Actual Cash Value** (ACV), *we* will pay the lesser of:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. **Actual cash value** of the damaged or stolen **covered automobile**.
2. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as Stated Amount (SA), *we* will pay the lesser of the:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. Amount as specified on the Statement of Values on file with *us* as applicable to that **covered automobile**.
3. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Replacement Cost** (RC),
  - a. *We* will pay the lesser of the:
    - (1) Cost to repair the damaged **covered automobile**;
    - (2) Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**; or
    - (3) Cost to replace the damaged or stolen **covered automobile** with new property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; and

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**AUTOMOBILE PHYSICAL DAMAGE**

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- b. **We** will not pay on a replacement cost basis until the **covered automobile** is actually replaced and such replacement is made as soon as possible after the **loss**. If **you** do not replace the **covered automobile**, **we** will not pay more than the **actual cash value**; and
- c. In the event **your** damaged **covered automobile**, other than a fire or ambulance vehicle, is deemed by **us** to be a total **loss**, was purchased new within two years of the date of **loss** and has less than 50,000 miles, **we** will pay up to 105% of the limit designated for the damaged **covered automobile** to replace it with one of comparable kind and quality, that is the same model year or the next model year if available.

## UNDERGROUND LINES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**B. PROPERTY EXCLUDED** is modified by deleting the following, but only as respects this coverage:

21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 33. UNDERGROUND FIBER OPTIC CABLE of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by adding:

UNDERGROUND LINES

This **EXTENSION** covers **loss** to **your** underground pipes, flues, drains, tanks, lines, wiring, fiber optic cable, tunnels, or passageways, which are within 1,000 feet of a **covered building or structure**.

This endorsement does not apply to the following sections:

**SECTION IV – TIME ELEMENT**

**SECTION V – EQUIPMENT BREAKDOWN**

**SECTION VI – CRIME**

**SECTION VII – AUTO PHYSICAL DAMAGE**

**SECTION VIII – EARTH MOVEMENT**

**SECTION IX - FLOOD**

All other terms and conditions remain unchanged.



## DEDUCTIBLE - EQUIPMENT BREAKDOWN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION V – EQUIPMENT BREAKDOWN, G. DEDUCTIBLES** is modified by the following:

Any Deductible Per Unit designated below shall apply to any loss to ***covered equipment*** described below, subject to the Minimum Deductible designated for such ***covered equipment***.

<u>Equipment</u>	<u>Deductible Per Unit</u>	<u>Minimum Deductible</u>
Water & Sewer	\$1,000	
All Other Covered Equipment	\$250	

All other terms and conditions remain unchanged.

## CYBER BREACH COVERAGE

This endorsement modifies the Governmental Property Agreement. It is understood and agreed that, unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement.

### I. COVERAGE

#### A. SECURITY AND PRIVACY COVERAGE

To pay on **your** behalf all sums which **you** shall become legally obligated to pay as **loss** resulting from any **claim**, alleging a **security failure** or **privacy event**, first made against **you** and reported to **us** during the **agreement period** for any **third party event** of **yours**, but only if such **third party event** first occurs on or after the **retroactive date**.

#### B. EVENT MANAGEMENT COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of an alleged **security failure** or **privacy event** that has actually occurred or is reasonably believed by **you** and **us** to have occurred, and is first discovered during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### C. NETWORK INTERRUPTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur after the **waiting hours period** of twelve (12) hours and solely as a result of a **security failure** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### D. CYBER EXTORTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of a **security threat** or **privacy threat** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### E. TELECOMMUNICATIONS FRAUD COVERAGE

To pay on **your** behalf all **loss** resulting directly from **telecommunications fraud**.

### II. DEFINITIONS

- A. **"Bodily Injury"** means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- B. **"Claim"** means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
  - (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations;
  - (3) a **Suit**; or
  - (4) a **Regulatory Action**.
- C. **"Client"** means any person, firm, company, corporation, organization, association or other entity to whom **you** provide goods or services for a fee pursuant to a legitimate written contract that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.

D. "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, **you**.

Solely with respect to Coverages A(S&P) and B(EM), "**computer system**" also means "cloud computing" and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to **you** as provided in a written contract between such third party and **you**.

E. "**Confidential Information**" means any of the following in **your** or an **information holder's** care, custody or control or for which **you** or the **information holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
- (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- (4) information used for authenticating customers for normal business transactions; or
- (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

F. "**Continuity Date**" means the date(s) set forth in the Declarations.

G. "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by **us** (unless otherwise provided for by this **agreement**) in connection with any **suit** or **regulatory action** brought against **you**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **claim** by **us** or by **you** with **our** written consent. **Defense costs** shall not include: (i) compensation of any **member**; or (ii) any fees, costs or expenses incurred prior to the time that a **claim** is first made against **you**.

H. "**Electronic Data**" means any software or data stored electronically on a **computer system**, including without limitation, **confidential information**.

I. "**Financial Institution**" means:

- (1) a banking, savings or thrift institution; or
- (2) a stockbroker, mutual fund, liquid assets fund or similar investment institution.

J. "**First Party Coverage**" means Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunications Fraud Coverage.

K. "**First Party Event**" means:

- (1) with respect to Event Management Coverage any **privacy event** or **security failure**;

- (2) with respect to Network Interruption Coverage any **security failure**; and
- (3) with respect to Cyber Extortion Coverage any **security threat** or **privacy threat**.

L. "**Information Holder**" means a third party that: (1) **you** have provided **confidential information** to; or (2) has received **confidential information** on **your** behalf.

M. "**Loss**" means:

**Solely with respect to Security and Privacy Coverage:**

compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **defense costs**, including without limitation:

- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages;
- (2) civil fines or penalties imposed by a governmental agency and arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
- (3) any monetary amounts **you** are required by law or have agreed by settlement to deposit into a consumer redress fund; and
- (4) amounts payable in connection with a **PCI-DSS Assessment**.

**Solely with respect to Event Management Coverage:**

the following reasonable and necessary expenses and costs **you** incur within one year of the **security failure** or **privacy event**:

- (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **security failure** or **privacy event**;
- (2) for a public relations firm, crisis management firm or law firm agreed to by **us** to advise **you** on minimizing the harm to **you**, including, without limitation, maintaining and restoring public confidence in **you**;
- (3) to notify those whose **confidential information** is the subject of the **security failure** or **privacy event** and advise of any available remedy in connection with the **security failure** or **privacy event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
- (4) for identity theft education and assistance, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a **security failure** or **privacy event** pursuant to subparagraph (3) above;
- (5) for any other services approved by **us** at **our** sole and absolute discretion;
- (6) to restore, recreate or recollect **electronic data**; or
- (7) to determine whether **electronic data** can or cannot be restored, recollected, or recreated.

Provided, however, with respect to Event Management Coverage, **loss** shall not include compensation, fees, benefits, or **your** overhead or internal charges.

**Solely with respect to Network Interruption Coverage:**

the below listed costs incurred from the beginning of a **material interruption** through the 120th day after the end of the **material interruption** (or 120 days after the **material interruption** would have ended if **you** exercised due diligence and dispatch):

- (1) costs that would not have been incurred but for a **material interruption**; and
- (2) the sum of all of following, which shall be calculated on an hourly basis:
  - (a) net income (net profit or loss before income taxes) that would have been earned; and

- (b) continuing normal operating expenses incurred, including payroll.

**Solely with respect to Cyber Extortion Coverage:**

- (1) monies paid by **you** with **our** prior written consent to terminate or end a **security threat** or **privacy threat** that would otherwise result in harm to **you**; and
- (2) the costs to conduct an investigation to determine the cause of a **security threat** or **privacy threat**.

**Solely with respect to Telecommunications Fraud Coverage:**

charges for voice telephone calls which were incurred solely due to and as a direct result of **telecommunications fraud**.

- N. "**Material interruption**" means the actual and measureable interruption or suspension of **your** business directly caused by a **security failure**.
- O. "**Money**" means currency, coins, bank notes and bullion, traveler's checks, registered checks and money orders held for sale to the public.
- P. "**PCI Data Security Standards**" means generally accepted and published Payment Card Industry standards for data security (commonly referred to as "**PCI-DSS**").
- Q. "**PCI-DSS Assessment**" means any written demand received by **you** from a Payment Card Association (e.g., MasterCard, Visa, American Express) or bank processing payment card transactions (i.e., an "Acquiring Bank") for a monetary assessment (including a contractual fine or penalty) in connection with **your** non-compliance with **PCI data security standards** which resulted in a **security failure** or **privacy event**.
- R. "**Privacy Event**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**■

- (1) any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
- (2) any failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**;
- (3) any unintentional failure of **you** to comply with those parts of **your** privacy agreement that (a) prohibit or restrict the disclosure or sale of **confidential information** by **you**, or (b) require **you** to allow an individual to access or correct **confidential information** about such individual; or
- (4) any violation of a federal, state, foreign or local privacy statute alleged in connection with a **claim** for a failure described in subparagraphs (1) or (2) above.

**Solely with respect to Event Management Coverage:**

any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise), including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation.

- S. "**Privacy Threat**" means any threat or connected series of threats to unlawfully use or publicly

disclose **confidential information** misappropriated from **you** for the purpose of demanding money, securities or other tangible or intangible property of value from **you**.

- T. "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include **electronic data**.
- U. "**Regulatory Action**" means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.
- V. "**Related Acts**" means all **first party events** and **third party events** which are the same, related or continuous and all **first party events** and **third party events** which arise from a common nucleus of facts. All **related acts** shall be considered to have occurred at the time the first such **related act** occurred.
- W. "**Retroactive Date**" means the date set forth in the Declarations for Security and Privacy Coverage.
- X. "**Securities**" means all negotiable and non-negotiable instruments or contracts representing either money or property and include revenue and other stamps in current use, tokens and tickets, but does not include **money**.
- Y. "**Security Breach Notice Law**" means any federal, state, local or foreign statute or regulation that requires an entity collecting or storing **confidential information**, or any entity that has provided **confidential information** to an **information holder**, to provide notice of any actual or potential unauthorized access by others to such **confidential information**, including, but not limited to, the statute known as California sb 1386 (§1798.82, *et. seq.* of the California civil code).
- Z. "**Security Failure**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**:

- (1) a failure or violation of the security of a **computer system** including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code; or
- (2) failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**.

"**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code from **your** premises, the **computer system**, or an officer, director or employee of **yours** by non-electronic means.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

a failure or violation of the security of a **computer system**, including, without limitation, that which results in, or fails to mitigate, any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. **Security failure** includes any such failure or violation resulting from the theft of a password or access code from **your** premises, **your computer system**, or an officer or employee of **yours** by non-electronic means.

- AA. **"Security Threat"** means any threat or connected series of threats to commit an intentional attack against a **computer system** for the purpose of demanding **money, securities** or other tangible or intangible property of value from **you**.
- AB. **"Suit"** means a civil proceeding for monetary, non-monetary or injunctive relief that is commenced by service of a complaint or similar pleading. **Suit** shall also include a binding arbitration proceeding to which **you** must submit or submit with **our** consent.
- AC. **"Telecommunications Fraud"** means the fraudulent use or fraudulent manipulation of an account code or system password required to obtain access to a **telecommunications system** owned or leased by **you**, installed on **your** premises, whose system administration is performed and controlled by **you**, provided, however, that the unauthorized access was not made possible by either:
- (1) failure to incorporate a system password feature; or
  - (2) failure to have a call-disconnect feature in operation to automatically terminate a caller's access to the **telecommunications system** after unsuccessful attempts to input an account code.
- AD. **"Telecommunications System"** means a **computer system** installed in one location which functions as a private branch exchange (PBX), voicemail processor, automated call attendant or provides a similar capability used for the direction or routing of telephone calls in a voice communications network.
- AE. **"Third Party Event"** means a **privacy event** or **security failure**.
- AF. **"Third Party Coverage"** means Security and Privacy Coverage.
- AG. **"Vendor"** means any person, firm, company, corporation, organization, association or other entity that provides goods or services to **you** pursuant to a legitimate relationship that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.
- AH. **"Waiting Hours Period"** means the number of hours that must elapse once a **material interruption** has begun for Network Interruption Coverage.

### III. EXCLUSIONS

This **agreement** shall not cover any **claim** made against **you** or any **loss**:

- A. alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:
- (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of **yours**, whether acting alone or in collusion with other persons; or
  - (2) past or present employee or independent contractor employed by **you** or an **information holder** if any person referenced in subparagraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct **loss** to **you** or any other person;

provided, however, solely with respect to the Security and Privacy Coverage, **we** will defend **suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication as to such conduct in any action or proceeding other than an action or proceeding initiated by **us** to determine coverage under this **agreement**, at which time **you** shall reimburse **us** for **defense costs**.

- B. alleging, arising out of, based upon or attributable to any (1) presence of **pollutants**, (2) the

or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, or in any way respond to or assess the effects of **pollutants**.

C. alleging, arising out of, based upon or attributable to any **bodily injury** or **property damage**.

**Solely with respect to Security and Privacy Coverage**

D. alleging, arising out of, based upon or attributable to any infringement of patent, or any misappropriation of a trade secret by **you**.

E. alleging, arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
- (3) electrical or mechanical failures of infrastructure not under **your** control, including any electrical power interruption, surge, brownout or blackout; provided, however, this subparagraph (3) shall not apply to a **security failure** or a **privacy event** that is caused by such electrical or mechanical failure;
- (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under **your** control; provided, however, this subparagraph (4) shall not apply to a **security failure** or a **privacy event** that is caused by such failure of telephone lines, data transmission lines or other telecommunication or networking infrastructure; or
- (5) satellite failure.

F. alleging, arising out of, based upon or attributable to any:

- (1) purchase, sale, or offer or solicitation of an offer to purchase or sell **securities**;
- (2) violation of any **securities** law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **claim** alleging a **privacy event** in violation of regulation s-p (17 c.f.r. § 248); provided further, however, this exclusion does not apply to a **claim** alleging a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**; or
- (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law.

G. alleging, arising out of, based upon or attributable to **your** employment of any individual or any of **your** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related **claim**); provided, however, this exclusion shall not apply to any **claim** by an individual to the extent such individual is alleging (1) a **privacy event** in connection with such individual's employment or application for employment with **you**, or (2) a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**.



- H. alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal law regulating such conduct, or that is brought by or on behalf of the Federal Trade Commission (“FTC”) or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, this paragraph (H) shall not apply to any **loss** arising out of a covered **regulatory action**.
- I. brought by or on behalf of:
- (1) **you**;
  - (2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by **you**; or
  - (3) any parent company, subsidiary, successor or assignee of **yours**, or any person or entity affiliated with **you** or such business entity through common management control.
- J. for any of the following:
- (1) the return of **your** fees or compensation;
  - (2) any profit or advantage to which **you** are not legally entitled;
  - (3) **your** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
  - (4) **your** cost of providing, correcting, re-performing or completing any services;
  - (5) civil or criminal fines or penalties imposed by law against **you** and any matters deemed uninsurable under the law pursuant to which this agreement shall be construed; provided, however, this subparagraph (5) shall not apply to (a) any monetary amounts **you** are required by law or have agreed to by settlement to deposit into a consumer redress fund, or (b) any civil fine or penalty imposed by a governmental agency arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
  - (6) **your** costs and expenses of complying with any injunctive or other form of equitable relief;
  - (7) taxes incurred by **you**;
  - (8) the amounts for which **you** are not financially liable or which are without legal recourse to **you**, or
  - (9) amounts **you** agree to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not apply to any **PCI-DSS assessment**.
- K. alleging, arising out of, based upon or attributable to any obligation **you** have under contract; provided, however, this exclusion shall not apply to:
- (1) the obligation to prevent a **security failure** or a **privacy event**, including, without limitation, whether same is in violation of an implied or statutory standard of care;
  - (2) liability **you** would have in the absence of such contract or agreement;
  - (3) the obligation to comply with **PCI data security standards**; or
  - (4) a **privacy event** with respect to any liability or obligation under the confidentiality or non-disclosure provisions of any agreement;
- L. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, alleged or contained in any **claim** which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which this Security and Privacy Coverage is a renewal or replacement or which it may succeed in time.
- M. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event** occurring prior to the **retroactive date** or any **related acts** thereto, regardless of when such **related acts** occurs.
- N. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**

**related act** occurs), if, as of the **continuity date**, **you** knew or could have reasonably foreseen that such **security failure** or a **privacy event** did or would result in a **claim** against **you**.

O. alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** by order of any governmental or public authority.

P. for any of the following:

- (1) the theft of **money** or **securities** from **you**; or
- (2) the transfer or **loss** of **money** or **securities** from **your accounts** or **accounts** under **your** control, including customer **accounts**. For purposes of this paragraph P., the term "**accounts**" shall include, but are not limited to, deposit, credit, debit, prepaid and **securities** brokerage accounts.

**Solely with respect to Event Management Coverage, Network Interruption Coverage and Cyber Extortion Coverage:**

Q. arising out of, based upon or attributable to any war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

R. arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused; or
- (2) satellite failure.

S. arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** or **electronic data** by order of any governmental or public authority.

T. arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which Event Management Coverage or Network Interruption Coverage is a renewal or replacement or which it may succeed in time.

**Solely with respect to Event Management Coverage:**

U. arising out of, based upon or attributable to any misappropriation of **your** trade secret, any misappropriation of a trade secret by **you** or any employee of **yours** or any infringement of patent, copyright, trademark or trade dress.

V. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Network Interruption Coverage:**

W. arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

X. arising out of, based upon or attributable to: (1) any liability to third parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any **computer system** to a level beyond that which existed prior to sustaining **loss**; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

**Solely with respect to Cyber Extortion Coverage:**

Y. arising out of, based upon or attributable to any misappropriation of **your** trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

Z. for any profit or advantage to which **you** are not legally entitled.

AA. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Telecommunications Fraud Coverage:**

AB. **loss** resulting from any **telecommunications fraud** occurring prior to the applicable **retroactive date**;

AC. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by **you**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of **yours**, whether acting alone or in collusion with others;

AD. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **client**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of a **client**, whether acting alone or in collusion with others;

AE. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **vendor**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of the **vendor**, whether acting alone or in collusion with others;

AF. the costs of defending any legal proceeding brought against **you**, or the fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceeding;

AG. **loss** arising out of war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;

AH. **loss** resulting directly or indirectly from the actual or alleged use of credit, debit, charge, access, electronic benefit transfer, convenience, cash management or other cards;

AI. **loss** to the extent that such **loss** has been reversed or returned by a credit card company, **financial institution** or telecommunications provider;

AJ. **loss** arising out of accounting or arithmetical errors or omissions;

AK. **loss** of potential income, including interest and dividends, of **you**, a **client**, a **vendor** or any third party;

AL. any fines, penalties, consequential damages, punitive damages, expenses as a result of regularly scheduled recurring or routine regulatory examinations, or compliance activities or non-monetary relief, including, without limitation, injunctive relief, or other equitable

remedies of any type for which **you** are legally liable;

AM. **loss** resulting from **telecommunications fraud** which induces **you** to make any purchase or sale, whether legitimate or fraudulent;

AN. **loss** resulting from **telecommunications fraud** arising out of unintentional errors or omissions;

AO. **loss** of computer or telephone time or use due to **telecommunications fraud**;

AP. **loss** resulting from the loss of or damage to manuscripts, books of account or records maintained in any format or medium;

AQ. **loss** resulting directly or indirectly from any authorized or unauthorized trading of **money**, **securities** or other tangible property whether or not in **your** name and whether or not in a genuine or fictitious account;

AR. any **indirect** or consequential result of any **telecommunications fraud**, including, but not limited to, damages of any type for which **you** are legally liable;

AS. **loss** as a result of a threat:

- (1) to do bodily harm to any person;
- (2) to do damage to **your** premises or property; or
- (3) to **computer systems** operations; or

AT. **loss** resulting directly or indirectly from the (i) theft, disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

- (1) confidential or non-public; or
- (2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, under any agreement, or any industry guideline or standard.

Notwithstanding the foregoing, however, this exclusion shall not apply to the extent that any **telecommunications fraud loss** results directly from the unauthorized use or disclosure of a password or other user credential information.

#### IV. GENERAL CONDITIONS

##### A. DEFENSE

- (a) **we** have the right and duty to defend a **suit** or **regulatory action** alleging a **security failure** or a **privacy event**, even if the **suit** or **regulatory action** is groundless, false or fraudulent;
- (b) **we** have the right to investigate any **claim**; and
- (c) **our** duty to defend ends if **you** refuse to consent to a settlement that **we** recommend pursuant to the settlement provision below and that the claimant will accept. As a consequence of **your** refusal, **our** liability shall not exceed the amount for which **you** could have settled such **claim** had **you** consented, plus **defense costs** incurred prior to the date of such refusal, plus 50% of **defense costs** incurred with **our** prior written consent after the date of such refusal.

##### B. SETTLEMENT

**We** have the right, with **your** written consent, to settle any **claim** if **we** believe that it is proper.

##### C. CYBER BREACH COVERAGE LIMIT

The Cyber Breach Limit set forth in the Declarations is **our** maximum liability for all **loss** under Security and Privacy Coverage, Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunication Fraud Coverage combined, and **we** shall not be responsible to pay any such **loss** upon exhaustion of the Cyber Breach Limit.

If a sublimit of liability is stated in the Declarations, then such sublimit of liability shall be **our** maximum liability for all **loss** with respect to such coverage and **we** shall not be responsible to pay any **loss** under such coverage upon exhaustion of such sublimit of liability. Any sublimit of liability described above shall be part of and not in addition to the Cyber Breach Limit and shall in no way serve to increase the Cyber Breach Limit.

Solely with respect to Telecommunications Fraud Coverage, coverage will be in excess of any other valid and collectible crime insurance or indemnity available to **you**.

Solely with respect to Security and Privacy Coverage, a **claim** which is made subsequent to the **agreement period**, but no later than thirty (30) days thereafter, which is considered to be made during the **agreement period**, shall also be subject to the Cyber Breach Limit and any applicable sublimit of liability described above.

#### D. NOTICE

- (a) **You** shall, as a condition precedent to **our** obligations under this Cyber Breach Coverage, give written notice to **us** of any **claim** made against **you** or a **first party event** as soon as practicable.

If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

#### E. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **loss** (and otherwise) under Network Interruption Coverage, due consideration shall be given to the prior experience of **your** business before the beginning of the **security failure** and to the probable business **you** could have performed had no **security failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this endorsement shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **security failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on **your** actual net profit (or net loss) and charges and expenses.

#### F. APPRAISAL

If **you** and **we** disagree on the amount of **loss**, either may make a written demand for an appraisal of such **loss**. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

**You** and **we** will:

- (1) pay **our** respective chosen appraiser; and

(2) bear the expenses of the umpire equally.

Any appraisal of **loss** shall be calculated in accordance with all terms, conditions and exclusions of this Cyber Breach Coverage.

#### **G. WORLDWIDE TERRITORY**

Where legally permissible, this endorsement shall apply to **first party events** and **third party events** occurring, **claims** made or **losses** suffered anywhere in the world.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

## **CYBER BREACH COVERAGE DATES AND LIMITS**

This endorsement modifies the Governmental Property Agreement for this coverage only.

The following limits are added to the **CYBER BREACH COVERAGE** Endorsement - GPA 0760 (04/18):

Telecommunication Fraud Per Occurrence:	\$25,000
Telecommunication Fraud Annual Aggregate:	\$50,000
Cyber Breach Coverage Per Occurrence:	\$250,000
Cyber Breach Coverage Annual Aggregate:	\$250,000

The Cyber Breach Coverage Annual Aggregate includes Telecommunication Fraud.

The following dates are added to the **CYBER BREACH COVERAGE** Endorsement - GPA 0760 (04/18):

Retroactive Date:	04/01/2018
Continuity Date:	04/01/2018

All other terms and conditions remain unchanged.

# TERRORISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION 1 – GENERAL PROVISIONS** is modified by amending the following, but only as respects this coverage:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

3. TERRORISM

- a. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, unless agreed to by the **Pool** in writing prior to such action being taken.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

39. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage** and is primary over any other coverage provided by the Governmental Property Agreement.
- b. The following Additional Definitions apply only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.



**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss that would otherwise be covered by this **Agreement** arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss or damage to power transmission, feeder lines or pipelines not on **your** premises.
- (14) Watercraft.

(15)Plants and living things, of all types.

- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by adding the following, but only as respects this coverage:

**A. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS**

15. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional Definition applies only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss (which would otherwise be covered by this **Agreement**) arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.

- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
  - (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
  - (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
  - (10) Loss or increased cost as a result of threat or hoax.
  - (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
  - (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

All other terms and conditions remain unchanged.

## UNSCHEDULED PROPERTY IN THE OPEN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

### D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS

#### 40. UNSCHEDULED PROPERTY IN THE OPEN

a. This **EXTENSION** covers **loss** to ***your Unscheduled Property in the Open***.

b. The following Additional Definition applies only to this **EXTENSION**:

***Unscheduled Property in the Open*** means property of the following types that are not included on the Statement of Values on file with **us**:

- (1) Fences;
- (2) Flagpoles;
- (3) Traffic control devices;
- (4) Sirens;
- (5) Gates;
- (6) Radio or television antennas;
- (7) Traffic or road signs;
- (8) Docks; and
- (9) Free-standing lights, light poles and street lights.

c. For ***your Unscheduled Property in the Open***, **we** will pay the lesser of:

- (1) The cost to repair ***your Unscheduled Property in the Open***; or
- (2) The amount **you** actually spend that is necessary to repair or replace ***your Unscheduled Property in the Open***.

d. For ***your Unscheduled Property in the Open***, the most **we** will pay in any one **Agreement Period** to repair or replace ***your Unscheduled Property in the Open*** is \$100,000, in the aggregate.

e. This **EXTENSION** shall be effective as of January 1, 2021 at 12:01 A.M.

All other terms and conditions remain unchanged.

## EARTH MOVEMENT

This endorsement modifies the Governmental Property Agreement.

**SECTION I – GENERAL PROVISIONS** is modified by amending the following:

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

18. **Earth Movement** means **earthquakes**; landslides; **volcanic eruption**; subsidence, including **mine subsidence**; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**C. CAUSE OF LOSS EXCLUDED**

6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - g. Earth sinking, rising or shifting.
  - h. Mudslides or mudflows.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- c. The following Additional Exclusions apply to this **EXTENSION**:

- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

- c. The following Additional Exclusion applies to this **EXTENSION**:

- This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

**SECTION V – EQUIPMENT BREAKDOWN** is modified by adding the following:

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

10. Earth sinking or rising or shifting.
11. Mudslides or mudflows.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by amending the following:

**B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, earth sinking or rising or shifting, mudslides, mudflows, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

**SECTION IX – FLOOD** is modified by amending the following:

**A. CAUSE OF LOSS**

2. **We** will not pay for **loss** caused directly or indirectly by, or resulting from, any of the following:

- f. Fire, explosion, **sinkhole collapse**, destabilization or movement of **land** resulting from the accumulation of water in subsurface land areas, gradual erosion, earth sinking or rising or shifting, or any **earth movement** except such mudflows, mudslides or erosion as are covered under the peril of **flood**.

All other terms and conditions remain unchanged.

## GENERAL ENDORSEMENT - BRIDGES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### C. CAUSE OF LOSS EXCLUDED

This **SECTION** excludes coverage for

1. All causes of **loss** to bridges, except if caused by the following Named Perils only: fire, lightning, windstorm, hail, collision, theft, vandalism, or malicious mischief.
2. **Blanket Limit** shall not apply to bridges.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### F. VALUATION

3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,

- a. **We** will pay the lesser of the:
  - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
  - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
- b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
- c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
- d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.

All other terms and conditions remain unchanged.



**Pennsylvania Intergovernmental Risk Management  
Association**  
(A Local Government Risk Pool)

**GOVERNMENTAL PROPERTY AGREEMENT  
COVERAGE DECLARATIONS**

This Agreement is issued under and pursuant to the terms, conditions, covenants, Property Addendum dated 09/08/2014 and stipulations of the Intergovernmental Contract dated 09/16/2021 between the Member stated herein and Pennsylvania Intergovernmental Risk Management Association, (hereinafter, the Pool). All terms and conditions of said contract are incorporated herein by reference. In the event that any provision of this Agreement is in conflict with or is inconsistent with the Intergovernmental Contract or any appendix or attachment thereto, the terms and conditions of such Intergovernmental Contract, appendix or attachment shall prevail and take precedence.

GIVE WRITTEN NOTICE OF ANY LOSS HEREUNDER TO

H.A. Thomson Company  
961 Pottstown Pike  
Chester Springs, PA 19425

NAMED MEMBER: Catharine Township, Blair County

MEMBER NUMBER: 0544

MAILING ADDRESS: 1229 Recreation Drive  
Williamsburg, PA 16693

AGREEMENT PERIOD: Commencing at 12:01 A.M. on the effective date indicated below until canceled or replaced.

EFFECTIVE DATE: 02/22/2022



FORMS ATTACHED:	Form Number	Description	Revision Date
	GPA 0600 (01-19)	Property Schedule of Benefits (01-19)	01/2019
	GPA 0601	Section 1	01/2019
	GPA 0601	Section 2	01/2019
	GPA 0601	Section 3	01/2019
	GPA 0601	Section 4	01/2019
	GPA 0601	Section 5	01/2019
	GPA 0601	Section 6	01/2019
	GPA 0601	Section 7	01/2019
	GPA 0625	Underground Lines	01/2019
	GPA 0626	Schedule of Covered Vehicles	
	GPA 0626 MP	Statement of Additional Property	
	GPA 0644	Boiler & Machinery Deductibles Endorsement	01/2019
	GPA 0780	Terrorism	01/2019
	GPA 0781	Unscheduled Property in the Open	01/2021
	GPA 0785	Earth Movement	01/2021
	GPA 0786	General Endorsement Bridges	01/2021
	GPA 0787	Electronic Vandalism	01/2022

*Kelly Hammond*

Countersigned: 02/22/2022 By: \_\_\_\_\_



# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2022

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION III – PROPERTY DAMAGE</b>		
Buildings*	\$279,933	\$250
Personal Property*	\$2,000	\$250
Accounts Receivable	\$250,000	
Animals	\$25,000	
Appearance Allowance	\$25,000	
Arson or Theft Reward	\$10,000	
Athletic Surfaces	\$50,000	
Building or Addition Under Construction	\$1,000,000	\$250
Building or Addition Under Construction - Frame Construction Type	Excluded	
Debris Removal	\$250,000	
Decontamination Costs	\$25,000	
Electronic Vandalism	\$250,000	
Equipment Rental Reimbursement	\$250,000	
Errors or Omissions	\$500,000	
Expediting Expenses	\$250,000	
Fine Arts - Unscheduled	\$25,000	
Fire Department Service Charge	Actual Cost	
Fire Extinguishing Systems	Actual Cost	
Fire Hydrants (Unscheduled)	\$10,000	
Golf Course Sand Traps, Tee and Greens	\$10,000/\$250,000	
Green Coverage	\$100,000	
Guide Rails	\$10,000	
Land and Water Cleanup Expense	\$10,000	
Locks and Keys	\$25,000	
Money and Securities	\$25,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2022

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
New Generation	\$10,000	
Newly Constructed or Acquired Property	\$2,000,000	\$250
Off-Premises Service Interruption Property Damage	\$25,000	
Off-Premises Storage - Property Under Construction	\$10,000	
Ordinance or Law	\$500,000	
Outdoor Signs	\$10,000	
Outdoor Trees and Shrubs	\$10,000/\$250,000	
Parking Meters and Charging Stations	\$5,000	
Personal Prop Not at a Covered Location	\$50,000	
Personal Property at Newly Acquired or Leased Locations	\$1,000,000	\$0
Personal Property of Others	\$250,000	\$250
Pollution Cleanup Expense	\$100,000	
Professional Fees	\$5,000	
Property Removed from a Covered Location	\$250,000	
Protection and Preservation of Property	\$250,000	
Terrorism	See GPA 0780	\$0
Transit Coverage	\$100,000	
Underground Fiber Optic Cable	\$10,000	
Underground Lines	\$1,000,000	
Unscheduled Misc Property	\$10,000	
Unscheduled Playground Equipment	\$25,000	
Unscheduled Property in the Open	\$100,000	\$250
Valuable Papers and Records	\$250,000	
Water and Sewer Backup	\$100,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2022

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION IV - TIME ELEMENT</b>		
Civil Authority	Maximum 30 days	
Civil Authority	\$25,000	
Computer Systems and Non-physical Damage	\$10,000	
Contingent Tax Revenue Interruption	\$25,000	
Contingent Time Element	\$10,000	
Earnings During Protection/Preservation	\$25,000	
Expenses to Reduce Loss	\$25,000	
Extended Earnings, Extra Expense and Cost	\$50,000	
Extended Gross Earnings, Extra Expense and Cost	Maximum 180 days	
Extended Period of Coverage	\$25,000	
Extra Expense and Cost	\$250,000	
Gross Earnings	\$250,000	
Leasehold Interest	\$10,000	
Rental Coverage	\$10,000	
Soft Costs	\$5,000	
Storm Debris Removal	\$5,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2022

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
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#### SECTION V - EQUIPMENT BREAKDOWN

Total Limit per one Breakdown*	\$265,788	See GPA 0644
Power Generating Equipment	Excluded	
Civil Authority	\$25,000	
Data or Media	\$250,000	
Defense	Unlimited	
Dependent Properties	\$25,000	
Earnings	\$100,000	
Electrical Surge and Electrical Disturbance	\$100,000	
Error in Description	\$500,000	
Expediting Expenses	\$250,000	
Extended Earnings and Extra Expense	\$100,000	
Extra Expense	\$100,000	
Green Alternatives	\$100,000	
Hazardous Substance	\$100,000	
New Generation	\$10,000	
Newly Acquired Locations	\$2,000,000	
Off Premises Equipment	\$50,000	
Ordinance or Law	\$500,000	
Refrigerant Contamination	\$100,000	
Service Interruption	\$100,000	
Spoilage	Included with Refrigerant Contamination	
Water Damage	\$100,000	

#### SECTION VI – CRIME

Crime	\$10,000	
Computer Fraud and Funds Transfer	\$10,000	
Employee Theft - Per Employee	\$10,000	
Employee Theft - Per Loss	\$10,000	
Forgery or Alteration	\$10,000	
Inside Premises - Robbery or Safe Burglary	\$10,000	
Money Orders and Counterfeit Money	\$10,000	
Outside Premises	\$10,000	
Theft, Disappearance, Destruction of Money	\$10,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2022

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION VII - AUTOMOBILE PHYSICAL DAMAGE</b>		
Airbags	\$5,000	
Commandeered Property	\$250,000	
Emergency Response Automobile	\$25,000	
Freezing of Equipment Coverage	\$25,000	
Hired Automobile Physical Damage	\$50,000	
Lease Gap	\$25,000	
Not At Fault Collision Deductible Waiver	\$2,500	
Personal Automobile (Deductible)	Actual Cost	
Property in an Unattended Auto	\$1,000	
Recertification	Actual Cost	
Rental Automobile Agreement	\$10,000	
Rental Reimbursement Aggregate	\$100,000	
Rental Reimbursement Per Day	\$1,000	
Roadside Assistance	\$5,000	
Temporary Substitute Automobile	\$2,500	
Terrorism	See GPA 0780	



## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2022

Printed on: 03/01/2022

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
1 - 1 1021 Recreation Drive Williamsburg, PA 16693 Concrete Block Garage/Storage/Municipal Building/Addition	3300	0		1996		2	5	Y	N	N	Y

	Value	Valuation	Deductible
Building	\$254,751	RC	\$250
Personal Property	\$2,000		\$250
<b>Total Location TIV</b>	<b>\$256,751</b>		

1 - 2 1021 Recreation Drive Williamsburg, PA 16693 Frame Salt Shed (24' x 24' x 16')	576	0		1998		1	5	Y	N	N	Y
--	-----	---	--	------	--	---	---	---	---	---	---

	Value	Valuation	Deductible
Building	\$21,935	RC	\$250
<b>Total Location TIV</b>	<b>\$21,935</b>		

1 - 3 1021 Recreation Drive Williamsburg, PA 16693 Two (2) Plastic Brine Tanks w/pumps	0	0				3	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$3,247	RC	\$250
<b>Total Location TIV</b>	<b>\$3,247</b>		

Total Blanket TIV	\$281,933
Building	\$279,933
Personal Property	\$2,000
EDP - Hardware	\$2,000
Miscellaneous Property Scheduled	\$82,000
Miscellaneous Property Unscheduled	\$259,000
<b>Total TIV</b>	<b>\$624,933</b>



## Schedule of Covered Vehicles

**Catharine Township, Blair  
County**

**Effective Date:** 02/22/2022

**Printed on:** 03/01/2022

#	Year	Make	Model	VIN	Type	Value	Valuation Comp	Ded	Coll	Ded
1	2011	Ford	F550 w/plow, spreader & radio	1FDUF5H T3BEA07 036	Dump Trucks	\$63,632	ACV Y	\$100	Y	\$250
2	2008	Ford	F550 w/plow, spreader & radio	1FDAF57 R88ED23 310	Dump Trucks	\$61,442	ACV Y	\$100	Y	\$250
3	2005	International	7400 w/plow & spreader	1HTWDA ZR25J136 074	Dump Trucks	\$5,000	ACV Y	\$100	Y	\$250
4	1994	Miscellaneous	Eager Beaver Trailer	112HTN3 0XRL0428 55	Trailers	\$3,050	ACV Y	\$100	Y	\$250
5	2016	Miscellaneous	Sure-Trac Trailer	5JW2D10 2XG4143 183	Trailers	\$4,095	ACV Y	\$100	Y	\$250

Total Location Vehicle Value: \$137,219

**Total ACV Value:** \$137,219    **Total RC Value:** 0    **Total SA Value:** 0    **Grand Total Vehicle Value:** \$137,219





## Additional Property Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2022

Printed on: 03/01/2022

### Location Information N/A

Line	Classification	Description	Serial No	Coverage Limit	Valuation	Deductible
1	Miscellaneous Property Scheduled	1984 Paver	ETNYREFCR00	\$2,500	ACV	\$250
2	Miscellaneous Property Unscheduled	Miscellaneous Tools & Equipment; no one item over \$1,000		\$9,000	ACV	\$250
3	EDP - Hardware	Unscheduled Hardware & Software		\$2,000	RC	\$250
4	Miscellaneous Property Scheduled	2005 John Deere Loader/Tractor w/bucket, broom & attachment	LV5325P133208	\$55,000	ACV	\$250
5	Miscellaneous Property Scheduled	Leaf Blower		\$7,000	ACV	\$250
6	Miscellaneous Property Scheduled	Motor Grader		\$3,000	ACV	\$250
7	Miscellaneous Property Scheduled	Rhino Boom Mower w/flailhead SV15-2071R-04		\$14,500	ACV	\$250
8	Miscellaneous Property Unscheduled	Leased & Rented Equipment		\$250,000	ACV	\$250

Total EDP - Hardware	\$2,000
Total Miscellaneous Property Scheduled	\$82,000
Total Miscellaneous Property Unscheduled	\$259,000
<b>Total Location Additional Property Scheduled Value</b>	<b>\$343,000</b>

Grand Total EDP - Hardware	\$2,000
Grand Total Miscellaneous Property Scheduled	\$82,000
Grand Total Miscellaneous Property Unscheduled	\$259,000
<b>Grand Total Additional Property Scheduled Value</b>	<b>\$343,000</b>

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## SECTION I GENERAL PROVISIONS

This **Governmental Property Agreement** is issued pursuant to and in accordance with the Intergovernmental Agreement and is subject to the terms, conditions, covenants and stipulations set forth herein and as specified on the **Declarations** or in any endorsement hereto. In the event that any provision of this **Agreement** is in conflict with, or is incompatible with, the Intergovernmental Agreement or any appendix or attachment thereto, the terms and conditions of the Intergovernmental Agreement, appendix or attachment thereto shall take precedence.

All **SECTIONS** included in this **Agreement** are subject to **SECTION I GENERAL PROVISIONS** of this **Agreement**, except for any modifications included in such other **SECTIONS** of this **Agreement**.

Various provisions in this **Agreement** restrict coverage. Read the entire **Agreement** carefully to determine rights, duties and what benefits are and are not provided.

Throughout this **Agreement**, words and phrases that appear in **bold italics** have special meaning. **You** and **your** refer to the Named Member as specified on the **Declarations**. **We**, **us** and **our** refer to the **Pool**.

Other words and phrases that appear in **bold italics** also have special meaning and are defined in **SECTION I GENERAL PROVISIONS** of this **Agreement** or in the other **SECTIONS** of this **Agreement**.

Coverage applies only to **losses** occurring during the **Agreement Period**. In return for the payment of the contribution and subject to all of the terms of this **Agreement** and the Intergovernmental Contract, the **Pool** agrees to provide coverage pursuant to those Coverage Agreements comprising this **Agreement**.

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

1. **Actual Cash Value** means:
  - a. For a **covered building or structure**, the cost to repair, rebuild or replace the lost or damaged property at the time and place of the **loss**, with property of like kind and quality, less allowance for physical deterioration, depreciation and depletion;
  - b. For a **covered automobile** or all other property, the market value of such **automobile** or property in a used condition at the time and place of the **loss**, if reasonably available in the used market. If not reasonably available in the used market, **actual cash value** means the market value of new, identical or nearly identical **automobile** or property, less allowance for physical deterioration, depreciation, depletion and obsolescence.
2. **Agreement** means this Governmental Property Agreement, including the **Declarations**, **SECTION I GENERAL PROVISIONS**, **SECTION II LOSS ADJUSTMENT AND SETTLEMENT**, **SECTION III PROPERTY DAMAGE**, **SECTION IV TIME ELEMENT**, **SECTION V EQUIPMENT BREAKDOWN**, **SECTION VI CRIME**, **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**, **SECTION VIII EARTH MOVEMENT**, **SECTION**

**IX FLOOD**, and any attached endorsements and any amendments to the Governmental Property Agreement.

3. **Agreement Period** means each period of one year following the effective date and time of this **Agreement** or, such lesser period if the time between the effective date and termination or cancellation of this **Agreement** is less than one year.
4. **Agreement Territory** means the United States of America, its territories, and Canada.
5. **Aircraft** means any machine designed to travel through the air, including but not limited to, airplanes, balloons, dirigibles or helicopters, but aircraft does not mean a **drone**.
6. **Authorized Volunteer** means an individual volunteer while performing a service for **you** at **your** request and at no expense. This term does not include individual volunteers performing services for or on behalf of independent volunteer fire companies, ambulance companies or other entities.
7. **Automobile**
  - a. **Automobile** means a land motor vehicle, motorcycle, motor truck, trailer or semi-trailer, or any similar means of transporting persons or property designed and licensed for travel on public roads, including any permanently attached machinery or apparatus, or equipment removed on a seasonable basis if attached thereto.
  - b. **Automobile** does not include **mobile equipment**.
8. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution in conducting its business.
9. **Blanket Limit** means a single limit of coverage that applies to one or more **covered locations**. The **Blanket Limit** is equal to the total values scheduled for all buildings and personal property on the Statement of Values that are indicated as being part of the **Blanket Limit** and such total is listed as the **Blanket Limit** on the Statement of Values.
10. **Contaminant** means anything that causes **contamination**.
11. **Contamination** means any condition of property due to the actual or suspected presence of any: foreign substance, impurity, **pollutant**, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, **fungi**, mold or mildew.
12. **Covered Automobile** means: an **automobile** specified on the Statement of Values on file with **us** which is owned, leased, or borrowed by **you**, and which **you** acquire, lease, rent, or borrow during the **Agreement Period**, subsequent to the completion of the most recent Statement of Values on file with **us**.
13. **Covered Building or Structure** means a building or structure, described on the Statement of Values on file with **us**, located on a **covered location** and used for the conduct of **your operations**.

14. **Covered Location** means a location specified on the Statement of Values on file with **us** or a location subsequently reported.
15. **Data** means all information stored on media devices including facts, concepts, statistics, texts, sounds, graphics, images, quantities, characters, symbols or computer programs converted to a form usable in a data processing operation.
16. **Declarations** means the Declarations of Coverage attached to and incorporated into the **Agreement**, setting forth the specific indication of the coverages, limits, sublimits, deductibles, contributions, special provisions elected by the **Member**, corresponding schedules and any modifications made by issuance of amendatory Declarations of Coverage.
17. **Drone** means a remote controlled and unmanned aerial vehicle (UAV).
18. **Earth Movement** means **earthquakes**; landslides; mudslides; mudflows; **volcanic eruption**; subsidence, including **mine subsidence**; or earth sinking, rising or shifting; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural and manmade causes, and includes aftershocks therefrom.
20. **Electronic Data Processing Equipment Or Media** means any computer, computer system or component, **hardware**, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, **data** or programs, whether the property of the **member** or not.
21. **Employee**
  - a. **Employee** means any individual while in **your** service and in the conduct of **your operations**, whose labor or service is engaged by **you** in your capacity as an employer, subject to Pennsylvania worker's compensation laws, whom **you** compensate by salary, wages or commissions, and have the right to govern and direct in the performance of such service.
  - b. **Employee** does not mean any broker, commission merchant, consignee contractor, retained professional, independent contractor or other representative of the same general character.
22. **Fine Arts** means paintings, drawings, etchings, prints, pictures, tapestries, art glass windows, valuable rugs and tapestries, statuary, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, potteries, rare or art glass, bric-a-brac and similar property of rarity, historical or cultural value, or artistic merit.
23. **Flood** means surface waters; rising waters; storm surge; sea surge; wave wash; waves; tsunami; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of water from natural or man-made bodies of water, or the spray therefrom, all irrespective of whether driven by wind; mudslide or mudflow resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made,

contributing concurrently or in any other sequence of **loss**. **Loss** from **flood** associated with a storm or weather disturbance, whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of the **Agreement**. However, **loss** by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be **loss** by **flood** within the terms and conditions of this **Agreement**.

24. **Functional Replacement Cost** means the cost to repair or replace a building, or the portion of the building being used by **you** for **your** operations, with commonly used construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
25. **Fungi** means any type or form of fungus, including mold, mildew, and any mycotoxin spores, scents or by-products produced or released by **fungi**.
26. **Green** means products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
27. **Green Authority** means an authority on **green** buildings, products, materials, methods or processes, including the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certifications, Green Building Initiative's Green Globes Certification, U.S. Department of Energy/Environmental Protection Agencies' Energy Star Rating System or any other recognized **green** rating system.
28. **Hardware** means a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.
29. **High Hazard Flood Zones** means Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA), including, but not limited to, Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.
30. **Improvements and Betterments** means the fixtures, alterations, installations or additions made a part of the building or structure **you** occupy, but do not own, and that **you** acquired or made at **your** expense, but cannot legally remove.
31. **Land** means any solid portion of the earth except for structures reported on the Statement of Values on file with **us**, such as dikes, levees, retaining walls and other containment structures.
32. **Loss** means direct loss or damage to **you** of **COVERED PROPERTY** occurring during the **Agreement Period**.
33. **Member** means **you** and, while actively engaged in activities on **your** behalf or in **your** interest, any:
  - a. Member of **your** governing body;
  - b. Member of **your** Boards, Commissions, or Councils;

- c. Elected or appointed officers;
- d. **Employees** acting within the scope of their employment; or
- e. **Authorized volunteers**.

34. **Mine Subsidence** means **loss** caused by lateral or vertical ground movement, resulting from the collapse of man-made underground mines, including but not limited to, coal, clay, limestone or fluorspar mines. However, **mine subsidence** does not mean lateral or vertical ground movement caused by:

- a. **Earthquake** or landslide;
- b. Soil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs;
- c. Collapse of storm sewer drains or rapid transit tunnels; or
- d. **Sinkhole Collapse**.

35. **Mobile Equipment**

a. **Mobile equipment** is considered personal property and 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 and not licensed for highway use;
- (3) Vehicles that travel on crawler treads;
- (4) Vehicles, irrespective of whether self-propelled, maintained primarily to provide mobility to:
  - (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 a.(1), a.(2), a.(3) or a.(4) of this definition of **Mobile Equipment** 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 or similar devices used to raise or lower workers;



(6) Vehicles not described in a.(5)(a) or a.(5)(b) of this definition of **Mobile Equipment** that are maintained primarily for purposes other than the transportation of persons or cargo; and

(7) **Drones**.

b. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment**, but will be considered **automobiles**:

(1) Equipment designed primarily for:

(a) Snow removal; or

(b) Street cleaning;

(2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

36. **Money**

a. **Money** means currency, coins, and bank notes in current use and having a face value.

b. **Money** does not mean bitcoin or any other form of cryptocurrency or unregulated **securities** processed through blockchain technologies.

37. **Nuclear Hazard** means nuclear reaction, radiation or radioactive **contamination**, however caused.

38. **Occurrence** means the sum total of all loss, arising out of or caused by one event:

a. Occurring during the **Agreement Period**; or

b. Commencing during the **Agreement Period**, as respects the following:

(1) **Earth Movement: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Earth Movement** during a continuous period of up to one hundred sixty-eight (168) hours.

(2) **Flood: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Flood** within a period of continued rising or overflow and subsidence of same.

(3) **Terrorism: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

(4) **Wind: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Wind** during a continuous period of seventy-two (72) hours.

39. **Operations** means *your* customary activities for which you have been legally or statutorily authorized to undertake.
40. **Period of Restoration**:
- a. Means the period of time that begins on the date the **loss** occurs and ends the earlier of when **your operations** are resumed at a new permanent location or the date the damaged property should, with reasonable speed, be repaired, rebuilt or replaced. The expiration date of this **Agreement** will not lessen the **period of restoration**; and
  - b. Does not include any increased period attributable to the enforcement of an ordinance, law, order, rule or ruling that:
    - (1) Prohibits, regulates or restricts the alteration, construction, installation, operation, use or repair of any property;
    - (2) Requires the tearing down or demolition of any property; or
    - (3) Requires **you** 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**.
41. **Pollutant** means any solid, liquid, gaseous, fibrous, or thermal irritant or **contaminant**, including but not limited to, smoke, vapor, soot, fumes, particulates, acids, alkalis, chemicals, asbestos, **fungi**, lead, silica, waste and any unhealthful or hazardous building materials. Unhealthful or hazardous building materials include, but are not limited to, asbestos and lead products or materials containing lead. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
42. **Pool** means Pennsylvania Intergovernmental Risk Management Association.
43. **Rental Equipment** means equipment which is leased or rented under contract from others by the *member* or other covered party.
44. **Replacement Cost**
- a. **Replacement cost** means the lesser of the following:
    - (1) The cost to repair;
    - (2) The cost to rebuild or replace on the same site, with new materials of like kind and quality;
    - (3) On buildings or structures, machinery, fixtures, and equipment: the actual expenditure incurred in rebuilding, repairing, or replacing the damaged or destroyed property on the same or another site, but not to exceed the size, operating capacity and usage that existed at the time of **loss**; or
    - (4) On all other property, the amount actually expended to replace.

- b. Property not actually repaired or replaced shall be valued at **actual cash value**.
45. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property, and includes: bitcoins and similar instruments, tokens, tickets, revenue and stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**, but does not include **money**.
46. **Sinkhole Collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. **Sinkhole Collapse** does not include sinking or collapse of land into man-made underground cavities.
47. **Soft Costs** means the costs over and above those that are normal at a **covered location** undergoing renovation or in the course of construction, and limited to the following:
- a. Construction loan fees meaning the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing; accounting work necessary to restructure financing; legal work necessary to prepare new documents; and charges by lenders for the extension or renewal of any necessary loans;
  - b. Commitment fees, leasing and marketing expenses meaning the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s) and the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s);
  - c. Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction;
  - d. Property taxes, building permits, additional interest on loans, and realty taxes.
48. **Software** means facts, concepts or instructions converted to a form usable in **hardware**. This includes computer programs and the materials on which information is stored, including, but not limited to, disks, magnetic tapes, CD-ROMs and disc packs.
49. **Terrorism** means any act involving the use or threat of force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution; or any similar act; when the effect or apparent purpose is:
- a. To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
  - b. To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
50. **Theft** means any unlawful taking of property.
51. **Transmission and Distribution Systems** means **your** systems for the delivery of products or services, including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, **data**, internet, cable television, and video. Such systems

shall include pipes, mains, valves, poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

52. ***Vacant Building***

- a. ***Vacant Building*** means a building or structure that does not contain property to conduct ***your operations***. A building is deemed vacant when less than 10% of its total square footage is used by ***you*** to conduct ***your operations***.
- b. ***Vacant Building*** does not mean a building under construction or being remodeled.

53. ***Valuable Papers and Records***

- a. ***Valuable Papers and Records*** means inscribed, printed or written documents, manuscripts or records, including abstracts, accounts, bills, books, deeds, drawings, evidences of debt, films, maps, mortgages or notes.
- b. ***Valuable Papers and Records*** does not mean ***software***.

54. ***Volcanic Eruption*** means the eruption, explosion or effusion of a volcano.

55. ***War and Military Action*** means:

- a. Hostile or military action in time of peace or war, irrespective of whether declared, including action in inciting, supporting, participating in, hindering, combating, or defending against an actual, impending or expected attack by any:
  - (1) Government or sovereign power (*de jure* or *de facto*);
  - (2) Military, naval or air forces; or
  - (3) Agent or authority of any party specified in a.(1) or a.(2) of this definition of ***War and Military Action***.
- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

56. ***Wind***

- a. ***Wind*** means direct action of the natural movement of air, including substances driven by such movement of air.
- b. ***Wind*** does not mean or include anything defined as ***flood*** in this ***Agreement***.

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**B. CONDITIONS**

## 1. AGREEMENT MODIFICATION

- a. **You** and the **Pool** may agree to changes to this **Agreement**. This **Agreement** can be changed only by written amendments issued by the **Pool** and made a part of this **Agreement**.
- b. Notice to any agent or knowledge possessed by any agent or by any other person will not:
  - (1) create a waiver, or change any part of this **Agreement**, or
  - (2) prevent the **Pool** from asserting any rights under the provisions of this **Agreement**.

## 2. ASSIGNMENT

Assignment of this **Agreement** or any coverage under this **Agreement** will not be valid except with the written consent of the **Pool**.

## 3. ASSISTANCE AND COOPERATION

The **member** agrees to cooperate with **us** and do nothing to impede **our** investigation of any **loss** or in pursuing subrogation recovery. The **member** also agrees to attend hearings and trials, cooperate with any counsel **we** assign to assist or defend it, assist **us** in effecting settlements, and in securing and giving evidence in any litigation, arbitration or other proceeding involving **us**.

## 4. BANKRUPTCY OR INSOLVENCY

**Your** bankruptcy, insolvency or financially distressed status shall not release **us** from **our** obligations under this **Agreement**.

## 5. COMPLIANCE

If any provision of this **Agreement** is determined by a court or regulatory body of competent jurisdiction to be prohibited, illegal or void by any law controlling its construction, validity, or enforcement, the provision shall be deemed to be modified or amended to comply with the minimum requirements of the law. The invalidity of any provision does not invalidate the remainder of this **Agreement**. If any coverage provided in this **Agreement** is determined to not comply with the required coverage of any applicable law, this **Agreement** is amended to provide the minimum coverage required by such law.

## 6. CONCEALMENT, MISREPRESENTATION AND FRAUD

The **Pool** has the right to declare this **Agreement** void:

- a. In case of fraud by the **member** in making application for, negotiating, or entering into this **Agreement**; or

- b. If the **member**, at any time, intentionally conceals or misrepresents a material fact concerning this **Agreement** or a claim under this **Agreement**.

#### 7. CONDITIONS SUSPENDING OR RESTRICTING COVERAGE

Unless otherwise agreed in writing by the **Pool** and added hereto, **we** shall not be liable for **loss** which occurs as a result, in whole or in part, of a hazard which is increased by any means within **your** control or knowledge; provided, however, that coverage under this **Agreement** shall not be prejudiced by any act or neglect of any person (other than a **member**), when such act or neglect is not within **your** control.

#### 8. CONTROL OF PROPERTY

The breach of any condition of this **Agreement** at any one or more **covered locations** will not affect coverage at any **covered location** where, at the time of **loss**, the breach of condition does not exist.

#### 9. COVERAGE UNDER TWO OR MORE COVERAGE PROVISIONS

If two or more coverage provisions apply to the same **loss**, **we** will settle the **loss** under the coverage provision providing the broadest coverage and highest applicable limit, but, in no circumstance, shall we settle the loss in excess of such limit.

#### 10. CURRENCY

All amounts, including contributions, limits of coverage, **loss**, and deductibles provided for in this **Agreement** shall be in the currency of the United States of America.

#### 11. DEDUCTIBLES

- a. In each cause of **loss** covered by this **Agreement**, **our** obligation to pay applies only if the **member** sustains a **loss**, in a single **occurrence** greater than the deductible shown in the **Declarations** or elsewhere within this **Agreement**.
- b. Unless stated otherwise, if two or more deductibles provided in this **Agreement** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable.

#### 12. EFFECTIVE DATE

Coverage under this **Agreement** is effective on the date and time as specified on the **Declarations**. To the extent coverage provided by this **Agreement** replaces coverage in other certificates, agreements or insurance policies terminating at any time on the inception date of this **Agreement**, coverage under this **Agreement** will become effective only after such time as that other coverage has terminated.

#### 13. INSPECTION OF PROPERTY AND RECORDS

**We** have the right, but not the obligation, to inspect **your** property and **operations** at any reasonable time, whether before or after a loss, and to examine and audit **your** books and records at any reasonable time during the **Agreement Period** and within 3 years

after the final termination of this **Agreement**, as long as such inspections relate to this **Agreement**.

#### 14. JURISDICTION; CHOICE OF FORUM

This **Agreement**, including its construction, validity and enforcement, will be governed by the laws of the State of Pennsylvania. Jurisdiction for any disputes arising out of this **Agreement** shall be vested in the exclusive jurisdiction of Pennsylvania

#### 15. LEGAL ACTION AGAINST US

No one may bring a legal action against **us** under this **Agreement** unless there has been full compliance with all of the terms of this **Agreement**.

#### 16. LIBERALIZATION

If **we** adopt any provision that would broaden the coverage provided by this **Agreement**, without additional contribution, within 45 days prior to or during the **Agreement Period**, the broadened coverage will immediately apply to this **Agreement**.

#### 17. LIMITS OF COVERAGE

**Our** maximum limit of coverage in a single **occurrence** will not exceed the amount as specified in the **Declarations** for any one **loss**, subject to the following provisions:

- a. Limits of coverage for an **occurrence** apply only to the total **loss** at all **covered locations** and for all coverages involved, subject to the following provisions:
  - (1) When a limit of liability applies in the aggregate during any **Agreement Period**, **our** maximum amount payable will not exceed such limit of coverage during any **Agreement Period**.
  - (2) When a limit of coverage applies to a **covered location** or other specified property, such limit of coverage will be the maximum amount payable for all **loss** at all **covered locations** arising from **loss** at such location or to such other specified property, unless **Blanket Limit** applies.
- b. Should an **occurrence** result in coverage payable under more than one **Agreement** issued to the **Member** by the **Pool**, the maximum amount payable in the aggregate under all such **Agreements** will be the applicable limit(s) of coverage indicated in the **Declarations**.

#### 18. OTHER COVERAGE

If there are any other certificates, agreements or insurance policies, other than this **Agreement**, which apply to a **loss**, **we** will pay only for the excess of the amount due from such certificates, agreements or insurance policies, irrespective of whether **you** can collect on it.

## 19. OUR PAYMENT OF LOSS

- a. **We** will pay for a loss covered by this **Agreement** within 30 days after receiving a sworn statement of loss, if the **member** has complied with all of the terms of this **Agreement**, and either **we** agree with **you** on the amount of loss or an appraisal award has been made.
- b. **We** will not pay **you** more than **your** financial interest in the **COVERED PROPERTY**. **We** may elect to defend the **member**, at **our** expense, against suits arising from claims of owners of property.

## 20. RECORDS

**You** must keep records of all **COVERED PROPERTY** under this **Agreement** so **we** can verify the amount of any **loss**.

## 21. RECOVERIES

- a. Any recoveries under this **Agreement**, whether made by **us** or **you**, shall be applied net of the expense of such recovery:
  - (1) First, to **you** in satisfaction of any deductible on a pro rata basis; and
  - (2) Second, to **us** in satisfaction of amounts paid in settlement of **your** claim.
- 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.

## 22. TITLES

The titles in this **Agreement** are only for reference. The titles do not in any way affect the provisions of this **Agreement**.

## 23. UNINSURABLE RISKS

**We** reserve the right to remove or limit coverage on specific property exposures which **we** deem uninsurable due to the high risk of loss associated with those property exposures.

## 24. WAIVER

No waiver of any provisions of this **Agreement** shall be valid and enforceable, or no permission shall be granted, except as expressed in writing by **us** and added hereto. No provision, stipulation, or forfeiture shall be deemed waived by any requirement or proceeding on **our** part relating to any appraisal or examination provided for in this **Agreement**.



**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

## 1. NUCLEAR HAZARD

**Nuclear Hazard**, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by covered loss or damage. However:

- a. If fire or sprinkler leakage not otherwise excluded ensues, **we** shall be liable for loss or damage by such ensuing fire or sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive **contamination**; and
- b. This *Agreement* does cover loss or damage caused by sudden and accidental radioactive **contamination**, including resultant radiation damage, from material used or stored or from **your operations** or **your** premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel at the **covered location**.

## 2. POLLUTION

Pollution, meaning the discharge, dispersal, seepage, migration, release or escape of any **pollutant**.

## 3. TERRORISM

- a. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

4. WAR AND MILITARY ACTION

*War and Military Action.*

**SECTION II**  
**LOSS ADJUSTMENT AND SETTLEMENT**

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## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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**SECTION II LOSS ADJUSTMENT AND SETTLEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

### A. LOSS ADJUSTMENT/PAYABLE

Loss covered by this *Agreement*, if any, will be adjusted with and payable to **you** or to **your** designee. Additional parties will also be included in covered loss payment as their interests may appear when specifically named in an endorsement to this *Agreement*.

### B. DUTIES IN THE EVENT OF A LOSS

**You** or **your** authorized representative must do all of the following in the event of a loss:

1. Notify the police if a law may have been broken;
2. Notify **us** promptly of the loss or of an event that may give rise to a claim for loss;
3. Take all reasonable steps to protect the property from further loss. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of **your** expenses for emergency and temporary repairs for consideration in the settlement of the loss;
4. As soon as possible, give **us** a description of how, when and where the loss occurred;
5. At **our** request, give **us** complete inventories of the damaged property, including quantities, costs, values and amount of loss claimed;
6. Cooperate with **us** in the investigation of the claim;
7. As often as **we** may reasonably require **you** to:
  - a. Permit **us** to inspect the property which is the subject of the claimed loss and all that remains of any such property;
  - b. Submit to examination under oath by any person designated by **us** and sign the written transcript of such examinations;
  - c. Produce for examination at **our** request:
    - (1) All books of accounts, business records, bills, invoices and other vouchers; or
    - (2) Certified copies if originals are lost, and, if requested, make copies for **us**; and
  - d. Permit **us** to take samples of damaged property for inspection, testing and analysis;
8. Within 60 days after **our** request, send **us** a signed, sworn proof of loss containing the information **we** request to investigate the claim; and
9. Repair or replace the damaged property, as soon as reasonably possible, but not to exceed two years from the date of loss.

## SECTION II LOSS ADJUSTMENT AND SETTLEMENT

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### C. POOL OPTION

**We** have the option to take all or any part of the damaged property at the agreed or appraised value. **We** must give notice to **you** of **our** intention to do so within 60 days after **our** receipt of the proof of loss.

### D. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a covered loss in excess of any applicable deductible, **we** will advance mutually agreed upon partial payment(s) for such covered loss, subject to the **Agreement's** provisions. To obtain such partial payments, **you** must submit a signed and sworn proof of loss as described in this **Agreement**, with adequate supporting documentation.

### E. COLLECTION FROM OTHERS

**We** will not be liable for any loss to the extent **you** have collected for such loss from others.

### F. SUBROGATION

1. **You** are required to cooperate in any subrogation proceedings. **We** may require from **you** an assignment or other transfer of all rights of recovery against any party for loss to the extent of **our** payment.
2. **We** will not acquire any rights of recovery that **you** have expressly waived prior to a loss, nor will such waiver affect **your** rights under this **Agreement**.
3. **We** are entitled to priority of recovery to the extent payment has been made to **you** for such loss.

### G. ABANDONMENT

There may be no abandonment of any property to **us**.

### H. APPRAISAL

1. In the event that **you** and the **Pool** fail to agree on the scope or amount of loss within 180 days from a written offer being made by **us**, then, on the written demand of either party, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected. The designated appraisers shall then select a competent and disinterested umpire and failing to agree upon such umpire, then, on request by **you** or the **Pool**, such umpire shall be selected by a judge of a court of record in the jurisdiction in which the **COVERED PROPERTY** is located.
2. The appraisers shall, as soon as practicable, appraise the scope or amount of loss and, if failing to agree, shall submit their differences to the umpire. The decision of the umpire will be binding. Each party shall pay its chosen appraiser and related expenses, and share the expenses of the umpire equally.
3. A demand for appraisal shall not relieve **you** from **your** obligation to comply with the terms and conditions of this **Agreement**, including as provided in, **B. DUTIES IN THE EVENT OF A LOSS** of this **SECTION**.

## SECTION II LOSS ADJUSTMENT AND SETTLEMENT

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4. **We** will not be held to have waived any of **our** rights by any act relating to APPRAISAL.

### I. SUIT AGAINST THE POOL

1. No suit, action or proceeding for the recovery of any claim against the **Pool** will be sustained in any tribunal, including in a court of law or equity, unless:
  - a. **You** have fully complied with all the provisions of this **Agreement**, and
  - b. Legal action is started within two years after inception of the loss.
2. If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be commenced within the shortest limit of time permitted by such laws.

### J. SETTLEMENT OF CLAIMS

The amount of loss for which **we** may be liable will be paid within 30 days after:

1. Proof of loss as described in this **Agreement** is received by **us**; and
2. When a resolution of the amount of loss is made either by:
  - a. Written agreement between **you** and **us**; or
  - b. The receipt by **us** of a binding decision as provided in **H. APPRAISAL** of this **SECTION**.

### K. PROPERTY OF OTHERS

**We** may adjust a loss with the owners of lost or damaged property, if other than **you**. If **we** pay the owners of such property, 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 lost or damaged property.

### L. RECOVERED PROPERTY

If either **you** or **we** recover any **COVERED PROPERTY** after loss settlement, the party making such recovery must give the other party prompt notice of the recovery. At **your** option, such property will be returned to **you** if **you** return to **us** the amount **we** paid **you** for the property or **loss**. **We** will pay recovery expenses and the expense to repair such property subject to the applicable limit.

### M. RESTITUTION

To the extent that restitution is made to **you** for property or payments made by **us** under this **Agreement**, **you** shall remit the same to **us**, regardless of whether such restitution is made within or after the **Agreement Period**.

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**SECTION III PROPERTY DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

This **SECTION** covers property described herein against all risks of *loss*, except as excluded or amended.

#### A. COVERED PROPERTY

Subject to the Limits of Coverage as specified in the *Declarations* or the Statement of Values or other schedule on file with *us*, this **SECTION** addresses the following **COVERED PROPERTY**, unless otherwise excluded elsewhere in this *Agreement*, to the extent of the interest of the *member* in such **COVERED PROPERTY**:

1. REAL PROPERTY in which *you* have an insurable interest that:
  - a. Is included in the Statement of Values on file with *us*;
  - b. Is a newly acquired building reported to *us* within 120 days of acquisition;
  - c. Is a building or addition under construction that is reported to *us* within 120 days of start of construction; or
  - d. Consists of *improvements and betterments* in which *you* have an insurable interest.
2. PERSONAL PROPERTY on, at or within 1,000 feet of a *covered location* that is:
  - a. Personal property owned, leased, rented, or borrowed by *you*;
  - b. Materials, equipment, supplies and temporary structures which are used for making additions, alterations or repairs to buildings or structures that are **COVERED PROPERTY**;
  - c. Personal property of *your* officers and *employees*, while on *your* premises;
  - d. Personal property of others in *your* care, custody or control to the extent *you* are under obligation by contract to keep such personal property insured for *loss* covered by this **SECTION**;
  - e. Personal property of others that is in *your* care, custody or control, to the extent *you* are legally liable for covered *loss* to that personal property;
  - f. *Your* personal property that is temporarily at a location *you* do not own, lease or operate, up to the limit specified in the *Declarations* for Temporary Storage Location;
  - g. *Your* personal property at any location *you* newly acquire or lease, up to the limit specified in the *Declarations* for Personal Property at Newly Acquired or Leased Locations, but only until this *Agreement* is terminated, 120 days after *you* acquire or lease that location, or *you* report the values to *us*, whichever occurs first;

- h. **Your** personal property in the open or in an **automobile**; or
- i. Of contractors' and subcontractors' during construction to the extent of **your** legal liability for covered **loss** to such property.

### 3. ERRORS OR OMISSIONS

Any real or personal property, other than **fine arts**, **you** own or occupy and for which coverage would otherwise be available under this **SECTION**, up to the limit specified in the **Declarations** for Errors or Omissions:

- a. for the **member's** unintentional failure to include such owned property or property occupied by **you** on the Statement of Values on file with **us** for this **Agreement Period**;
- b. for which the description, location or valuation is incomplete on the Statement of Values on file with **us** solely because of the **member's** unintentional error or unintentional omission; or
- c. for the **member's** unintentional failure to report such owned property or property occupied by **you** if such property was built or acquired by **you** during this **Agreement Period**.

The unintentional error, omission or failure must be reported in writing and corrected when discovered and the appropriate contribution charged and paid.

### 4. FINE ARTS

**Fine arts** as described on a schedule on file with **us**.

**Fine Arts** shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

### 5. PROPERTY THAT MUST BE SCHEDULED

Irrespective of Section 3 above, Property and equipment of the following types must be included on the Statement of Values on file with **us**, on another schedule on file with **us**, or covered by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS** of this **SECTION**, to be covered:

Fences, gates, retaining walls, flag poles, radio or television antennas and their related wiring, masts or towers, windmills, wind turbines, free standing signs, swimming pools, bulkheads, pilings, piers, wharves or docks, fire hydrants, street lights, traffic lights and related equipment, traffic signs, bridges, tunnels, overpasses, playground equipment, artificial athletic surfaces, basketball and tennis courts, roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, free standing lights and light poles, guide rails, road signs and any off-premises piping, off-premises underground wiring, off-premises optic cables or telephone and communication lines or off-premises electric **transmission and distribution systems** including poles and pole-mounted transformers.

The above-referenced property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

6. MISCELLANEOUS PERSONAL PROPERTY

Miscellaneous personal property as described on a schedule on file with **us**.

Miscellaneous personal property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

**B. PROPERTY EXCLUDED**

This **SECTION** excludes the following, except when included on the Statement of Values on file with **us**, another schedule on file with **us**, or as otherwise stated elsewhere in this **Agreement**:

1. Animals, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 2. ANIMALS of this **SECTION**.
2. Swimming pools, basketball and tennis courts and athletic fields.
3. **Automobiles** licensed for highway use or owned by **your** directors, officers or **employees**, except as provided by **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**.
4. Bridges, overpasses, and tunnels intended for use by **automobiles**.
5. Docks, piers, wharves, pilings or bulkheads which are not a structural part of a **covered building or structure**.
6. Electric **transmission and distribution systems** including poles and pole-mounted transformers except when located at or within 1,000 feet of a **covered location**.
7. Fences, gates, retaining walls, flag poles, radio or television antennas, masts or towers and their related wiring.
8. Fire hydrants that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 13. FIRE HYDRANTS of this **SECTION**.
9. **Land, land** values, any substance in or on **land**, or any alteration to the natural condition of the **land**, including golf course sand traps, tees and greens, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 14. GOLF COURSE SAND TRAPS, TEES AND GREENS of this **SECTION**.
10. Free-standing lights and light poles, traffic lights and related equipment.
11. **Money** or **securities**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 19. MONEY AND SECURITIES of this **SECTION**.
12. Growing crops, standing timber, plants, lawns, trees, or shrubs except as provided by **D**.

**ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 25. OUTDOOR TREES AND SHRUBS of this SECTION.**

13. Playground equipment, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 35. UNSCHEDULED PLAYGROUND EQUIPMENT of this SECTION.**
14. Reservoirs, canals, dikes or dams.
15. Roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 5. ATHLETIC SURFACES of this SECTION.**
16. Satellites, *aircraft* or *drones*.
17. Traffic signs, road signs, and free-standing signs that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 24. OUTDOOR SIGNS of this SECTION.**
18. Steam boilers, steam pipes, steam engines, and steam turbines caused by or resulting from any condition or event inside such equipment. However, **we** will pay for a **loss** 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.
19. Property in transit, except as otherwise provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. TRANSIT COVERAGE of this SECTION.**
20. Underground mines, mine shafts, or any property within such mine or shaft.
21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. UNDERGROUND FIBER OPTIC CABLE of this SECTION.**
23. **Vacant Buildings** which have been vacant for more than 120 consecutive days, and the **loss** results from vandalism, sprinkler leakage (unless the **member** has protected the system against freezing), building glass breakage, water damage, **theft**, or attempted **theft**.
24. Water, except for water contained within any swimming pool, water tank, enclosed tank, or water processing equipment that is included on the Statement of Values on file with **us**.
25. Watercraft, except rowboats and canoes.

**C. CAUSE OF LOSS EXCLUDED**

This **SECTION** excludes coverage for:

1. Interruption of business.
2. Loss of market or loss of use, except loss of use of the **member's electronic data processing equipment or media**.
3. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained **loss**.
4. **Loss** from enforcement of any law or ordinance except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 23. ORDINANCE OR LAW** of this **SECTION**.
5. **Loss** resulting from the voluntary parting with title or possession of **COVERED PROPERTY** unless induced by any fraudulent act or by false pretense.
6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - a. Any wrongful or dishonest act, including but not limited to **theft**, committed alone or in collusion with others, at any time:
    - (1) by a **member**, or
    - (2) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **member** to do anything in connection with **COVERED PROPERTY** by this **SECTION**.

However, this **SECTION** does cover acts of direct covered physical damage intentionally caused, without **your** knowledge, by **your employee** or any individual specified in **C. CAUSE OF LOSS EXCLUDED, 6.a.(2)** of this **SECTION**.
  - b. Lack of incoming electricity, fuel, water, gas, steam or refrigerant caused by an event away from a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 21. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE** of this **SECTION**. Additionally, if the lack of such a service directly causes physical damage at the **covered location**, then only that resulting damage is covered.
  - c. **Earth Movement** except as may be provided in **SECTION VIII EARTH MOVEMENT** of this **Agreement**.
  - d. **Sinkhole collapse** except resulting damage to **your** real or personal property.
  - e. **Flood**, except **MISCELLANEOUS PERSONAL PROPERTY** as described on a schedule on file with **us**, and except as may be provided in **SECTION IX FLOOD** of this **Agreement**.

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- f. Seepage or influx of water from natural underground sources.
7. The following types of **loss**, provided that, if physical damage is not excluded by this **SECTION** from any of the following types of **loss**, then only that resulting damage is covered:
- a. **Loss** caused by or resulting from wear and tear, deterioration, depletion, rust, corrosion, inherent vice or latent defect.
  - b. **Loss** to any **fine arts** as a result of restoring, repairing or retouching processes.
  - c. **Loss** to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested or otherwise worked on.
  - d. **Loss** caused by or resulting from:
    - (1) Changes in temperature, atmospheric or otherwise, except damage to machinery or equipment including fire protection equipment; or
    - (2) Changes in relative humidity, atmospheric or otherwise.
  - e. **Loss** caused by or resulting from settling, cracking, shrinking, bulging or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery);
    - (2) Walls;
    - (3) Floors;
    - (4) Pavements or roadways;
    - (5) Roofs; or
    - (6) Ceilings.
  - f. **Loss** caused by or resulting from insects, termites, moths, or arachnids, unless **loss** not otherwise excluded in this **SECTION** ensues, and then only for such ensuing **loss**.
  - g. **Loss** caused by or resulting from waste, discharge or excretions from rodents, birds, vermin, or other animals.
  - h. **Loss** to personal property in the open caused by or resulting from rain, sleet, hail, ice, snow, dust or sand.
  - i. **Loss** to the interior portion of buildings under construction caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, when the installation of the roof, walls and windows of such buildings have not been completed.

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- j. **Loss** to the interior portion of any building or structure, or the property inside the building or structure, caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, unless the building or structure first sustains **wind** or hail damage to its roof or walls through which the rain, sleet, hail, ice, snow, dust or sand enters.
8. All **loss**, cost, expense or remediation directly arising out of, resulting from, or in any manner related to any of the following:
- a. **Contamination**, including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 8. DECONTAMINATION COSTS** of this **SECTION**.
  - b. Shrinkage, evaporation or loss of weight, unless directly resulting from other physical damage not excluded by this **SECTION**.
  - c. Changes in color, flavor, texture or finish.
  - d. **Pollutants, fungi**, wet or dry rot, irrespective of whether there is another cause of loss which may have contributed concurrently or in any sequence to a loss, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 17. LAND AND WATER CLEANUP EXPENSE** or **28. POLLUTION CLEANUP EXPENSE** of this **SECTION**.
9. **Loss** caused by or resulting from faulty, inadequate or defective:
- a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - d. Maintenance; or
  - e. Programming or machine instructions.
10. Equipment breakdown loss except as provided elsewhere in this **Agreement**.
11. **Loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 37. WATER AND SEWER BACKUP** of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most **we** will pay are the limits for each **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically

stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

#### 1. ACCOUNTS RECEIVABLE

- a. This **EXTENSION** covers amounts which the **member** is unable to collect as a direct result of covered **loss** to accounts receivable at a **covered location**.
- b. Coverage includes:
  - (1) Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected. Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted;
  - (2) Collection expenses in excess of normal collection costs; and
  - (3) Other reasonable expenses incurred by the **member** in recreating records of accounts receivable.
- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** excludes shortage caused by or resulting from:

  - (1) Bookkeeping, accounting, or billing errors or omissions.
  - (2) Alteration, falsification, manipulation, **theft**, concealment, destruction or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, obtaining or withholding of **money**, **securities** or other property.

#### 2. ANIMALS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by a **member** to replace (including training of such replacement) of a dog or horse owned by the **member** that is stolen or killed, or if the animal's death or necessary destruction is a result of an accident or exposure to any contagious or communicable disease, which occurs during the **Agreement Period** and while the animal is being used in the conduct of **your operations**.
- b. The most **we** will pay for any one covered dog or covered horse in any one **occurrence** is the limit of coverage specified in the **Declarations**.
- c. No deductible applies to this **EXTENSION**.

#### 3. APPEARANCE ALLOWANCE

This **EXTENSION** covers the reasonable cost incurred by **you** to refinish or replace:

- a. The undamaged portion of a façade of a **covered building or structure**, which has been damaged by a covered **loss**, to visually match the repaired portion, but only



when the façade of such **covered building or structure** visually matched the damaged portion prior to the **loss**: or

- b. The undamaged portion of a façade of a **covered building or structure**, located within 1,000 feet of a **covered building or structure** which has been damaged by a covered **loss**, to visually match the repaired property, but only when the façade of such **covered building or structure** visually matched the damaged **covered building or structure** prior to the **loss**.

#### 4. ARSON OR THEFT REWARD

- a. This **EXTENSION** covers payment of any reward offered by the **member** or on the **member's** behalf for information that leads to conviction of the perpetrator(s) of arson to or **theft** of **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

#### 5. ATHLETIC SURFACES

This **EXTENSION** covers **loss** to artificial, man-made paved impervious or paved athletic surfaces.

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
- b. **Your loss** resulting from the necessary interruption of **your operations**;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.

#### 7. DEBRIS REMOVAL

- a. This **EXTENSION** covers the reasonable and necessary costs incurred to remove debris as a result of a covered **loss**.
- b. This coverage includes the costs of removal of contaminated property only if the **contamination** is due to the actual, not suspected, presence of **contaminant(s)** in the debris.

#### 8. DECONTAMINATION COSTS

- a. If **COVERED PROPERTY** is contaminated as a direct result of covered **loss** and there is any law or ordinance in force at the time of the **loss** regulating **contamination** due to the actual, not suspected, presence of **contaminant(s)**, then

this **EXTENSION** covers the increased cost of decontamination and/or removal of such contaminated **COVERED PROPERTY** in a manner to satisfy such law or ordinance.

- b. This **EXTENSION** applies only to that part of **COVERED PROPERTY** so contaminated due to the actual, not suspected, presence of *contaminant(s)* as a direct result of covered physical damage.

#### 9. EQUIPMENT RENTAL REIMBURSEMENT

- a. This **EXTENSION** covers the rental expenses incurred by *you* for the rental of substitute equipment because of *loss* to **COVERED PROPERTY** by a covered cause of *loss*, when such rental is necessary to sustain *your* normal operations.
- b. **We** will pay those rental expenses incurred by *you* for the rental of substitute equipment during the period commencing 24 hours after the date of *loss*, and ending, regardless of the expiration of the **Agreement Period**, when such **COVERED PROPERTY** has been replaced or restored to service or *your* need for the substitute equipment no longer exists, whichever comes first.
- c. The most **we** will pay for rental expenses in any one *loss* shall not exceed the limit designated in the **Declarations** for Equipment Rental Reimbursement.
- d. No deductible applies to this **EXTENSION**.

#### 10. EXPEDITING EXPENSES

- a. With respect to **COVERED PROPERTY** that has sustained covered *loss*, this **EXTENSION** covers the reasonable and necessary costs incurred to temporarily repair or replace, and to expedite the permanent repair or replacement of, such **COVERED PROPERTY**.
- b. This coverage does not include expenses payable elsewhere in this **EXTENSION**, including the cost of permanent repair or replacement of damaged property.

#### 11. FINE ARTS - UNSCHEDULED

This **EXTENSION** covers *loss* to, or theft of, *fine arts* not scheduled on the Statement of Values on file with *us*, while anywhere within the **Agreement Territory** including in transit.

#### 12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by *you* during the **Agreement Period** when a fire department, other than *your* fire department, is called to save or protect *your* **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

## 14. FIRE HYDRANTS

This **EXTENSION** covers **loss** to **your** unscheduled fire hydrants.

## 15. GOLF COURSE SAND TRAPS, TEES AND GREENS

This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to repair or replace physically damaged golf course sand traps, tees or greens with material of comparable kind and quality, as a result of **loss** caused by fire, lightning, explosion, **aircraft**, **automobiles**, riot or civil commotion, vandalism, or **sinkhole collapse**.

## 16. GREEN COVERAGE

- a. This **EXTENSION** covers the reasonable and necessary additional costs incurred by **you**, as a direct result of covered **loss**:
  - (1) To repair or replace physically damaged **COVERED PROPERTY** with material of comparable kind and quality which qualifies as **green**.
  - (2) To replace the physically damaged portions of covered roofing systems with vegetative roof(s) which qualify as **green**.
  - (3) As part of **green** reconstruction, to flush out the air in the area of the physically damaged **COVERED PROPERTY** with 100 percent outside air and to provide replacement filtration media for the building's ventilation system that controls the damaged area.
  - (4) For an accredited professional certified by a **green authority** to participate in the design and construction for repairing or rebuilding the damaged property as **green**.
  - (5) For the process of certification or recertification of the repaired or replaced **COVERED PROPERTY** as **green**.
  - (6) For **green** removal, disposal or recycling of the damaged **COVERED PROPERTY**.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover:

- (1) Stock, raw materials, work in process, finished goods, merchandise, production machinery and equipment, **electronic data processing equipment** not used in functional support of the real property, property in the open, property of others for which you are legally liable, and personal property of **your** directors, officers or **employees**.
- (2) Any property adjusted on other than repair or replacement per the Valuation clauses of this **SECTION**.
- (3) Any **loss** recoverable elsewhere in this **Agreement**.

#### 17. GUIDE RAILS

This **EXTENSION** covers **loss** to **your** unscheduled guide rails, high-tension cable barriers, bollards or other traffic restraining structures.

#### 18. LAND AND WATER CLEANUP EXPENSE

- a. **We** will pay reasonable and necessary additional expenses incurred by **you** to remove, dispose of, or clean up the actual presence of **pollutants** from **land** or water at any **covered location** when such **land** or water is contaminated or polluted due to a covered **loss** at a **covered location** up to the limit specified in the **Declarations** for this **EXTENSION**.
- b. This additional coverage does not apply unless such expenses are reported to **us** within 180 days after the date of such covered **loss**.

#### 19. LOCKS AND KEYS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by **you** to replace undamaged keys and to replace, adjust or reprogram undamaged locks to accept new keys or entry codes as a result of covered **loss**.
- b. No deductible applies to this **EXTENSION**.

#### 20. MONEY AND SECURITIES

- a. This **EXTENSION** covers **loss** to **your money** and **securities** at a **covered location** resulting from fire, explosion or sprinkler leakage.
- b. There will be no coverage for any **loss** to **money** and **securities** unless such **loss** is reported to **us** within 14 days of the date of **loss**.

#### 21. NEW GENERATION

If **you** elect to replace damaged **COVERED PROPERTY** with a newer generation of **COVERED PROPERTY** of the same capacity, **we** will pay up to 25% more than **COVERED PROPERTY** of like kind, quality and capacity would have cost at the time of **loss**.

## 22. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE

- a. This **EXTENSION** covers **loss** at a **covered location** caused by or resulting from the interruption, in whole or in part, of incoming electric, gas, fuel, steam, water, refrigeration, or outgoing sewage or incoming or outgoing voice, **data**, internet, cable television, or video services.
- b. The interruption of such services must be by reason of an accidental event, not otherwise excluded by this **Agreement**, to the property of the service provider(s) located within the **Agreement Territory**.
- c. The following Additional Condition applies to this **EXTENSION**:  
**We** will not be liable for deliberate act(s) by the service provider to shed load, constrain or limit its service to maintain its system integrity.
- d. The following Additional Exclusions apply to this **EXTENSION**:  
This **EXTENSION** does not cover **loss** caused by or resulting from the following regardless of any other cause or event, irrespective of whether covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**:
  - (1) **Terrorism**; or
  - (2) The interruption of incoming or outgoing voice, **data**, internet, cable television or video service for any reason involving a satellite.

## 23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- a. This **EXTENSION** covers **loss**, not otherwise excluded, to property under contract to be used in a construction project at a **covered location**:
  - (1) From the time such property is delivered to the **member** or the **member's** contractor (with respect to the property under construction) by the manufacturer or supplier;
  - (2) While such property is located at a storage site; or
  - (3) While such property is in transit from a storage site to another storage site or to a construction project at a **covered location**,all while within the **Agreement Territory** but away from the **covered location**.
- b. This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.
- c. The following Additional Exclusions apply to this **EXTENSION**:

- (1) As respects property in transit, the Transit Coverage Exclusions clause of **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 33. TRANSIT COVERAGE of this **SECTION** applies.
- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement** or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

#### 24. ORDINANCE OR LAW

- a. The following modified definition applies only to this **EXTENSION**:

**Building** means building, structure, machinery, or equipment.

- b. This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to comply with the enforcement of the minimum requirements of any law or ordinance that:

- (1) Regulates the demolition, construction, repair, replacement or use of **buildings**;
- (2) Is enforced as a direct result of covered **loss**; and
- (3) Is in force at the time of such **loss**.

- c. Value of the Undamaged Building

**We** will pay for the value of the undamaged portion of the **covered building or structure** that was required to be demolished by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law. **We** will do this on the same valuation basis that applies to the entire **building**. This does not include any increased costs to repair, replace or rebuild the **covered building or structure** due to a requirement to comply with any ordinance or law;

- d. Demolition Costs:

**We** will pay the actual cost to demolish the undamaged portion of the **covered building or structure**, to take necessary actions to secure the structural integrity of any remaining portion of the covered building or structure, and to clear the site of the undamaged portion of the **building** when required to do so by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law; and

- e. Increased Costs and Increased Cost of Construction:

- (1) If the **covered building or structure** is subject to the **Replacement Cost** (RC) provision on the Statement of Values on file with **us**, and **you** rebuild the **covered building or structure**, **we** will pay for the actual increased costs to repair, replace or rebuild the **covered building or structure** at the same location or at another location if it is a requirement to comply with an ordinance or law, for

the same general size and the same general use, to the minimum standards to comply with such ordinance or law.

- (2) **We** will not pay for these increased costs until the **covered building or structure** is actually repaired or replaced.
  - (3) **You** may choose to replace the **covered building or structure** at another location, however, **we** will not pay more for increased cost of construction at the new location than the amount of such costs **we** would have paid to replace the **covered building or structure** at the original location.
  - (4) If **you** choose to replace the **covered building or structure** at another location, **we** will not pay for the purchase of the **land** or any expenses related to the purchase, subdivision, development, testing or preparation of the **land** for the new location.
- f. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** excludes coverage for:
- (1) Any cost incurred as a direct or indirect result of enforcement of any building, zoning or land use ordinance or law regarding any form of **contamination**;
  - (2) Any cost incurred due to any law or ordinance with which **you** were legally obligated to comply prior to the time of the **loss**;
  - (3) Any machinery or equipment manufactured by or for **you**, unless used by **you** at the **covered location** suffering the **loss**; and
  - (4) **We** will not pay costs for the compliance with any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the **loss** but not to exceed two years.
- g. **Our** maximum cost for this coverage in any one **occurrence** will not exceed the limit specified in the **Declarations**.

## 25. OUTDOOR SIGNS

This **EXTENSION** covers **loss** to outdoor signs, other than traffic signs or road signs, that are located more than 1,000 feet from a **covered location**.

## 26. OUTDOOR TREES AND SHRUBS

- a. This **EXTENSION** covers **loss** to outdoor trees, shrubs or plants located within 100 feet of a **covered building**. However, this **EXTENSION** does not apply to **loss** caused by **wind**, hail, or weight of ice or snow.
- b. This **EXTENSION** covers **loss** caused by **wind** to outdoor trees, shrubs or plants planted for cosmetic effect at a **covered location**.

## 27. PARKING METERS AND CHARGING STATIONS

This **EXTENSION** covers **loss** to parking meters, smart parking meter systems, and electric **automobile** charging stations owned by **you**, not otherwise covered by this **Agreement**.

## 28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

a. This **EXTENSION** covers **loss** to personal property:

(1) Owned by **you**; or

(2) Property of others in the **member's** custody, to the extent **you** are obligated to provide coverage;

not within 1,000 feet of a **covered location** while anywhere within the **Agreement Territory**.

b. The following additional exclusion applies:

This **EXTENSION** does not cover **loss** caused by or resulting from **earth movement** or **flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

## 29. POLLUTION CLEANUP EXPENSE

a. This **EXTENSION** covers the cost to remove **pollutants** from permanently installed water and wastewater treatment equipment at a **covered location** caused by an off-premises event which results in the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

b. **C. CAUSE OF LOSS EXCLUDED**, 8.a. and 8.d. of this **SECTION** do not apply to this **EXTENSION**.

## 30. PROFESSIONAL FEES

a. This **EXTENSION** covers the reasonable and necessary expenses incurred by **you** and agreed to by **us**, for:

(1) Auditors;

(2) Accountants;

(3) Architects;

(4) Engineers; or

(5) Other professionals;

to produce and certify particulars or details to determine the amount of **loss** payable under this **SECTION**.



- b. This coverage does not include the fees and expenses of attorneys, public adjusters, or any of their subsidiaries or related or associated entities.
- c. No deductible applies to this **EXTENSION**.

### 31. PROPERTY REMOVED FROM A COVERED LOCATION

- a. This **EXTENSION** applies to **COVERED PROPERTY** when removed from a **covered location** to avoid or prevent immediately impending covered **loss** to such property. This **EXTENSION** covers such property for **loss** which would have been covered at the location from which the property was removed.
- b. This coverage applies for a period of 120 days from the date of removal of the **COVERED PROPERTY** from a **covered location**, but not beyond the **Agreement Period**.

### 32. PROTECTION AND PRESERVATION OF PROPERTY – PROPERTY DAMAGE

- a. This **EXTENSION** covers the reasonable and necessary expenses incurred for:
  - (1) Actions to temporarily protect or preserve **COVERED PROPERTY**, provided that such actions are necessary due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**;
  - (2) The water used for fighting a fire in, on or exposing the **COVERED PROPERTY**; and
  - (3) Temporary security for a period of time not to exceed 30 consecutive days due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

### 33. TRANSIT COVERAGE

- a. This **EXTENSION** covers **loss** to or of the following personal property, except as excluded by this **Agreement**:
  - (1) Owned by **you**;
  - (2) Of others to the extent of **your** interest or legal liability while in the actual or constructive custody of the **member**; or
  - (3) Shipped to others on Free on Board (FOB), Cost and Freight (C&F) or similar terms;

while in transit within the **Agreement Territory** from the time such **COVERED PROPERTY** leaves the original point of shipment, continuously in the due course of transit and until delivered at the point of destination.

- b. This **EXTENSION**:
- (1) Covers **loss** caused by or resulting from:
    - (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts by the **member** or **your** agent, customer or consignee; or
    - (b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.
  - (2) Covers general average and salvage charges on shipments while waterborne.
- c. The following Additional Conditions apply to this **EXTENSION**:
- (1) Permission is granted to the **member**, without prejudice to this coverage, to accept ordinary bills of lading used by carriers, including:
    - (a) Released and/or undervalued bills of lading; or
    - (b) Shipping or messenger receipts;
  - (2) **You** may waive subrogation against railroads under sidetrack agreements; and
  - (3) **You** may not enter into any special agreement with carriers releasing them from their legal liability.
- d. This **EXTENSION** shall not inure directly or indirectly to the benefit of any carrier or bailee.
- e. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** does not cover:
- (1) Shipments by air unless made by regularly scheduled airlines; or
  - (2) Any transporting vehicle, **automobile** or **mobile equipment**.

#### 34. UNDERGROUND FIBER OPTIC CABLE

This **EXTENSION** covers **loss** to unscheduled underground fiber optic cable, running within **your** political boundaries that is either:

- a. Owned by **you**; or
- b. Leased by **you** from others under a contract that requires **you** to obtain insurance (on their behalf) against property damage.

#### 35. UNSCHEDULED MISCELLANEOUS PERSONAL PROPERTY

This **EXTENSION** covers **loss** to miscellaneous personal property that is not included on the Statement of Values on file with **us**:

- a. Owned by a **member** while actively engaged in activities on **your** behalf or in **your** interest; or
- b. While in **your** care, custody or control.

#### 36. UNSCHEDULED PLAYGROUND EQUIPMENT

This **EXTENSION** covers **loss** to playground equipment owned by **you** that is not included on the Statement of Values on file with **us**.

#### 37. VALUABLE PAPERS AND RECORDS

- a. This **EXTENSION** covers **loss** to **your valuable papers and records** while anywhere within the **Agreement Territory**, including in transit.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover errors or omissions in the processing or copying of **valuable papers and records**.

#### 38. WATER AND SEWER BACKUP

This **EXTENSION** covers **loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump.

### E. DEDUCTIBLE

Unless noted to the contrary in this **SECTION**, or elsewhere in this **Agreement**, each claim payable under this **SECTION** is subject to the deductible set forth in the **Declarations**.

### F. VALUATION

Adjustment of the **loss** amount under this **SECTION** will be computed as of the date of **loss** at the place of **loss**, and for no more than the interest of the **member**. Unless stated otherwise in an **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**, adjustment of **loss** to **COVERED PROPERTY** will be subject to the following:

1. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Actual Cash Value** (ACV), **we** will pay the lesser of the:
  - a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - c. **Actual cash value** of the damaged or stolen property; or
  - d. Limit designated in the Statement of Values on file with **us** for such property.
2. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC), and for new buildings under construction:

- 
- a. **We** will pay the lesser of the:
    - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
    - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
    - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
    - (4) Limit designated in the Statement of Values on file with **us** for such property.
  - b. **We** will not pay on a **replacement cost** basis until the property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the damaged or stolen property.
3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,
    - a. **We** will pay the lesser of the:
      - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
      - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
      - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
      - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
    - b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
    - c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
    - d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.
  4. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Functional Replacement Cost** (FRC),
    - a. **We** will pay the lesser of:

- 
- (1) In the event of a total **loss**, the cost to replace the damaged building on the same site or on another site with a building that is functionally equivalent to the damaged building;
  - (2) The limit designated in the Statement of Values on file with **us** for such property;
  - (3) In the event of a partial **loss**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building and the cost to repair the damaged building with property of comparable kind and quality; or
    - (b) The amount **you** actually spend that is necessary to repair or replace the building with new materials of comparable kind and quality;
  - (4) In the event that **you** decide to continue operations at another **covered building or structure**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building; and
    - (b) The amount you actually spend to modify such other **covered building or structure** to permit **you** to continue **your** operations; or
  - b. **We** will not pay more than the **actual cash value** of the property unless such repairs or replacement are completed.
5. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as Stated Amount (SA), **we** will pay the lesser of the:
- a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality; or
  - c. Limit designated in the Statement of Values on file with **us** for such property.
6. For APPEARANCE ALLOWANCE, **we** will pay the lesser of the following:
- a. The amount you actually spend to refinish or replace the façade of the **covered building or structure**; or
  - b. The limit specified in the **Declarations** for APPEARANCE ALLOWANCE.
7. For covered **fine arts**, whether scheduled or unscheduled:
- a. **We** will pay the lesser of the following:
    - (1) The cost to repair or restore the article to the condition that existed immediately prior to the **loss**;

- 
- (2) The cost to replace the article;
  - (3) The valuation designated in the Statement of Values on file with **us**; or
  - (4) The limit shown in the **Declarations** for **Fine Arts**; and
- b. In case of **loss** to, or **theft** of, an article that is part of a pair or a set, **we** will pay the lesser of the full value or the amount scheduled on the Statement of Values on file with **us**, if any, of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the **loss** or **theft** and the **member** surrenders the remaining article or articles of the pair or set to **us**.
8. For covered Fire Hydrants, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged article;
    - b. The amount **you** actually spend to repair or replace the damaged article; or
    - c. The limit specified in the **Declarations** for Fire Hydrants.
  9. For Green Coverage, the most **we** will pay will not exceed the lesser of the following:
    - a. 25% of the cost to repair or replace physically damaged **COVERED PROPERTY**; or,
    - b. The limit designated in the **Declarations** for Green Coverage.
  10. For covered Guide Rails, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged property;
    - b. The amount **you** actually spend that is necessary to repair or replace the damaged property; or
    - c. The limit specified in the **Declarations** for Guide Rails.
  11. For POLLUTION CLEANUP EXPENSE, **we** will pay the lesser of the following:
    - a. The cost that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment;
    - b. The amount you actually spend that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment; or
    - c. The limit specified in the **Declarations** for POLLUTION CLEANUP EXPENSE.
  12. For Scheduled Miscellaneous Personal Property designated on the Statement of Values on file with **us** as **Replacement Cost** valuation, if the amount **you** actually spend to replace damaged **COVERED PROPERTY** with comparable kind and quality exceeds the limit designated for such property, **we** will pay up to 120% of the limit designated on the Statement of Values or other schedule on file with **us** for Miscellaneous Personal Property for that property, subject to the limit scheduled for the damaged **COVERED**

**PROPERTY** plus the limit designated in the *Declarations* for Scheduled Miscellaneous Property Replacement Cost Allowance.

13. For TRANSIT COVERAGE, the **loss** amount will not exceed the following:
- a. For property shipped to or for **you** account, the actual invoice to **you**, including such costs and charges (including the commission of you as selling agent) as may have accrued and become legally due on such property;
  - b. For property that has been sold by **you** and shipped to or for the account of the purchaser (if covered by the TRANSIT COVERAGE EXTENSION), the amount of **your** selling invoice, including prepaid or advanced freight;
  - c. For property not under invoice:
    - (1) For **your** property, at the valuation provisions of this **SECTION** applying at the place from which the property is being transported; or
    - (2) For other property, the **actual cash value** at point of destination on the date of **loss**;
- less any charges saved which would have become due and payable upon arrival at the point of destination.
14. For covered transformers that are 25 years and older, or 25 years since the last complete rewind, **we** will pay the lesser of the following:
- a. The cost to repair the property;
  - b. The cost to replace the property with property of comparable capacity, kind and quality; or
  - c. The **actual cash value** of the property.
15. For covered VALUABLE PAPERS AND RECORDS, whether scheduled or unscheduled, **we** will pay the lesser of the following:
- a. The cost to repair or restore the property to the condition that existed immediately prior to the **loss**;
  - b. The cost to replace the property with property of comparable kind and quality, including the cost of researching, gathering and/or assembling information; or
  - c. The value designated in the *Declarations* for VALUABLE PAPERS AND RECORDS.
16. On all other **COVERED PROPERTY**, the **loss** amount will not exceed the lesser of the following:
- a. The cost to repair or replace the damaged property with materials of comparable kind and quality;

- b. The amount **you** actually spend that is necessary to repair or replace the damaged property with materials of comparable kind and quality;
- c. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is most functionally equivalent to that damaged equipment, even if such equipment has technological advances or improvements in function;
- d. The cost to repair or replace real property on the same site with materials of comparable kind and quality;
- e. The market value of real property, machinery and equipment, or stock, offered for sale at the time of **loss**;
- f. The unamortized **actual cash value** of **improvements and betterments** if such property is not repaired;
- g. The increased cost of demolition, if any, resulting from **loss** covered by this **SECTION**, if such property is scheduled for demolition; or
- h. The **actual cash value** of the damaged property.



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**SECTION IV TIME ELEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

#### A. LOSS COVERED

1. This **SECTION** covers Time Element loss, as provided in **B. TIME ELEMENT COVERAGE** of this **SECTION**, directly resulting from *loss* covered by this *Agreement* to **COVERED PROPERTY**.
2. This **SECTION** covers loss only to the extent that it cannot be reduced through:
  - a. The use of any property or service owned or controlled by *you*;
  - b. The use of any property or service obtainable from other sources;
  - c. Working extra time or overtime; or
  - d. The use of inventory;all whether at a **covered location** or any other premises. *We* reserve the right to take into consideration the combined operating results of all of *your* associated, affiliated or subsidiary entities in determining the extent of a Time Element loss.
3. This **SECTION** covers expenses reasonably and necessarily incurred by *you* to reduce the loss otherwise payable under this **SECTION**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
4. In determining the amount of loss payable, *we* will consider *your* financial history before and after the loss. *We* will consider any historic increase or decrease in demand for *your* services during the Period of Coverage, defined in **C. PERIOD OF COVERAGE** of this **SECTION**, even if such increase or decrease is from the same event that caused *loss* starting the Period of Coverage.

#### B. TIME ELEMENT COVERAGE

1. GROSS EARNINGS
  - a. This **SECTION** covers *your* actual loss of Gross Earnings during the PERIOD OF COVERAGE, less all charges and expenses that do not necessarily continue during the interruption of *your operations*, plus all other earnings derived from *your operations*.
  - b. *We* will only consider the continuation of those normal charges and expenses that would have been earned had there been no interruption of *your operations*.
2. EXTRA EXPENSE AND COST
  - a. This **SECTION** covers *your* actual Extra Expense and Cost during the PERIOD OF COVERAGE for the following reasonable and necessary extra expenses incurred by *you*:

- (1) Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** operations;
  - (2) Extra expenses to expedite repair of damage or replacement of property; and
  - (3) Extra expenses of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Coverage for property obtained in connection with the above.
- b. The following Additional Exclusions apply only to this **SECTION**:
- This **SECTION** does not cover:
- (1) Any loss of income;
  - (2) Costs that **you** normally would have incurred in conducting **your** operations during the same period had no loss occurred;
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed; or
  - (4) Any cost or expense recoverable elsewhere in this **Agreement**.
3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST
- B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS and 2. EXTRA EXPENSE AND COST of this **SECTION** are extended to cover loss, directly resulting from **loss** covered by this **Agreement** to **COVERED PROPERTY**, incurred during the period that:
- a. Begins on the earlier of:
    - (1) The date the **COVERED PROPERTY** should be repaired or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location; and
  - b. Ends on the earlier of:
    - (1) The date the operations should have been restored, with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
    - (2) The number of consecutive days specified for Gross Earnings in the **Declarations**, after the date determined in **B. TIME ELEMENT COVERAGE**, 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST, a. of this **SECTION**.
4. LEASEHOLD INTEREST
- a. This **SECTION** covers **your** Leasehold Interest, incurred by **you** during the Period of Coverage for the following:

- (1) If the lease agreement requires continuation of rent, and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease or, if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
  - (2) If the lease is canceled by **you** pursuant to the lease agreement or by the operation of law, **we** will pay for the first three months' rent following the date of loss.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any increase in loss **you** incur from exercising an option to cancel the lease, or from any default under the lease.

#### 5. RENTAL COVERAGE

- a. This **SECTION** covers the actual rental loss sustained by **you** during the Period of Coverage for the following:
- (1) The fair rental value of any portion of the property rented by **you** to a third party;
  - (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;
- not to include non-continuing charges and expenses.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any loss of rental income during any period in which the **COVERED PROPERTY** would not have been tenantable for any reason other than a covered **loss**.

#### C. PERIOD OF COVERAGE

1. The Period of Coverage applying to all **B. TIME ELEMENT COVERAGE**, except 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST and 4. LEASEHOLD INTEREST of this **SECTION**, and as shown below, or as otherwise provided under **E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS** of this **SECTION**, and subject to any time limit provided in the Limits of Coverage clause in the **Declarations**, is as follows:
  - a. For Real and Personal Property, the period starting from the time of the **loss** of the type covered against; and ending when with due diligence and dispatch the building and equipment could be:
    - (1) Repaired or replaced including time to comply with any building, zoning, property maintenance or land use ordinance or law;

- (2) Made ready for operations, under the same or equivalent physical and operating conditions that existed prior to the damage; and
  - (3) Not to be limited by the expiration of this **Agreement Period**.
- b. For Real Property under construction:
- (1) The equivalent of the period of time described in **C. PERIOD OF COVERAGE**, 1.a. of this **SECTION** will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no **loss** occurred; and
  - (2) Due consideration will be given to the actual financial history of the business compiled after completion of the construction and startup.
- c. For loss to **Electronic Data Processing Equipment or Media**, the time to recreate or restore the lost information.
2. If two or more Periods of Coverage apply, the longer of the Periods of Coverage will apply.

#### D. TIME ELEMENT EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. Fines or penalties of any nature;
2. Any increase in loss due to the purchase of electrical power; and
3. Any increase in loss due to additional costs associated with generating electrical power from alternative sources owned by **you**.

#### E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

The most **we** will pay are the limits for each **ADDITIONAL TIME ELEMENT COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **TIME ELEMENT COVERAGE EXTENSION**.

1. CIVIL AUTHORITY
  - a. **B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
  - b. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

## 2. COMPUTER SYSTEMS NON-PHYSICAL DAMAGE

- a. This **EXTENSION** covers the actual loss sustained for EXTRA EXPENSE AND COST incurred by **you** during the **Period of Interruption** directly resulting from the failure of **your data, hardware** or **software** to operate, provided such failure is the direct result of a malicious act directed at **you**.
- b. This **EXTENSION** will only apply if the **Period of Interruption** is in excess of 48 hours.
- c. The following Additional Definition applies only to this **EXTENSION**.

As used in this **EXTENSION**, the **Period of Interruption**:

- (1) Means the period starting when **your data, hardware** or **software** fails to operate, and ending when, with due diligence and dispatch, **your data, hardware** or **software** could be restored to the same or equivalent operating condition that existed prior to the failure; and
- (2) Does not mean the additional time to make changes to **your data, hardware** or **software**.

## 3. CONTINGENT TAX REVENUE INTERRUPTION

- a. This **EXTENSION** covers the actual loss sustained by **you** that is directly resulting from necessary interruption of **your** tax revenue, caused by damage or destruction to property which is not operated by **you** and which wholly or partially prevents the generation of revenue for **you**.
- b. **We** shall be liable for the actual loss sustained for only such length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property, or to provide a replacement source for such tax revenue, commencing with the date of damage to the contributing property, but not limited by the **Agreement Period**.

## 4. CONTINGENT TIME ELEMENT

**B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover the actual loss **you** incur that directly results from physical damage to property of the type not otherwise excluded by this **Agreement** at direct supplier or direct customer locations, irrespective of whether such location is owned by **you**, that prevents a supplier of goods or service to **you** from supplying such goods or services, or that prevents a recipient of goods or services from **you** from accepting such goods or services.

## 5. EXPENSES TO REDUCE LOSS

**We** will also pay such expenses as **you** incur for the purpose of reducing loss under this **SECTION**, except those incurred to extinguish a fire, but in no event to exceed the amount by which loss is thereby reduced.

## 6. GROSS EARNINGS DURING PROTECTION AND PRESERVATION OF PROPERTY

This **EXTENSION** covers the actual loss of gross earnings sustained by **you** for a period of time not to exceed 72 hours prior to and 72 hours after **you** first take reasonable action for the temporary protection and preservation of **COVERED PROPERTY** by this **Agreement**, provided such action is necessary to prevent immediately impending covered **loss** to such **COVERED PROPERTY**.

## 7. SOFT COSTS

This **EXTENSION** covers the actual loss incurred by **you** for **soft costs** directly resulting from **loss** to **COVERED PROPERTY** undergoing renovation or in the course of construction at a **covered location** as specified in the **Declarations**.

## 8. STORM DEBRIS REMOVAL

a. This **EXTENSION** covers the **extra expense** incurred by **you**, during the **period of restoration**, to remove debris, consisting of downed trees, branches, light poles, and signs, from **your** public trails and pathways that are determined, due to the existence of such downed debris, to be unsafe for public travel.

b. The following Additional Definitions apply only to this **EXTENSION**:

As used in this **EXTENSION**:

(1) **Extra expense** means necessary expenses **you** incur that are in excess of **your** normal operating expenses.

(2) **Loss occurrence** means all downed trees, branches, light poles, and signs occurring during any period of 72 consecutive hours of lightning, **wind**, ice storm or any combination thereof.

(3) **Period of restoration** means the period of time that:

(a) Begins at the end of the **loss occurrence** causing the debris; and

(b) Ends at the time when the trails and pathways are, with reasonable speed, returned to a condition that is safe for public travel.

## SECTION V EQUIPMENT BREAKDOWN

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**SECTION V  
EQUIPMENT BREAKDOWN**

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**SECTION V EQUIPMENT BREAKDOWN** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

**We** will pay for **loss** that is the result of a **breakdown** to **covered equipment**, which occurs during the **Agreement Period**, except as hereinafter excluded or amended.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

##### 1. **Breakdown**

- a. **Breakdown** means the following direct physical **loss**, that causes physical damage to **covered equipment** and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing;

unless such **loss** or damage is otherwise excluded within this **Agreement** or any Endorsement forming a part of this **Agreement**.

- b. **Breakdown** does not mean or include:

- (1) Malfunction, including but not limited to, misadjustment, misalignment, miscalibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in **computer equipment, data, media** 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;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

2. **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**.

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### 3. *Covered Equipment*

a. ***Covered equipment*** means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of its contents;
- (2) Communication equipment;
- (3) ***Computer equipment***;
- (4) ***Diagnostic equipment***;
- (5) Any other electrical, electronic or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (6) Fiber optic cable.

b. ***Covered Equipment*** does not mean or include any:

- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellite or spacecraft (including satellite or spacecraft contents 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 does mean any electrical machine or apparatus mounted on or used with this equipment;
- (5) Equipment, or any part of equipment, manufactured by ***you*** for sale or rent;
- (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) ***Media***;
- (9) 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;
- (10) Part of pressure equipment or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

- 
- (12) Rotating Biological Contactors (RBC), including any shaft, cylinder disk or support forming a part of an RBC. However, **covered equipment** will include any motor or gear set used to drive an RBC;
- (13) **Power generating equipment** unless shown as INCLUDED in the **Declarations**;
- (14) Structure, foundation, cabinet or compartment supporting or containing the **covered equipment** or part of the **covered equipment** including penstock, draft tube or well casing; or
- (15) **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.
- c. 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**.
4. **Covered Territory** means anywhere in the Continental United States, except as provided in H. **ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 15. OFF PREMISES EQUIPMENT** of this **SECTION**.
5. **Dependent Property** means property designated as a Dependent Property Location shown in the **Declarations** operated by others upon whom **you** depend to:
- a. Deliver materials or services to **you** or to others for their account. This does not include any property which delivers to **you** any of the following utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
- b. Accept **your** products or services;
- c. Manufacture products for delivery to **your** customers under contract of sale; or
- d. Attract customers to **your** business.
6. **Diagnostic Equipment** means any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
7. **Hazardous Substance** means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
8. **Media** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
9. **One Breakdown** means: if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **one breakdown**.

**10. *Period of Restoration for Dependent Property***

- a. ***Period of restoration for dependent property*** means the period of time that:
- (1) Begins at the time of ***loss*** caused by or resulting from a ***breakdown*** to ***covered equipment*** at the ***dependent property***; and
  - (2) Ends on the date when the property at the premises of the ***dependent property*** should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. ***Period of restoration for dependent property*** does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires ***you*** 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 ***hazardous substance***.

11. ***Portable Covered Equipment*** shall mean ***covered equipment*** that is transported by a ***vehicle*** and used for service outside of the ***vehicle***.

**12. *Power Generating Equipment***

- a. ***Power generating equipment*** means any pressure, mechanical or electrical equipment, machinery, or apparatus used in, or associated with, the generation of electric power.
- b. ***Power generating equipment*** does not include any equipment that is less than or equal to 1000kw and used solely for the generation of emergency power.

13. ***Suit*** means a civil proceeding to which this ***Agreement*** applies and includes:

- a. An arbitration proceeding in which damages are claimed and to which ***you*** must submit with ***our*** consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which ***you*** must submit with ***our*** consent.

14. ***Total Limit Per One Breakdown*** means the total maximum amount payable for all coverages provided under this ***SECTION*** as the result of ***one breakdown***.

15. ***Vehicle*** means any machine or apparatus (except conveyors) that is used to transport passengers, goods, materials or equipment or that moves under its own power, regardless of whether it is intended for highway use.

**B. ADDITIONAL CONDITIONS**

The following Additional Conditions apply only to this ***SECTION***:

## 1. COVERAGE DISAGREEMENT

In the event of loss and expense covered under this **SECTION** and elsewhere in this **Agreement** or other coverage, and there is disagreement with respect to:

- a. Whether such loss was caused by a **breakdown** covered by this **SECTION** or elsewhere in this **Agreement** or Other Coverage; or
- b. The extent of participation of this **SECTION** and such other coverage, partially or wholly, by any or all of this **Agreement** or Other Coverage;

**we** shall, upon **your** written request and subject to **our** reimbursement as set forth below, pay **you** one-half of the amount of the loss and expense which is in disagreement, but in no event more than **we** would have paid if there had been no other coverage in effect, subject to the following conditions:

- (1) The amount of the loss and expense which is in disagreement is limited to the minimum amount remaining payable under either this **SECTION** or other coverage, after making provisions for any undisputed claims payable under other coverage or this **Agreement** and after the amount of the loss and expense is agreed upon by **you, us** and the provider of other coverage;
- (2) The other coverage provider(s) shall simultaneously pay **you** one-half of the amount which is in disagreement;
- (3) Such payments by **us** and the other coverage provider(s) and acceptance of those sums by **you** signify the agreement of **us** and the other coverage provider(s) for arbitration within ninety (90) days of such payment for the amount, if any, which is in disagreement. The arbitrators shall be three (3) in number, one of whom shall be appointed by **us** and one of whom shall be appointed by the other coverage provider(s) and the third appointed by consent of the other two arbitrators. The decision of the arbitrators shall be binding on **you, us** and the other coverage provider(s) and that judgment upon such award may be entered in any court of competent jurisdiction;
- (4) **You** agree to cooperate in connection with such arbitration but not to take a position contrary to **us**;
- (5) The provisions of this Condition shall not apply unless the policy(ies) issued by the other coverage provider(s) is(are) similarly endorsed, or the other coverage provider agrees to the same in resolution of a coverage disagreement; and
- (6) Acceptance by **you** of any payment pursuant to the provisions of this Condition, including any arbitration award, shall not alter, waive or surrender or in any way affect the rights **you** have against **us** or the other coverage provider(s).

## 2. EXPERIENCE

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10.

EXTRA EXPENSE and 18. SERVICE INTERRUPTION **we** will consider the financial history of **your operations** before the **breakdown** and the probable financial history **you** would have had without the **breakdown** in determining the amount of **our** payment to **you**.

### 3. JURISDICTIONAL INSPECTIONS

If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **we** agree to perform such inspection on **your** behalf. **We** do not warrant that conditions are safe or healthful.

### 4. REDUCING YOUR LOSS

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 10. EXTRA EXPENSE, 16. OFF PREMISES EQUIPMENT, 18. SERVICE INTERRUPTION and 19. SPOILAGE, **you** must reduce **your** loss and expense, if possible, by:

- a. Resuming business, partially or completely;
- b. Using merchandise or other property available to **you**; or
- c. Using the property or services of others.

### 5. SUSPENSION

- a. 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 **SECTION**.
- b. **We** will deliver or mail a written notice of suspension to **your** last known address or the address where the **covered equipment** is located.
- c. Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that **covered equipment**.

## C. COVERED PROPERTY

1. **Covered property** means any property, including **covered equipment**, that **you** own or that is in **your** care, custody or control and for which **you** are legally liable, while located at a **covered location**.
2. **Portable covered equipment, covered location** is understood to include anywhere within the **coverage territory**.
3. **Covered property** does not mean:
  - a. Live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects; or
  - b. Any property that is obsolete or useless to **you**.

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

1. **Earth Movement.**
2. Water meaning:
  - a. **Flood;**
  - b. Water damage caused by backup of sewers, drains, or drainage piping;
  - c. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; or
  - d. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
3. Damage to **covered equipment** undergoing any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler, fired vessel or electrical steam generator; or
  - b. An insulation breakdown test of any type of electrical or electronic **covered equipment.**
4. Fire or combustion explosion.
5. **Aircraft**, civil commotion; collapse; **drones**; freezing caused by cold weather; hail; impact of **aircraft**, missile or **vehicle**; lightning; molten material; objects falling from **aircraft** or missiles; riot; smoke; vandalism; **vehicles**; weight of snow, ice or sleet; or **wind**; except as provided in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 6. ELECTRICAL SURGE and ELECTRICAL DISTURBANCE.
6. An explosion. However, **we** will pay for **loss** caused by an explosion of **covered equipment** of the following kind:
  - 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.



7. Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a **breakdown** ensues, **we** will pay the ensuing loss not otherwise excluded.
8. Ordinance or Law
  - a. Increase in **loss** from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of **covered property**, except as provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE and 16. ORDINANCE OR LAW of this **SECTION**.
  - b. However, the words “use” and “operation” shall be eliminated as respects a covered **breakdown** of electrical supply and emergency generating equipment located on any **covered location**, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
9. **Breakdown** if such **breakdown** results from a collision, overturn, collapse or upset of **covered equipment** or the **vehicle** by which the **covered equipment** is transported.

#### E. EQUIPMENT BREAKDOWN EXCLUSIONS

**We** will not pay for loss:

1. With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE or 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. **Your** operations that would not or could not continue if the **breakdown** had not occurred;
  - b. **Your** failure to use due diligence and dispatch to operate **your** operations as nearly normal as practicable at the **covered location**; and
  - c. The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time **your** operations could have resumed if the contract had not lapsed, been suspended or canceled.
2. With respect to coverage provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. Acts of sabotage; or
  - b. Deliberate act(s) of load shedding by the supplying or distributing utility.

#### F. OUR PAYMENT OF LOSS

As respects coverage provided under this **SECTION** only, the following shall apply:

## 1. VALUATION

- a. **We** will pay the amount **you** spend to repair, rebuild or replace **covered property** with other property of like kind, quality and capacity if such **covered property** is directly damaged by a **breakdown** to **covered equipment** or **covered portable equipment**. **Our** payment will be the lesser of:
- (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property; or
  - (3) The amount **you** actually spend that is necessary to repair or replace the damaged property.
- b. If **covered property** cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the **covered property** equals or exceeds 100% of the **actual cash value** of the **covered equipment** or **covered portable equipment**, **you** may choose to apply the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**.
- c. Except for the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES and 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**, **you** must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. If any damaged **covered property** that is intended for **your** use is protected by an extended warranty or maintenance or service contract, and that warranty or contract becomes void or unusable due to **breakdown**; **we** will reimburse **you** for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.
- e. **We** will determine the value of **covered property** under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 19. SPOILAGE of this **SECTION** as follows:
- (1) For raw materials, the **replacement cost**;
  - (2) For goods in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (3) For finished goods, the selling price, as if no **loss** had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- f. On any articles that are part of a pair or set, **we** will pay no more than the reasonable and fair proportion the article or articles bear to the total value of the pair or set, giving consideration to the importance of said article, but in no event shall such **loss** be considered to mean a total **loss** of the pair or set.

## 2. SPECIAL LIMITS OF COVERAGE

- a. The most **we** will pay for loss and expense arising from any **one breakdown** is the Coverage Limit specified as the limit per **one breakdown** in the **Declarations**. This limit applies to all coverages, including those provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION**.
- b. The Coverage Limit under each of the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION** for loss and expense arising from any **one breakdown** is the amount shown in the **Declarations** for that **EXTENSION**. If two or more limits apply to the same portion of loss and expense, the most **we** will pay is the highest limit.
- c. The most **we** will pay for **loss** arising from the **breakdown** of **diagnostic equipment** is the **Diagnostic Equipment** Limit specified in the **Declarations**.

## G. DEDUCTIBLES

As respects coverage provided under this **SECTION**, the following shall apply:

## 1. APPLICATION OF DEDUCTIBLES

- a. **We** will not pay for **loss** resulting from any **one breakdown** until the amount of covered loss exceeds the deductible shown in the **Declarations**. **We** will then pay the amount of covered loss and expense in excess of the deductible, up to the applicable Coverage Limit.
- b. Deductibles apply separately for each applicable coverage, except if more than one **covered equipment** is involved in **one breakdown**, then only the highest deductible shall apply for each of the applicable coverages.

## 2. DETERMINATION OF DEDUCTIBLES

## a. Dollar Deductible

If a dollar deductible is shown in the **Declarations**, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

## b. Multiple per Unit Deductible

If a multiple of units is shown in the **Declarations**, 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.)

## c. Time Deductible

If a time deductible is shown in the **Declarations**, **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 (24) consecutive hours.

d. Minimum Or Maximum Deductible

(1) If a minimum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

(2) If a maximum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

#### H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

The most **we** will pay under these **EXTENSIONS** are the Coverage Limits specified in the **Declarations**. These limits are a part of and not in addition to the **total limit per one breakdown**.

These **EXTENSIONS** apply only to that portion of the loss that is the result of a **breakdown** to **covered equipment** that is not excluded elsewhere in this **Agreement**.

1. CIVIL AUTHORITY

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
- b. The action of civil authority must be due to **loss** caused by a **breakdown** to **covered equipment** at locations other than **covered locations** that are within 100 miles of the **covered location**.
- c. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

2. DATA OR MEDIA COVERAGE

- a. If **media** is damaged or **data** is lost or corrupted, **we** will pay **your** actual loss of earnings or **your** extra expenses during the time necessary to:
- (1) Research, recreate, replace or restore the damaged **media** or lost or corrupted **data**; and
- (2) Reprogram instructions used in any covered **computer equipment**.
- b. **We** will not pay for any **data** or **media** that cannot be replaced, recreated or restored.

## 3. DEFENSE

If a claim or **suit** is brought against **you** alleging that **you** are liable for damage to property of others in **your** care, custody or control, **we** will either settle the claim or **suit** or defend **you** against the claim or **suit** but retain the right to settle it at any point. With respect to any claim or **suit we** defend, **we** will pay:

- a. All expenses **we** incur;
- b. The cost of bonds to release attachments, but **we** do not have to furnish these bonds;
- c. All reasonable expenses incurred by **you** at **our** request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings because of time off from work;
- d. All costs taxed against **you** in any **suit we** defend;
- e. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Coverage Limits, **we** will not pay prejudgment interest based on that period of time after the offer; and
- f. All interest that accumulates on the full amount of any judgment 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 Coverage Limit.

## 4. DEPENDENT PROPERTIES

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the necessary partial or total interruption of **your operations** during the **period of restoration for dependent property**. The interruption must be caused by **loss** or damage to **dependent property** caused by or resulting from a **breakdown** to its **covered equipment**.
- b. However, this **EXTENSION** does not apply when the only **loss** to **dependent property** is **loss** or damage to **data**, including destruction or corruption of **data**. If the **dependent property** sustains **loss** or damage to **data** and other property, coverage under this **EXTENSION** will end once the other property is repaired, rebuilt or replaced.

## 5. EARNINGS

**We** will pay **your** actual loss of earnings sustained during the **period of restoration** due to the necessary interruption of **your operations**. **We** will also pay any necessary expense **you** incur to reduce the amount of this loss, but only to the extent that the loss otherwise payable is reduced.

## 6. ELECTRICAL SURGE AND ELECTRICAL DISTURBANCE

**We** will pay for loss if the **breakdown** results from an electrical surge or electrical disturbance:

- a. caused by excluded peril(s) identified in **D. CAUSE OF LOSS**, 5. of this **SECTION** that occurs away from the **covered location** and causes an electrical surge or other electrical disturbance;
- b. transmitted through utility transmission lines to the **covered location**;
- c. that results in a **breakdown** to **covered equipment**, at such **covered location**, that **you** own, operate or is under the control of **you** or **your** landlord; and
- d. that is not a covered cause of loss under another **SECTION** of this **Agreement**, another coverage part or policy of insurance **you** have, irrespective of whether collectible, and without regard to whether the coverage under another **SECTION** of this **Agreement**, another coverage part or policy of insurance provides the same coverage, scope of coverage and/or deductibles as coverage provided in this paragraph.

## 7. ERROR IN DESCRIPTION

- a. **We** will pay **your** loss covered by this **SECTION** if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as covered under this **SECTION**.
- b. **You** agree to give **us** prompt notice of any correction or addition to the description of a location covered under this **SECTION**.

## 8. EXPEDITING EXPENSE

With respect to **your** damaged **covered property**, **we** will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

## 9. EXTENDED EARNINGS AND EXTRA EXPENSE

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. **EARNINGS** and 10. **EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused solely by a **breakdown** to **covered equipment** and incurred during the period that:

- a. Begins on the earlier of:
  - (1) The date the damaged property at the **covered location** in the **Declarations** should be repaired or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for EXTENDED EARNINGS in the **Declarations**, after the date determined in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, a. of this SECTION.**

#### 10. EXTRA EXPENSE

**We** will pay all expenses that exceed the normal operating expenses that would have been incurred to conduct **your operations** during the **period of restoration** if no **breakdown** had occurred.

#### 11. GREEN ALTERNATIVES

- a. With respect to **covered property** that was damaged as a result of a **breakdown** to **covered equipment**, **we** will pay for:
- (1) The reasonable additional cost incurred to repair or replace the damaged or destroyed portions of the **covered property** (except as may be provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 13. NEW GENERATION** of this **SECTION** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**;
  - (2) The reasonable additional cost incurred to employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
  - (3) **We** will pay for the following reasonable additional expenses incurred to attain or re-attain **green** certification from a **green authority**:
    - (a) The reasonable additional expense incurred to hire a qualified engineer or other professional required by the **green authority** to be involved in:
      - i. Designing, overseeing or documenting the repair or replacement of the damaged or destroyed **covered property**; or
      - ii. Testing and recalibrating the systems and mechanicals of the damaged or destroyed **covered property** to verify that the systems and

mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

- (b) The reasonable registration and recertification fees charged by the **green authority**.

Coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a.(1), a.(2) and a.(3) of this **SECTION** applies only if **replacement cost** valuation applies to the damaged or destroyed **covered property** and then only if the **covered property** is actually repaired or replaced as soon as reasonably possible after the **breakdown to covered equipment**.

- b. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS and 10. EXTRA EXPENSE of this **SECTION** are extended to cover the loss incurred during the time necessary to:
- (1) Repair or replace the damaged or destroyed portions of the **covered property** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**; and
  - (2) Employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**.
- c. The most **we** will pay for coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES of this **SECTION** for any one **breakdown** is the sum of:
- (1) 5% of the amount **we** would otherwise pay for a **breakdown** as provided by **F. OUR PAYMENT OF LOSS**, 1. VALUATION, a. prior to the application of any applicable deductible, for **loss** or expense covered under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a. of this **SECTION**; plus
  - (2) 5% of the amount **we** would otherwise pay for loss covered under the applicable **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS or 10. EXTRA EXPENSE of this **SECTION**, prior to the application of any applicable deductible, for EARNINGS or EXTRA EXPENSE covered under b. of this **EXTENSION**;

subject to a maximum of the **total limit per one breakdown**. These limits are a part of and not in addition to the **total limit per one breakdown**.



## 12. HAZARDOUS SUBSTANCE

- a. If **covered property** is damaged, contaminated or polluted by a **hazardous substance**, **we** will pay for any **additional expenses** incurred by **you** for cleanup, repair, replacement or disposal of that property.
- b. As used in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE of this **SECTION**, **additional expenses** means the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the **loss**.

## 13. NEW GENERATION

If **you** want to replace damaged **covered property** with a newer generation of **covered property** of the same capacity, **we** will pay up to 25% more than **covered property** of like kind, quality and capacity would have cost at the time of the **breakdown**.

## 14. NEWLY ACQUIRED LOCATIONS

- a. **We** will automatically provide coverage at **your** newly acquired location(s) reported to **us** within 120 days of acquisition.
- b. If the coverages and deductibles vary for existing **covered locations**, then the coverages for the newly acquired location(s) will be the broadest coverage, highest limits and highest deductibles applicable to the existing **covered locations**.

## 15. OFF PREMISES EQUIPMENT

**We** will pay for **loss** caused by a **breakdown** to **your portable covered equipment** that, at the time of the **breakdown**, is located within the **Agreement Territory** but is at a temporary location that is not a **covered location** or any other location owned, leased or operated by **you**.

## 16. ORDINANCE OR LAW

If a **loss** occurs to a **covered building or structure**:

- a. **We** will pay for the following:
  - (1) **Loss** to the undamaged portion of a **covered building or structure** caused by enforcement of any ordinance or law, in force at the time of the **loss**, that:
    - (a) Regulates the construction or repair or establishes zoning or land use requirements at the **covered location**; or
    - (b) Requires the demolition of parts of the undamaged portion of the building or structure;
  - (2) The increased cost to repair, rebuild or construct the property caused by enforcement of a building, zoning or land use ordinance or law, if the **Replacement Cost** Valuation applies to the **covered building or structure**. If

the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law; and

- (3) The cost to demolish and clear the site of undamaged parts of the **covered building or structure** caused by enforcement of the building, zoning or land use ordinance or law.

b. **We** will not pay for the:

- (1) Increased costs of construction if the **covered building or structure** is not repaired, reconstructed or remodeled within 2 years after the **loss**; or
- (2) Costs associated with the enforcement of any ordinance or law that requires **you** 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 a **hazardous substance**.

#### 17. REFRIGERANT CONTAMINATION

If **covered property** is contaminated by a refrigerant, **we** will pay for such refrigerant contamination, including cleanup, repair or replacement or disposal of the **covered property** and salvage expense.

#### 18. SERVICE INTERRUPTION

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE, and 19. SPOILAGE** of this **SECTION** are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive; and
- b. The **covered equipment** is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to **your covered location**.

#### 19. SPOILAGE

**We** will pay **you** for spoilage damage to raw materials, property in process or finished products provided all of the following conditions are met:

- a. The raw material, property in process or finished products must be in storage or in the course of being manufactured; and
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and

- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

20. WATER DAMAGE

If ***covered property*** is damaged by water as a direct result of a ***breakdown*** to ***covered equipment***, ***we*** will pay for such water damage, including salvage expense.

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**SECTION VI CRIME** of this **Agreement** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

1. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution or similar safe depository in conducting its business.
2. **Counterfeit Money** means an imitation of **money** that is intended to deceive and to be taken as genuine.
3. **Covered Cause of Loss** means **theft**, disappearance, or destruction.
4. **Covered Instruments** means checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **money** that are made or drawn by or drawn upon **you**; or made or drawn by one acting as **your** agent; or purport to have been so made or drawn.
5. **Discover** or **discovered** means the time when **you** first:
  - a. become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Agreement** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
  - b. receive notice of an actual or potential claim in which it is alleged that **you** are liable to a third party under circumstances which, if true, would constitute a loss under this **Agreement**.
6. **Employee**
  - a. **Employee** means:
    - (1) Any individual:
      - (a) While in **your** service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;
      - (b) Who **you** compensate directly by salary, wages or commissions; or
      - (c) Who **you** have the right to direct and control while performing services for **you**;
    - (2) Any individual who is furnished temporarily to **you**:
      - (a) To substitute for a permanent **employee** as defined in **A. ADDITIONAL DEFINITIONS**, 6. **Employee**, a.(1) of this **SECTION**, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing service for **you**, excluding, however, any such person having care and custody of property outside the **premises**;

(3) Any individual who is leased to **you** under a written agreement between **you** and a labor leasing firm, to perform duties related to the conduct of **your** business, but does not mean a temporary employee as defined in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(2) of this SECTION**;

(4) Any individual who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(b) An official of **yours** while that person is engaged in handling **funds** of any employee benefit plan;

(5) Any individual who is a former official, **employee** or trustee retained as a consultant while performing services for **you**; or

(6) Any individual who is a student, intern or volunteer while performing services for **you**.

b. **Employee** does not mean any agent, independent contractor or representative of the same general character not specified in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(4)(a) of this SECTION**.

7. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. **Funds** means **money** and **securities**.

9. **Messenger** means **you** or any **employee** while having care and custody of property outside the **premises**.

10. **Occurrence** means:

a. Under **B. CRIME COVERAGE, 1. EMPLOYEE THEFT – PER LOSS COVERAGE** of this **SECTION**:

(1) An individual act;

(2) The combined total of all separate acts irrespective of whether related; or

(3) A series of acts irrespective of whether related;

committed by an **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- b. Under **B. CRIME COVERAGE**, 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by each **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- c. Under **B. CRIME COVERAGE**, 3. FORGERY OR ALTERATION of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- d. Under all Other Coverage agreements in **B. CRIME COVERAGE** of this **SECTION**:

- (1) An individual act or event;
- (2) The combined total of all separate acts or events irrespective of whether related;  
or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons or not committed by any person, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

#### 11. **Other Property**

- a. **Other Property** means any tangible property other than **funds** that has intrinsic value.
- b. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Agreement**.

12. **Premises** means any building **you** occupy in conducting **your operations**.

- 
13. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person harm; or
  - Committed an obviously unlawful act witnessed by that person.
14. **Safe Burglary** means the unlawful taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - A safe or vault from inside the **premises**.
15. **Theft** means the unlawful taking of property to **your** deprivation.

## B. CRIME COVERAGE

This **SECTION** provides the following coverage and applies to loss that **you** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by **you** during the **Agreement Period** or in the extended period described in **D. ADDITIONAL CONDITIONS**, 1.a. Prior Bond or 1.b. Policy Bridge – Discovery Replacing Loss Sustained of this **SECTION**.

### 1. EMPLOYEE THEFT – PER LOSS COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by an **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER LOSS COVERAGE, **theft** shall also include **forgery**.

### 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by each **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER EMPLOYEE COVERAGE, **theft** shall also include **forgery**.

### 3. FORGERY OR ALTERATION

- We** will pay for loss resulting directly from **forgery** or alteration of **covered instruments**.
- If **you** are sued for refusing to pay any instrument covered in FORGERY OR ALTERATION, a., 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 that **we** will pay is in addition to the Limit of Coverage applicable to this coverage agreement.

- c. For the purposes of this coverage agreement, a substitute check, as defined in the federal Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

#### 4. THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES

**We** will pay for loss of or damage to **money** and **securities** resulting directly from **theft**, disappearance or destruction inside **your premises** or **your banking premises**.

#### 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY

- a. **We** will pay for loss of or damage to **other property**:

- (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **member**, or

- (2) Inside the **premises** in a safe or vault resulting directly from an actual or attempted **safe burglary**.

- b. **We** will pay for **loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

- c. **We** will pay for loss of or damage to a locked safe or vault located inside the **premises** resulting directly from an actual or attempted **robbery** or **safe burglary**.

#### 6. OUTSIDE THE PREMISES

- a. **We** will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

- b. **We** will pay for loss of or damage to **other property** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from an actual or attempted **robbery**.

#### 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE

- a. **We** will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer or electronic device to fraudulently cause a transfer of that property from inside **your premises** or **banking premises** to a person, other than an **employee**, or place outside of such **premises**.

- b. **We** will pay for loss directly resulting from fraudulent instruction by a **member** directing a financial institution to transfer, pay or deliver funds from **your** transfer account.

## 8. MONEY ORDERS AND COUNTERFEIT MONEY

**We** will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, **money** or services;

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. **Counterfeit money** that is acquired during the regular course of business.

## C. CRIME EXCLUSIONS

1. The coverage provided under this **SECTION** does not apply to:

- a. Acts Of A **Member** Learned Of By **You** Prior To The Agreement Period

Loss caused by a **member** if the **member** had also committed **theft** or any other dishonest act prior to the effective date of this **Agreement** and **you** or any of **your** officials, not in collusion with the **member**, learned of that **theft** or dishonest act prior to the **Agreement Period** shown in the **Declarations**.

- b. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of **your** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by **you** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

- c. Indirect Loss

Loss that is an indirect result of an **occurrence** covered by this **Agreement** including, but not limited to, loss resulting from **your** inability to realize income that **you** would have realized had there been no loss of or damage to **money**, **securities**, or **other property**.

- d. Costs, Fees, or Other Expenses

**We** will not pay for any costs, fees, or other expenses the **member** incurs in establishing either the existence or the amount of loss under this coverage.

- e. Payment of Damages

- (1) **We** will not pay for damages of any type for which **you** are legally liable, but, **we** will pay compensatory damages arising directly from a loss covered under this **SECTION**.

## f. Kidnap, Ransom or Extortion

**We** will not pay for loss resulting directly or indirectly from kidnap, extortion or ransom payments, other than **theft**, surrendered by any person as a result of a threat.

## g. Legal Fees, Costs and Expenses

**We** will not pay for fees, costs and expenses related to any legal action, except when covered under FORGERY OR ALTERATION of this **Agreement**.

2. The coverage provided under **B. CRIME COVERAGE**, EMPLOYEE THEFT – PER LOSS COVERAGE and THEFT – PER EMPLOYEE COVERAGE of this **SECTION** does not apply to:

## a. Bonded Employees

Loss caused by any **employee** required by law to be individually bonded.

## b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

## c. Trading

Loss resulting from trading, whether in **your** name or in a genuine or fictitious account.

## d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. The coverage provided under **B. CRIME COVERAGE**, THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES; INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY; and OUTSIDE THE PREMISES of this **SECTION** does not apply to:

## a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

## b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

## c. Fire

Loss or damage resulting from fire, however caused.

## d. 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.
- e. Vandalism
- Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
- f. Voluntary Parting Of Title To Or Possession Of Property
- Loss resulting from the **member**, or anyone acting on the **member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to, or possession of, any property.
4. The coverage provided under **B. CRIME COVERAGE**, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE of this **SECTION** does not apply to:
- a. Credit Card Transactions
- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b. Inventory Shortage
- Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.
- c. Dishonest or Criminal Act
- Loss resulting from any dishonest or criminal act committed by a **member** whether acting alone or in collusion with other persons.
- d. Failure of Depository
- Loss caused by or resulting from the failure of any entity acting as a depository for **your** property or property for which **you** are responsible.

#### D. ADDITIONAL CONDITIONS

1. The following Additional Conditions apply only to **B. CRIME COVERAGE** of this **SECTION**:
- a. Prior Bond
- (1) If **you** sustained loss during the period of any prior bond or insurance that **you** could have recovered under such prior bond or insurance, except that the time within which to discover loss has expired, **we** will pay for such loss under this coverage provided:

- 
- (a) that this coverage became effective at the time of cancellation or termination of the prior bond or insurance, and
  - (b) the loss would have been covered by this **B. CRIME COVERAGE** of this **SECTION** had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The coverage under this Condition is part of, and not in addition to, the limits of coverage applying to this coverage and is limited to the lesser of the amount recoverable under this coverage as of its effective date, or the prior bond or insurance had it remained in effect.
  - (3) If any loss is covered partly by this coverage, and partly by any prior canceled or terminated coverage that **we** issued to **you**, the most **we** will pay is the lesser of the amount recoverable under this coverage or the prior coverage.
- b. Policy Bridge – Discovery Replacing Loss Sustained
- If **B. CRIME COVERAGE** of this **SECTION** replaces a prior bond or insurance that provided **you** with an extended period of time after the termination or cancellation of such prior bond or insurance in which to discover loss, then, and only with respect to loss discovered during such extended period but sustained prior to the termination of such prior bond or insurance, the coverage afforded by **B. CRIME COVERAGE** of this **SECTION** applies as follows:
- (1) **We** will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior bond or insurance; provided that in such case, **we** will pay **you** for the excess of such loss subject to the terms and conditions of **B. CRIME COVERAGE** of this **SECTION**.
  - (2) However, any payment **we** make to **you** for such excess loss will not be greater than the difference between the limit of insurance of **your** prior insurance and the limit of coverage of **B. CRIME COVERAGE** of this **SECTION**.
- c. Other Coverage
- (1) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any other valid and collectible bond or insurance available to **you** unless such other bond or insurance is written to be specifically excess of **B. CRIME COVERAGE** of this **SECTION** by named reference in the other bond or insurance.
  - (2) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any indemnification to which **you** are entitled from any other person or entity.
  - (3) As excess coverage, **B. CRIME COVERAGE** of this **SECTION** will not apply or contribute to the payment for any loss to **you** until the amount of such other bond, insurance or indemnity has been exhausted by loss covered thereunder.

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- (4) If the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss, **B. CRIME COVERAGE** of this **SECTION** will apply to that part of the loss not recoverable or recovered under the other bond, insurance or indemnity.
- (5) **B. CRIME COVERAGE** of this **SECTION** will not be subject to the terms of any other bond, insurance or indemnity.
- d. Cumulative Limit
- Regardless of the number of years this coverage remains in force, no limit of coverage cumulates from **Agreement Period** to **Agreement Period**.
- e. Rights and Benefits
- This coverage is for **your** benefit only. It provides no rights or benefits to any other person or entity.
- f. Payment After Agreement Period
- We** will pay only for covered loss **discovered** no later than one year from the end of the **Agreement Period**.
2. The following Additional Conditions apply only to **B. CRIME COVERAGE**, 1. EMPLOYEE THEFT – PER LOSS COVERAGE and 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:
- a. Indemnification
- We** will indemnify any of **your** officials who are required by law to give individual bonds for the faithful performance of their duties against loss through **theft** committed by **employees** who serve under them, subject to the applicable Limit of Crime Coverage as specified in the **Declarations**.
- b. Termination As To Any Employee
- B. CRIME COVERAGE** of this **SECTION** terminates as to any **employee** on the earlier of the following:
- (1) As soon as:
- (a) **You**; or
- (b) Any of **your** officials or **employees** authorized to manage, govern or control **your employees**, who are not in collusion with the **employee**, learn of **theft** or any other dishonest act committed by the **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. **We** will mail or deliver our notice to **your** last mailing

address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. The following Additional Conditions apply only to **B. CRIME COVERAGE 3. FORGERY OR ALTERATION** of this **SECTION**:

- a. Electronic And Mechanical Signatures

**We** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

- b. 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.

4. The following Additional Conditions apply only to **B. CRIME COVERAGE, 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY** and **6. OUTSIDE THE PREMISES** of this **SECTION**:

- a. Special Limit Of Coverage For Specified Property

**We** will only pay up to the limit specified in the **Declarations** for loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

- b. Armored Motor Vehicle Companies

Under **B. CRIME COVERAGE, 6. OUTSIDE THE PREMISES** of this **SECTION**, **we** will only pay for the amount of loss **you** cannot recover:

(1) Under **your** contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of, the armored motor vehicle company.

5. The following Additional Conditions apply only to **B. CRIME COVERAGE, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE** of this **SECTION**:

Special Limit Of Coverage For Specified Property:

**We** will only pay up to the limit specified in the **Declarations** for any loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

#### **E. VALUATION - SETTLEMENT**

1. The value of any loss for purposes of coverage under this **SECTION** shall be determined as follows:

- a. Loss of **money** will be valued only up to and including its face value at the time of the loss.

- b. Loss of **securities** will be valued only up to and including their value at the close of business on the day the loss was discovered. **We** may, at **our** option, pay the value of such **securities** or replace them in kind, in which event **you** must assign to **us** all of **your** rights, title, and interest in and to those **securities**.
  - c. Loss of, or loss from damage to, property other than **money** and **securities** or **loss** from damage to the **premises** will be valued at the lesser of the **actual cash value** of the property on the day the loss was discovered, the cost of repairing the property or premises, or the cost of replacing the property with property of like kind and quality.
  - d. **We** may, at **our** option, pay the **actual cash value** of the property, repair it, or replace it.
2. **We** will pay only for covered loss discovered no later than one year from the end of the **Agreement Period**.
  3. If the **member** has reason to believe that any loss of, or loss from damage to, covered property involves a violation of law, the **member** must promptly notify the police and the **Pool**.



**SECTION VII  
AUTOMOBILE PHYSICAL DAMAGE**

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## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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**SECTION VII AUTOMOBILE PHYSICAL DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

*We* will pay for *loss* to **covered automobiles** that occurs during the *Agreement Period* while the **covered automobile** is within the *Agreement Territory*, as set forth in this **SECTION**.

### A. ADDITIONAL DEFINITIONS

The following Additional Definitions apply only to this **SECTION**:

1. **Hired Automobile** means an **automobile** not owned by the **member** which is used under contract for less than six months on **your** behalf.
2. **Outstanding Balance** means the amount the **member** owes on the lease at the time of **loss**, less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage, excess wear and tear, and lease termination fees.

### B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

#### 1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

#### 2. COLLISION COVERAGE

This coverage applies to damage caused by collision of a **covered automobile** with another **automobile**, **mobile equipment**, or object, or by upset of such **covered automobile**.

### C. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS

The most *we* will pay are the limits for each **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION** as specified in the *Declarations*. Except when specifically stated otherwise, the deductibles as set forth in the *Declarations* shall apply to the **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION**.

#### 1. AIRBAG COVERAGE

- a. *We* will pay for **loss** to a **covered automobile** caused by an accidental discharge of its airbag(s).
- b. **D. EXCLUSIONS**, 1.c. of this **SECTION** does not apply to this **EXTENSION**.
- c. No deductible applies to this **EXTENSION**.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 2. COMMANDEERED PROPERTY COVERAGE

- a. Commandeered Property means an **automobile** belonging to others that is seized or taken over by the **member** for **your** official use to handle an emergency situation.
- b. To be deemed Commandeered Property, the seizure or taking of the **automobile** must be a spontaneous, non-planned action on the part of the officer in charge at the emergency situation.
- c. Comprehensive and Collision coverage applies to the Commandeered Property Coverage.
- d. No deductible applies to this **EXTENSION**.

### 3. EMERGENCY RESPONSE AUTOMOBILE COVERAGE

With respect to **loss** to an emergency response **covered automobile**, if such **loss** is payable under **F. VALUATION** of this **SECTION** as:

- a. 2. Stated Amount (SA) a. or b.; or
- b. 3. **Replacement Cost** (RC) a. or b.;

**we** will pay up to an additional 25% of the actual costs **you** incur to repair or replace the damaged or stolen parts to be in compliance with current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations.

### 4. FREEZING OF EQUIPMENT COVERAGE

- a. For a fire department **covered automobile**, **we** will pay for repair or replacement of equipment, other than engines, caused by freezing or extremes of temperature.
- b. No deductible applies to this **EXTENSION**.

### 5. HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- a. **Hired automobiles** which are hired or rented on a short-term basis, for a period not to exceed six months, and for which coverage has not been specifically adopted in this **Agreement**, are included in the definition of **covered automobile**.
- b. As respects **hired automobiles**, coverage shall be excess over any other valid and collectible insurance available to the **automobile** owner.
- c. **We** will not pay more than the limit designated in the **Declarations** for Hired Automobile Physical Damage Coverage for damage that results from any one accident to any one **hired automobile**.
- d. Payments for physical damage to a **hired automobile** owner under this provision will be subject to the automobile physical damage deductible shown in the **Declarations** for Hired Automobile Physical Damage Coverage.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 6. LEASE GAP COVERAGE

If a long-term leased **automobile** is a **covered automobile** and the lessor is named as an Additional Insured-Lessor, **we** will pay in the event of a total **loss** the **member's** additional legal obligation to the lessor for any difference between the **actual cash value** of the **automobile** at the time of the **loss** and the **outstanding balance** of the lease.

### 7. NOT AT FAULT COLLISION DEDUCTIBLE WAIVER

- a. **We** will waive the applicable deductible to **your covered automobile** for a collision **loss** in which the **member** is determined by **us** to be less than 50% at fault.
- b. The most **we** will waive in any one collision **loss** shall not exceed the limit designated in the **Declarations** for Not At Fault Collision Deductible Waiver.

### 8. PERSONAL AUTOMOBILE COVERAGE

- a. **We** will pay up to the limit specified in the **Declarations** or reimburse the deductible, whichever is less, for **loss** to an **automobile**, owned by **your** elected or appointed official, **authorized** volunteer or **employee**, which occurs while that elected or appointed official, **authorized volunteer** or **employee** is acting on **your** behalf.
- b. No deductible applies to this **EXTENSION**.

### 9. PROPERTY IN AN UNATTENDED AUTOMOBILE COVERAGE

- a. **We** will pay for **loss** to, or **theft** of, personal property of a **member** in an unattended **automobile** if the **loss** or theft occurs while the **member** is acting on **your** behalf.
- b. Coverage does not apply to **valuable papers and records, money, securities, bullion, fine arts**, precious stones, jewelry or other similar valuables.
- c. **Replacement Cost** valuation applies to this **EXTENSION**.
- d. No deductible applies to this **EXTENSION**.

### 10. RECERTIFICATION COVERAGE

- a. **We** will pay the cost of recertification of fire department equipment if such recertification is made necessary by covered **loss** to a **covered automobile**.
- b. No deductible applies to this **EXTENSION**.

### 11. RENTAL REIMBURSEMENT COVERAGE

- a. **We** will pay for rental expenses incurred by the **member** for the rental of an **automobile** because of **loss** to a **covered automobile**. Coverage applies in excess of any other coverage available to the **member**.
- b. In the event of **loss** other than by **theft**, **we** will pay those rental expenses incurred by the **member** beginning 24 hours after the **loss** and ending, regardless of the

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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expiration of the **Agreement Period**, with the number of days reasonably required to repair or replace the **covered automobile**.

- c. In the event of **loss** by **theft**, **we** will pay those rental expenses incurred by the **member** for the rental of a substitute **automobile** during the period commencing 48 hours after such theft has been reported to both **us** and the police, and terminating, regardless of the expiration of the **Agreement Period**, when such **automobile** is returned to use or **we** pay for the **loss**.
- d. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Rental Reimbursement Coverage.
- e. This Rental Reimbursement Coverage does not apply while there are spare or reserve **automobile** available to the **member** for its **operations**.
- f. No deductible applies to this **EXTENSION**.

### 12. RENTAL AUTOMOBILE AGREEMENT COVERAGE

- a. **We** will pay the following rental **automobile** expenses the **member** is contractually obligated to pay because of **loss** to a rental **automobile**, for which **loss** is payable under this **SECTION**, provided the rental **automobile** was rented for the conduct of **your operations** and the rental period as specified in the rental contract was for a period of no more than 31 consecutive days:
  - (1) Loss of income incurred by the lessor of that rental **automobile** during the period of time the **automobile** is out of use because of that **loss**;
  - (2) Decrease in trade-in value of the rental **vehicle** because of the **loss**; and
  - (3) Any related administrative expenses incurred by the rental agency as stated in the rental contract.
- b. No deductible applies to this **EXTENSION**.

### 13. ROADSIDE ASSISTANCE COVERAGE

- a. We will reimburse the **member**, subject to the limit designated in the **Declarations** in any one disablement, for the actual expense incurred by the **member** for towing and other roadside assistance when a **covered automobile** is disabled in the **Agreement Territory** and during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

### 14. TEMPORARY SUBSTITUTE AUTOMOBILE

- a. If coverage is provided under this **Agreement** for a **covered automobile**, and that **covered automobile** is out of service because of:
  - (1) Breakdown;

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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- (2) Repair;
- (3) Servicing; or
- (4) **Loss**;

The coverage applicable to that **covered automobile** will also apply to any temporary substitute **automobile you** do not own while used by **you** with the permission of its owner.

- b. **We** will pay the owner for **loss** to their **automobile**.

### D. EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

- 1. **Loss** that is due to and confined to:
  - a. Wear and tear, latent defect, and/or gradual deterioration;
  - b. Freezing, except as provided in **C. ADDITIONAL COVERAGE EXTENSIONS, 4. FREEZING OF EQUIPMENT COVERAGE** of this **SECTION**; or
  - c. Mechanical or electrical breakdown or failure, unless such **loss** is the result of other **loss** covered by this **Agreement**.
- 2. Tires, unless:
  - a. **Loss** is coincidental with and from the same cause as other **loss** covered by this **Agreement**; or
  - b. Damaged by fire, malicious mischief or vandalism, or **theft** and, as to the **covered automobile**, **loss** caused by such damage or **theft** is covered by this **Agreement**.
- 3. Under **B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE, 2. COLLISION COVERAGE** of this **SECTION**, to breakage of glass if coverage with respect to such breakage is otherwise afforded herein.

### E. DEDUCTIBLE

- 1. Unless noted to the contrary in this **Agreement**, each **loss** payable under this **SECTION** is subject to the applicable Deductible set forth in the **Declarations**.
- 2. For a **loss** covered by this **SECTION**, **we** will pay the amount of **loss** that is in excess of the applicable deductible as specified on the Statement of Values on file with **us**. If more than one deductible is applicable under this **Agreement**, **we** will apply the largest applicable deductible.
- 3. However, if **loss** to a **covered automobile** is confined to windshield damage, no deductible will apply to repair of that damage or replacement of the windshield.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### F. VALUATION

Unless otherwise stated in this **SECTION**, *our* limit of coverage for *loss* is:

1. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Actual Cash Value** (ACV), *we* will pay the lesser of:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. **Actual cash value** of the damaged or stolen **covered automobile**.
2. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as Stated Amount (SA), *we* will pay the lesser of the:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. Amount as specified on the Statement of Values on file with *us* as applicable to that **covered automobile**.
3. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Replacement Cost** (RC),
  - a. *We* will pay the lesser of the:
    - (1) Cost to repair the damaged **covered automobile**;
    - (2) Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**; or
    - (3) Cost to replace the damaged or stolen **covered automobile** with new property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; and

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**AUTOMOBILE PHYSICAL DAMAGE**

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- b. **We** will not pay on a replacement cost basis until the **covered automobile** is actually replaced and such replacement is made as soon as possible after the **loss**. If **you** do not replace the **covered automobile**, **we** will not pay more than the **actual cash value**; and
- c. In the event **your** damaged **covered automobile**, other than a fire or ambulance vehicle, is deemed by **us** to be a total **loss**, was purchased new within two years of the date of **loss** and has less than 50,000 miles, **we** will pay up to 105% of the limit designated for the damaged **covered automobile** to replace it with one of comparable kind and quality, that is the same model year or the next model year if available.



## UNDERGROUND LINES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**B. PROPERTY EXCLUDED** is modified by deleting the following, but only as respects this coverage:

21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 33. UNDERGROUND FIBER OPTIC CABLE of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by adding:

UNDERGROUND LINES

This **EXTENSION** covers **loss** to **your** underground pipes, flues, drains, tanks, lines, wiring, fiber optic cable, tunnels, or passageways, which are within 1,000 feet of a **covered building or structure**.

This endorsement does not apply to the following sections:

**SECTION IV – TIME ELEMENT**

**SECTION V – EQUIPMENT BREAKDOWN**

**SECTION VI – CRIME**

**SECTION VII – AUTO PHYSICAL DAMAGE**

**SECTION VIII – EARTH MOVEMENT**

**SECTION IX - FLOOD**

All other terms and conditions remain unchanged.

## DEDUCTIBLE - EQUIPMENT BREAKDOWN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION V – EQUIPMENT BREAKDOWN, G. DEDUCTIBLES** is modified by the following:

Any Deductible Per Unit designated below shall apply to any loss to ***covered equipment*** described below, subject to the Minimum Deductible designated for such ***covered equipment***.

<u>Equipment</u>	<u>Deductible Per Unit</u>	<u>Minimum Deductible</u>
Water & Sewer	\$1,000	
All Other Covered Equipment	\$250	

All other terms and conditions remain unchanged.

## CYBER BREACH COVERAGE

This endorsement modifies the Governmental Property Agreement. It is understood and agreed that, unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement.

### I. COVERAGE

#### A. SECURITY AND PRIVACY COVERAGE

To pay on **your** behalf all sums which **you** shall become legally obligated to pay as **loss** resulting from any **claim**, alleging a **security failure** or **privacy event**, first made against **you** and reported to **us** during the **agreement period** for any **third party event** of **yours**, but only if such **third party event** first occurs on or after the **retroactive date**.

#### B. EVENT MANAGEMENT COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of an alleged **security failure** or **privacy event** that has actually occurred or is reasonably believed by **you** and **us** to have occurred, and is first discovered during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### C. NETWORK INTERRUPTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur after the **waiting hours period** of twelve (12) hours and solely as a result of a **security failure** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### D. CYBER EXTORTION COVERAGE

To pay on **your** behalf all **loss** which **you** incur solely as a result of a **security threat** or **privacy threat** first occurring during the **agreement period** and reported to **us** pursuant to the terms of this **Agreement**.

#### E. TELECOMMUNICATIONS FRAUD COVERAGE

To pay on **your** behalf all **loss** resulting directly from **telecommunications fraud**.

### II. DEFINITIONS

- A. **"Bodily Injury"** means physical injury, sickness or disease, and, if arising out of the foregoing, mental anguish, mental injury, shock, humiliation or death at any time.
- B. **"Claim"** means:
- (1) a written demand for money, services, non-monetary relief or injunctive relief;
  - (2) a written request for mediation or arbitration, or to toll or waive an applicable statute of limitations;
  - (3) a **Suit**; or
  - (4) a **Regulatory Action**.
- C. **"Client"** means any person, firm, company, corporation, organization, association or other entity to whom **you** provide goods or services for a fee pursuant to a legitimate written contract that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.

D. "**Computer System**" means any computer hardware, software or any components thereof that are linked together through a network of two or more devices accessible through the Internet, internal network or connected with data storage or other peripheral devices (including, without limitation, wireless and mobile devices), and are under ownership, operation or control of, or leased by, **you**.

Solely with respect to Coverages A(S&P) and B(EM), "**computer system**" also means "cloud computing" and other hosted resources operated by a third party service provider for the purpose of providing hosted computer resources to **you** as provided in a written contract between such third party and **you**.

E. "**Confidential Information**" means any of the following in **your** or an **information holder's** care, custody or control or for which **you** or the **information holder** is legally responsible:

- (1) information from which an individual may be uniquely and reliably identified or contacted, including, without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, account histories and passwords;
- (2) information concerning an individual that would be considered "nonpublic personal information" within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1338) (as amended) and its implementing regulations, or protected personal information under any similar federal, state, local or foreign law;
- (3) information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- (4) information used for authenticating customers for normal business transactions; or
- (5) any third party's trade secrets, data, designs, interpretations, forecasts, formulas, methods, practices, processes, records, reports or other item of information that is not available to the general public.

F. "**Continuity Date**" means the date(s) set forth in the Declarations.

G. "**Defense Costs**" means all reasonable and necessary fees charged by an attorney appointed by **us** (unless otherwise provided for by this **agreement**) in connection with any **suit** or **regulatory action** brought against **you**, as well as all other reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) incurred in the defense or investigation of a **claim** by **us** or by **you** with **our** written consent. **Defense costs** shall not include: (i) compensation of any **member**; or (ii) any fees, costs or expenses incurred prior to the time that a **claim** is first made against **you**.

H. "**Electronic Data**" means any software or data stored electronically on a **computer system**, including without limitation, **confidential information**.

I. "**Financial Institution**" means:

- (1) a banking, savings or thrift institution; or
- (2) a stockbroker, mutual fund, liquid assets fund or similar investment institution.

J. "**First Party Coverage**" means Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunications Fraud Coverage.

K. "**First Party Event**" means:

- (1) with respect to Event Management Coverage any **privacy event** or **security failure**;

- (2) with respect to Network Interruption Coverage any **security failure**; and
- (3) with respect to Cyber Extortion Coverage any **security threat** or **privacy threat**.

L. "**Information Holder**" means a third party that: (1) **you** have provided **confidential information** to; or (2) has received **confidential information** on **your** behalf.

M. "**Loss**" means:

**Solely with respect to Security and Privacy Coverage:**

compensatory damages, judgments, settlements, pre-judgment and post-judgment interest and **defense costs**, including without limitation:

- (1) punitive, exemplary and multiple damages where insurable by the applicable law which most favors coverage for such punitive, exemplary and multiple damages;
- (2) civil fines or penalties imposed by a governmental agency and arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
- (3) any monetary amounts **you** are required by law or have agreed by settlement to deposit into a consumer redress fund; and
- (4) amounts payable in connection with a **PCI-DSS Assessment**.

**Solely with respect to Event Management Coverage:**

the following reasonable and necessary expenses and costs **you** incur within one year of the **security failure** or **privacy event**:

- (1) to conduct an investigation (including a forensic investigation) to determine the cause of the **security failure** or **privacy event**;
- (2) for a public relations firm, crisis management firm or law firm agreed to by **us** to advise **you** on minimizing the harm to **you**, including, without limitation, maintaining and restoring public confidence in **you**;
- (3) to notify those whose **confidential information** is the subject of the **security failure** or **privacy event** and advise of any available remedy in connection with the **security failure** or **privacy event**, including, without limitation, those expenses and costs for printing, advertising and mailing of materials;
- (4) for identity theft education and assistance, identity theft call center services, credit file or identity monitoring and victim reimbursement insurance made available to those persons notified about a **security failure** or **privacy event** pursuant to subparagraph (3) above;
- (5) for any other services approved by **us** at **our** sole and absolute discretion;
- (6) to restore, recreate or recollect **electronic data**; or
- (7) to determine whether **electronic data** can or cannot be restored, recollected, or recreated.

Provided, however, with respect to Event Management Coverage, **loss** shall not include compensation, fees, benefits, or **your** overhead or internal charges.

**Solely with respect to Network Interruption Coverage:**

the below listed costs incurred from the beginning of a **material interruption** through the 120th day after the end of the **material interruption** (or 120 days after the **material interruption** would have ended if **you** exercised due diligence and dispatch):

- (1) costs that would not have been incurred but for a **material interruption**; and
- (2) the sum of all of following, which shall be calculated on an hourly basis:
  - (a) net income (net profit or loss before income taxes) that would have been earned; and

- (b) continuing normal operating expenses incurred, including payroll.

**Solely with respect to Cyber Extortion Coverage:**

- (1) monies paid by **you** with **our** prior written consent to terminate or end a **security threat** or **privacy threat** that would otherwise result in harm to **you**; and
- (2) the costs to conduct an investigation to determine the cause of a **security threat** or **privacy threat**.

**Solely with respect to Telecommunications Fraud Coverage:**

charges for voice telephone calls which were incurred solely due to and as a direct result of **telecommunications fraud**.

- N. "**Material interruption**" means the actual and measureable interruption or suspension of **your** business directly caused by a **security failure**.
- O. "**Money**" means currency, coins, bank notes and bullion, traveler's checks, registered checks and money orders held for sale to the public.
- P. "**PCI Data Security Standards**" means generally accepted and published Payment Card Industry standards for data security (commonly referred to as "**PCI-DSS**").
- Q. "**PCI-DSS Assessment**" means any written demand received by **you** from a Payment Card Association (e.g., MasterCard, Visa, American Express) or bank processing payment card transactions (i.e., an "Acquiring Bank") for a monetary assessment (including a contractual fine or penalty) in connection with **your** non-compliance with **PCI data security standards** which resulted in a **security failure** or **privacy event**.
- R. "**Privacy Event**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**■

- (1) any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise) including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation;
- (2) any failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**;
- (3) any unintentional failure of **you** to comply with those parts of **your** privacy agreement that (a) prohibit or restrict the disclosure or sale of **confidential information** by **you**, or (b) require **you** to allow an individual to access or correct **confidential information** about such individual; or
- (4) any violation of a federal, state, foreign or local privacy statute alleged in connection with a **claim** for a failure described in subparagraphs (1) or (2) above.

**Solely with respect to Event Management Coverage:**

any failure to protect **confidential information** (whether by "phishing," other social engineering technique or otherwise), including, without limitation, that which could result in an identity theft or other wrongful emulation of the identity of an individual or corporation.

- S. "**Privacy Threat**" means any threat or connected series of threats to unlawfully use or publicly

disclose **confidential information** misappropriated from **you** for the purpose of demanding money, securities or other tangible or intangible property of value from **you**.

- T. "**Property Damage**" means damage to, loss of use of or destruction of any tangible property. For purposes of this definition, "tangible property" shall not include **electronic data**.
- U. "**Regulatory Action**" means a request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental agency, including requests for information related thereto.
- V. "**Related Acts**" means all **first party events** and **third party events** which are the same, related or continuous and all **first party events** and **third party events** which arise from a common nucleus of facts. All **related acts** shall be considered to have occurred at the time the first such **related act** occurred.
- W. "**Retroactive Date**" means the date set forth in the Declarations for Security and Privacy Coverage.
- X. "**Securities**" means all negotiable and non-negotiable instruments or contracts representing either money or property and include revenue and other stamps in current use, tokens and tickets, but does not include **money**.
- Y. "**Security Breach Notice Law**" means any federal, state, local or foreign statute or regulation that requires an entity collecting or storing **confidential information**, or any entity that has provided **confidential information** to an **information holder**, to provide notice of any actual or potential unauthorized access by others to such **confidential information**, including, but not limited to, the statute known as California sb 1386 (§1798.82, *et. seq.* of the California civil code).
- Z. "**Security Failure**" means:

**Solely with respect to Security and Privacy Coverage:**

the following occurring on or after the **retroactive date** and prior to the end of the **agreement period**:

- (1) a failure or violation of the security of a **computer system** including, without limitation, that which results in or fails to mitigate any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code; or
- (2) failure to disclose an event referenced in subparagraph (1) above in violation of any **security breach notice law**.

"**Security Failure**" includes any such failure or violation, resulting from the theft of a password or access code from **your** premises, the **computer system**, or an officer, director or employee of **yours** by non-electronic means.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

a failure or violation of the security of a **computer system**, including, without limitation, that which results in, or fails to mitigate, any unauthorized access, unauthorized use, denial of service attack or receipt or transmission of a malicious code. **Security failure** includes any such failure or violation resulting from the theft of a password or access code from **your** premises, **your computer system**, or an officer or employee of **yours** by non-electronic means.

- AA. **"Security Threat"** means any threat or connected series of threats to commit an intentional attack against a **computer system** for the purpose of demanding **money, securities** or other tangible or intangible property of value from **you**.
- AB. **"Suit"** means a civil proceeding for monetary, non-monetary or injunctive relief that is commenced by service of a complaint or similar pleading. **Suit** shall also include a binding arbitration proceeding to which **you** must submit or submit with **our** consent.
- AC. **"Telecommunications Fraud"** means the fraudulent use or fraudulent manipulation of an account code or system password required to obtain access to a **telecommunications system** owned or leased by **you**, installed on **your** premises, whose system administration is performed and controlled by **you**, provided, however, that the unauthorized access was not made possible by either:
- (1) failure to incorporate a system password feature; or
  - (2) failure to have a call-disconnect feature in operation to automatically terminate a caller's access to the **telecommunications system** after unsuccessful attempts to input an account code.
- AD. **"Telecommunications System"** means a **computer system** installed in one location which functions as a private branch exchange (PBX), voicemail processor, automated call attendant or provides a similar capability used for the direction or routing of telephone calls in a voice communications network.
- AE. **"Third Party Event"** means a **privacy event** or **security failure**.
- AF. **"Third Party Coverage"** means Security and Privacy Coverage.
- AG. **"Vendor"** means any person, firm, company, corporation, organization, association or other entity that provides goods or services to **you** pursuant to a legitimate relationship that pre-exists the date of discovery of the **loss** that is the subject of **your claim**.
- AH. **"Waiting Hours Period"** means the number of hours that must elapse once a **material interruption** has begun for Network Interruption Coverage.

### III. EXCLUSIONS

This **agreement** shall not cover any **claim** made against **you** or any **loss**:

- A. alleging, arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by any:
- (1) past or present director, officer, trustee, general or managing partner or principal (or the equivalent positions) of **yours**, whether acting alone or in collusion with other persons; or
  - (2) past or present employee or independent contractor employed by **you** or an **information holder** if any person referenced in subparagraph (1) above knew or had reason to know prior to the act of, participated in, approved of or acquiesced to the dishonest, fraudulent, malicious, or criminal act committed by such employee or independent contractor that caused a direct **loss** to **you** or any other person;

provided, however, solely with respect to the Security and Privacy Coverage, **we** will defend **suits** that allege any of the foregoing conduct by such person, and that are not otherwise excluded, until there is a final, non-appealable judgment or adjudication as to such conduct in any action or proceeding other than an action or proceeding initiated by **us** to determine coverage under this **agreement**, at which time **you** shall reimburse **us** for **defense costs**.

- B. alleging, arising out of, based upon or attributable to any (1) presence of **pollutants**, (2) the



or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, or in any way respond to or assess the effects of **pollutants**.

C. alleging, arising out of, based upon or attributable to any **bodily injury** or **property damage**.

**Solely with respect to Security and Privacy Coverage**

D. alleging, arising out of, based upon or attributable to any infringement of patent, or any misappropriation of a trade secret by **you**.

E. alleging, arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused;
- (2) strikes or similar labor action, war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;
- (3) electrical or mechanical failures of infrastructure not under **your** control, including any electrical power interruption, surge, brownout or blackout; provided, however, this subparagraph (3) shall not apply to a **security failure** or a **privacy event** that is caused by such electrical or mechanical failure;
- (4) failure of telephone lines, data transmission lines or other telecommunications or networking infrastructure not under **your** control; provided, however, this subparagraph (4) shall not apply to a **security failure** or a **privacy event** that is caused by such failure of telephone lines, data transmission lines or other telecommunication or networking infrastructure; or
- (5) satellite failure.

F. alleging, arising out of, based upon or attributable to any:

- (1) purchase, sale, or offer or solicitation of an offer to purchase or sell **securities**;
- (2) violation of any **securities** law, including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; provided, however, this exclusion does not apply to a **claim** alleging a **privacy event** in violation of regulation s-p (17 c.f.r. § 248); provided further, however, this exclusion does not apply to a **claim** alleging a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**; or
- (3) violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act, or "RICO"), as amended, or any regulation promulgated thereunder or any federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law.

G. alleging, arising out of, based upon or attributable to **your** employment of any individual or any of **your** employment practices (including, without limitation, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related **claim**); provided, however, this exclusion shall not apply to any **claim** by an individual to the extent such individual is alleging (1) a **privacy event** in connection with such individual's employment or application for employment with **you**, or (2) a failure to disclose a **security failure** or **privacy event** in violation of any **security breach notice law**.

- H. alleging, arising out of, based upon or attributable to antitrust, unfair competition, restraint of trade, including, without limitation, violations of any local, state or federal law regulating such conduct, or that is brought by or on behalf of the Federal Trade Commission (“FTC”) or any other federal, state or local government agency, or foreign government agency; provided, however, solely with respect to unfair competition, this paragraph (H) shall not apply to any **loss** arising out of a covered **regulatory action**.
- I. brought by or on behalf of:
- (1) **you**;
  - (2) any business entity that is controlled, managed or operated, directly or indirectly, in whole or in part, by **you**; or
  - (3) any parent company, subsidiary, successor or assignee of **yours**, or any person or entity affiliated with **you** or such business entity through common management control.
- J. for any of the following:
- (1) the return of **your** fees or compensation;
  - (2) any profit or advantage to which **you** are not legally entitled;
  - (3) **your** expenses or charges, including employee compensation and benefits, overhead, over-charges or cost over-runs;
  - (4) **your** cost of providing, correcting, re-performing or completing any services;
  - (5) civil or criminal fines or penalties imposed by law against **you** and any matters deemed uninsurable under the law pursuant to which this agreement shall be construed; provided, however, this subparagraph (5) shall not apply to (a) any monetary amounts **you** are required by law or have agreed to by settlement to deposit into a consumer redress fund, or (b) any civil fine or penalty imposed by a governmental agency arising from a **regulatory action**, unless the civil fine or penalty imposed is uninsurable under the law of the jurisdiction imposing such fine or penalty;
  - (6) **your** costs and expenses of complying with any injunctive or other form of equitable relief;
  - (7) taxes incurred by **you**;
  - (8) the amounts for which **you** are not financially liable or which are without legal recourse to **you**, or
  - (9) amounts **you** agree to pay pursuant to a contract, including without limitation, liquidated damages, setoffs or penalties; provided, however, this exclusion shall not apply to any **PCI-DSS assessment**.
- K. alleging, arising out of, based upon or attributable to any obligation **you** have under contract; provided, however, this exclusion shall not apply to:
- (1) the obligation to prevent a **security failure** or a **privacy event**, including, without limitation, whether same is in violation of an implied or statutory standard of care;
  - (2) liability **you** would have in the absence of such contract or agreement;
  - (3) the obligation to comply with **PCI data security standards**; or
  - (4) a **privacy event** with respect to any liability or obligation under the confidentiality or non-disclosure provisions of any agreement;
- L. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, alleged or contained in any **claim** which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which this Security and Privacy Coverage is a renewal or replacement or which it may succeed in time.
- M. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event** occurring prior to the **retroactive date** or any **related acts** thereto, regardless of when such **related acts** occurs.
- N. alleging, arising out of, based upon or attributable to any **security failure** or **privacy event**

**related act** occurs), if, as of the **continuity date**, **you** knew or could have reasonably foreseen that such **security failure** or a **privacy event** did or would result in a **claim** against **you**.

O. alleging, arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** by order of any governmental or public authority.

P. for any of the following:

- (1) the theft of **money** or **securities** from **you**; or
- (2) the transfer or **loss** of **money** or **securities** from **your accounts** or **accounts** under **your** control, including customer **accounts**. For purposes of this paragraph P., the term "**accounts**" shall include, but are not limited to, deposit, credit, debit, prepaid and **securities** brokerage accounts.

**Solely with respect to Event Management Coverage, Network Interruption Coverage and Cyber Extortion Coverage:**

Q. arising out of, based upon or attributable to any war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events.

**Solely with respect to Event Management Coverage and Network Interruption Coverage:**

R. arising out of, based upon or attributable to any:

- (1) fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, act of God or any other physical event, however caused; or
- (2) satellite failure.

S. arising out of, based upon or attributable to any seizure, confiscation, nationalization, or destruction of a **computer system** or **electronic data** by order of any governmental or public authority.

T. arising out of, based upon or attributable to any **security failure** or **privacy event**, or any **related acts** thereto, which has been reported, or in any circumstances of which notice has been given, under any **agreement** of which Event Management Coverage or Network Interruption Coverage is a renewal or replacement or which it may succeed in time.

**Solely with respect to Event Management Coverage:**

U. arising out of, based upon or attributable to any misappropriation of **your** trade secret, any misappropriation of a trade secret by **you** or any employee of **yours** or any infringement of patent, copyright, trademark or trade dress.

V. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Network Interruption Coverage:**

W. arising out of, based upon or attributable to any misappropriation or theft of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

X. arising out of, based upon or attributable to: (1) any liability to third parties for whatever reason; (2) legal costs or legal expenses of any type; (3) updating, upgrading, enhancing, or replacing any **computer system** to a level beyond that which existed prior to sustaining **loss**; (4) unfavorable business conditions; or (5) the removal of software program errors or vulnerabilities.

**Solely with respect to Cyber Extortion Coverage:**

Y. arising out of, based upon or attributable to any misappropriation of **your** trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right.

Z. for any profit or advantage to which **you** are not legally entitled.

AA. arising out of, based upon or attributable to any amounts for: (i) the original creation of; (ii) diminution of value of; (iii) lost profits of; (iv) or loss of use of, a trade secret, patent, patent, copyright, trademark, trade dress or any other intellectual property.

**Solely with respect to Telecommunications Fraud Coverage:**

AB. **loss** resulting from any **telecommunications fraud** occurring prior to the applicable **retroactive date**;

AC. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by **you**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of **yours**, whether acting alone or in collusion with others;

AD. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **client**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of a **client**, whether acting alone or in collusion with others;

AE. **loss** resulting from theft or any other fraudulent, dishonest or criminal act by a **vendor**, or any partner, owner, trustee, governor, management committee members, members of the management board, director, employee or leased worker of the **vendor**, whether acting alone or in collusion with others;

AF. the costs of defending any legal proceeding brought against **you**, or the fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceeding;

AG. **loss** arising out of war, invasion, military action (whether war is declared or not), civil war, mutiny, popular or military uprising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against any of these events;

AH. **loss** resulting directly or indirectly from the actual or alleged use of credit, debit, charge, access, electronic benefit transfer, convenience, cash management or other cards;

AI. **loss** to the extent that such **loss** has been reversed or returned by a credit card company, **financial institution** or telecommunications provider;

AJ. **loss** arising out of accounting or arithmetical errors or omissions;

AK. **loss** of potential income, including interest and dividends, of **you**, a **client**, a **vendor** or any third party;

AL. any fines, penalties, consequential damages, punitive damages, expenses as a result of regularly scheduled recurring or routine regulatory examinations, or compliance activities or non-monetary relief, including, without limitation, injunctive relief, or other equitable

remedies of any type for which **you** are legally liable;

AM. **loss** resulting from **telecommunications fraud** which induces **you** to make any purchase or sale, whether legitimate or fraudulent;

AN. **loss** resulting from **telecommunications fraud** arising out of unintentional errors or omissions;

AO. **loss** of computer or telephone time or use due to **telecommunications fraud**;

AP. **loss** resulting from the loss of or damage to manuscripts, books of account or records maintained in any format or medium;

AQ. **loss** resulting directly or indirectly from any authorized or unauthorized trading of **money**, **securities** or other tangible property whether or not in **your** name and whether or not in a genuine or fictitious account;

AR. any **indirect** or consequential result of any **telecommunications fraud**, including, but not limited to, damages of any type for which **you** are legally liable;

AS. **loss** as a result of a threat:

- (1) to do bodily harm to any person;
- (2) to do damage to **your** premises or property; or
- (3) to **computer systems** operations; or

AT. **loss** resulting directly or indirectly from the (i) theft, disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

- (1) confidential or non-public; or
- (2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, under any agreement, or any industry guideline or standard.

Notwithstanding the foregoing, however, this exclusion shall not apply to the extent that any **telecommunications fraud loss** results directly from the unauthorized use or disclosure of a password or other user credential information.

#### IV. GENERAL CONDITIONS

##### A. DEFENSE

- (a) **we** have the right and duty to defend a **suit** or **regulatory action** alleging a **security failure** or a **privacy event**, even if the **suit** or **regulatory action** is groundless, false or fraudulent;
- (b) **we** have the right to investigate any **claim**; and
- (c) **our** duty to defend ends if **you** refuse to consent to a settlement that **we** recommend pursuant to the settlement provision below and that the claimant will accept. As a consequence of **your** refusal, **our** liability shall not exceed the amount for which **you** could have settled such **claim** had **you** consented, plus **defense costs** incurred prior to the date of such refusal, plus 50% of **defense costs** incurred with **our** prior written consent after the date of such refusal.

##### B. SETTLEMENT

**We** have the right, with **your** written consent, to settle any **claim** if **we** believe that it is proper.

##### C. CYBER BREACH COVERAGE LIMIT

The Cyber Breach Limit set forth in the Declarations is **our** maximum liability for all **loss** under Security and Privacy Coverage, Event Management Coverage, Network Interruption Coverage, Cyber Extortion Coverage, and Telecommunication Fraud Coverage combined, and **we** shall not be responsible to pay any such **loss** upon exhaustion of the Cyber Breach Limit.

If a sublimit of liability is stated in the Declarations, then such sublimit of liability shall be **our** maximum liability for all **loss** with respect to such coverage and **we** shall not be responsible to pay any **loss** under such coverage upon exhaustion of such sublimit of liability. Any sublimit of liability described above shall be part of and not in addition to the Cyber Breach Limit and shall in no way serve to increase the Cyber Breach Limit.

Solely with respect to Telecommunications Fraud Coverage, coverage will be in excess of any other valid and collectible crime insurance or indemnity available to **you**.

Solely with respect to Security and Privacy Coverage, a **claim** which is made subsequent to the **agreement period**, but no later than thirty (30) days thereafter, which is considered to be made during the **agreement period**, shall also be subject to the Cyber Breach Limit and any applicable sublimit of liability described above.

#### D. NOTICE

- (a) **You** shall, as a condition precedent to **our** obligations under this Cyber Breach Coverage, give written notice to **us** of any **claim** made against **you** or a **first party event** as soon as practicable.

If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

#### E. NET PROFIT CALCULATIONS

In determining the amount of net profit (or net loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **loss** (and otherwise) under Network Interruption Coverage, due consideration shall be given to the prior experience of **your** business before the beginning of the **security failure** and to the probable business **you** could have performed had no **security failure** occurred. Provided, however, that such net profit (or net loss) calculations shall not include, and this endorsement shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of **security failures** on other businesses. All such net profit (or net loss) and charges and expenses shall be calculated on an hourly basis and based on **your** actual net profit (or net loss) and charges and expenses.

#### F. APPRAISAL

If **you** and **we** disagree on the amount of **loss**, either may make a written demand for an appraisal of such **loss**. If such demand is made, each party will select a competent and impartial appraiser. The appraisers will then jointly select an umpire. If the appraisers cannot agree on an umpire, they may request that selection be made by a judge of a court having jurisdiction. Each appraiser will separately state the amount of **loss**. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two of these three will be binding.

**You** and **we** will:

- (1) pay **our** respective chosen appraiser; and

(2) bear the expenses of the umpire equally.

Any appraisal of **loss** shall be calculated in accordance with all terms, conditions and exclusions of this Cyber Breach Coverage.

#### **G. WORLDWIDE TERRITORY**

Where legally permissible, this endorsement shall apply to **first party events** and **third party events** occurring, **claims** made or **losses** suffered anywhere in the world.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

# TERRORISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION 1 – GENERAL PROVISIONS** is modified by amending the following, but only as respects this coverage:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

3. TERRORISM

- a. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, unless agreed to by the **Pool** in writing prior to such action being taken.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

39. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage** and is primary over any other coverage provided by the Governmental Property Agreement.
- b. The following Additional Definitions apply only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.



**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss that would otherwise be covered by this **Agreement** arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss or damage to power transmission, feeder lines or pipelines not on **your** premises.
- (14) Watercraft.

(15)Plants and living things, of all types.

- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by adding the following, but only as respects this coverage:

**A. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS**

15. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional Definition applies only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss (which would otherwise be covered by this **Agreement**) arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.

- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
  - (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
  - (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
  - (10) Loss or increased cost as a result of threat or hoax.
  - (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
  - (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

All other terms and conditions remain unchanged.

## UNSCHEDULED PROPERTY IN THE OPEN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

### D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS

#### 40. UNSCHEDULED PROPERTY IN THE OPEN

a. This **EXTENSION** covers **loss** to ***your Unscheduled Property in the Open***.

b. The following Additional Definition applies only to this **EXTENSION**:

***Unscheduled Property in the Open*** means property of the following types that are not included on the Statement of Values on file with **us**:

- (1) Fences;
- (2) Flagpoles;
- (3) Traffic control devices;
- (4) Sirens;
- (5) Gates;
- (6) Radio or television antennas;
- (7) Traffic or road signs;
- (8) Docks; and
- (9) Free-standing lights, light poles and street lights.

c. For ***your Unscheduled Property in the Open***, **we** will pay the lesser of:

- (1) The cost to repair ***your Unscheduled Property in the Open***; or
- (2) The amount **you** actually spend that is necessary to repair or replace ***your Unscheduled Property in the Open***.

d. For ***your Unscheduled Property in the Open***, the most **we** will pay in any one **Agreement Period** to repair or replace ***your Unscheduled Property in the Open*** is \$100,000, in the aggregate.

e. This **EXTENSION** shall be effective as of January 1, 2021 at 12:01 A.M.

All other terms and conditions remain unchanged.

## EARTH MOVEMENT

This endorsement modifies the Governmental Property Agreement.

**SECTION I – GENERAL PROVISIONS** is modified by amending the following:

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

18. **Earth Movement** means **earthquakes**; landslides; **volcanic eruption**; subsidence, including **mine subsidence**; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**C. CAUSE OF LOSS EXCLUDED**

6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - g. Earth sinking, rising or shifting.
  - h. Mudslides or mudflows.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- c. The following Additional Exclusions apply to this **EXTENSION**:

- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

- c. The following Additional Exclusion applies to this **EXTENSION**:

- This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

**SECTION V – EQUIPMENT BREAKDOWN** is modified by adding the following:

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

10. Earth sinking or rising or shifting.
11. Mudslides or mudflows.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by amending the following:

**B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, earth sinking or rising or shifting, mudslides, mudflows, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

**SECTION IX – FLOOD** is modified by amending the following:

**A. CAUSE OF LOSS**

2. **We** will not pay for **loss** caused directly or indirectly by, or resulting from, any of the following:

- f. Fire, explosion, **sinkhole collapse**, destabilization or movement of **land** resulting from the accumulation of water in subsurface land areas, gradual erosion, earth sinking or rising or shifting, or any **earth movement** except such mudflows, mudslides or erosion as are covered under the peril of **flood**.

All other terms and conditions remain unchanged.

## GENERAL ENDORSEMENT - BRIDGES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### C. CAUSE OF LOSS EXCLUDED

This **SECTION** excludes coverage for

1. All causes of **loss** to bridges, except if caused by the following Named Perils only: fire, lightning, windstorm, hail, collision, theft, vandalism, or malicious mischief.
2. **Blanket Limit** shall not apply to bridges.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### F. VALUATION

3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,

- a. **We** will pay the lesser of the:
  - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
  - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
- b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
- c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
- d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.

All other terms and conditions remain unchanged.

## ELECTRONIC VANDALISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

### SECTION I GENERAL PROVISIONS

The following is added to **A. DEFINITIONS** (except as modified by another SECTION of this Agreement):

**57. Electronic Vandalism** means:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems, or
- b. Unauthorized computer code or programming that:
  - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced; or
  - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
  - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

**SECTION III PROPERTY DAMAGE, C. CAUSE OF LOSS EXCLUDED**, is modified by adding the following, but only as respects this coverage:

#### 12. ELECTRONIC VANDALISM

**Loss**, costs and expenses caused by or resulting from **electronic vandalism**, except as provided by **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS, 12. ELECTRONIC VANDALISM** of **SECTION III PROPERTY DAMAGE** of this **Agreement**.

**SECTION III PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by deleting the following, but only as respects this coverage:

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
- b. **Your loss** resulting from the necessary interruption of **your operations**;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.



**SECTION III – PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by adding the following, but only as respects this coverage:

6. ELECTRONIC VANDALISM

- a. This **EXTENSION** covers loss or damage caused directly or indirectly by ***electronic vandalism*** regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

All other terms and conditions remain unchanged.



**Pennsylvania Intergovernmental Risk Management  
Association**  
(A Local Government Risk Pool)

**GOVERNMENTAL PROPERTY AGREEMENT  
COVERAGE DECLARATIONS**

This Agreement is issued under and pursuant to the terms, conditions, covenants, Property Addendum dated 09/08/2014 and stipulations of the Intergovernmental Contract dated 09/16/2021 between the Member stated herein and Pennsylvania Intergovernmental Risk Management Association, (hereinafter, the Pool). All terms and conditions of said contract are incorporated herein by reference. In the event that any provision of this Agreement is in conflict with or is inconsistent with the Intergovernmental Contract or any appendix or attachment thereto, the terms and conditions of such Intergovernmental Contract, appendix or attachment shall prevail and take precedence.

GIVE WRITTEN NOTICE OF ANY LOSS HEREUNDER TO

H.A. Thomson Company  
961 Pottstown Pike  
Chester Springs, PA 19425

NAMED MEMBER: Catharine Township, Blair County

MEMBER NUMBER: 0544

MAILING ADDRESS: 1229 Recreation Drive  
Williamsburg, PA 16693

AGREEMENT PERIOD: Commencing at 12:01 A.M. on the effective date indicated below until canceled or replaced.

EFFECTIVE DATE: 02/22/2023

FORMS ATTACHED:	Form Number	Description	Revision Date
	GPA 0600 (01-19)	Property Schedule of Benefits (01-19)	01/2019
	GPA 0601	Section 1	01/2019
	GPA 0601	Section 2	01/2019
	GPA 0601	Section 3	01/2019
	GPA 0601	Section 4	01/2019
	GPA 0601	Section 5	01/2019
	GPA 0601	Section 6	01/2019
	GPA 0601	Section 7	01/2019
	GPA 0625	Underground Lines	01/2019
	GPA 0626	Schedule of Covered Vehicles	
	GPA 0626 MP	Statement of Additional Property	
	GPA 0644	Boiler & Machinery Deductibles Endorsement	01/2019
	GPA 0780	Terrorism	01/2019
	GPA 0781	Unscheduled Property in the Open	01/2021
	GPA 0785	Earth Movement	01/2021
	GPA 0786	General Endorsement Bridges	01/2021
	GPA 0787	Electronic Vandalism	01/2022

*Kelly Hammond*

Countersigned: 02/23/2023

By: \_\_\_\_\_



# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2023

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION III – PROPERTY DAMAGE</b>		
Buildings*	\$307,927	\$250
Personal Property*	\$3,000	\$250
Accounts Receivable	\$250,000	
Animals	\$25,000	
Appearance Allowance	\$25,000	
Arson or Theft Reward	\$10,000	
Athletic Surfaces	\$50,000	
Building or Addition Under Construction	\$1,000,000	\$250
Building or Addition Under Construction - Frame Construction Type	Excluded	
Debris Removal	\$250,000	
Decontamination Costs	\$25,000	
Electronic Vandalism	\$250,000	
Equipment Rental Reimbursement	\$250,000	
Errors or Omissions	\$500,000	
Expediting Expenses	\$250,000	
Fine Arts - Unscheduled	\$25,000	
Fire Department Service Charge	Actual Cost	
Fire Extinguishing Systems	Actual Cost	
Fire Hydrants (Unscheduled)	\$10,000	
Golf Course Sand Traps, Tee and Greens	\$10,000/\$250,000	
Green Coverage	\$100,000	
Guide Rails	\$10,000	
Land and Water Cleanup Expense	\$10,000	
Locks and Keys	\$25,000	
Money and Securities	\$25,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2023

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
New Generation	\$10,000	
Newly Constructed or Acquired Property	\$2,000,000	\$250
Off-Premises Service Interruption Property Damage	\$25,000	
Off-Premises Storage - Property Under Construction	\$10,000	
Ordinance or Law	\$500,000	
Outdoor Signs	\$10,000	
Outdoor Trees and Shrubs	\$10,000/\$250,000	
Parking Meters and Charging Stations	\$5,000	
Personal Prop Not at a Covered Location	\$50,000	
Personal Property at Newly Acquired or Leased Locations	\$1,000,000	\$0
Personal Property of Others	\$250,000	\$250
Pollution Cleanup Expense	\$100,000	
Professional Fees	\$5,000	
Property Removed from a Covered Location	\$250,000	
Protection and Preservation of Property	\$250,000	
Terrorism	See GPA 0780	\$0
Transit Coverage	\$100,000	
Underground Fiber Optic Cable	\$10,000	
Underground Lines	\$1,000,000	
Unscheduled Misc Property	\$10,000	
Unscheduled Playground Equipment	\$25,000	
Unscheduled Property in the Open	\$100,000	\$250
Valuable Papers and Records	\$250,000	
Water and Sewer Backup	\$100,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2023

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION IV - TIME ELEMENT</b>		
Civil Authority	Maximum 30 days	
Civil Authority	\$25,000	
Computer Systems and Non-physical Damage	\$10,000	
Contingent Tax Revenue Interruption	\$25,000	
Contingent Time Element	\$10,000	
Earnings During Protection/Preservation	\$25,000	
Expenses to Reduce Loss	\$25,000	
Extended Earnings, Extra Expense and Cost	\$50,000	
Extended Gross Earnings, Extra Expense and Cost	Maximum 180 days	
Extended Period of Coverage	\$25,000	
Extra Expense and Cost	\$250,000	
Gross Earnings	\$250,000	
Leasehold Interest	\$10,000	
Rental Coverage	\$10,000	
Soft Costs	\$5,000	
Storm Debris Removal	\$5,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2023

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
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#### SECTION V - EQUIPMENT BREAKDOWN

Total Limit per one Breakdown*	\$265,788	See GPA 0644
Power Generating Equipment	Excluded	
Civil Authority	\$25,000	
Data or Media	\$250,000	
Defense	Unlimited	
Dependent Properties	\$25,000	
Earnings	\$100,000	
Electrical Surge and Electrical Disturbance	\$100,000	
Error in Description	\$500,000	
Expediting Expenses	\$250,000	
Extended Earnings and Extra Expense	\$100,000	
Extra Expense	\$100,000	
Green Alternatives	\$100,000	
Hazardous Substance	\$100,000	
New Generation	\$10,000	
Newly Acquired Locations	\$2,000,000	
Off Premises Equipment	\$50,000	
Ordinance or Law	\$500,000	
Refrigerant Contamination	\$100,000	
Service Interruption	\$100,000	
Spoilage	Included with Refrigerant Contamination	
Water Damage	\$100,000	

#### SECTION VI – CRIME

Crime	\$10,000	
Computer Fraud and Funds Transfer	\$10,000	
Employee Theft - Per Employee	\$10,000	
Employee Theft - Per Loss	\$10,000	
Forgery or Alteration	\$10,000	
Inside Premises - Robbery or Safe Burglary	\$10,000	
Money Orders and Counterfeit Money	\$10,000	
Outside Premises	\$10,000	
Theft, Disappearance, Destruction of Money	\$10,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2023

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION VII - AUTOMOBILE PHYSICAL DAMAGE</b>		
Airbags	\$5,000	
Commandeered Property	\$250,000	
Emergency Response Automobile	\$25,000	
Freezing of Equipment Coverage	\$25,000	
Hired Automobile Physical Damage	\$50,000	
Lease Gap	\$25,000	
Not At Fault Collision Deductible Waiver	\$2,500	
Personal Automobile (Deductible)	Actual Cost	
Property in an Unattended Auto	\$1,000	
Recertification	Actual Cost	
Rental Automobile Agreement	\$10,000	
Rental Reimbursement Aggregate	\$100,000	
Rental Reimbursement Per Day	\$1,000	
Roadside Assistance	\$5,000	
Temporary Substitute Automobile	\$2,500	
Terrorism	See GPA 0780	





## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2023

Printed on: 03/07/2023

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
1 - 1 1229 Recreation Drive Williamsburg, PA 16693 Concrete Block Garage/Storage/Municipal Building/Addition	3300	0		1996		2	5	Y	N	N	Y

	Value	Valuation	Deductible
Building	\$280,226	RC	\$250
Personal Property	\$3,000		\$250
<b>Total Location TIV</b>	<b>\$283,226</b>		

1 - 2 1229 Recreation Drive Williamsburg, PA 16693 Frame Salt Shed (24' x 24' x 16')	576	0		1998		1	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$24,129	RC	\$250
<b>Total Location TIV</b>	<b>\$24,129</b>		

1 - 3 1229 Recreation Drive Williamsburg, PA 16693 Two (2) Plastic Brine Tanks w/pumps	0	0				3	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$3,572	RC	\$250
<b>Total Location TIV</b>	<b>\$3,572</b>		

Total Blanket TIV	\$310,927
Building	\$307,927
Personal Property	\$3,000
EDP - Hardware	\$2,000
Miscellaneous Property Scheduled	\$82,000
Miscellaneous Property Unscheduled	\$259,000
<b>Total TIV</b>	<b>\$653,927</b>



## Schedule of Covered Vehicles

**Catharine Township, Blair  
County**

**Effective Date:** 02/22/2023

**Printed on:** 03/07/2023

#	Year	Make	Model	VIN	Type	Value	Valuation Comp	Ded	Coll	Ded
1	2011	Ford	F550 w/plow, spreader & radio	1FDUF5H T3BEA07 036	Dump Trucks	\$63,632	ACV Y	\$100	Y	\$250
2	2005	International	7400 w/plow & spreader	1HTWDA ZR25J136 074	Dump Trucks	\$5,000	ACV Y	\$100	Y	\$250
3	1994	Miscellaneous	Eager Beaver Trailer	112HTN3 0XRL0428 55	Trailers	\$3,050	ACV Y	\$100	Y	\$250
4	2016	Miscellaneous	Sure-Trac Trailer	5JW2D10 2XG4143 183	Trailers	\$4,095	ACV Y	\$100	Y	\$250
5	2004	Ford	F550 w/plow & spreader	1FDAF57 P24ED65 027	Dump Trucks	\$21,650	ACV Y	\$100	Y	\$250

Total Location Vehicle Value: \$97,427

**Total ACV Value:** \$97,427      **Total RC Value:** 0      **Total SA Value:** 0      **Grand Total Vehicle Value:** \$97,427



## Additional Property Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2023

Printed on: 03/07/2023

### Location Information N/A

Line	Classification	Description	Serial No	Coverage Limit	Valuation	Deductible
1	Miscellaneous Property Scheduled	1984 Paver	ETNYREFCR00	\$2,500	ACV	\$250
2	Miscellaneous Property Scheduled	Leaf Blower		\$7,000	ACV	\$250
3	Miscellaneous Property Unscheduled	Leased & Rented Equipment		\$250,000	ACV	\$250
4	Miscellaneous Property Unscheduled	Miscellaneous Tools & Equipment; no one item over \$1,000		\$9,000	ACV	\$250
5	Miscellaneous Property Scheduled	Motor Grader		\$3,000	ACV	\$250
6	EDP - Hardware	Unscheduled Hardware & Software		\$2,000	RC	\$250
7	Miscellaneous Property Scheduled	Rhino Boom Mower w/flailhead SV15-2071R-04		\$14,500	ACV	\$250
8	Miscellaneous Property Scheduled	2005 John Deere Loader/Tractor w/bucket, broom & attachment	LV5325P133208	\$55,000	ACV	\$250

Total EDP - Hardware	\$2,000
Total Miscellaneous Property Scheduled	\$82,000
Total Miscellaneous Property Unscheduled	\$259,000
<b>Total Location Additional Property Scheduled Value</b>	<b>\$343,000</b>

Grand Total EDP - Hardware	\$2,000
Grand Total Miscellaneous Property Scheduled	\$82,000
Grand Total Miscellaneous Property Unscheduled	\$259,000
<b>Grand Total Additional Property Scheduled Value</b>	<b>\$343,000</b>

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## SECTION I GENERAL PROVISIONS

This **Governmental Property Agreement** is issued pursuant to and in accordance with the Intergovernmental Agreement and is subject to the terms, conditions, covenants and stipulations set forth herein and as specified on the **Declarations** or in any endorsement hereto. In the event that any provision of this **Agreement** is in conflict with, or is incompatible with, the Intergovernmental Agreement or any appendix or attachment thereto, the terms and conditions of the Intergovernmental Agreement, appendix or attachment thereto shall take precedence.

All **SECTIONS** included in this **Agreement** are subject to **SECTION I GENERAL PROVISIONS** of this **Agreement**, except for any modifications included in such other **SECTIONS** of this **Agreement**.

Various provisions in this **Agreement** restrict coverage. Read the entire **Agreement** carefully to determine rights, duties and what benefits are and are not provided.

Throughout this **Agreement**, words and phrases that appear in **bold italics** have special meaning. **You** and **your** refer to the Named Member as specified on the **Declarations**. **We**, **us** and **our** refer to the **Pool**.

Other words and phrases that appear in **bold italics** also have special meaning and are defined in **SECTION I GENERAL PROVISIONS** of this **Agreement** or in the other **SECTIONS** of this **Agreement**.

Coverage applies only to **losses** occurring during the **Agreement Period**. In return for the payment of the contribution and subject to all of the terms of this **Agreement** and the Intergovernmental Contract, the **Pool** agrees to provide coverage pursuant to those Coverage Agreements comprising this **Agreement**.

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

1. **Actual Cash Value** means:
  - a. For a **covered building or structure**, the cost to repair, rebuild or replace the lost or damaged property at the time and place of the **loss**, with property of like kind and quality, less allowance for physical deterioration, depreciation and depletion;
  - b. For a **covered automobile** or all other property, the market value of such **automobile** or property in a used condition at the time and place of the **loss**, if reasonably available in the used market. If not reasonably available in the used market, **actual cash value** means the market value of new, identical or nearly identical **automobile** or property, less allowance for physical deterioration, depreciation, depletion and obsolescence.
2. **Agreement** means this Governmental Property Agreement, including the **Declarations**, **SECTION I GENERAL PROVISIONS**, **SECTION II LOSS ADJUSTMENT AND SETTLEMENT**, **SECTION III PROPERTY DAMAGE**, **SECTION IV TIME ELEMENT**, **SECTION V EQUIPMENT BREAKDOWN**, **SECTION VI CRIME**, **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**, **SECTION VIII EARTH MOVEMENT**, **SECTION**

**IX FLOOD**, and any attached endorsements and any amendments to the Governmental Property Agreement.

3. **Agreement Period** means each period of one year following the effective date and time of this **Agreement** or, such lesser period if the time between the effective date and termination or cancellation of this **Agreement** is less than one year.
4. **Agreement Territory** means the United States of America, its territories, and Canada.
5. **Aircraft** means any machine designed to travel through the air, including but not limited to, airplanes, balloons, dirigibles or helicopters, but aircraft does not mean a **drone**.
6. **Authorized Volunteer** means an individual volunteer while performing a service for **you** at **your** request and at no expense. This term does not include individual volunteers performing services for or on behalf of independent volunteer fire companies, ambulance companies or other entities.
7. **Automobile**
  - a. **Automobile** means a land motor vehicle, motorcycle, motor truck, trailer or semi-trailer, or any similar means of transporting persons or property designed and licensed for travel on public roads, including any permanently attached machinery or apparatus, or equipment removed on a seasonable basis if attached thereto.
  - b. **Automobile** does not include **mobile equipment**.
8. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution in conducting its business.
9. **Blanket Limit** means a single limit of coverage that applies to one or more **covered locations**. The **Blanket Limit** is equal to the total values scheduled for all buildings and personal property on the Statement of Values that are indicated as being part of the **Blanket Limit** and such total is listed as the **Blanket Limit** on the Statement of Values.
10. **Contaminant** means anything that causes **contamination**.
11. **Contamination** means any condition of property due to the actual or suspected presence of any: foreign substance, impurity, **pollutant**, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, **fungi**, mold or mildew.
12. **Covered Automobile** means: an **automobile** specified on the Statement of Values on file with **us** which is owned, leased, or borrowed by **you**, and which **you** acquire, lease, rent, or borrow during the **Agreement Period**, subsequent to the completion of the most recent Statement of Values on file with **us**.
13. **Covered Building or Structure** means a building or structure, described on the Statement of Values on file with **us**, located on a **covered location** and used for the conduct of **your operations**.

14. **Covered Location** means a location specified on the Statement of Values on file with **us** or a location subsequently reported.
15. **Data** means all information stored on media devices including facts, concepts, statistics, texts, sounds, graphics, images, quantities, characters, symbols or computer programs converted to a form usable in a data processing operation.
16. **Declarations** means the Declarations of Coverage attached to and incorporated into the **Agreement**, setting forth the specific indication of the coverages, limits, sublimits, deductibles, contributions, special provisions elected by the **Member**, corresponding schedules and any modifications made by issuance of amendatory Declarations of Coverage.
17. **Drone** means a remote controlled and unmanned aerial vehicle (UAV).
18. **Earth Movement** means **earthquakes**; landslides; mudslides; mudflows; **volcanic eruption**; subsidence, including **mine subsidence**; or earth sinking, rising or shifting; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural and manmade causes, and includes aftershocks therefrom.
20. **Electronic Data Processing Equipment Or Media** means any computer, computer system or component, **hardware**, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, **data** or programs, whether the property of the **member** or not.
21. **Employee**
  - a. **Employee** means any individual while in **your** service and in the conduct of **your operations**, whose labor or service is engaged by **you** in your capacity as an employer, subject to Pennsylvania worker's compensation laws, whom **you** compensate by salary, wages or commissions, and have the right to govern and direct in the performance of such service.
  - b. **Employee** does not mean any broker, commission merchant, consignee contractor, retained professional, independent contractor or other representative of the same general character.
22. **Fine Arts** means paintings, drawings, etchings, prints, pictures, tapestries, art glass windows, valuable rugs and tapestries, statuary, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, potteries, rare or art glass, bric-a-brac and similar property of rarity, historical or cultural value, or artistic merit.
23. **Flood** means surface waters; rising waters; storm surge; sea surge; wave wash; waves; tsunami; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of water from natural or man-made bodies of water, or the spray therefrom, all irrespective of whether driven by wind; mudslide or mudflow resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made,



contributing concurrently or in any other sequence of **loss**. **Loss** from **flood** associated with a storm or weather disturbance, whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of the **Agreement**. However, **loss** by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be **loss** by **flood** within the terms and conditions of this **Agreement**.

24. **Functional Replacement Cost** means the cost to repair or replace a building, or the portion of the building being used by **you** for **your** operations, with commonly used construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
25. **Fungi** means any type or form of fungus, including mold, mildew, and any mycotoxin spores, scents or by-products produced or released by **fungi**.
26. **Green** means products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
27. **Green Authority** means an authority on **green** buildings, products, materials, methods or processes, including the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certifications, Green Building Initiative's Green Globes Certification, U.S. Department of Energy/Environmental Protection Agencies' Energy Star Rating System or any other recognized **green** rating system.
28. **Hardware** means a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.
29. **High Hazard Flood Zones** means Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA), including, but not limited to, Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.
30. **Improvements and Betterments** means the fixtures, alterations, installations or additions made a part of the building or structure **you** occupy, but do not own, and that **you** acquired or made at **your** expense, but cannot legally remove.
31. **Land** means any solid portion of the earth except for structures reported on the Statement of Values on file with **us**, such as dikes, levees, retaining walls and other containment structures.
32. **Loss** means direct loss or damage to **you** of **COVERED PROPERTY** occurring during the **Agreement Period**.
33. **Member** means **you** and, while actively engaged in activities on **your** behalf or in **your** interest, any:
  - a. Member of **your** governing body;
  - b. Member of **your** Boards, Commissions, or Councils;

- c. Elected or appointed officers;
- d. **Employees** acting within the scope of their employment; or
- e. **Authorized volunteers**.

34. **Mine Subsidence** means **loss** caused by lateral or vertical ground movement, resulting from the collapse of man-made underground mines, including but not limited to, coal, clay, limestone or fluorspar mines. However, **mine subsidence** does not mean lateral or vertical ground movement caused by:

- a. **Earthquake** or landslide;
- b. Soil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs;
- c. Collapse of storm sewer drains or rapid transit tunnels; or
- d. **Sinkhole Collapse**.

35. **Mobile Equipment**

a. **Mobile equipment** is considered personal property and 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 and not licensed for highway use;
- (3) Vehicles that travel on crawler treads;
- (4) Vehicles, irrespective of whether self-propelled, maintained primarily to provide mobility to:
  - (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 a.(1), a.(2), a.(3) or a.(4) of this definition of **Mobile Equipment** 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 or similar devices used to raise or lower workers;

(6) Vehicles not described in a.(5)(a) or a.(5)(b) of this definition of **Mobile Equipment** that are maintained primarily for purposes other than the transportation of persons or cargo; and

(7) **Drones**.

b. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment**, but will be considered **automobiles**:

(1) Equipment designed primarily for:

(a) Snow removal; or

(b) Street cleaning;

(2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

36. **Money**

a. **Money** means currency, coins, and bank notes in current use and having a face value.

b. **Money** does not mean bitcoin or any other form of cryptocurrency or unregulated **securities** processed through blockchain technologies.

37. **Nuclear Hazard** means nuclear reaction, radiation or radioactive **contamination**, however caused.

38. **Occurrence** means the sum total of all loss, arising out of or caused by one event:

a. Occurring during the **Agreement Period**; or

b. Commencing during the **Agreement Period**, as respects the following:

(1) **Earth Movement: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Earth Movement** during a continuous period of up to one hundred sixty-eight (168) hours.

(2) **Flood: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Flood** within a period of continued rising or overflow and subsidence of same.

(3) **Terrorism: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

(4) **Wind: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Wind** during a continuous period of seventy-two (72) hours.

39. **Operations** means **your** customary activities for which you have been legally or statutorily authorized to undertake.
40. **Period of Restoration**:
- a. Means the period of time that begins on the date the **loss** occurs and ends the earlier of when **your operations** are resumed at a new permanent location or the date the damaged property should, with reasonable speed, be repaired, rebuilt or replaced. The expiration date of this **Agreement** will not lessen the **period of restoration**; and
  - b. Does not include any increased period attributable to the enforcement of an ordinance, law, order, rule or ruling that:
    - (1) Prohibits, regulates or restricts the alteration, construction, installation, operation, use or repair of any property;
    - (2) Requires the tearing down or demolition of any property; or
    - (3) Requires **you** 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**.
41. **Pollutant** means any solid, liquid, gaseous, fibrous, or thermal irritant or **contaminant**, including but not limited to, smoke, vapor, soot, fumes, particulates, acids, alkalis, chemicals, asbestos, **fungi**, lead, silica, waste and any unhealthful or hazardous building materials. Unhealthful or hazardous building materials include, but are not limited to, asbestos and lead products or materials containing lead. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
42. **Pool** means Pennsylvania Intergovernmental Risk Management Association.
43. **Rental Equipment** means equipment which is leased or rented under contract from others by the *member* or other covered party.
44. **Replacement Cost**
- a. **Replacement cost** means the lesser of the following:
    - (1) The cost to repair;
    - (2) The cost to rebuild or replace on the same site, with new materials of like kind and quality;
    - (3) On buildings or structures, machinery, fixtures, and equipment: the actual expenditure incurred in rebuilding, repairing, or replacing the damaged or destroyed property on the same or another site, but not to exceed the size, operating capacity and usage that existed at the time of **loss**; or
    - (4) On all other property, the amount actually expended to replace.

- b. Property not actually repaired or replaced shall be valued at **actual cash value**.
45. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property, and includes: bitcoins and similar instruments, tokens, tickets, revenue and stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**, but does not include **money**.
46. **Sinkhole Collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. **Sinkhole Collapse** does not include sinking or collapse of land into man-made underground cavities.
47. **Soft Costs** means the costs over and above those that are normal at a **covered location** undergoing renovation or in the course of construction, and limited to the following:
- a. Construction loan fees meaning the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing; accounting work necessary to restructure financing; legal work necessary to prepare new documents; and charges by lenders for the extension or renewal of any necessary loans;
  - b. Commitment fees, leasing and marketing expenses meaning the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s) and the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s);
  - c. Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction;
  - d. Property taxes, building permits, additional interest on loans, and realty taxes.
48. **Software** means facts, concepts or instructions converted to a form usable in **hardware**. This includes computer programs and the materials on which information is stored, including, but not limited to, disks, magnetic tapes, CD-ROMs and disc packs.
49. **Terrorism** means any act involving the use or threat of force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution; or any similar act; when the effect or apparent purpose is:
- a. To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
  - b. To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
50. **Theft** means any unlawful taking of property.
51. **Transmission and Distribution Systems** means **your** systems for the delivery of products or services, including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, **data**, internet, cable television, and video. Such systems

shall include pipes, mains, valves, poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

52. ***Vacant Building***

- a. ***Vacant Building*** means a building or structure that does not contain property to conduct ***your operations***. A building is deemed vacant when less than 10% of its total square footage is used by ***you*** to conduct ***your operations***.
- b. ***Vacant Building*** does not mean a building under construction or being remodeled.

53. ***Valuable Papers and Records***

- a. ***Valuable Papers and Records*** means inscribed, printed or written documents, manuscripts or records, including abstracts, accounts, bills, books, deeds, drawings, evidences of debt, films, maps, mortgages or notes.
- b. ***Valuable Papers and Records*** does not mean ***software***.

54. ***Volcanic Eruption*** means the eruption, explosion or effusion of a volcano.

55. ***War and Military Action*** means:

- a. Hostile or military action in time of peace or war, irrespective of whether declared, including action in inciting, supporting, participating in, hindering, combating, or defending against an actual, impending or expected attack by any:
  - (1) Government or sovereign power (*de jure* or *de facto*);
  - (2) Military, naval or air forces; or
  - (3) Agent or authority of any party specified in a.(1) or a.(2) of this definition of ***War and Military Action***.
- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

56. ***Wind***

- a. ***Wind*** means direct action of the natural movement of air, including substances driven by such movement of air.
- b. ***Wind*** does not mean or include anything defined as ***flood*** in this ***Agreement***.

**B. CONDITIONS**

## 1. AGREEMENT MODIFICATION

- a. **You** and the **Pool** may agree to changes to this **Agreement**. This **Agreement** can be changed only by written amendments issued by the **Pool** and made a part of this **Agreement**.
- b. Notice to any agent or knowledge possessed by any agent or by any other person will not:
  - (1) create a waiver, or change any part of this **Agreement**, or
  - (2) prevent the **Pool** from asserting any rights under the provisions of this **Agreement**.

## 2. ASSIGNMENT

Assignment of this **Agreement** or any coverage under this **Agreement** will not be valid except with the written consent of the **Pool**.

## 3. ASSISTANCE AND COOPERATION

The **member** agrees to cooperate with **us** and do nothing to impede **our** investigation of any **loss** or in pursuing subrogation recovery. The **member** also agrees to attend hearings and trials, cooperate with any counsel **we** assign to assist or defend it, assist **us** in effecting settlements, and in securing and giving evidence in any litigation, arbitration or other proceeding involving **us**.

## 4. BANKRUPTCY OR INSOLVENCY

**Your** bankruptcy, insolvency or financially distressed status shall not release **us** from **our** obligations under this **Agreement**.

## 5. COMPLIANCE

If any provision of this **Agreement** is determined by a court or regulatory body of competent jurisdiction to be prohibited, illegal or void by any law controlling its construction, validity, or enforcement, the provision shall be deemed to be modified or amended to comply with the minimum requirements of the law. The invalidity of any provision does not invalidate the remainder of this **Agreement**. If any coverage provided in this **Agreement** is determined to not comply with the required coverage of any applicable law, this **Agreement** is amended to provide the minimum coverage required by such law.

## 6. CONCEALMENT, MISREPRESENTATION AND FRAUD

The **Pool** has the right to declare this **Agreement** void:

- a. In case of fraud by the **member** in making application for, negotiating, or entering into this **Agreement**; or

- b. If the **member**, at any time, intentionally conceals or misrepresents a material fact concerning this **Agreement** or a claim under this **Agreement**.

#### 7. CONDITIONS SUSPENDING OR RESTRICTING COVERAGE

Unless otherwise agreed in writing by the **Pool** and added hereto, **we** shall not be liable for **loss** which occurs as a result, in whole or in part, of a hazard which is increased by any means within **your** control or knowledge; provided, however, that coverage under this **Agreement** shall not be prejudiced by any act or neglect of any person (other than a **member**), when such act or neglect is not within **your** control.

#### 8. CONTROL OF PROPERTY

The breach of any condition of this **Agreement** at any one or more **covered locations** will not affect coverage at any **covered location** where, at the time of **loss**, the breach of condition does not exist.

#### 9. COVERAGE UNDER TWO OR MORE COVERAGE PROVISIONS

If two or more coverage provisions apply to the same **loss**, **we** will settle the **loss** under the coverage provision providing the broadest coverage and highest applicable limit, but, in no circumstance, shall we settle the loss in excess of such limit.

#### 10. CURRENCY

All amounts, including contributions, limits of coverage, **loss**, and deductibles provided for in this **Agreement** shall be in the currency of the United States of America.

#### 11. DEDUCTIBLES

- a. In each cause of **loss** covered by this **Agreement**, **our** obligation to pay applies only if the **member** sustains a **loss**, in a single **occurrence** greater than the deductible shown in the **Declarations** or elsewhere within this **Agreement**.
- b. Unless stated otherwise, if two or more deductibles provided in this **Agreement** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable.

#### 12. EFFECTIVE DATE

Coverage under this **Agreement** is effective on the date and time as specified on the **Declarations**. To the extent coverage provided by this **Agreement** replaces coverage in other certificates, agreements or insurance policies terminating at any time on the inception date of this **Agreement**, coverage under this **Agreement** will become effective only after such time as that other coverage has terminated.

#### 13. INSPECTION OF PROPERTY AND RECORDS

**We** have the right, but not the obligation, to inspect **your** property and **operations** at any reasonable time, whether before or after a loss, and to examine and audit **your** books and records at any reasonable time during the **Agreement Period** and within 3 years



after the final termination of this **Agreement**, as long as such inspections relate to this **Agreement**.

#### 14. JURISDICTION; CHOICE OF FORUM

This **Agreement**, including its construction, validity and enforcement, will be governed by the laws of the State of Pennsylvania. Jurisdiction for any disputes arising out of this **Agreement** shall be vested in the exclusive jurisdiction of Pennsylvania

#### 15. LEGAL ACTION AGAINST US

No one may bring a legal action against **us** under this **Agreement** unless there has been full compliance with all of the terms of this **Agreement**.

#### 16. LIBERALIZATION

If **we** adopt any provision that would broaden the coverage provided by this **Agreement**, without additional contribution, within 45 days prior to or during the **Agreement Period**, the broadened coverage will immediately apply to this **Agreement**.

#### 17. LIMITS OF COVERAGE

**Our** maximum limit of coverage in a single **occurrence** will not exceed the amount as specified in the **Declarations** for any one **loss**, subject to the following provisions:

- a. Limits of coverage for an **occurrence** apply only to the total **loss** at all **covered locations** and for all coverages involved, subject to the following provisions:
  - (1) When a limit of liability applies in the aggregate during any **Agreement Period**, **our** maximum amount payable will not exceed such limit of coverage during any **Agreement Period**.
  - (2) When a limit of coverage applies to a **covered location** or other specified property, such limit of coverage will be the maximum amount payable for all **loss** at all **covered locations** arising from **loss** at such location or to such other specified property, unless **Blanket Limit** applies.
- b. Should an **occurrence** result in coverage payable under more than one **Agreement** issued to the **Member** by the **Pool**, the maximum amount payable in the aggregate under all such **Agreements** will be the applicable limit(s) of coverage indicated in the **Declarations**.

#### 18. OTHER COVERAGE

If there are any other certificates, agreements or insurance policies, other than this **Agreement**, which apply to a **loss**, **we** will pay only for the excess of the amount due from such certificates, agreements or insurance policies, irrespective of whether **you** can collect on it.

## 19. OUR PAYMENT OF LOSS

- a. **We** will pay for a loss covered by this **Agreement** within 30 days after receiving a sworn statement of loss, if the **member** has complied with all of the terms of this **Agreement**, and either **we** agree with **you** on the amount of loss or an appraisal award has been made.
- b. **We** will not pay **you** more than **your** financial interest in the **COVERED PROPERTY**. **We** may elect to defend the **member**, at **our** expense, against suits arising from claims of owners of property.

## 20. RECORDS

**You** must keep records of all **COVERED PROPERTY** under this **Agreement** so **we** can verify the amount of any **loss**.

## 21. RECOVERIES

- a. Any recoveries under this **Agreement**, whether made by **us** or **you**, shall be applied net of the expense of such recovery:
  - (1) First, to **you** in satisfaction of any deductible on a pro rata basis; and
  - (2) Second, to **us** in satisfaction of amounts paid in settlement of **your** claim.
- 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.

## 22. TITLES

The titles in this **Agreement** are only for reference. The titles do not in any way affect the provisions of this **Agreement**.

## 23. UNINSURABLE RISKS

**We** reserve the right to remove or limit coverage on specific property exposures which **we** deem uninsurable due to the high risk of loss associated with those property exposures.

## 24. WAIVER

No waiver of any provisions of this **Agreement** shall be valid and enforceable, or no permission shall be granted, except as expressed in writing by **us** and added hereto. No provision, stipulation, or forfeiture shall be deemed waived by any requirement or proceeding on **our** part relating to any appraisal or examination provided for in this **Agreement**.

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

## 1. NUCLEAR HAZARD

**Nuclear Hazard**, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by covered loss or damage. However:

- a. If fire or sprinkler leakage not otherwise excluded ensues, **we** shall be liable for loss or damage by such ensuing fire or sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive **contamination**; and
- b. This *Agreement* does cover loss or damage caused by sudden and accidental radioactive **contamination**, including resultant radiation damage, from material used or stored or from **your operations** or **your** premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel at the **covered location**.

## 2. POLLUTION

Pollution, meaning the discharge, dispersal, seepage, migration, release or escape of any **pollutant**.

## 3. TERRORISM

- a. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

4. WAR AND MILITARY ACTION

*War and Military Action.*

**SECTION II**  
**LOSS ADJUSTMENT AND SETTLEMENT**

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## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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**SECTION II LOSS ADJUSTMENT AND SETTLEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

### A. LOSS ADJUSTMENT/PAYABLE

Loss covered by this *Agreement*, if any, will be adjusted with and payable to **you** or to **your** designee. Additional parties will also be included in covered loss payment as their interests may appear when specifically named in an endorsement to this *Agreement*.

### B. DUTIES IN THE EVENT OF A LOSS

**You** or **your** authorized representative must do all of the following in the event of a loss:

1. Notify the police if a law may have been broken;
2. Notify **us** promptly of the loss or of an event that may give rise to a claim for loss;
3. Take all reasonable steps to protect the property from further loss. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of **your** expenses for emergency and temporary repairs for consideration in the settlement of the loss;
4. As soon as possible, give **us** a description of how, when and where the loss occurred;
5. At **our** request, give **us** complete inventories of the damaged property, including quantities, costs, values and amount of loss claimed;
6. Cooperate with **us** in the investigation of the claim;
7. As often as **we** may reasonably require **you** to:
  - a. Permit **us** to inspect the property which is the subject of the claimed loss and all that remains of any such property;
  - b. Submit to examination under oath by any person designated by **us** and sign the written transcript of such examinations;
  - c. Produce for examination at **our** request:
    - (1) All books of accounts, business records, bills, invoices and other vouchers; or
    - (2) Certified copies if originals are lost, and, if requested, make copies for **us**; and
  - d. Permit **us** to take samples of damaged property for inspection, testing and analysis;
8. Within 60 days after **our** request, send **us** a signed, sworn proof of loss containing the information **we** request to investigate the claim; and
9. Repair or replace the damaged property, as soon as reasonably possible, but not to exceed two years from the date of loss.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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### C. POOL OPTION

**We** have the option to take all or any part of the damaged property at the agreed or appraised value. **We** must give notice to **you** of **our** intention to do so within 60 days after **our** receipt of the proof of loss.

### D. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a covered loss in excess of any applicable deductible, **we** will advance mutually agreed upon partial payment(s) for such covered loss, subject to the **Agreement's** provisions. To obtain such partial payments, **you** must submit a signed and sworn proof of loss as described in this **Agreement**, with adequate supporting documentation.

### E. COLLECTION FROM OTHERS

**We** will not be liable for any loss to the extent **you** have collected for such loss from others.

### F. SUBROGATION

1. **You** are required to cooperate in any subrogation proceedings. **We** may require from **you** an assignment or other transfer of all rights of recovery against any party for loss to the extent of **our** payment.
2. **We** will not acquire any rights of recovery that **you** have expressly waived prior to a loss, nor will such waiver affect **your** rights under this **Agreement**.
3. **We** are entitled to priority of recovery to the extent payment has been made to **you** for such loss.

### G. ABANDONMENT

There may be no abandonment of any property to **us**.

### H. APPRAISAL

1. In the event that **you** and the **Pool** fail to agree on the scope or amount of loss within 180 days from a written offer being made by **us**, then, on the written demand of either party, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected. The designated appraisers shall then select a competent and disinterested umpire and failing to agree upon such umpire, then, on request by **you** or the **Pool**, such umpire shall be selected by a judge of a court of record in the jurisdiction in which the **COVERED PROPERTY** is located.
2. The appraisers shall, as soon as practicable, appraise the scope or amount of loss and, if failing to agree, shall submit their differences to the umpire. The decision of the umpire will be binding. Each party shall pay its chosen appraiser and related expenses, and share the expenses of the umpire equally.
3. A demand for appraisal shall not relieve **you** from **your** obligation to comply with the terms and conditions of this **Agreement**, including as provided in, **B. DUTIES IN THE EVENT OF A LOSS** of this **SECTION**.

## SECTION II LOSS ADJUSTMENT AND SETTLEMENT

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4. **We** will not be held to have waived any of **our** rights by any act relating to APPRAISAL.

### I. SUIT AGAINST THE POOL

1. No suit, action or proceeding for the recovery of any claim against the **Pool** will be sustained in any tribunal, including in a court of law or equity, unless:
  - a. **You** have fully complied with all the provisions of this **Agreement**, and
  - b. Legal action is started within two years after inception of the loss.
2. If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be commenced within the shortest limit of time permitted by such laws.

### J. SETTLEMENT OF CLAIMS

The amount of loss for which **we** may be liable will be paid within 30 days after:

1. Proof of loss as described in this **Agreement** is received by **us**; and
2. When a resolution of the amount of loss is made either by:
  - a. Written agreement between **you** and **us**; or
  - b. The receipt by **us** of a binding decision as provided in **H. APPRAISAL** of this **SECTION**.

### K. PROPERTY OF OTHERS

**We** may adjust a loss with the owners of lost or damaged property, if other than **you**. If **we** pay the owners of such property, 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 lost or damaged property.

### L. RECOVERED PROPERTY

If either **you** or **we** recover any **COVERED PROPERTY** after loss settlement, the party making such recovery must give the other party prompt notice of the recovery. At **your** option, such property will be returned to **you** if **you** return to **us** the amount **we** paid **you** for the property or **loss**. **We** will pay recovery expenses and the expense to repair such property subject to the applicable limit.

### M. RESTITUTION

To the extent that restitution is made to **you** for property or payments made by **us** under this **Agreement**, **you** shall remit the same to **us**, regardless of whether such restitution is made within or after the **Agreement Period**.



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**SECTION III PROPERTY DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

This **SECTION** covers property described herein against all risks of *loss*, except as excluded or amended.

#### A. COVERED PROPERTY

Subject to the Limits of Coverage as specified in the *Declarations* or the Statement of Values or other schedule on file with *us*, this **SECTION** addresses the following **COVERED PROPERTY**, unless otherwise excluded elsewhere in this *Agreement*, to the extent of the interest of the *member* in such **COVERED PROPERTY**:

1. REAL PROPERTY in which *you* have an insurable interest that:
  - a. Is included in the Statement of Values on file with *us*;
  - b. Is a newly acquired building reported to *us* within 120 days of acquisition;
  - c. Is a building or addition under construction that is reported to *us* within 120 days of start of construction; or
  - d. Consists of *improvements and betterments* in which *you* have an insurable interest.
2. PERSONAL PROPERTY on, at or within 1,000 feet of a *covered location* that is:
  - a. Personal property owned, leased, rented, or borrowed by *you*;
  - b. Materials, equipment, supplies and temporary structures which are used for making additions, alterations or repairs to buildings or structures that are **COVERED PROPERTY**;
  - c. Personal property of *your* officers and *employees*, while on *your* premises;
  - d. Personal property of others in *your* care, custody or control to the extent *you* are under obligation by contract to keep such personal property insured for *loss* covered by this **SECTION**;
  - e. Personal property of others that is in *your* care, custody or control, to the extent *you* are legally liable for covered *loss* to that personal property;
  - f. *Your* personal property that is temporarily at a location *you* do not own, lease or operate, up to the limit specified in the *Declarations* for Temporary Storage Location;
  - g. *Your* personal property at any location *you* newly acquire or lease, up to the limit specified in the *Declarations* for Personal Property at Newly Acquired or Leased Locations, but only until this *Agreement* is terminated, 120 days after *you* acquire or lease that location, or *you* report the values to *us*, whichever occurs first;

- h. **Your** personal property in the open or in an **automobile**; or
- i. Of contractors' and subcontractors' during construction to the extent of **your** legal liability for covered **loss** to such property.

### 3. ERRORS OR OMISSIONS

Any real or personal property, other than **fine arts**, **you** own or occupy and for which coverage would otherwise be available under this **SECTION**, up to the limit specified in the **Declarations** for Errors or Omissions:

- a. for the **member's** unintentional failure to include such owned property or property occupied by **you** on the Statement of Values on file with **us** for this **Agreement Period**;
- b. for which the description, location or valuation is incomplete on the Statement of Values on file with **us** solely because of the **member's** unintentional error or unintentional omission; or
- c. for the **member's** unintentional failure to report such owned property or property occupied by **you** if such property was built or acquired by **you** during this **Agreement Period**.

The unintentional error, omission or failure must be reported in writing and corrected when discovered and the appropriate contribution charged and paid.

### 4. FINE ARTS

**Fine arts** as described on a schedule on file with **us**.

**Fine Arts** shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

### 5. PROPERTY THAT MUST BE SCHEDULED

Irrespective of Section 3 above, Property and equipment of the following types must be included on the Statement of Values on file with **us**, on another schedule on file with **us**, or covered by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS** of this **SECTION**, to be covered:

Fences, gates, retaining walls, flag poles, radio or television antennas and their related wiring, masts or towers, windmills, wind turbines, free standing signs, swimming pools, bulkheads, pilings, piers, wharves or docks, fire hydrants, street lights, traffic lights and related equipment, traffic signs, bridges, tunnels, overpasses, playground equipment, artificial athletic surfaces, basketball and tennis courts, roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, free standing lights and light poles, guide rails, road signs and any off-premises piping, off-premises underground wiring, off-premises optic cables or telephone and communication lines or off-premises electric **transmission and distribution systems** including poles and pole-mounted transformers.

The above-referenced property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

6. MISCELLANEOUS PERSONAL PROPERTY

Miscellaneous personal property as described on a schedule on file with **us**.

Miscellaneous personal property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

**B. PROPERTY EXCLUDED**

This **SECTION** excludes the following, except when included on the Statement of Values on file with **us**, another schedule on file with **us**, or as otherwise stated elsewhere in this **Agreement**:

1. Animals, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 2. ANIMALS of this **SECTION**.
2. Swimming pools, basketball and tennis courts and athletic fields.
3. **Automobiles** licensed for highway use or owned by **your** directors, officers or **employees**, except as provided by **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**.
4. Bridges, overpasses, and tunnels intended for use by **automobiles**.
5. Docks, piers, wharves, pilings or bulkheads which are not a structural part of a **covered building or structure**.
6. Electric **transmission and distribution systems** including poles and pole-mounted transformers except when located at or within 1,000 feet of a **covered location**.
7. Fences, gates, retaining walls, flag poles, radio or television antennas, masts or towers and their related wiring.
8. Fire hydrants that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 13. FIRE HYDRANTS of this **SECTION**.
9. **Land, land** values, any substance in or on **land**, or any alteration to the natural condition of the **land**, including golf course sand traps, tees and greens, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 14. GOLF COURSE SAND TRAPS, TEES AND GREENS of this **SECTION**.
10. Free-standing lights and light poles, traffic lights and related equipment.
11. **Money** or **securities**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 19. MONEY AND SECURITIES of this **SECTION**.
12. Growing crops, standing timber, plants, lawns, trees, or shrubs except as provided by **D**.

**ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 25. OUTDOOR TREES AND SHRUBS of this SECTION.**

13. Playground equipment, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 35. UNSCHEDULED PLAYGROUND EQUIPMENT of this SECTION.**
14. Reservoirs, canals, dikes or dams.
15. Roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 5. ATHLETIC SURFACES of this SECTION.**
16. Satellites, *aircraft* or *drones*.
17. Traffic signs, road signs, and free-standing signs that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 24. OUTDOOR SIGNS of this SECTION.**
18. Steam boilers, steam pipes, steam engines, and steam turbines caused by or resulting from any condition or event inside such equipment. However, **we** will pay for a **loss** 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.
19. Property in transit, except as otherwise provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. TRANSIT COVERAGE of this SECTION.**
20. Underground mines, mine shafts, or any property within such mine or shaft.
21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. UNDERGROUND FIBER OPTIC CABLE of this SECTION.**
23. **Vacant Buildings** which have been vacant for more than 120 consecutive days, and the **loss** results from vandalism, sprinkler leakage (unless the **member** has protected the system against freezing), building glass breakage, water damage, **theft**, or attempted **theft**.
24. Water, except for water contained within any swimming pool, water tank, enclosed tank, or water processing equipment that is included on the Statement of Values on file with **us**.
25. Watercraft, except rowboats and canoes.

**C. CAUSE OF LOSS EXCLUDED**

This **SECTION** excludes coverage for:

1. Interruption of business.
2. Loss of market or loss of use, except loss of use of the **member's electronic data processing equipment or media**.
3. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained **loss**.
4. **Loss** from enforcement of any law or ordinance except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 23. ORDINANCE OR LAW** of this **SECTION**.
5. **Loss** resulting from the voluntary parting with title or possession of **COVERED PROPERTY** unless induced by any fraudulent act or by false pretense.
6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - a. Any wrongful or dishonest act, including but not limited to **theft**, committed alone or in collusion with others, at any time:
    - (1) by a **member**, or
    - (2) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **member** to do anything in connection with **COVERED PROPERTY** by this **SECTION**.

However, this **SECTION** does cover acts of direct covered physical damage intentionally caused, without **your** knowledge, by **your employee** or any individual specified in **C. CAUSE OF LOSS EXCLUDED, 6.a.(2)** of this **SECTION**.
  - b. Lack of incoming electricity, fuel, water, gas, steam or refrigerant caused by an event away from a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 21. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE** of this **SECTION**. Additionally, if the lack of such a service directly causes physical damage at the **covered location**, then only that resulting damage is covered.
  - c. **Earth Movement** except as may be provided in **SECTION VIII EARTH MOVEMENT** of this **Agreement**.
  - d. **Sinkhole collapse** except resulting damage to **your** real or personal property.
  - e. **Flood**, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as may be provided in **SECTION IX FLOOD** of this **Agreement**.

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- f. Seepage or influx of water from natural underground sources.
7. The following types of **loss**, provided that, if physical damage is not excluded by this **SECTION** from any of the following types of **loss**, then only that resulting damage is covered:
- a. **Loss** caused by or resulting from wear and tear, deterioration, depletion, rust, corrosion, inherent vice or latent defect.
  - b. **Loss** to any **fine arts** as a result of restoring, repairing or retouching processes.
  - c. **Loss** to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested or otherwise worked on.
  - d. **Loss** caused by or resulting from:
    - (1) Changes in temperature, atmospheric or otherwise, except damage to machinery or equipment including fire protection equipment; or
    - (2) Changes in relative humidity, atmospheric or otherwise.
  - e. **Loss** caused by or resulting from settling, cracking, shrinking, bulging or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery);
    - (2) Walls;
    - (3) Floors;
    - (4) Pavements or roadways;
    - (5) Roofs; or
    - (6) Ceilings.
  - f. **Loss** caused by or resulting from insects, termites, moths, or arachnids, unless **loss** not otherwise excluded in this **SECTION** ensues, and then only for such ensuing **loss**.
  - g. **Loss** caused by or resulting from waste, discharge or excretions from rodents, birds, vermin, or other animals.
  - h. **Loss** to personal property in the open caused by or resulting from rain, sleet, hail, ice, snow, dust or sand.
  - i. **Loss** to the interior portion of buildings under construction caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, when the installation of the roof, walls and windows of such buildings have not been completed.



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- j. **Loss** to the interior portion of any building or structure, or the property inside the building or structure, caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, unless the building or structure first sustains **wind** or hail damage to its roof or walls through which the rain, sleet, hail, ice, snow, dust or sand enters.
8. All **loss**, cost, expense or remediation directly arising out of, resulting from, or in any manner related to any of the following:
- a. **Contamination**, including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 8. DECONTAMINATION COSTS** of this **SECTION**.
  - b. Shrinkage, evaporation or loss of weight, unless directly resulting from other physical damage not excluded by this **SECTION**.
  - c. Changes in color, flavor, texture or finish.
  - d. **Pollutants, fungi**, wet or dry rot, irrespective of whether there is another cause of loss which may have contributed concurrently or in any sequence to a loss, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 17. LAND AND WATER CLEANUP EXPENSE** or **28. POLLUTION CLEANUP EXPENSE** of this **SECTION**.
9. **Loss** caused by or resulting from faulty, inadequate or defective:
- a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - d. Maintenance; or
  - e. Programming or machine instructions.
10. Equipment breakdown loss except as provided elsewhere in this **Agreement**.
11. **Loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 37. WATER AND SEWER BACKUP** of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most **we** will pay are the limits for each **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically

stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

#### 1. ACCOUNTS RECEIVABLE

- a. This **EXTENSION** covers amounts which the **member** is unable to collect as a direct result of covered **loss** to accounts receivable at a **covered location**.
- b. Coverage includes:
  - (1) Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected. Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted;
  - (2) Collection expenses in excess of normal collection costs; and
  - (3) Other reasonable expenses incurred by the **member** in recreating records of accounts receivable.
- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** excludes shortage caused by or resulting from:

  - (1) Bookkeeping, accounting, or billing errors or omissions.
  - (2) Alteration, falsification, manipulation, **theft**, concealment, destruction or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, obtaining or withholding of **money**, **securities** or other property.

#### 2. ANIMALS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by a **member** to replace (including training of such replacement) of a dog or horse owned by the **member** that is stolen or killed, or if the animal's death or necessary destruction is a result of an accident or exposure to any contagious or communicable disease, which occurs during the **Agreement Period** and while the animal is being used in the conduct of **your operations**.
- b. The most **we** will pay for any one covered dog or covered horse in any one **occurrence** is the limit of coverage specified in the **Declarations**.
- c. No deductible applies to this **EXTENSION**.

#### 3. APPEARANCE ALLOWANCE

This **EXTENSION** covers the reasonable cost incurred by **you** to refinish or replace:

- a. The undamaged portion of a façade of a **covered building or structure**, which has been damaged by a covered **loss**, to visually match the repaired portion, but only

- when the façade of such **covered building or structure** visually matched the damaged portion prior to the **loss**: or
- b. The undamaged portion of a façade of a **covered building or structure**, located within 1,000 feet of a **covered building or structure** which has been damaged by a covered **loss**, to visually match the repaired property, but only when the façade of such **covered building or structure** visually matched the damaged **covered building or structure** prior to the **loss**.
4. ARSON OR THEFT REWARD
- a. This **EXTENSION** covers payment of any reward offered by the **member** or on the **member's** behalf for information that leads to conviction of the perpetrator(s) of arson to or **theft** of **COVERED PROPERTY**.
  - b. No deductible applies to this **EXTENSION**.
5. ATHLETIC SURFACES
- This **EXTENSION** covers **loss** to artificial, man-made paved impervious or paved athletic surfaces.
6. COMPUTER VIRUS
- This **EXTENSION** covers:
- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
  - b. **Your loss** resulting from the necessary interruption of **your operations**;
  - c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.
7. DEBRIS REMOVAL
- a. This **EXTENSION** covers the reasonable and necessary costs incurred to remove debris as a result of a covered **loss**.
  - b. This coverage includes the costs of removal of contaminated property only if the **contamination** is due to the actual, not suspected, presence of **contaminant(s)** in the debris.
8. DECONTAMINATION COSTS
- a. If **COVERED PROPERTY** is contaminated as a direct result of covered **loss** and there is any law or ordinance in force at the time of the **loss** regulating **contamination** due to the actual, not suspected, presence of **contaminant(s)**, then

this **EXTENSION** covers the increased cost of decontamination and/or removal of such contaminated **COVERED PROPERTY** in a manner to satisfy such law or ordinance.

- b. This **EXTENSION** applies only to that part of **COVERED PROPERTY** so contaminated due to the actual, not suspected, presence of *contaminant(s)* as a direct result of covered physical damage.

#### 9. EQUIPMENT RENTAL REIMBURSEMENT

- a. This **EXTENSION** covers the rental expenses incurred by *you* for the rental of substitute equipment because of **loss** to **COVERED PROPERTY** by a covered cause of **loss**, when such rental is necessary to sustain *your* normal operations.
- b. **We** will pay those rental expenses incurred by *you* for the rental of substitute equipment during the period commencing 24 hours after the date of **loss**, and ending, regardless of the expiration of the **Agreement Period**, when such **COVERED PROPERTY** has been replaced or restored to service or *your* need for the substitute equipment no longer exists, whichever comes first.
- c. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Equipment Rental Reimbursement.
- d. No deductible applies to this **EXTENSION**.

#### 10. EXPEDITING EXPENSES

- a. With respect to **COVERED PROPERTY** that has sustained covered **loss**, this **EXTENSION** covers the reasonable and necessary costs incurred to temporarily repair or replace, and to expedite the permanent repair or replacement of, such **COVERED PROPERTY**.
- b. This coverage does not include expenses payable elsewhere in this **EXTENSION**, including the cost of permanent repair or replacement of damaged property.

#### 11. FINE ARTS - UNSCHEDULED

This **EXTENSION** covers **loss** to, or theft of, *fine arts* not scheduled on the Statement of Values on file with *us*, while anywhere within the **Agreement Territory** including in transit.

#### 12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by *you* during the **Agreement Period** when a fire department, other than *your* fire department, is called to save or protect *your* **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

## 14. FIRE HYDRANTS

This **EXTENSION** covers **loss** to **your** unscheduled fire hydrants.

## 15. GOLF COURSE SAND TRAPS, TEES AND GREENS

This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to repair or replace physically damaged golf course sand traps, tees or greens with material of comparable kind and quality, as a result of **loss** caused by fire, lightning, explosion, **aircraft**, **automobiles**, riot or civil commotion, vandalism, or **sinkhole collapse**.

## 16. GREEN COVERAGE

- a. This **EXTENSION** covers the reasonable and necessary additional costs incurred by **you**, as a direct result of covered **loss**:
  - (1) To repair or replace physically damaged **COVERED PROPERTY** with material of comparable kind and quality which qualifies as **green**.
  - (2) To replace the physically damaged portions of covered roofing systems with vegetative roof(s) which qualify as **green**.
  - (3) As part of **green** reconstruction, to flush out the air in the area of the physically damaged **COVERED PROPERTY** with 100 percent outside air and to provide replacement filtration media for the building's ventilation system that controls the damaged area.
  - (4) For an accredited professional certified by a **green authority** to participate in the design and construction for repairing or rebuilding the damaged property as **green**.
  - (5) For the process of certification or recertification of the repaired or replaced **COVERED PROPERTY** as **green**.
  - (6) For **green** removal, disposal or recycling of the damaged **COVERED PROPERTY**.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover:

- (1) Stock, raw materials, work in process, finished goods, merchandise, production machinery and equipment, **electronic data processing equipment** not used in functional support of the real property, property in the open, property of others for which you are legally liable, and personal property of **your** directors, officers or **employees**.
- (2) Any property adjusted on other than repair or replacement per the Valuation clauses of this **SECTION**.
- (3) Any **loss** recoverable elsewhere in this **Agreement**.

#### 17. GUIDE RAILS

This **EXTENSION** covers **loss** to **your** unscheduled guide rails, high-tension cable barriers, bollards or other traffic restraining structures.

#### 18. LAND AND WATER CLEANUP EXPENSE

- a. **We** will pay reasonable and necessary additional expenses incurred by **you** to remove, dispose of, or clean up the actual presence of **pollutants** from **land** or water at any **covered location** when such **land** or water is contaminated or polluted due to a covered **loss** at a **covered location** up to the limit specified in the **Declarations** for this **EXTENSION**.
- b. This additional coverage does not apply unless such expenses are reported to **us** within 180 days after the date of such covered **loss**.

#### 19. LOCKS AND KEYS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by **you** to replace undamaged keys and to replace, adjust or reprogram undamaged locks to accept new keys or entry codes as a result of covered **loss**.
- b. No deductible applies to this **EXTENSION**.

#### 20. MONEY AND SECURITIES

- a. This **EXTENSION** covers **loss** to **your money** and **securities** at a **covered location** resulting from fire, explosion or sprinkler leakage.
- b. There will be no coverage for any **loss** to **money** and **securities** unless such **loss** is reported to **us** within 14 days of the date of **loss**.

#### 21. NEW GENERATION

If **you** elect to replace damaged **COVERED PROPERTY** with a newer generation of **COVERED PROPERTY** of the same capacity, **we** will pay up to 25% more than **COVERED PROPERTY** of like kind, quality and capacity would have cost at the time of **loss**.

## 22. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE

- a. This **EXTENSION** covers **loss** at a **covered location** caused by or resulting from the interruption, in whole or in part, of incoming electric, gas, fuel, steam, water, refrigeration, or outgoing sewage or incoming or outgoing voice, **data**, internet, cable television, or video services.
- b. The interruption of such services must be by reason of an accidental event, not otherwise excluded by this **Agreement**, to the property of the service provider(s) located within the **Agreement Territory**.
- c. The following Additional Condition applies to this **EXTENSION**:  
**We** will not be liable for deliberate act(s) by the service provider to shed load, constrain or limit its service to maintain its system integrity.
- d. The following Additional Exclusions apply to this **EXTENSION**:  
This **EXTENSION** does not cover **loss** caused by or resulting from the following regardless of any other cause or event, irrespective of whether covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**:
  - (1) **Terrorism**; or
  - (2) The interruption of incoming or outgoing voice, **data**, internet, cable television or video service for any reason involving a satellite.

## 23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- a. This **EXTENSION** covers **loss**, not otherwise excluded, to property under contract to be used in a construction project at a **covered location**:
  - (1) From the time such property is delivered to the **member** or the **member's** contractor (with respect to the property under construction) by the manufacturer or supplier;
  - (2) While such property is located at a storage site; or
  - (3) While such property is in transit from a storage site to another storage site or to a construction project at a **covered location**,all while within the **Agreement Territory** but away from the **covered location**.
- b. This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.
- c. The following Additional Exclusions apply to this **EXTENSION**:

- (1) As respects property in transit, the Transit Coverage Exclusions clause of **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 33. TRANSIT COVERAGE of this **SECTION** applies.
- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement** or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

#### 24. ORDINANCE OR LAW

- a. The following modified definition applies only to this **EXTENSION**:

**Building** means building, structure, machinery, or equipment.

- b. This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to comply with the enforcement of the minimum requirements of any law or ordinance that:

- (1) Regulates the demolition, construction, repair, replacement or use of **buildings**;
- (2) Is enforced as a direct result of covered **loss**; and
- (3) Is in force at the time of such **loss**.

- c. Value of the Undamaged Building

**We** will pay for the value of the undamaged portion of the **covered building or structure** that was required to be demolished by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law. **We** will do this on the same valuation basis that applies to the entire **building**. This does not include any increased costs to repair, replace or rebuild the **covered building or structure** due to a requirement to comply with any ordinance or law;

- d. Demolition Costs:

**We** will pay the actual cost to demolish the undamaged portion of the **covered building or structure**, to take necessary actions to secure the structural integrity of any remaining portion of the covered building or structure, and to clear the site of the undamaged portion of the **building** when required to do so by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law; and

- e. Increased Costs and Increased Cost of Construction:

- (1) If the **covered building or structure** is subject to the **Replacement Cost** (RC) provision on the Statement of Values on file with **us**, and **you** rebuild the **covered building or structure**, **we** will pay for the actual increased costs to repair, replace or rebuild the **covered building or structure** at the same location or at another location if it is a requirement to comply with an ordinance or law, for



the same general size and the same general use, to the minimum standards to comply with such ordinance or law.

- (2) **We** will not pay for these increased costs until the **covered building or structure** is actually repaired or replaced.
  - (3) **You** may choose to replace the **covered building or structure** at another location, however, **we** will not pay more for increased cost of construction at the new location than the amount of such costs **we** would have paid to replace the **covered building or structure** at the original location.
  - (4) If **you** choose to replace the **covered building or structure** at another location, **we** will not pay for the purchase of the **land** or any expenses related to the purchase, subdivision, development, testing or preparation of the **land** for the new location.
- f. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** excludes coverage for:
- (1) Any cost incurred as a direct or indirect result of enforcement of any building, zoning or land use ordinance or law regarding any form of **contamination**;
  - (2) Any cost incurred due to any law or ordinance with which **you** were legally obligated to comply prior to the time of the **loss**;
  - (3) Any machinery or equipment manufactured by or for **you**, unless used by **you** at the **covered location** suffering the **loss**; and
  - (4) **We** will not pay costs for the compliance with any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the **loss** but not to exceed two years.
- g. **Our** maximum cost for this coverage in any one **occurrence** will not exceed the limit specified in the **Declarations**.

## 25. OUTDOOR SIGNS

This **EXTENSION** covers **loss** to outdoor signs, other than traffic signs or road signs, that are located more than 1,000 feet from a **covered location**.

## 26. OUTDOOR TREES AND SHRUBS

- a. This **EXTENSION** covers **loss** to outdoor trees, shrubs or plants located within 100 feet of a **covered building**. However, this **EXTENSION** does not apply to **loss** caused by **wind**, hail, or weight of ice or snow.
- b. This **EXTENSION** covers **loss** caused by **wind** to outdoor trees, shrubs or plants planted for cosmetic effect at a **covered location**.

## 27. PARKING METERS AND CHARGING STATIONS

This **EXTENSION** covers **loss** to parking meters, smart parking meter systems, and electric **automobile** charging stations owned by **you**, not otherwise covered by this **Agreement**.

## 28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

a. This **EXTENSION** covers **loss** to personal property:

(1) Owned by **you**; or

(2) Property of others in the **member's** custody, to the extent **you** are obligated to provide coverage;

not within 1,000 feet of a **covered location** while anywhere within the **Agreement Territory**.

b. The following additional exclusion applies:

This **EXTENSION** does not cover **loss** caused by or resulting from **earth movement** or **flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

## 29. POLLUTION CLEANUP EXPENSE

a. This **EXTENSION** covers the cost to remove **pollutants** from permanently installed water and wastewater treatment equipment at a **covered location** caused by an off-premises event which results in the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

b. **C. CAUSE OF LOSS EXCLUDED**, 8.a. and 8.d. of this **SECTION** do not apply to this **EXTENSION**.

## 30. PROFESSIONAL FEES

a. This **EXTENSION** covers the reasonable and necessary expenses incurred by **you** and agreed to by **us**, for:

(1) Auditors;

(2) Accountants;

(3) Architects;

(4) Engineers; or

(5) Other professionals;

to produce and certify particulars or details to determine the amount of **loss** payable under this **SECTION**.

- b. This coverage does not include the fees and expenses of attorneys, public adjusters, or any of their subsidiaries or related or associated entities.
- c. No deductible applies to this **EXTENSION**.

### 31. PROPERTY REMOVED FROM A COVERED LOCATION

- a. This **EXTENSION** applies to **COVERED PROPERTY** when removed from a **covered location** to avoid or prevent immediately impending covered **loss** to such property. This **EXTENSION** covers such property for **loss** which would have been covered at the location from which the property was removed.
- b. This coverage applies for a period of 120 days from the date of removal of the **COVERED PROPERTY** from a **covered location**, but not beyond the **Agreement Period**.

### 32. PROTECTION AND PRESERVATION OF PROPERTY – PROPERTY DAMAGE

- a. This **EXTENSION** covers the reasonable and necessary expenses incurred for:
  - (1) Actions to temporarily protect or preserve **COVERED PROPERTY**, provided that such actions are necessary due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**;
  - (2) The water used for fighting a fire in, on or exposing the **COVERED PROPERTY**; and
  - (3) Temporary security for a period of time not to exceed 30 consecutive days due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

### 33. TRANSIT COVERAGE

- a. This **EXTENSION** covers **loss** to or of the following personal property, except as excluded by this **Agreement**:
  - (1) Owned by **you**;
  - (2) Of others to the extent of **your** interest or legal liability while in the actual or constructive custody of the **member**; or
  - (3) Shipped to others on Free on Board (FOB), Cost and Freight (C&F) or similar terms;

while in transit within the **Agreement Territory** from the time such **COVERED PROPERTY** leaves the original point of shipment, continuously in the due course of transit and until delivered at the point of destination.

- b. This **EXTENSION**:
- (1) Covers **loss** caused by or resulting from:
    - (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts by the **member** or **your** agent, customer or consignee; or
    - (b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.
  - (2) Covers general average and salvage charges on shipments while waterborne.
- c. The following Additional Conditions apply to this **EXTENSION**:
- (1) Permission is granted to the **member**, without prejudice to this coverage, to accept ordinary bills of lading used by carriers, including:
    - (a) Released and/or undervalued bills of lading; or
    - (b) Shipping or messenger receipts;
  - (2) **You** may waive subrogation against railroads under sidetrack agreements; and
  - (3) **You** may not enter into any special agreement with carriers releasing them from their legal liability.
- d. This **EXTENSION** shall not inure directly or indirectly to the benefit of any carrier or bailee.
- e. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** does not cover:
- (1) Shipments by air unless made by regularly scheduled airlines; or
  - (2) Any transporting vehicle, **automobile** or **mobile equipment**.

#### 34. UNDERGROUND FIBER OPTIC CABLE

This **EXTENSION** covers **loss** to unscheduled underground fiber optic cable, running within **your** political boundaries that is either:

- a. Owned by **you**; or
- b. Leased by **you** from others under a contract that requires **you** to obtain insurance (on their behalf) against property damage.

#### 35. UNSCHEDULED MISCELLANEOUS PERSONAL PROPERTY

This **EXTENSION** covers **loss** to miscellaneous personal property that is not included on the Statement of Values on file with **us**:

- a. Owned by a **member** while actively engaged in activities on **your** behalf or in **your** interest; or
- b. While in **your** care, custody or control.

#### 36. UNSCHEDULED PLAYGROUND EQUIPMENT

This **EXTENSION** covers **loss** to playground equipment owned by **you** that is not included on the Statement of Values on file with **us**.

#### 37. VALUABLE PAPERS AND RECORDS

- a. This **EXTENSION** covers **loss** to **your valuable papers and records** while anywhere within the **Agreement Territory**, including in transit.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover errors or omissions in the processing or copying of **valuable papers and records**.

#### 38. WATER AND SEWER BACKUP

This **EXTENSION** covers **loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump.

### E. DEDUCTIBLE

Unless noted to the contrary in this **SECTION**, or elsewhere in this **Agreement**, each claim payable under this **SECTION** is subject to the deductible set forth in the **Declarations**.

### F. VALUATION

Adjustment of the **loss** amount under this **SECTION** will be computed as of the date of **loss** at the place of **loss**, and for no more than the interest of the **member**. Unless stated otherwise in an **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**, adjustment of **loss** to **COVERED PROPERTY** will be subject to the following:

1. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Actual Cash Value** (ACV), **we** will pay the lesser of the:
  - a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - c. **Actual cash value** of the damaged or stolen property; or
  - d. Limit designated in the Statement of Values on file with **us** for such property.
2. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC), and for new buildings under construction:

- 
- a. **We** will pay the lesser of the:
    - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
    - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
    - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
    - (4) Limit designated in the Statement of Values on file with **us** for such property.
  - b. **We** will not pay on a **replacement cost** basis until the property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the damaged or stolen property.
3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,
    - a. **We** will pay the lesser of the:
      - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
      - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
      - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
      - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
    - b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
    - c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
    - d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.
  4. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Functional Replacement Cost** (FRC),
    - a. **We** will pay the lesser of:

- 
- (1) In the event of a total **loss**, the cost to replace the damaged building on the same site or on another site with a building that is functionally equivalent to the damaged building;
  - (2) The limit designated in the Statement of Values on file with **us** for such property;
  - (3) In the event of a partial **loss**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building and the cost to repair the damaged building with property of comparable kind and quality; or
    - (b) The amount **you** actually spend that is necessary to repair or replace the building with new materials of comparable kind and quality;
  - (4) In the event that **you** decide to continue operations at another **covered building or structure**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building; and
    - (b) The amount you actually spend to modify such other **covered building or structure** to permit **you** to continue **your** operations; or
  - b. **We** will not pay more than the **actual cash value** of the property unless such repairs or replacement are completed.
5. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as Stated Amount (SA), **we** will pay the lesser of the:
- a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality; or
  - c. Limit designated in the Statement of Values on file with **us** for such property.
6. For APPEARANCE ALLOWANCE, **we** will pay the lesser of the following:
- a. The amount you actually spend to refinish or replace the façade of the **covered building or structure**; or
  - b. The limit specified in the **Declarations** for APPEARANCE ALLOWANCE.
7. For covered **fine arts**, whether scheduled or unscheduled:
- a. **We** will pay the lesser of the following:
    - (1) The cost to repair or restore the article to the condition that existed immediately prior to the **loss**;

- 
- (2) The cost to replace the article;
  - (3) The valuation designated in the Statement of Values on file with **us**; or
  - (4) The limit shown in the **Declarations** for **Fine Arts**; and
- b. In case of **loss** to, or **theft** of, an article that is part of a pair or a set, **we** will pay the lesser of the full value or the amount scheduled on the Statement of Values on file with **us**, if any, of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the **loss** or **theft** and the **member** surrenders the remaining article or articles of the pair or set to **us**.
8. For covered Fire Hydrants, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged article;
    - b. The amount **you** actually spend to repair or replace the damaged article; or
    - c. The limit specified in the **Declarations** for Fire Hydrants.
  9. For Green Coverage, the most **we** will pay will not exceed the lesser of the following:
    - a. 25% of the cost to repair or replace physically damaged **COVERED PROPERTY**; or,
    - b. The limit designated in the **Declarations** for Green Coverage.
  10. For covered Guide Rails, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged property;
    - b. The amount **you** actually spend that is necessary to repair or replace the damaged property; or
    - c. The limit specified in the **Declarations** for Guide Rails.
  11. For POLLUTION CLEANUP EXPENSE, **we** will pay the lesser of the following:
    - a. The cost that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment;
    - b. The amount you actually spend that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment; or
    - c. The limit specified in the **Declarations** for POLLUTION CLEANUP EXPENSE.
  12. For Scheduled Miscellaneous Personal Property designated on the Statement of Values on file with **us** as **Replacement Cost** valuation, if the amount **you** actually spend to replace damaged **COVERED PROPERTY** with comparable kind and quality exceeds the limit designated for such property, **we** will pay up to 120% of the limit designated on the Statement of Values or other schedule on file with **us** for Miscellaneous Personal Property for that property, subject to the limit scheduled for the damaged **COVERED**



**PROPERTY** plus the limit designated in the *Declarations* for Scheduled Miscellaneous Property Replacement Cost Allowance.

13. For TRANSIT COVERAGE, the **loss** amount will not exceed the following:
- a. For property shipped to or for **you** account, the actual invoice to **you**, including such costs and charges (including the commission of you as selling agent) as may have accrued and become legally due on such property;
  - b. For property that has been sold by **you** and shipped to or for the account of the purchaser (if covered by the TRANSIT COVERAGE EXTENSION), the amount of **your** selling invoice, including prepaid or advanced freight;
  - c. For property not under invoice:
    - (1) For **your** property, at the valuation provisions of this **SECTION** applying at the place from which the property is being transported; or
    - (2) For other property, the **actual cash value** at point of destination on the date of **loss**;
- less any charges saved which would have become due and payable upon arrival at the point of destination.
14. For covered transformers that are 25 years and older, or 25 years since the last complete rewind, **we** will pay the lesser of the following:
- a. The cost to repair the property;
  - b. The cost to replace the property with property of comparable capacity, kind and quality; or
  - c. The **actual cash value** of the property.
15. For covered VALUABLE PAPERS AND RECORDS, whether scheduled or unscheduled, **we** will pay the lesser of the following:
- a. The cost to repair or restore the property to the condition that existed immediately prior to the **loss**;
  - b. The cost to replace the property with property of comparable kind and quality, including the cost of researching, gathering and/or assembling information; or
  - c. The value designated in the *Declarations* for VALUABLE PAPERS AND RECORDS.
16. On all other **COVERED PROPERTY**, the **loss** amount will not exceed the lesser of the following:
- a. The cost to repair or replace the damaged property with materials of comparable kind and quality;

- b. The amount **you** actually spend that is necessary to repair or replace the damaged property with materials of comparable kind and quality;
- c. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is most functionally equivalent to that damaged equipment, even if such equipment has technological advances or improvements in function;
- d. The cost to repair or replace real property on the same site with materials of comparable kind and quality;
- e. The market value of real property, machinery and equipment, or stock, offered for sale at the time of **loss**;
- f. The unamortized **actual cash value** of **improvements and betterments** if such property is not repaired;
- g. The increased cost of demolition, if any, resulting from **loss** covered by this **SECTION**, if such property is scheduled for demolition; or
- h. The **actual cash value** of the damaged property.

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**SECTION IV TIME ELEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

#### A. LOSS COVERED

1. This **SECTION** covers Time Element loss, as provided in **B. TIME ELEMENT COVERAGE** of this **SECTION**, directly resulting from *loss* covered by this *Agreement* to **COVERED PROPERTY**.
2. This **SECTION** covers loss only to the extent that it cannot be reduced through:
  - a. The use of any property or service owned or controlled by *you*;
  - b. The use of any property or service obtainable from other sources;
  - c. Working extra time or overtime; or
  - d. The use of inventory;all whether at a **covered location** or any other premises. *We* reserve the right to take into consideration the combined operating results of all of *your* associated, affiliated or subsidiary entities in determining the extent of a Time Element loss.
3. This **SECTION** covers expenses reasonably and necessarily incurred by *you* to reduce the loss otherwise payable under this **SECTION**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
4. In determining the amount of loss payable, *we* will consider *your* financial history before and after the loss. *We* will consider any historic increase or decrease in demand for *your* services during the Period of Coverage, defined in **C. PERIOD OF COVERAGE** of this **SECTION**, even if such increase or decrease is from the same event that caused *loss* starting the Period of Coverage.

#### B. TIME ELEMENT COVERAGE

1. GROSS EARNINGS
  - a. This **SECTION** covers *your* actual loss of Gross Earnings during the PERIOD OF COVERAGE, less all charges and expenses that do not necessarily continue during the interruption of *your operations*, plus all other earnings derived from *your operations*.
  - b. *We* will only consider the continuation of those normal charges and expenses that would have been earned had there been no interruption of *your operations*.
2. EXTRA EXPENSE AND COST
  - a. This **SECTION** covers *your* actual Extra Expense and Cost during the PERIOD OF COVERAGE for the following reasonable and necessary extra expenses incurred by *you*:

- 
- (1) Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** operations;
  - (2) Extra expenses to expedite repair of damage or replacement of property; and
  - (3) Extra expenses of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Coverage for property obtained in connection with the above.
- b. The following Additional Exclusions apply only to this **SECTION**:
- This **SECTION** does not cover:
- (1) Any loss of income;
  - (2) Costs that **you** normally would have incurred in conducting **your** operations during the same period had no loss occurred;
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed; or
  - (4) Any cost or expense recoverable elsewhere in this **Agreement**.
3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST
- B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS and 2. EXTRA EXPENSE AND COST of this **SECTION** are extended to cover loss, directly resulting from **loss** covered by this **Agreement** to **COVERED PROPERTY**, incurred during the period that:
- a. Begins on the earlier of:
- (1) The date the **COVERED PROPERTY** should be repaired or replaced with reasonable speed and similar quality; or
  - (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored, with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for Gross Earnings in the **Declarations**, after the date determined in **B. TIME ELEMENT COVERAGE**, 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST, a. of this **SECTION**.
4. LEASEHOLD INTEREST
- a. This **SECTION** covers **your** Leasehold Interest, incurred by **you** during the Period of Coverage for the following:

- (1) If the lease agreement requires continuation of rent, and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease or, if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
  - (2) If the lease is canceled by **you** pursuant to the lease agreement or by the operation of law, **we** will pay for the first three months' rent following the date of loss.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any increase in loss **you** incur from exercising an option to cancel the lease, or from any default under the lease.

#### 5. RENTAL COVERAGE

- a. This **SECTION** covers the actual rental loss sustained by **you** during the Period of Coverage for the following:
- (1) The fair rental value of any portion of the property rented by **you** to a third party;
  - (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;
- not to include non-continuing charges and expenses.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any loss of rental income during any period in which the **COVERED PROPERTY** would not have been tenantable for any reason other than a covered **loss**.

#### C. PERIOD OF COVERAGE

1. The Period of Coverage applying to all **B. TIME ELEMENT COVERAGE**, except 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST and 4. LEASEHOLD INTEREST of this **SECTION**, and as shown below, or as otherwise provided under **E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS** of this **SECTION**, and subject to any time limit provided in the Limits of Coverage clause in the **Declarations**, is as follows:
  - a. For Real and Personal Property, the period starting from the time of the **loss** of the type covered against; and ending when with due diligence and dispatch the building and equipment could be:
    - (1) Repaired or replaced including time to comply with any building, zoning, property maintenance or land use ordinance or law;

- (2) Made ready for operations, under the same or equivalent physical and operating conditions that existed prior to the damage; and
  - (3) Not to be limited by the expiration of this **Agreement Period**.
- b. For Real Property under construction:
- (1) The equivalent of the period of time described in **C. PERIOD OF COVERAGE**, 1.a. of this **SECTION** will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no **loss** occurred; and
  - (2) Due consideration will be given to the actual financial history of the business compiled after completion of the construction and startup.
- c. For loss to **Electronic Data Processing Equipment or Media**, the time to recreate or restore the lost information.
2. If two or more Periods of Coverage apply, the longer of the Periods of Coverage will apply.

#### D. TIME ELEMENT EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. Fines or penalties of any nature;
2. Any increase in loss due to the purchase of electrical power; and
3. Any increase in loss due to additional costs associated with generating electrical power from alternative sources owned by **you**.

#### E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

The most **we** will pay are the limits for each **ADDITIONAL TIME ELEMENT COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **TIME ELEMENT COVERAGE EXTENSION**.

1. CIVIL AUTHORITY
  - a. **B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
  - b. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

## 2. COMPUTER SYSTEMS NON-PHYSICAL DAMAGE

- a. This **EXTENSION** covers the actual loss sustained for EXTRA EXPENSE AND COST incurred by **you** during the **Period of Interruption** directly resulting from the failure of **your data, hardware** or **software** to operate, provided such failure is the direct result of a malicious act directed at **you**.
- b. This **EXTENSION** will only apply if the **Period of Interruption** is in excess of 48 hours.
- c. The following Additional Definition applies only to this **EXTENSION**.

As used in this **EXTENSION**, the **Period of Interruption**:

- (1) Means the period starting when **your data, hardware** or **software** fails to operate, and ending when, with due diligence and dispatch, **your data, hardware** or **software** could be restored to the same or equivalent operating condition that existed prior to the failure; and
- (2) Does not mean the additional time to make changes to **your data, hardware** or **software**.

## 3. CONTINGENT TAX REVENUE INTERRUPTION

- a. This **EXTENSION** covers the actual loss sustained by **you** that is directly resulting from necessary interruption of **your** tax revenue, caused by damage or destruction to property which is not operated by **you** and which wholly or partially prevents the generation of revenue for **you**.
- b. **We** shall be liable for the actual loss sustained for only such length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property, or to provide a replacement source for such tax revenue, commencing with the date of damage to the contributing property, but not limited by the **Agreement Period**.

## 4. CONTINGENT TIME ELEMENT

**B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover the actual loss **you** incur that directly results from physical damage to property of the type not otherwise excluded by this **Agreement** at direct supplier or direct customer locations, irrespective of whether such location is owned by **you**, that prevents a supplier of goods or service to **you** from supplying such goods or services, or that prevents a recipient of goods or services from **you** from accepting such goods or services.

## 5. EXPENSES TO REDUCE LOSS

**We** will also pay such expenses as **you** incur for the purpose of reducing loss under this **SECTION**, except those incurred to extinguish a fire, but in no event to exceed the amount by which loss is thereby reduced.



## 6. GROSS EARNINGS DURING PROTECTION AND PRESERVATION OF PROPERTY

This **EXTENSION** covers the actual loss of gross earnings sustained by **you** for a period of time not to exceed 72 hours prior to and 72 hours after **you** first take reasonable action for the temporary protection and preservation of **COVERED PROPERTY** by this **Agreement**, provided such action is necessary to prevent immediately impending covered **loss** to such **COVERED PROPERTY**.

## 7. SOFT COSTS

This **EXTENSION** covers the actual loss incurred by **you** for **soft costs** directly resulting from **loss** to **COVERED PROPERTY** undergoing renovation or in the course of construction at a **covered location** as specified in the **Declarations**.

## 8. STORM DEBRIS REMOVAL

a. This **EXTENSION** covers the **extra expense** incurred by **you**, during the **period of restoration**, to remove debris, consisting of downed trees, branches, light poles, and signs, from **your** public trails and pathways that are determined, due to the existence of such downed debris, to be unsafe for public travel.

b. The following Additional Definitions apply only to this **EXTENSION**:

As used in this **EXTENSION**:

- (1) **Extra expense** means necessary expenses **you** incur that are in excess of **your** normal operating expenses.
- (2) **Loss occurrence** means all downed trees, branches, light poles, and signs occurring during any period of 72 consecutive hours of lightning, **wind**, ice storm or any combination thereof.
- (3) **Period of restoration** means the period of time that:
  - (a) Begins at the end of the **loss occurrence** causing the debris; and
  - (b) Ends at the time when the trails and pathways are, with reasonable speed, returned to a condition that is safe for public travel.

## SECTION V EQUIPMENT BREAKDOWN

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**SECTION V  
EQUIPMENT BREAKDOWN**

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**SECTION V EQUIPMENT BREAKDOWN** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

**We** will pay for **loss** that is the result of a **breakdown** to **covered equipment**, which occurs during the **Agreement Period**, except as hereinafter excluded or amended.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

##### 1. **Breakdown**

- a. **Breakdown** means the following direct physical **loss**, that causes physical damage to **covered equipment** and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing;

unless such **loss** or damage is otherwise excluded within this **Agreement** or any Endorsement forming a part of this **Agreement**.

- b. **Breakdown** does not mean or include:

- (1) Malfunction, including but not limited to, misadjustment, misalignment, miscalibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in **computer equipment, data, media** 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;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

2. **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**.

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### 3. *Covered Equipment*

a. ***Covered equipment*** means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of its contents;
- (2) Communication equipment;
- (3) ***Computer equipment***;
- (4) ***Diagnostic equipment***;
- (5) Any other electrical, electronic or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (6) Fiber optic cable.

b. ***Covered Equipment*** does not mean or include any:

- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellite or spacecraft (including satellite or spacecraft contents 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 does mean any electrical machine or apparatus mounted on or used with this equipment;
- (5) Equipment, or any part of equipment, manufactured by ***you*** for sale or rent;
- (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) ***Media***;
- (9) 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;
- (10) Part of pressure equipment or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

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- (12) Rotating Biological Contactors (RBC), including any shaft, cylinder disk or support forming a part of an RBC. However, **covered equipment** will include any motor or gear set used to drive an RBC;
- (13) **Power generating equipment** unless shown as INCLUDED in the **Declarations**;
- (14) Structure, foundation, cabinet or compartment supporting or containing the **covered equipment** or part of the **covered equipment** including penstock, draft tube or well casing; or
- (15) **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.
- c. 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**.
4. **Covered Territory** means anywhere in the Continental United States, except as provided in H. **ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 15. OFF PREMISES EQUIPMENT** of this **SECTION**.
5. **Dependent Property** means property designated as a Dependent Property Location shown in the **Declarations** operated by others upon whom **you** depend to:
- a. Deliver materials or services to **you** or to others for their account. This does not include any property which delivers to **you** any of the following utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
- b. Accept **your** products or services;
- c. Manufacture products for delivery to **your** customers under contract of sale; or
- d. Attract customers to **your** business.
6. **Diagnostic Equipment** means any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
7. **Hazardous Substance** means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
8. **Media** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
9. **One Breakdown** means: if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **one breakdown**.

10. **Period of Restoration for Dependent Property**

- a. **Period of restoration for dependent property** means the period of time that:
- (1) Begins at the time of **loss** caused by or resulting from a **breakdown** to **covered equipment** at the **dependent property**; and
  - (2) Ends on the date when the property at the premises of the **dependent property** should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. **Period of restoration for dependent property** does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires **you** 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 **hazardous substance**.

11. **Portable Covered Equipment** shall mean **covered equipment** that is transported by a **vehicle** and used for service outside of the **vehicle**.

12. **Power Generating Equipment**

- a. **Power generating equipment** means any pressure, mechanical or electrical equipment, machinery, or apparatus used in, or associated with, the generation of electric power.
- b. **Power generating equipment** does not include any equipment that is less than or equal to 1000kw and used solely for the generation of emergency power.

13. **Suit** means a civil proceeding to which this **Agreement** applies and includes:

- a. An arbitration proceeding in which damages are claimed and to which **you** must submit with **our** consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which **you** must submit with **our** consent.

14. **Total Limit Per One Breakdown** means the total maximum amount payable for all coverages provided under this **SECTION** as the result of **one breakdown**.

15. **Vehicle** means any machine or apparatus (except conveyors) that is used to transport passengers, goods, materials or equipment or that moves under its own power, regardless of whether it is intended for highway use.

**B. ADDITIONAL CONDITIONS**

The following Additional Conditions apply only to this **SECTION**:

## 1. COVERAGE DISAGREEMENT

In the event of loss and expense covered under this **SECTION** and elsewhere in this **Agreement** or other coverage, and there is disagreement with respect to:

- a. Whether such loss was caused by a **breakdown** covered by this **SECTION** or elsewhere in this **Agreement** or Other Coverage; or
- b. The extent of participation of this **SECTION** and such other coverage, partially or wholly, by any or all of this **Agreement** or Other Coverage;

**we** shall, upon **your** written request and subject to **our** reimbursement as set forth below, pay **you** one-half of the amount of the loss and expense which is in disagreement, but in no event more than **we** would have paid if there had been no other coverage in effect, subject to the following conditions:

- (1) The amount of the loss and expense which is in disagreement is limited to the minimum amount remaining payable under either this **SECTION** or other coverage, after making provisions for any undisputed claims payable under other coverage or this **Agreement** and after the amount of the loss and expense is agreed upon by **you, us** and the provider of other coverage;
- (2) The other coverage provider(s) shall simultaneously pay **you** one-half of the amount which is in disagreement;
- (3) Such payments by **us** and the other coverage provider(s) and acceptance of those sums by **you** signify the agreement of **us** and the other coverage provider(s) for arbitration within ninety (90) days of such payment for the amount, if any, which is in disagreement. The arbitrators shall be three (3) in number, one of whom shall be appointed by **us** and one of whom shall be appointed by the other coverage provider(s) and the third appointed by consent of the other two arbitrators. The decision of the arbitrators shall be binding on **you, us** and the other coverage provider(s) and that judgment upon such award may be entered in any court of competent jurisdiction;
- (4) **You** agree to cooperate in connection with such arbitration but not to take a position contrary to **us**;
- (5) The provisions of this Condition shall not apply unless the policy(ies) issued by the other coverage provider(s) is(are) similarly endorsed, or the other coverage provider agrees to the same in resolution of a coverage disagreement; and
- (6) Acceptance by **you** of any payment pursuant to the provisions of this Condition, including any arbitration award, shall not alter, waive or surrender or in any way affect the rights **you** have against **us** or the other coverage provider(s).

## 2. EXPERIENCE

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10.



EXTRA EXPENSE and 18. SERVICE INTERRUPTION **we** will consider the financial history of **your operations** before the **breakdown** and the probable financial history **you** would have had without the **breakdown** in determining the amount of **our** payment to **you**.

### 3. JURISDICTIONAL INSPECTIONS

If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **we** agree to perform such inspection on **your** behalf. **We** do not warrant that conditions are safe or healthful.

### 4. REDUCING YOUR LOSS

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 10. EXTRA EXPENSE, 16. OFF PREMISES EQUIPMENT, 18. SERVICE INTERRUPTION and 19. SPOILAGE, **you** must reduce **your** loss and expense, if possible, by:

- a. Resuming business, partially or completely;
- b. Using merchandise or other property available to **you**; or
- c. Using the property or services of others.

### 5. SUSPENSION

- a. 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 **SECTION**.
- b. **We** will deliver or mail a written notice of suspension to **your** last known address or the address where the **covered equipment** is located.
- c. Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that **covered equipment**.

## C. COVERED PROPERTY

1. **Covered property** means any property, including **covered equipment**, that **you** own or that is in **your** care, custody or control and for which **you** are legally liable, while located at a **covered location**.
2. **Portable covered equipment, covered location** is understood to include anywhere within the **coverage territory**.
3. **Covered property** does not mean:
  - a. Live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects; or
  - b. Any property that is obsolete or useless to **you**.

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

1. **Earth Movement.**
2. Water meaning:
  - a. **Flood;**
  - b. Water damage caused by backup of sewers, drains, or drainage piping;
  - c. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; or
  - d. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
3. Damage to **covered equipment** undergoing any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler, fired vessel or electrical steam generator; or
  - b. An insulation breakdown test of any type of electrical or electronic **covered equipment.**
4. Fire or combustion explosion.
5. **Aircraft**, civil commotion; collapse; **drones**; freezing caused by cold weather; hail; impact of **aircraft**, missile or **vehicle**; lightning; molten material; objects falling from **aircraft** or missiles; riot; smoke; vandalism; **vehicles**; weight of snow, ice or sleet; or **wind**; except as provided in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 6. ELECTRICAL SURGE and ELECTRICAL DISTURBANCE.
6. An explosion. However, **we** will pay for **loss** caused by an explosion of **covered equipment** of the following kind:
  - 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.

7. Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a **breakdown** ensues, **we** will pay the ensuing loss not otherwise excluded.
8. Ordinance or Law
  - a. Increase in **loss** from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of **covered property**, except as provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE and 16. ORDINANCE OR LAW of this **SECTION**.
  - b. However, the words “use” and “operation” shall be eliminated as respects a covered **breakdown** of electrical supply and emergency generating equipment located on any **covered location**, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
9. **Breakdown** if such **breakdown** results from a collision, overturn, collapse or upset of **covered equipment** or the **vehicle** by which the **covered equipment** is transported.

#### E. EQUIPMENT BREAKDOWN EXCLUSIONS

**We** will not pay for loss:

1. With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE or 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. **Your** operations that would not or could not continue if the **breakdown** had not occurred;
  - b. **Your** failure to use due diligence and dispatch to operate **your** operations as nearly normal as practicable at the **covered location**; and
  - c. The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time **your** operations could have resumed if the contract had not lapsed, been suspended or canceled.
2. With respect to coverage provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. Acts of sabotage; or
  - b. Deliberate act(s) of load shedding by the supplying or distributing utility.

#### F. OUR PAYMENT OF LOSS

As respects coverage provided under this **SECTION** only, the following shall apply:

## 1. VALUATION

- a. **We** will pay the amount **you** spend to repair, rebuild or replace **covered property** with other property of like kind, quality and capacity if such **covered property** is directly damaged by a **breakdown** to **covered equipment** or **covered portable equipment**. **Our** payment will be the lesser of:
- (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property; or
  - (3) The amount **you** actually spend that is necessary to repair or replace the damaged property.
- b. If **covered property** cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the **covered property** equals or exceeds 100% of the **actual cash value** of the **covered equipment** or **covered portable equipment**, **you** may choose to apply the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**.
- c. Except for the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES and 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**, **you** must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. If any damaged **covered property** that is intended for **your** use is protected by an extended warranty or maintenance or service contract, and that warranty or contract becomes void or unusable due to **breakdown**; **we** will reimburse **you** for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.
- e. **We** will determine the value of **covered property** under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 19. SPOILAGE of this **SECTION** as follows:
- (1) For raw materials, the **replacement cost**;
  - (2) For goods in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (3) For finished goods, the selling price, as if no **loss** had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- f. On any articles that are part of a pair or set, **we** will pay no more than the reasonable and fair proportion the article or articles bear to the total value of the pair or set, giving consideration to the importance of said article, but in no event shall such **loss** be considered to mean a total **loss** of the pair or set.

## 2. SPECIAL LIMITS OF COVERAGE

- a. The most **we** will pay for loss and expense arising from any **one breakdown** is the Coverage Limit specified as the limit per **one breakdown** in the **Declarations**. This limit applies to all coverages, including those provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION**.
- b. The Coverage Limit under each of the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION** for loss and expense arising from any **one breakdown** is the amount shown in the **Declarations** for that **EXTENSION**. If two or more limits apply to the same portion of loss and expense, the most **we** will pay is the highest limit.
- c. The most **we** will pay for **loss** arising from the **breakdown** of **diagnostic equipment** is the **Diagnostic Equipment** Limit specified in the **Declarations**.

## G. DEDUCTIBLES

As respects coverage provided under this **SECTION**, the following shall apply:

## 1. APPLICATION OF DEDUCTIBLES

- a. **We** will not pay for **loss** resulting from any **one breakdown** until the amount of covered loss exceeds the deductible shown in the **Declarations**. **We** will then pay the amount of covered loss and expense in excess of the deductible, up to the applicable Coverage Limit.
- b. Deductibles apply separately for each applicable coverage, except if more than one **covered equipment** is involved in **one breakdown**, then only the highest deductible shall apply for each of the applicable coverages.

## 2. DETERMINATION OF DEDUCTIBLES

## a. Dollar Deductible

If a dollar deductible is shown in the **Declarations**, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

## b. Multiple per Unit Deductible

If a multiple of units is shown in the **Declarations**, 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.)

## c. Time Deductible

If a time deductible is shown in the **Declarations**, **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 (24) consecutive hours.

d. Minimum Or Maximum Deductible

(1) If a minimum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

(2) If a maximum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

#### H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

The most **we** will pay under these **EXTENSIONS** are the Coverage Limits specified in the **Declarations**. These limits are a part of and not in addition to the **total limit per one breakdown**.

These **EXTENSIONS** apply only to that portion of the loss that is the result of a **breakdown** to **covered equipment** that is not excluded elsewhere in this **Agreement**.

1. CIVIL AUTHORITY

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
- b. The action of civil authority must be due to **loss** caused by a **breakdown** to **covered equipment** at locations other than **covered locations** that are within 100 miles of the **covered location**.
- c. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

2. DATA OR MEDIA COVERAGE

- a. If **media** is damaged or **data** is lost or corrupted, **we** will pay **your** actual loss of earnings or **your** extra expenses during the time necessary to:
- (1) Research, recreate, replace or restore the damaged **media** or lost or corrupted **data**; and
- (2) Reprogram instructions used in any covered **computer equipment**.
- b. **We** will not pay for any **data** or **media** that cannot be replaced, recreated or restored.

## 3. DEFENSE

If a claim or **suit** is brought against **you** alleging that **you** are liable for damage to property of others in **your** care, custody or control, **we** will either settle the claim or **suit** or defend **you** against the claim or **suit** but retain the right to settle it at any point. With respect to any claim or **suit we** defend, **we** will pay:

- a. All expenses **we** incur;
- b. The cost of bonds to release attachments, but **we** do not have to furnish these bonds;
- c. All reasonable expenses incurred by **you** at **our** request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings because of time off from work;
- d. All costs taxed against **you** in any **suit we** defend;
- e. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Coverage Limits, **we** will not pay prejudgment interest based on that period of time after the offer; and
- f. All interest that accumulates on the full amount of any judgment 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 Coverage Limit.

## 4. DEPENDENT PROPERTIES

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the necessary partial or total interruption of **your operations** during the **period of restoration for dependent property**. The interruption must be caused by **loss** or damage to **dependent property** caused by or resulting from a **breakdown** to its **covered equipment**.
- b. However, this **EXTENSION** does not apply when the only **loss** to **dependent property** is **loss** or damage to **data**, including destruction or corruption of **data**. If the **dependent property** sustains **loss** or damage to **data** and other property, coverage under this **EXTENSION** will end once the other property is repaired, rebuilt or replaced.

## 5. EARNINGS

**We** will pay **your** actual loss of earnings sustained during the **period of restoration** due to the necessary interruption of **your operations**. **We** will also pay any necessary expense **you** incur to reduce the amount of this loss, but only to the extent that the loss otherwise payable is reduced.

## 6. ELECTRICAL SURGE AND ELECTRICAL DISTURBANCE

**We** will pay for loss if the **breakdown** results from an electrical surge or electrical disturbance:

- a. caused by excluded peril(s) identified in **D. CAUSE OF LOSS**, 5. of this **SECTION** that occurs away from the **covered location** and causes an electrical surge or other electrical disturbance;
- b. transmitted through utility transmission lines to the **covered location**;
- c. that results in a **breakdown** to **covered equipment**, at such **covered location**, that **you** own, operate or is under the control of **you** or **your** landlord; and
- d. that is not a covered cause of loss under another **SECTION** of this **Agreement**, another coverage part or policy of insurance **you** have, irrespective of whether collectible, and without regard to whether the coverage under another **SECTION** of this **Agreement**, another coverage part or policy of insurance provides the same coverage, scope of coverage and/or deductibles as coverage provided in this paragraph.

## 7. ERROR IN DESCRIPTION

- a. **We** will pay **your** loss covered by this **SECTION** if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as covered under this **SECTION**.
- b. **You** agree to give **us** prompt notice of any correction or addition to the description of a location covered under this **SECTION**.

## 8. EXPEDITING EXPENSE

With respect to **your** damaged **covered property**, **we** will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

## 9. EXTENDED EARNINGS AND EXTRA EXPENSE

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. **EARNINGS** and 10. **EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused solely by a **breakdown** to **covered equipment** and incurred during the period that:

- a. Begins on the earlier of:
  - (1) The date the damaged property at the **covered location** in the **Declarations** should be repaired or replaced with reasonable speed and similar quality; or



- (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for EXTENDED EARNINGS in the **Declarations**, after the date determined in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, a. of this SECTION.**

#### 10. EXTRA EXPENSE

**We** will pay all expenses that exceed the normal operating expenses that would have been incurred to conduct **your operations** during the **period of restoration** if no **breakdown** had occurred.

#### 11. GREEN ALTERNATIVES

- a. With respect to **covered property** that was damaged as a result of a **breakdown** to **covered equipment**, **we** will pay for:
- (1) The reasonable additional cost incurred to repair or replace the damaged or destroyed portions of the **covered property** (except as may be provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 13. NEW GENERATION** of this **SECTION** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**;
  - (2) The reasonable additional cost incurred to employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
  - (3) **We** will pay for the following reasonable additional expenses incurred to attain or re-attain **green** certification from a **green authority**:
    - (a) The reasonable additional expense incurred to hire a qualified engineer or other professional required by the **green authority** to be involved in:
      - i. Designing, overseeing or documenting the repair or replacement of the damaged or destroyed **covered property**; or
      - ii. Testing and recalibrating the systems and mechanicals of the damaged or destroyed **covered property** to verify that the systems and

mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

- (b) The reasonable registration and recertification fees charged by the **green authority**.

Coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a.(1), a.(2) and a.(3) of this **SECTION** applies only if **replacement cost** valuation applies to the damaged or destroyed **covered property** and then only if the **covered property** is actually repaired or replaced as soon as reasonably possible after the **breakdown to covered equipment**.

- b. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS and 10. EXTRA EXPENSE of this **SECTION** are extended to cover the loss incurred during the time necessary to:
- (1) Repair or replace the damaged or destroyed portions of the **covered property** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**; and
  - (2) Employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**.
- c. The most **we** will pay for coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES of this **SECTION** for any one **breakdown** is the sum of:
- (1) 5% of the amount **we** would otherwise pay for a **breakdown** as provided by **F. OUR PAYMENT OF LOSS**, 1. VALUATION, a. prior to the application of any applicable deductible, for **loss** or expense covered under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a. of this **SECTION**; plus
  - (2) 5% of the amount **we** would otherwise pay for loss covered under the applicable **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS or 10. EXTRA EXPENSE of this **SECTION**, prior to the application of any applicable deductible, for EARNINGS or EXTRA EXPENSE covered under b. of this **EXTENSION**;

subject to a maximum of the **total limit per one breakdown**. These limits are a part of and not in addition to the **total limit per one breakdown**.

## 12. HAZARDOUS SUBSTANCE

- a. If **covered property** is damaged, contaminated or polluted by a **hazardous substance**, **we** will pay for any **additional expenses** incurred by **you** for cleanup, repair, replacement or disposal of that property.
- b. As used in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE of this **SECTION**, **additional expenses** means the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the **loss**.

## 13. NEW GENERATION

If **you** want to replace damaged **covered property** with a newer generation of **covered property** of the same capacity, **we** will pay up to 25% more than **covered property** of like kind, quality and capacity would have cost at the time of the **breakdown**.

## 14. NEWLY ACQUIRED LOCATIONS

- a. **We** will automatically provide coverage at **your** newly acquired location(s) reported to **us** within 120 days of acquisition.
- b. If the coverages and deductibles vary for existing **covered locations**, then the coverages for the newly acquired location(s) will be the broadest coverage, highest limits and highest deductibles applicable to the existing **covered locations**.

## 15. OFF PREMISES EQUIPMENT

**We** will pay for **loss** caused by a **breakdown** to **your portable covered equipment** that, at the time of the **breakdown**, is located within the **Agreement Territory** but is at a temporary location that is not a **covered location** or any other location owned, leased or operated by **you**.

## 16. ORDINANCE OR LAW

If a **loss** occurs to a **covered building or structure**:

- a. **We** will pay for the following:
  - (1) **Loss** to the undamaged portion of a **covered building or structure** caused by enforcement of any ordinance or law, in force at the time of the **loss**, that:
    - (a) Regulates the construction or repair or establishes zoning or land use requirements at the **covered location**; or
    - (b) Requires the demolition of parts of the undamaged portion of the building or structure;
  - (2) The increased cost to repair, rebuild or construct the property caused by enforcement of a building, zoning or land use ordinance or law, if the **Replacement Cost** Valuation applies to the **covered building or structure**. If

the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law; and

- (3) The cost to demolish and clear the site of undamaged parts of the **covered building or structure** caused by enforcement of the building, zoning or land use ordinance or law.

b. **We** will not pay for the:

- (1) Increased costs of construction if the **covered building or structure** is not repaired, reconstructed or remodeled within 2 years after the **loss**; or
- (2) Costs associated with the enforcement of any ordinance or law that requires **you** 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 a **hazardous substance**.

#### 17. REFRIGERANT CONTAMINATION

If **covered property** is contaminated by a refrigerant, **we** will pay for such refrigerant contamination, including cleanup, repair or replacement or disposal of the **covered property** and salvage expense.

#### 18. SERVICE INTERRUPTION

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE, and 19. SPOILAGE** of this **SECTION** are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive; and
- b. The **covered equipment** is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to **your covered location**.

#### 19. SPOILAGE

**We** will pay **you** for spoilage damage to raw materials, property in process or finished products provided all of the following conditions are met:

- a. The raw material, property in process or finished products must be in storage or in the course of being manufactured; and
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and

- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

20. WATER DAMAGE

If ***covered property*** is damaged by water as a direct result of a ***breakdown*** to ***covered equipment***, ***we*** will pay for such water damage, including salvage expense.

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**SECTION VI CRIME** of this **Agreement** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

1. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution or similar safe depository in conducting its business.
2. **Counterfeit Money** means an imitation of **money** that is intended to deceive and to be taken as genuine.
3. **Covered Cause of Loss** means **theft**, disappearance, or destruction.
4. **Covered Instruments** means checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **money** that are made or drawn by or drawn upon **you**; or made or drawn by one acting as **your** agent; or purport to have been so made or drawn.
5. **Discover** or **discovered** means the time when **you** first:
  - a. become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Agreement** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
  - b. receive notice of an actual or potential claim in which it is alleged that **you** are liable to a third party under circumstances which, if true, would constitute a loss under this **Agreement**.
6. **Employee**
  - a. **Employee** means:
    - (1) Any individual:
      - (a) While in **your** service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;
      - (b) Who **you** compensate directly by salary, wages or commissions; or
      - (c) Who **you** have the right to direct and control while performing services for **you**;
    - (2) Any individual who is furnished temporarily to **you**:
      - (a) To substitute for a permanent **employee** as defined in **A. ADDITIONAL DEFINITIONS**, 6. **Employee**, a.(1) of this **SECTION**, who is on leave; or

- 
- (b) To meet seasonal or short-term workload conditions;
- while that person is subject to your direction and control and performing service for **you**, excluding, however, any such person having care and custody of property outside the **premises**;
- (3) Any individual who is leased to **you** under a written agreement between **you** and a labor leasing firm, to perform duties related to the conduct of **your** business, but does not mean a temporary employee as defined in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(2)** of this **SECTION**;
- (4) Any individual who is:
- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and
- (b) An official of **yours** while that person is engaged in handling **funds** of any employee benefit plan;
- (5) Any individual who is a former official, **employee** or trustee retained as a consultant while performing services for **you**; or
- (6) Any individual who is a student, intern or volunteer while performing services for **you**.
- b. **Employee** does not mean any agent, independent contractor or representative of the same general character not specified in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(4)(a)** of this **SECTION**.
7. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
8. **Funds** means **money** and **securities**.
9. **Messenger** means **you** or any **employee** while having care and custody of property outside the **premises**.
10. **Occurrence** means:
- a. Under **B. CRIME COVERAGE, 1. EMPLOYEE THEFT – PER LOSS COVERAGE** of this **SECTION**:
- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;



committed by an **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- b. Under **B. CRIME COVERAGE**, 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by each **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- c. Under **B. CRIME COVERAGE**, 3. FORGERY OR ALTERATION of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- d. Under all Other Coverage agreements in **B. CRIME COVERAGE** of this **SECTION**:

- (1) An individual act or event;
- (2) The combined total of all separate acts or events irrespective of whether related;  
or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons or not committed by any person, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

#### 11. **Other Property**

- a. **Other Property** means any tangible property other than **funds** that has intrinsic value.
- b. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Agreement**.

12. **Premises** means any building **you** occupy in conducting **your operations**.

- 
13. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person harm; or
  - Committed an obviously unlawful act witnessed by that person.
14. **Safe Burglary** means the unlawful taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - A safe or vault from inside the **premises**.
15. **Theft** means the unlawful taking of property to **your** deprivation.

## B. CRIME COVERAGE

This **SECTION** provides the following coverage and applies to loss that **you** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by **you** during the **Agreement Period** or in the extended period described in **D. ADDITIONAL CONDITIONS**, 1.a. Prior Bond or 1.b. Policy Bridge – Discovery Replacing Loss Sustained of this **SECTION**.

### 1. EMPLOYEE THEFT – PER LOSS COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by an **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER LOSS COVERAGE, **theft** shall also include **forgery**.

### 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by each **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER EMPLOYEE COVERAGE, **theft** shall also include **forgery**.

### 3. FORGERY OR ALTERATION

- We** will pay for loss resulting directly from **forgery** or alteration of **covered instruments**.
- If **you** are sued for refusing to pay any instrument covered in FORGERY OR ALTERATION, a., 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 that **we** will pay is in addition to the Limit of Coverage applicable to this coverage agreement.

- c. For the purposes of this coverage agreement, a substitute check, as defined in the federal Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

#### 4. THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES

**We** will pay for loss of or damage to **money** and **securities** resulting directly from **theft**, disappearance or destruction inside **your premises** or **your banking premises**.

#### 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY

- a. **We** will pay for loss of or damage to **other property**:

- (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **member**, or

- (2) Inside the **premises** in a safe or vault resulting directly from an actual or attempted **safe burglary**.

- b. **We** will pay for **loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

- c. **We** will pay for loss of or damage to a locked safe or vault located inside the **premises** resulting directly from an actual or attempted **robbery** or **safe burglary**.

#### 6. OUTSIDE THE PREMISES

- a. **We** will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

- b. **We** will pay for loss of or damage to **other property** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from an actual or attempted **robbery**.

#### 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE

- a. **We** will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer or electronic device to fraudulently cause a transfer of that property from inside **your premises** or **banking premises** to a person, other than an **employee**, or place outside of such **premises**.

- b. **We** will pay for loss directly resulting from fraudulent instruction by a **member** directing a financial institution to transfer, pay or deliver funds from **your** transfer account.

## 8. MONEY ORDERS AND COUNTERFEIT MONEY

**We** will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, **money** or services;

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. **Counterfeit money** that is acquired during the regular course of business.

## C. CRIME EXCLUSIONS

1. The coverage provided under this **SECTION** does not apply to:

- a. Acts Of A **Member** Learned Of By **You** Prior To The Agreement Period

Loss caused by a **member** if the **member** had also committed **theft** or any other dishonest act prior to the effective date of this **Agreement** and **you** or any of **your** officials, not in collusion with the **member**, learned of that **theft** or dishonest act prior to the **Agreement Period** shown in the **Declarations**.

- b. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of **your** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by **you** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

- c. Indirect Loss

Loss that is an indirect result of an **occurrence** covered by this **Agreement** including, but not limited to, loss resulting from **your** inability to realize income that **you** would have realized had there been no loss of or damage to **money**, **securities**, or **other property**.

- d. Costs, Fees, or Other Expenses

**We** will not pay for any costs, fees, or other expenses the **member** incurs in establishing either the existence or the amount of loss under this coverage.

- e. Payment of Damages

- (1) **We** will not pay for damages of any type for which **you** are legally liable, but, **we** will pay compensatory damages arising directly from a loss covered under this **SECTION**.

## f. Kidnap, Ransom or Extortion

**We** will not pay for loss resulting directly or indirectly from kidnap, extortion or ransom payments, other than **theft**, surrendered by any person as a result of a threat.

## g. Legal Fees, Costs and Expenses

**We** will not pay for fees, costs and expenses related to any legal action, except when covered under FORGERY OR ALTERATION of this **Agreement**.

2. The coverage provided under **B. CRIME COVERAGE**, EMPLOYEE THEFT – PER LOSS COVERAGE and THEFT – PER EMPLOYEE COVERAGE of this **SECTION** does not apply to:

## a. Bonded Employees

Loss caused by any **employee** required by law to be individually bonded.

## b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

## c. Trading

Loss resulting from trading, whether in **your** name or in a genuine or fictitious account.

## d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. The coverage provided under **B. CRIME COVERAGE**, THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES; INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY; and OUTSIDE THE PREMISES of this **SECTION** does not apply to:

## a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

## b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

## c. Fire

Loss or damage resulting from fire, however caused.

## d. 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.
- e. Vandalism
- Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
- f. Voluntary Parting Of Title To Or Possession Of Property
- Loss resulting from the **member**, or anyone acting on the **member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to, or possession of, any property.
4. The coverage provided under **B. CRIME COVERAGE**, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE of this **SECTION** does not apply to:
- a. Credit Card Transactions
- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b. Inventory Shortage
- Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.
- c. Dishonest or Criminal Act
- Loss resulting from any dishonest or criminal act committed by a **member** whether acting alone or in collusion with other persons.
- d. Failure of Depository
- Loss caused by or resulting from the failure of any entity acting as a depository for **your** property or property for which **you** are responsible.

#### D. ADDITIONAL CONDITIONS

1. The following Additional Conditions apply only to **B. CRIME COVERAGE** of this **SECTION**:
- a. Prior Bond
- (1) If **you** sustained loss during the period of any prior bond or insurance that **you** could have recovered under such prior bond or insurance, except that the time within which to discover loss has expired, **we** will pay for such loss under this coverage provided:

- 
- (a) that this coverage became effective at the time of cancellation or termination of the prior bond or insurance, and
  - (b) the loss would have been covered by this **B. CRIME COVERAGE** of this **SECTION** had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The coverage under this Condition is part of, and not in addition to, the limits of coverage applying to this coverage and is limited to the lesser of the amount recoverable under this coverage as of its effective date, or the prior bond or insurance had it remained in effect.
  - (3) If any loss is covered partly by this coverage, and partly by any prior canceled or terminated coverage that **we** issued to **you**, the most **we** will pay is the lesser of the amount recoverable under this coverage or the prior coverage.
- b. Policy Bridge – Discovery Replacing Loss Sustained
- If **B. CRIME COVERAGE** of this **SECTION** replaces a prior bond or insurance that provided **you** with an extended period of time after the termination or cancellation of such prior bond or insurance in which to discover loss, then, and only with respect to loss discovered during such extended period but sustained prior to the termination of such prior bond or insurance, the coverage afforded by **B. CRIME COVERAGE** of this **SECTION** applies as follows:
- (1) **We** will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior bond or insurance; provided that in such case, **we** will pay **you** for the excess of such loss subject to the terms and conditions of **B. CRIME COVERAGE** of this **SECTION**.
  - (2) However, any payment **we** make to **you** for such excess loss will not be greater than the difference between the limit of insurance of **your** prior insurance and the limit of coverage of **B. CRIME COVERAGE** of this **SECTION**.
- c. Other Coverage
- (1) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any other valid and collectible bond or insurance available to **you** unless such other bond or insurance is written to be specifically excess of **B. CRIME COVERAGE** of this **SECTION** by named reference in the other bond or insurance.
  - (2) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any indemnification to which **you** are entitled from any other person or entity.
  - (3) As excess coverage, **B. CRIME COVERAGE** of this **SECTION** will not apply or contribute to the payment for any loss to **you** until the amount of such other bond, insurance or indemnity has been exhausted by loss covered thereunder.

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- (4) If the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss, **B. CRIME COVERAGE** of this **SECTION** will apply to that part of the loss not recoverable or recovered under the other bond, insurance or indemnity.
- (5) **B. CRIME COVERAGE** of this **SECTION** will not be subject to the terms of any other bond, insurance or indemnity.
- d. Cumulative Limit
- Regardless of the number of years this coverage remains in force, no limit of coverage cumulates from **Agreement Period** to **Agreement Period**.
- e. Rights and Benefits
- This coverage is for **your** benefit only. It provides no rights or benefits to any other person or entity.
- f. Payment After Agreement Period
- We** will pay only for covered loss **discovered** no later than one year from the end of the **Agreement Period**.
2. The following Additional Conditions apply only to **B. CRIME COVERAGE**, 1. EMPLOYEE THEFT – PER LOSS COVERAGE and 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:
- a. Indemnification
- We** will indemnify any of **your** officials who are required by law to give individual bonds for the faithful performance of their duties against loss through **theft** committed by **employees** who serve under them, subject to the applicable Limit of Crime Coverage as specified in the **Declarations**.
- b. Termination As To Any Employee
- B. CRIME COVERAGE** of this **SECTION** terminates as to any **employee** on the earlier of the following:
- (1) As soon as:
- (a) **You**; or
- (b) Any of **your** officials or **employees** authorized to manage, govern or control **your employees**, who are not in collusion with the **employee**, learn of **theft** or any other dishonest act committed by the **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. **We** will mail or deliver our notice to **your** last mailing



address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. The following Additional Conditions apply only to **B. CRIME COVERAGE 3. FORGERY OR ALTERATION** of this **SECTION**:

- a. Electronic And Mechanical Signatures

**We** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

- b. 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.

4. The following Additional Conditions apply only to **B. CRIME COVERAGE, 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY** and **6. OUTSIDE THE PREMISES** of this **SECTION**:

- a. Special Limit Of Coverage For Specified Property

**We** will only pay up to the limit specified in the **Declarations** for loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

- b. Armored Motor Vehicle Companies

Under **B. CRIME COVERAGE, 6. OUTSIDE THE PREMISES** of this **SECTION**, **we** will only pay for the amount of loss **you** cannot recover:

(1) Under **your** contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of, the armored motor vehicle company.

5. The following Additional Conditions apply only to **B. CRIME COVERAGE, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE** of this **SECTION**:

Special Limit Of Coverage For Specified Property:

**We** will only pay up to the limit specified in the **Declarations** for any loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

#### **E. VALUATION - SETTLEMENT**

1. The value of any loss for purposes of coverage under this **SECTION** shall be determined as follows:

- a. Loss of **money** will be valued only up to and including its face value at the time of the loss.

- b. Loss of **securities** will be valued only up to and including their value at the close of business on the day the loss was discovered. **We** may, at **our** option, pay the value of such **securities** or replace them in kind, in which event **you** must assign to **us** all of **your** rights, title, and interest in and to those **securities**.
  - c. Loss of, or loss from damage to, property other than **money** and **securities** or **loss** from damage to the **premises** will be valued at the lesser of the **actual cash value** of the property on the day the loss was discovered, the cost of repairing the property or premises, or the cost of replacing the property with property of like kind and quality.
  - d. **We** may, at **our** option, pay the **actual cash value** of the property, repair it, or replace it.
2. **We** will pay only for covered loss discovered no later than one year from the end of the **Agreement Period**.
  3. If the **member** has reason to believe that any loss of, or loss from damage to, covered property involves a violation of law, the **member** must promptly notify the police and the **Pool**.

**SECTION VII  
AUTOMOBILE PHYSICAL DAMAGE**

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## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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**SECTION VII AUTOMOBILE PHYSICAL DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

*We* will pay for *loss* to **covered automobiles** that occurs during the *Agreement Period* while the **covered automobile** is within the *Agreement Territory*, as set forth in this **SECTION**.

### A. ADDITIONAL DEFINITIONS

The following Additional Definitions apply only to this **SECTION**:

1. **Hired Automobile** means an **automobile** not owned by the **member** which is used under contract for less than six months on **your** behalf.
2. **Outstanding Balance** means the amount the **member** owes on the lease at the time of **loss**, less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage, excess wear and tear, and lease termination fees.

### B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

#### 1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

#### 2. COLLISION COVERAGE

This coverage applies to damage caused by collision of a **covered automobile** with another **automobile**, **mobile equipment**, or object, or by upset of such **covered automobile**.

### C. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS

The most *we* will pay are the limits for each **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION** as specified in the *Declarations*. Except when specifically stated otherwise, the deductibles as set forth in the *Declarations* shall apply to the **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION**.

#### 1. AIRBAG COVERAGE

- a. *We* will pay for **loss** to a **covered automobile** caused by an accidental discharge of its airbag(s).
- b. **D. EXCLUSIONS**, 1.c. of this **SECTION** does not apply to this **EXTENSION**.
- c. No deductible applies to this **EXTENSION**.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 2. COMMANDEERED PROPERTY COVERAGE

- a. Commandeered Property means an **automobile** belonging to others that is seized or taken over by the **member** for **your** official use to handle an emergency situation.
- b. To be deemed Commandeered Property, the seizure or taking of the **automobile** must be a spontaneous, non-planned action on the part of the officer in charge at the emergency situation.
- c. Comprehensive and Collision coverage applies to the Commandeered Property Coverage.
- d. No deductible applies to this **EXTENSION**.

### 3. EMERGENCY RESPONSE AUTOMOBILE COVERAGE

With respect to **loss** to an emergency response **covered automobile**, if such **loss** is payable under **F. VALUATION** of this **SECTION** as:

- a. 2. Stated Amount (SA) a. or b.; or
- b. 3. **Replacement Cost** (RC) a. or b.;

**we** will pay up to an additional 25% of the actual costs **you** incur to repair or replace the damaged or stolen parts to be in compliance with current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations.

### 4. FREEZING OF EQUIPMENT COVERAGE

- a. For a fire department **covered automobile**, **we** will pay for repair or replacement of equipment, other than engines, caused by freezing or extremes of temperature.
- b. No deductible applies to this **EXTENSION**.

### 5. HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- a. **Hired automobiles** which are hired or rented on a short-term basis, for a period not to exceed six months, and for which coverage has not been specifically adopted in this **Agreement**, are included in the definition of **covered automobile**.
- b. As respects **hired automobiles**, coverage shall be excess over any other valid and collectible insurance available to the **automobile** owner.
- c. **We** will not pay more than the limit designated in the **Declarations** for Hired Automobile Physical Damage Coverage for damage that results from any one accident to any one **hired automobile**.
- d. Payments for physical damage to a **hired automobile** owner under this provision will be subject to the automobile physical damage deductible shown in the **Declarations** for Hired Automobile Physical Damage Coverage.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 6. LEASE GAP COVERAGE

If a long-term leased **automobile** is a **covered automobile** and the lessor is named as an Additional Insured-Lessor, **we** will pay in the event of a total **loss** the **member's** additional legal obligation to the lessor for any difference between the **actual cash value** of the **automobile** at the time of the **loss** and the **outstanding balance** of the lease.

### 7. NOT AT FAULT COLLISION DEDUCTIBLE WAIVER

- a. **We** will waive the applicable deductible to **your covered automobile** for a collision **loss** in which the **member** is determined by **us** to be less than 50% at fault.
- b. The most **we** will waive in any one collision **loss** shall not exceed the limit designated in the **Declarations** for Not At Fault Collision Deductible Waiver.

### 8. PERSONAL AUTOMOBILE COVERAGE

- a. **We** will pay up to the limit specified in the **Declarations** or reimburse the deductible, whichever is less, for **loss** to an **automobile**, owned by **your** elected or appointed official, **authorized** volunteer or **employee**, which occurs while that elected or appointed official, **authorized volunteer** or **employee** is acting on **your** behalf.
- b. No deductible applies to this **EXTENSION**.

### 9. PROPERTY IN AN UNATTENDED AUTOMOBILE COVERAGE

- a. **We** will pay for **loss** to, or **theft** of, personal property of a **member** in an unattended **automobile** if the **loss** or theft occurs while the **member** is acting on **your** behalf.
- b. Coverage does not apply to **valuable papers and records, money, securities, bullion, fine arts**, precious stones, jewelry or other similar valuables.
- c. **Replacement Cost** valuation applies to this **EXTENSION**.
- d. No deductible applies to this **EXTENSION**.

### 10. RECERTIFICATION COVERAGE

- a. **We** will pay the cost of recertification of fire department equipment if such recertification is made necessary by covered **loss** to a **covered automobile**.
- b. No deductible applies to this **EXTENSION**.

### 11. RENTAL REIMBURSEMENT COVERAGE

- a. **We** will pay for rental expenses incurred by the **member** for the rental of an **automobile** because of **loss** to a **covered automobile**. Coverage applies in excess of any other coverage available to the **member**.
- b. In the event of **loss** other than by **theft**, **we** will pay those rental expenses incurred by the **member** beginning 24 hours after the **loss** and ending, regardless of the

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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expiration of the **Agreement Period**, with the number of days reasonably required to repair or replace the **covered automobile**.

- c. In the event of **loss** by **theft**, **we** will pay those rental expenses incurred by the **member** for the rental of a substitute **automobile** during the period commencing 48 hours after such theft has been reported to both **us** and the police, and terminating, regardless of the expiration of the **Agreement Period**, when such **automobile** is returned to use or **we** pay for the **loss**.
- d. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Rental Reimbursement Coverage.
- e. This Rental Reimbursement Coverage does not apply while there are spare or reserve **automobile** available to the **member** for its **operations**.
- f. No deductible applies to this **EXTENSION**.

### 12. RENTAL AUTOMOBILE AGREEMENT COVERAGE

- a. **We** will pay the following rental **automobile** expenses the **member** is contractually obligated to pay because of **loss** to a rental **automobile**, for which **loss** is payable under this **SECTION**, provided the rental **automobile** was rented for the conduct of **your operations** and the rental period as specified in the rental contract was for a period of no more than 31 consecutive days:
  - (1) Loss of income incurred by the lessor of that rental **automobile** during the period of time the **automobile** is out of use because of that **loss**;
  - (2) Decrease in trade-in value of the rental **vehicle** because of the **loss**; and
  - (3) Any related administrative expenses incurred by the rental agency as stated in the rental contract.
- b. No deductible applies to this **EXTENSION**.

### 13. ROADSIDE ASSISTANCE COVERAGE

- a. We will reimburse the **member**, subject to the limit designated in the **Declarations** in any one disablement, for the actual expense incurred by the **member** for towing and other roadside assistance when a **covered automobile** is disabled in the **Agreement Territory** and during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

### 14. TEMPORARY SUBSTITUTE AUTOMOBILE

- a. If coverage is provided under this **Agreement** for a **covered automobile**, and that **covered automobile** is out of service because of:
  - (1) Breakdown;

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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- (2) Repair;
- (3) Servicing; or
- (4) **Loss**;

The coverage applicable to that **covered automobile** will also apply to any temporary substitute **automobile you** do not own while used by **you** with the permission of its owner.

- b. **We** will pay the owner for **loss** to their **automobile**.

### D. EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. **Loss** that is due to and confined to:
  - a. Wear and tear, latent defect, and/or gradual deterioration;
  - b. Freezing, except as provided in **C. ADDITIONAL COVERAGE EXTENSIONS, 4. FREEZING OF EQUIPMENT COVERAGE** of this **SECTION**; or
  - c. Mechanical or electrical breakdown or failure, unless such **loss** is the result of other **loss** covered by this **Agreement**.
2. Tires, unless:
  - a. **Loss** is coincidental with and from the same cause as other **loss** covered by this **Agreement**; or
  - b. Damaged by fire, malicious mischief or vandalism, or **theft** and, as to the **covered automobile**, **loss** caused by such damage or **theft** is covered by this **Agreement**.
3. Under **B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE, 2. COLLISION COVERAGE** of this **SECTION**, to breakage of glass if coverage with respect to such breakage is otherwise afforded herein.

### E. DEDUCTIBLE

1. Unless noted to the contrary in this **Agreement**, each **loss** payable under this **SECTION** is subject to the applicable Deductible set forth in the **Declarations**.
2. For a **loss** covered by this **SECTION**, **we** will pay the amount of **loss** that is in excess of the applicable deductible as specified on the Statement of Values on file with **us**. If more than one deductible is applicable under this **Agreement**, **we** will apply the largest applicable deductible.
3. However, if **loss** to a **covered automobile** is confined to windshield damage, no deductible will apply to repair of that damage or replacement of the windshield.



## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### F. VALUATION

Unless otherwise stated in this **SECTION**, *our* limit of coverage for *loss* is:

1. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Actual Cash Value** (ACV), *we* will pay the lesser of:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. **Actual cash value** of the damaged or stolen **covered automobile**.
2. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as Stated Amount (SA), *we* will pay the lesser of the:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. Amount as specified on the Statement of Values on file with *us* as applicable to that **covered automobile**.
3. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Replacement Cost** (RC),
  - a. *We* will pay the lesser of the:
    - (1) Cost to repair the damaged **covered automobile**;
    - (2) Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**; or
    - (3) Cost to replace the damaged or stolen **covered automobile** with new property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; and

**SECTION VII**  
**AUTOMOBILE PHYSICAL DAMAGE**

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- b. **We** will not pay on a replacement cost basis until the **covered automobile** is actually replaced and such replacement is made as soon as possible after the **loss**. If **you** do not replace the **covered automobile**, **we** will not pay more than the **actual cash value**; and
- c. In the event **your** damaged **covered automobile**, other than a fire or ambulance vehicle, is deemed by **us** to be a total **loss**, was purchased new within two years of the date of **loss** and has less than 50,000 miles, **we** will pay up to 105% of the limit designated for the damaged **covered automobile** to replace it with one of comparable kind and quality, that is the same model year or the next model year if available.

## UNDERGROUND LINES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**B. PROPERTY EXCLUDED** is modified by deleting the following, but only as respects this coverage:

21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 33. UNDERGROUND FIBER OPTIC CABLE of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by adding:

UNDERGROUND LINES

This **EXTENSION** covers **loss** to **your** underground pipes, flues, drains, tanks, lines, wiring, fiber optic cable, tunnels, or passageways, which are within 1,000 feet of a **covered building or structure**.

This endorsement does not apply to the following sections:

**SECTION IV – TIME ELEMENT**

**SECTION V – EQUIPMENT BREAKDOWN**

**SECTION VI – CRIME**

**SECTION VII – AUTO PHYSICAL DAMAGE**

**SECTION VIII – EARTH MOVEMENT**

**SECTION IX - FLOOD**

All other terms and conditions remain unchanged.

## DEDUCTIBLE - EQUIPMENT BREAKDOWN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION V – EQUIPMENT BREAKDOWN, G. DEDUCTIBLES** is modified by the following:

Any Deductible Per Unit designated below shall apply to any loss to **covered equipment** described below, subject to the Minimum Deductible designated for such **covered equipment**.

<u>Equipment</u>	<u>Deductible Per Unit</u>	<u>Minimum Deductible</u>
Water & Sewer	\$1,000	
All Other Covered Equipment	\$250	

All other terms and conditions remain unchanged.

# TERRORISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION 1 – GENERAL PROVISIONS** is modified by amending the following, but only as respects this coverage:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

3. TERRORISM

- a. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, unless agreed to by the **Pool** in writing prior to such action being taken.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this *Agreement* covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this *Agreement*, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this *Agreement* or to any other coverages provided by this *Agreement*.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this *Agreement*.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

39. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage** and is primary over any other coverage provided by the Governmental Property Agreement.
- b. The following Additional Definitions apply only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss that would otherwise be covered by this **Agreement** arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss or damage to power transmission, feeder lines or pipelines not on **your** premises.
- (14) Watercraft.

(15)Plants and living things, of all types.

- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by adding the following, but only as respects this coverage:

**A. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS**

15. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional Definition applies only to this **EXTENSION**:

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) Loss by seizure or legal or illegal occupation unless **loss** or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a loss (which would otherwise be covered by this **Agreement**) arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.

- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
  - (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
  - (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
  - (10) Loss or increased cost as a result of threat or hoax.
  - (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
  - (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- d. The most **we** will pay for any one **Terrorism: Occurrence** or **Sabotage: Occurrence** is the limit of coverage specified in the **Declarations**. The coverage limit for this benefit is the lesser of the blanket limit or \$25 million per **member** per **occurrence**.

All other terms and conditions remain unchanged.



## UNSCHEDULED PROPERTY IN THE OPEN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

### D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS

#### 40. UNSCHEDULED PROPERTY IN THE OPEN

a. This **EXTENSION** covers *loss* to ***your Unscheduled Property in the Open***.

b. The following Additional Definition applies only to this **EXTENSION**:

***Unscheduled Property in the Open*** means property of the following types that are not included on the Statement of Values on file with **us**:

- (1) Fences;
- (2) Flagpoles;
- (3) Traffic control devices;
- (4) Sirens;
- (5) Gates;
- (6) Radio or television antennas;
- (7) Traffic or road signs;
- (8) Docks; and
- (9) Free-standing lights, light poles and street lights.

c. For ***your Unscheduled Property in the Open***, we will pay the lesser of:

- (1) The cost to repair ***your Unscheduled Property in the Open***; or
- (2) The amount **you** actually spend that is necessary to repair or replace ***your Unscheduled Property in the Open***.

d. For ***your Unscheduled Property in the Open***, the most we will pay in any one **Agreement Period** to repair or replace ***your Unscheduled Property in the Open*** is \$100,000, in the aggregate.

e. This **EXTENSION** shall be effective as of January 1, 2021 at 12:01 A.M.

All other terms and conditions remain unchanged.

## EARTH MOVEMENT

This endorsement modifies the Governmental Property Agreement.

**SECTION I – GENERAL PROVISIONS** is modified by amending the following:

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

18. **Earth Movement** means **earthquakes**; landslides; **volcanic eruption**; subsidence, including **mine subsidence**; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**C. CAUSE OF LOSS EXCLUDED**

6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - g. Earth sinking, rising or shifting.
  - h. Mudslides or mudflows.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- c. The following Additional Exclusions apply to this **EXTENSION**:

- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

- c. The following Additional Exclusion applies to this **EXTENSION**:

- This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

**SECTION V – EQUIPMENT BREAKDOWN** is modified by adding the following:

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

10. Earth sinking or rising or shifting.
11. Mudslides or mudflows.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by amending the following:

**B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, earth sinking or rising or shifting, mudslides, mudflows, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

**SECTION IX – FLOOD** is modified by amending the following:

**A. CAUSE OF LOSS**

2. **We** will not pay for **loss** caused directly or indirectly by, or resulting from, any of the following:

- f. Fire, explosion, **sinkhole collapse**, destabilization or movement of **land** resulting from the accumulation of water in subsurface land areas, gradual erosion, earth sinking or rising or shifting, or any **earth movement** except such mudflows, mudslides or erosion as are covered under the peril of **flood**.

All other terms and conditions remain unchanged.

## GENERAL ENDORSEMENT - BRIDGES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### C. CAUSE OF LOSS EXCLUDED

This **SECTION** excludes coverage for

1. All causes of **loss** to bridges, except if caused by the following Named Perils only: fire, lightning, windstorm, hail, collision, theft, vandalism, or malicious mischief.
2. **Blanket Limit** shall not apply to bridges.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### F. VALUATION

3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,

- a. **We** will pay the lesser of the:
  - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
  - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
- b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
- c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
- d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.

All other terms and conditions remain unchanged.

## ELECTRONIC VANDALISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

### SECTION I GENERAL PROVISIONS

The following is added to **A. DEFINITIONS** (except as modified by another SECTION of this Agreement):

**57. *Electronic Vandalism*** means:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems, or
- b. Unauthorized computer code or programming that:
  - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced; or
  - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
  - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

**SECTION III PROPERTY DAMAGE, C. CAUSE OF LOSS EXCLUDED**, is modified by adding the following, but only as respects this coverage:

#### 12. ELECTRONIC VANDALISM

**Loss**, costs and expenses caused by or resulting from ***electronic vandalism***, except as provided by **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS, 12. ELECTRONIC VANDALISM** of **SECTION III PROPERTY DAMAGE** of this **Agreement**.

**SECTION III PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by deleting the following, but only as respects this coverage:

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from ***your electronic data processing equipment or media***;
- b. **Your loss** resulting from the necessary interruption of ***your operations***;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to ***your loss*** to ***electronic data processing equipment or media*** and are caused by such malicious code, malware, ransomware or computer viruses.

**SECTION III – PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by adding the following, but only as respects this coverage:

6. ELECTRONIC VANDALISM

- a. This **EXTENSION** covers loss or damage caused directly or indirectly by ***electronic vandalism*** regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

All other terms and conditions remain unchanged.



**PIRMA Invoice Summary**

For Catharine Township, Blair County

Effective Date: 02/22/2020

Invoice Number: R0544PC2020-1

<b>Coverage</b>	<b>Invoiced</b>
General Liability	\$1,109
Auto Liability	\$1,000
Public Officials Liability	\$1,847
Auto Physical Damage	\$1,806
Property & Equipment	\$1,141
<b>Total</b>	<b>\$6,903</b>

Please make check payable to "PIRMA" Pennsylvania Intergovernmental Risk Management Association and mail to the following address:

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Pennsylvania Intergovernmental Risk Management Association

961 Pottstown Pike

Chester Springs PA 19425-9908

1-800-362-1011



**PIRMA Invoice Summary**

For Catharine Township, Blair County

Effective Date: 02/22/2021

Invoice Number: R0544PC2021-1

<b>Coverage</b>	<b>Invoiced</b>
General Liability	\$1,065
Auto Liability	\$940
Public Officials Liability	\$1,788
Auto Physical Damage	\$1,877
Property & Equipment	\$1,178
<b>Total</b>	<b>\$6,848</b>

Please make check payable to "PIRMA" Pennsylvania Intergovernmental Risk Management Association and mail to the following address:

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Pennsylvania Intergovernmental Risk Management Association

961 Pottstown Pike

Chester Springs PA 19425-9908

1-800-362-1011





**PIRMA Invoice Summary**

For Catharine Township, Blair County

Effective Date: 02/22/2022

Invoice Number: R0544PC2022-1

<b>Coverage</b>	<b>Invoiced</b>
General Liability	\$1,100
Auto Liability	\$1,003
Public Officials Liability	\$2,010
Auto Physical Damage	\$1,877
Property & Equipment	\$1,149
<b>Total</b>	<b>\$7,139</b>

Please make check payable to "PIRMA" Pennsylvania Intergovernmental Risk Management Association and mail to the following address:

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Pennsylvania Intergovernmental Risk Management Association

961 Pottstown Pike

Chester Springs PA 19425-9908

1-800-362-1011



**PIRMA Invoice Summary**

For Catharine Township, Blair County

Effective Date: 02/22/2023

Invoice Number: R0544PC2023-1

<b>Coverage</b>	<b>Invoiced</b>
General Liability	\$1,157
Auto Liability	\$1,250
Public Officials Liability	\$2,104
Auto Physical Damage	\$1,856
Property & Equipment	\$1,255
<b>Total</b>	<b>\$7,622</b>

Please make check payable to "PIRMA" Pennsylvania Intergovernmental Risk Management Association and mail to the following address:

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Pennsylvania Intergovernmental Risk Management Association

961 Pottstown Pike

Chester Springs PA 19425-9908

1-800-362-1011



## PIRMA Invoice Summary

For Catharine Township, Blair County

Effective Date: 02/22/2024

Invoice Number: R0544PC2024-1

Coverage	Invoiced
General Liability	\$1,215
Auto Liability	\$1,338
Public Officials Liability	\$2,182
Auto Physical Damage	\$2,137
Property & Equipment	\$1,445
<b>Total</b>	<b>\$8,317</b>

Online Payment Option: Client Code: CATHTBLA  
Zip Code: 16693  
Invoice Reference #: 371352

Please make check payable to "PIRMA" Pennsylvania Intergovernmental Risk Management Association and mail to the following address:

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Pennsylvania Intergovernmental Risk Management Association

P.O. Box 5529

Deptford NJ 08096

1-800-362-1011



**Pennsylvania Intergovernmental Risk Management  
Association**  
(A Local Government Risk Pool)

**GOVERNMENTAL PROPERTY AGREEMENT  
COVERAGE DECLARATIONS**

This Agreement is issued under and pursuant to the terms, conditions, covenants, Property Addendum dated 09/08/2014 and stipulations of the Intergovernmental Contract dated 09/16/2021 between the Member stated herein and Pennsylvania Intergovernmental Risk Management Association, (hereinafter, the Pool). All terms and conditions of said contract are incorporated herein by reference. In the event that any provision of this Agreement is in conflict with or is inconsistent with the Intergovernmental Contract or any appendix or attachment thereto, the terms and conditions of such Intergovernmental Contract, appendix or attachment shall prevail and take precedence.

GIVE WRITTEN NOTICE OF ANY LOSS HEREUNDER TO

H.A. Thomson Company  
961 Pottstown Pike  
Chester Springs, PA 19425

NAMED MEMBER: Catharine Township, Blair County

MEMBER NUMBER: 0544


MAILING ADDRESS: 1229 Recreation Drive  
Williamsburg, PA 16693

AGREEMENT PERIOD: Commencing at 12:01 A.M. on the effective date indicated below until canceled or replaced.

EFFECTIVE DATE: 02/22/2024

FORMS ATTACHED:	Form Number	Description	Revision Date
	GPA 0600 (01-19)	Property Schedule of Benefits (01-19)	01/2019
	GPA 0601	Section 1	01/2019
	GPA 0601	Section 2	01/2019
	GPA 0601	Section 3	01/2019
	GPA 0601	Section 4	01/2019
	GPA 0601	Section 5	01/2019
	GPA 0601	Section 6	01/2019
	GPA 0601	Section 7	01/2019
	GPA 0625	Underground Lines	01/2019
	GPA 0626	Schedule of Covered Vehicles	
	GPA 0626 MP	Statement of Additional Property	
	GPA 0644	Boiler & Machinery Deductibles Endorsement	01/2019
	GPA 0762	Cyber GPA Exclusion Endorsement	01/2024
	GPA 0780	Terrorism	01/2024
	GPA 0781	Unscheduled Property in the Open	01/2021
	GPA 0785	Earth Movement	01/2021
	GPA 0786	General Endorsement Bridges	01/2021
	GPA 0787	Electronic Vandalism	01/2022
	GPA 0790	Fire Extinguishing Systems & Fire Department Service Charge Endorsement	01/2024

Countersigned: 03/08/2024

By: 



# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2024

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION III – PROPERTY DAMAGE</b>		
Buildings*	\$338,720	\$250
Personal Property*	\$3,300	\$250
Accounts Receivable	\$250,000	
Animals	\$25,000	
Appearance Allowance	\$25,000	
Arson or Theft Reward	\$10,000	
Athletic Surfaces	\$50,000	
Building or Addition Under Construction	\$1,000,000	\$250
Building or Addition Under Construction - Frame Construction Type	Excluded	
Debris Removal	\$250,000	
Decontamination Costs	\$25,000	
Electronic Vandalism	\$250,000	
Equipment Rental Reimbursement	\$250,000	
Errors or Omissions	\$500,000	
Expediting Expenses	\$250,000	
Fine Arts - Unscheduled	\$25,000	
Fire Hydrants (Unscheduled)	\$10,000	
Golf Course Sand Traps, Tee and Greens	\$10,000/\$250,000	
Green Coverage	\$100,000	
Guide Rails	\$10,000	
Land and Water Cleanup Expense	\$10,000	
Locks and Keys	\$25,000	
Money and Securities	\$25,000	
New Generation	\$10,000	
Newly Constructed or Acquired Property	\$2,000,000	\$250

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2024

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
Off-Premises Service Interruption Property Damage	\$25,000	
Off-Premises Storage - Property Under Construction	\$10,000	
Ordinance or Law	\$500,000	
Outdoor Signs	\$10,000	
Outdoor Trees and Shrubs	\$10,000/\$250,000	
Parking Meters and Charging Stations	\$5,000	
Personal Prop Not at a Covered Location	\$50,000	
Personal Property at Newly Acquired or Leased Locations	\$1,000,000	\$0
Personal Property of Others	\$250,000	\$250
Pollution Cleanup Expense	\$100,000	
Professional Fees	\$5,000	
Property Removed from a Covered Location	\$250,000	
Protection and Preservation of Property	\$250,000	
Terrorism	See GPA 0780	\$0
Transit Coverage	\$100,000	
Underground Fiber Optic Cable	\$10,000	
Underground Lines	\$1,000,000	
Unscheduled Misc Property	\$10,000	
Unscheduled Playground Equipment	\$25,000	
Unscheduled Property in the Open	\$100,000	\$250
Valuable Papers and Records	\$250,000	
Water and Sewer Backup	\$100,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2024

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION IV - TIME ELEMENT</b>		
Civil Authority	Maximum 30 days	
Civil Authority	\$25,000	
Computer Systems and Non-physical Damage	\$10,000	
Contingent Tax Revenue Interruption	\$25,000	
Contingent Time Element	\$10,000	
Earnings During Protection/Preservation	\$25,000	
Expenses to Reduce Loss	\$25,000	
Extended Earnings, Extra Expense and Cost	\$50,000	
Extended Gross Earnings, Extra Expense and Cost	Maximum 180 days	
Extended Period of Coverage	\$25,000	
Extra Expense and Cost	\$250,000	
Gross Earnings	\$250,000	
Leasehold Interest	\$10,000	
Rental Coverage	\$10,000	
Soft Costs	\$5,000	
Storm Debris Removal	\$5,000	



# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2024

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
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#### SECTION V - EQUIPMENT BREAKDOWN

Total Limit per one Breakdown*	\$265,788	See GPA 0644
Power Generating Equipment	Excluded	
Civil Authority	\$25,000	
Data or Media	\$250,000	
Defense	Unlimited	
Dependent Properties	\$25,000	
Earnings	\$100,000	
Electrical Surge and Electrical Disturbance	\$100,000	
Error in Description	\$500,000	
Expediting Expenses	\$250,000	
Extended Earnings and Extra Expense	\$100,000	
Extra Expense	\$100,000	
Green Alternatives	\$100,000	
Hazardous Substance	\$100,000	
New Generation	\$10,000	
Newly Acquired Locations	\$2,000,000	
Off Premises Equipment	\$50,000	
Ordinance or Law	\$500,000	
Refrigerant Contamination	\$100,000	
Service Interruption	\$100,000	
Spoilage	Included with Refrigerant Contamination	
Water Damage	\$100,000	

#### SECTION VI – CRIME

Crime	\$10,000	
Computer Fraud and Funds Transfer	\$10,000	
Employee Theft - Per Employee	\$10,000	
Employee Theft - Per Loss	\$10,000	
Forgery or Alteration	\$10,000	
Inside Premises - Robbery or Safe Burglary	\$10,000	
Money Orders and Counterfeit Money	\$10,000	
Outside Premises	\$10,000	
Theft, Disappearance, Destruction of Money	\$10,000	

# GOVERNMENT PROPERTY AGREEMENT – SCHEDULE OF BENEFITS

## Pennsylvania Intergovernmental Risk Management Association

### Catharine Township, Blair County

Effective Date: 02/22/2024

SUBJECT TO THE TERMS AND CONDITIONS OF THE  
GOVERNMENTAL PROPERTY AGREEMENT

SECTION	COVERAGE LIMIT	DEDUCTIBLE
<b>SECTION VII - AUTOMOBILE PHYSICAL DAMAGE</b>		
Airbags	\$5,000	\$0
Commandeered Property	\$250,000	\$0
Emergency Response Automobile	\$25,000	\$0
Freezing of Equipment Coverage	\$25,000	\$0
Hired Automobile Physical Damage	\$50,000	\$0
Lease Gap	\$25,000	\$0
Not At Fault Collision Deductible Waiver	\$2,500	\$0
Personal Automobile (Deductible)	Actual Cost	\$0
Property in an Unattended Auto	\$1,000	\$0
Recertification	Actual Cost	\$0
Rental Automobile Agreement	\$10,000	\$0
Rental Reimbursement Aggregate	\$100,000	\$0
Rental Reimbursement Per Day	\$1,000	\$0
Roadside Assistance	\$5,000	\$0
Temporary Substitute Automobile	\$2,500	\$0
Terrorism	See GPA 0780	\$0



## Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2024

Printed on: 03/14/2024

Location Description	Area	# of Flrs	Auto Spklr	Year Built	Year Reno	Con Code	Pro Class	Equip Break	FL	EQ	Blank Limit
1 - 1 1229 Recreation Drive Williamsburg, PA 16693 Concrete Block Garage/Storage/Municipal Building/Addition	3300	0		1996		2	5	Y	N	N	Y

	Value	Valuation	Deductible
Building	\$308,249	RC	\$250
Personal Property	\$3,300		\$250
<b>Total Location TIV</b>	<b>\$311,549</b>		

1 - 2 1229 Recreation Drive Williamsburg, PA 16693 Frame Salt Shed (24' x 24' x 16')	576	0		1998		1	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$26,542	RC	\$250
<b>Total Location TIV</b>	<b>\$26,542</b>		

1 - 3 1229 Recreation Drive Williamsburg, PA 16693 Two (2) Plastic Brine Tanks w/pumps	0	0				3	5	Y	N	N	Y
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	Value	Valuation	Deductible
Building	\$3,929	RC	\$250
<b>Total Location TIV</b>	<b>\$3,929</b>		

Total Blanket TIV	\$342,020
Building	\$338,720
Personal Property	\$3,300
<b>APD TIV</b>	<b>\$97,427</b>
<b>Total TIV</b>	<b>\$342,020</b>



## Schedule of Covered Vehicles

**Catharine Township, Blair  
County**

**Effective Date:** 02/22/2024

**Printed on:** 03/14/2024

#	Year	Make	Model	VIN	Type	Value	Valuation Comp	Ded	Coll	Ded
1	2011	Ford	F550 w/plow, spreader & radio	1FDUF5H T3BEA07 036	Dump Trucks	\$63,632	ACV Y	\$100	Y	\$250
2	2005	International	7400 w/plow & spreader	1HTWDA ZR25J136 074	Dump Trucks	\$5,000	ACV Y	\$100	Y	\$250
3	1994	Miscellaneous	Eager Beaver Trailer	112HTN3 0XRL0428 55	Trailers	\$3,050	ACV Y	\$100	Y	\$250
4	2016	Miscellaneous	Sure-Trac Trailer	5JW2D10 2XG4143 183	Trailers	\$4,095	ACV Y	\$100	Y	\$250
5	2004	Ford	F550 w/plow & spreader	1FDAF57 P24ED65 027	Dump Trucks	\$21,650	ACV Y	\$100	Y	\$250

Total Location Vehicle Value: \$97,427

**Total ACV Value:** \$97,427      **Total RC Value:** 0      **Total SA Value:** 0      **Grand Total Vehicle Value:** \$97,427



## Additional Property Statement of Values

Catharine Township, Blair County

Effective Date: 02/22/2024

Printed on: 03/14/2024

### Location Information N/A

Line	Classification	Description	Serial No	Coverage Limit	Valuation	Deductible
1	EDP - Hardware	Unscheduled Hardware & Software		\$2,200	RC	\$250
2	Miscellaneous Property Scheduled	Leaf Blower		\$7,700	ACV	\$250
3	Miscellaneous Property Unscheduled	Miscellaneous Tools & Equipment; no one item over \$2,500		\$9,900	ACV	\$250
4	Miscellaneous Property Scheduled	Rhino Boom Mower w/flailhead	SV15-2071R-04	\$15,950	ACV	\$250
5	Miscellaneous Property Scheduled	2005 John Deere Loader/Tractor w/bucket, broom & attachment	LV5325P133208	\$60,500	ACV	\$250
6	Miscellaneous Property Unscheduled	Leased & Rented Equipment		\$250,000	ACV	\$250
7	Miscellaneous Property Scheduled	1984 Paver	ETNYREFCR00	\$2,750	ACV	\$250
8	Miscellaneous Property Scheduled	Motor Grader		\$3,300	ACV	\$250

Total EDP - Hardware	\$2,200
Total Miscellaneous Property Scheduled	\$90,200
Total Miscellaneous Property Unscheduled	\$259,900
<b>Total Location Additional Property Scheduled Value</b>	<b>\$352,300</b>

Grand Total EDP - Hardware	\$2,200
Grand Total Miscellaneous Property Scheduled	\$90,200
Grand Total Miscellaneous Property Unscheduled	\$259,900
<b>Grand Total Additional Property Scheduled Value</b>	<b>\$352,300</b>

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## SECTION I GENERAL PROVISIONS

This **Governmental Property Agreement** is issued pursuant to and in accordance with the Intergovernmental Agreement and is subject to the terms, conditions, covenants and stipulations set forth herein and as specified on the **Declarations** or in any endorsement hereto. In the event that any provision of this **Agreement** is in conflict with, or is incompatible with, the Intergovernmental Agreement or any appendix or attachment thereto, the terms and conditions of the Intergovernmental Agreement, appendix or attachment thereto shall take precedence.

All **SECTIONS** included in this **Agreement** are subject to **SECTION I GENERAL PROVISIONS** of this **Agreement**, except for any modifications included in such other **SECTIONS** of this **Agreement**.

Various provisions in this **Agreement** restrict coverage. Read the entire **Agreement** carefully to determine rights, duties and what benefits are and are not provided.

Throughout this **Agreement**, words and phrases that appear in **bold italics** have special meaning. **You** and **your** refer to the Named Member as specified on the **Declarations**. **We**, **us** and **our** refer to the **Pool**.

Other words and phrases that appear in **bold italics** also have special meaning and are defined in **SECTION I GENERAL PROVISIONS** of this **Agreement** or in the other **SECTIONS** of this **Agreement**.

Coverage applies only to **losses** occurring during the **Agreement Period**. In return for the payment of the contribution and subject to all of the terms of this **Agreement** and the Intergovernmental Contract, the **Pool** agrees to provide coverage pursuant to those Coverage Agreements comprising this **Agreement**.

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

1. **Actual Cash Value** means:
  - a. For a **covered building or structure**, the cost to repair, rebuild or replace the lost or damaged property at the time and place of the **loss**, with property of like kind and quality, less allowance for physical deterioration, depreciation and depletion;
  - b. For a **covered automobile** or all other property, the market value of such **automobile** or property in a used condition at the time and place of the **loss**, if reasonably available in the used market. If not reasonably available in the used market, **actual cash value** means the market value of new, identical or nearly identical **automobile** or property, less allowance for physical deterioration, depreciation, depletion and obsolescence.
2. **Agreement** means this Governmental Property Agreement, including the **Declarations**, **SECTION I GENERAL PROVISIONS**, **SECTION II LOSS ADJUSTMENT AND SETTLEMENT**, **SECTION III PROPERTY DAMAGE**, **SECTION IV TIME ELEMENT**, **SECTION V EQUIPMENT BREAKDOWN**, **SECTION VI CRIME**, **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**, **SECTION VIII EARTH MOVEMENT**, **SECTION**



**IX FLOOD**, and any attached endorsements and any amendments to the Governmental Property Agreement.

3. **Agreement Period** means each period of one year following the effective date and time of this **Agreement** or, such lesser period if the time between the effective date and termination or cancellation of this **Agreement** is less than one year.
4. **Agreement Territory** means the United States of America, its territories, and Canada.
5. **Aircraft** means any machine designed to travel through the air, including but not limited to, airplanes, balloons, dirigibles or helicopters, but aircraft does not mean a **drone**.
6. **Authorized Volunteer** means an individual volunteer while performing a service for **you** at **your** request and at no expense. This term does not include individual volunteers performing services for or on behalf of independent volunteer fire companies, ambulance companies or other entities.
7. **Automobile**
  - a. **Automobile** means a land motor vehicle, motorcycle, motor truck, trailer or semi-trailer, or any similar means of transporting persons or property designed and licensed for travel on public roads, including any permanently attached machinery or apparatus, or equipment removed on a seasonable basis if attached thereto.
  - b. **Automobile** does not include **mobile equipment**.
8. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution in conducting its business.
9. **Blanket Limit** means a single limit of coverage that applies to one or more **covered locations**. The **Blanket Limit** is equal to the total values scheduled for all buildings and personal property on the Statement of Values that are indicated as being part of the **Blanket Limit** and such total is listed as the **Blanket Limit** on the Statement of Values.
10. **Contaminant** means anything that causes **contamination**.
11. **Contamination** means any condition of property due to the actual or suspected presence of any: foreign substance, impurity, **pollutant**, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, virus, disease causing or illness causing agent, **fungi**, mold or mildew.
12. **Covered Automobile** means: an **automobile** specified on the Statement of Values on file with **us** which is owned, leased, or borrowed by **you**, and which **you** acquire, lease, rent, or borrow during the **Agreement Period**, subsequent to the completion of the most recent Statement of Values on file with **us**.
13. **Covered Building or Structure** means a building or structure, described on the Statement of Values on file with **us**, located on a **covered location** and used for the conduct of **your operations**.

14. **Covered Location** means a location specified on the Statement of Values on file with **us** or a location subsequently reported.
15. **Data** means all information stored on media devices including facts, concepts, statistics, texts, sounds, graphics, images, quantities, characters, symbols or computer programs converted to a form usable in a data processing operation.
16. **Declarations** means the Declarations of Coverage attached to and incorporated into the **Agreement**, setting forth the specific indication of the coverages, limits, sublimits, deductibles, contributions, special provisions elected by the **Member**, corresponding schedules and any modifications made by issuance of amendatory Declarations of Coverage.
17. **Drone** means a remote controlled and unmanned aerial vehicle (UAV).
18. **Earth Movement** means **earthquakes**; landslides; mudslides; mudflows; **volcanic eruption**; subsidence, including **mine subsidence**; or earth sinking, rising or shifting; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural and manmade causes, and includes aftershocks therefrom.
20. **Electronic Data Processing Equipment Or Media** means any computer, computer system or component, **hardware**, network, microprocessor, microchip, integrated circuit or similar devices or components in computer or non-computer equipment, operating systems, **data** or programs, whether the property of the **member** or not.
21. **Employee**
- a. **Employee** means any individual while in **your** service and in the conduct of **your operations**, whose labor or service is engaged by **you** in your capacity as an employer, subject to Pennsylvania worker's compensation laws, whom **you** compensate by salary, wages or commissions, and have the right to govern and direct in the performance of such service.
  - b. **Employee** does not mean any broker, commission merchant, consignee contractor, retained professional, independent contractor or other representative of the same general character.
22. **Fine Arts** means paintings, drawings, etchings, prints, pictures, tapestries, art glass windows, valuable rugs and tapestries, statuary, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, potteries, rare or art glass, bric-a-brac and similar property of rarity, historical or cultural value, or artistic merit.
23. **Flood** means surface waters; rising waters; storm surge; sea surge; wave wash; waves; tsunami; tide or tidal water; the release, the rising, overflowing or breaking of boundaries of water from natural or man-made bodies of water, or the spray therefrom, all irrespective of whether driven by wind; mudslide or mudflow resulting from any of the foregoing; regardless of any other cause or event, whether natural or man-made,

contributing concurrently or in any other sequence of **loss**. **Loss** from **flood** associated with a storm or weather disturbance, whether or not identified by name by any meteorological authority, is considered to be **flood** within the terms of the **Agreement**. However, **loss** by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be **loss** by **flood** within the terms and conditions of this **Agreement**.

24. **Functional Replacement Cost** means the cost to repair or replace a building, or the portion of the building being used by **you** for **your** operations, with commonly used construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
25. **Fungi** means any type or form of fungus, including mold, mildew, and any mycotoxin spores, scents or by-products produced or released by **fungi**.
26. **Green** means products, materials, methods and processes certified by a **Green Authority** that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.
27. **Green Authority** means an authority on **green** buildings, products, materials, methods or processes, including the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certifications, Green Building Initiative's Green Globes Certification, U.S. Department of Energy/Environmental Protection Agencies' Energy Star Rating System or any other recognized **green** rating system.
28. **Hardware** means a network of machine components capable of accepting information, processing it according to a plan and producing the desired results.
29. **High Hazard Flood Zones** means Special Flood Hazard Area (SFHA) as defined by the Federal Emergency Management Agency (FEMA), including, but not limited to, Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30.
30. **Improvements and Betterments** means the fixtures, alterations, installations or additions made a part of the building or structure **you** occupy, but do not own, and that **you** acquired or made at **your** expense, but cannot legally remove.
31. **Land** means any solid portion of the earth except for structures reported on the Statement of Values on file with **us**, such as dikes, levees, retaining walls and other containment structures.
32. **Loss** means direct loss or damage to **you** of **COVERED PROPERTY** occurring during the **Agreement Period**.
33. **Member** means **you** and, while actively engaged in activities on **your** behalf or in **your** interest, any:
  - a. Member of **your** governing body;
  - b. Member of **your** Boards, Commissions, or Councils;

- c. Elected or appointed officers;
- d. **Employees** acting within the scope of their employment; or
- e. **Authorized volunteers**.

34. **Mine Subsidence** means **loss** caused by lateral or vertical ground movement, resulting from the collapse of man-made underground mines, including but not limited to, coal, clay, limestone or fluorspar mines. However, **mine subsidence** does not mean lateral or vertical ground movement caused by:

- a. **Earthquake** or landslide;
- b. Soil conditions, soil erosion, soil freezing or thawing, improperly compacted soil, construction defects, roots of trees or shrubs;
- c. Collapse of storm sewer drains or rapid transit tunnels; or
- d. **Sinkhole Collapse**.

35. **Mobile Equipment**

- a. **Mobile equipment** is considered personal property and 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 and not licensed for highway use;
  - (3) Vehicles that travel on crawler treads;
  - (4) Vehicles, irrespective of whether self-propelled, maintained primarily to provide mobility to:
    - (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 a.(1), a.(2), a.(3) or a.(4) of this definition of **Mobile Equipment** 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 or similar devices used to raise or lower workers;

(6) Vehicles not described in a.(5)(a) or a.(5)(b) of this definition of **Mobile Equipment** that are maintained primarily for purposes other than the transportation of persons or cargo; and

(7) **Drones**.

b. However, self-propelled vehicles with the following types of permanently attached equipment are not **Mobile Equipment**, but will be considered **automobiles**:

(1) Equipment designed primarily for:

(a) Snow removal; or

(b) Street cleaning;

(2) Cherry pickers and similar devices mounted on **automobile** or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

36. **Money**

a. **Money** means currency, coins, and bank notes in current use and having a face value.

b. **Money** does not mean bitcoin or any other form of cryptocurrency or unregulated **securities** processed through blockchain technologies.

37. **Nuclear Hazard** means nuclear reaction, radiation or radioactive **contamination**, however caused.

38. **Occurrence** means the sum total of all loss, arising out of or caused by one event:

a. Occurring during the **Agreement Period**; or

b. Commencing during the **Agreement Period**, as respects the following:

(1) **Earth Movement: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Earth Movement** during a continuous period of up to one hundred sixty-eight (168) hours.

(2) **Flood: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Flood** within a period of continued rising or overflow and subsidence of same.

(3) **Terrorism: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

(4) **Wind: Occurrence** shall mean the sum total of all **loss** arising out of or caused by **Wind** during a continuous period of seventy-two (72) hours.

39. **Operations** means *your* customary activities for which you have been legally or statutorily authorized to undertake.
40. **Period of Restoration:**
- a. Means the period of time that begins on the date the **loss** occurs and ends the earlier of when **your operations** are resumed at a new permanent location or the date the damaged property should, with reasonable speed, be repaired, rebuilt or replaced. The expiration date of this **Agreement** will not lessen the **period of restoration**; and
  - b. Does not include any increased period attributable to the enforcement of an ordinance, law, order, rule or ruling that:
    - (1) Prohibits, regulates or restricts the alteration, construction, installation, operation, use or repair of any property;
    - (2) Requires the tearing down or demolition of any property; or
    - (3) Requires **you** 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**.
41. **Pollutant** means any solid, liquid, gaseous, fibrous, or thermal irritant or **contaminant**, including but not limited to, smoke, vapor, soot, fumes, particulates, acids, alkalis, chemicals, asbestos, **fungi**, lead, silica, waste and any unhealthful or hazardous building materials. Unhealthful or hazardous building materials include, but are not limited to, asbestos and lead products or materials containing lead. Waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed.
42. **Pool** means Pennsylvania Intergovernmental Risk Management Association.
43. **Rental Equipment** means equipment which is leased or rented under contract from others by the *member* or other covered party.
44. **Replacement Cost**
- a. **Replacement cost** means the lesser of the following:
    - (1) The cost to repair;
    - (2) The cost to rebuild or replace on the same site, with new materials of like kind and quality;
    - (3) On buildings or structures, machinery, fixtures, and equipment: the actual expenditure incurred in rebuilding, repairing, or replacing the damaged or destroyed property on the same or another site, but not to exceed the size, operating capacity and usage that existed at the time of **loss**; or
    - (4) On all other property, the amount actually expended to replace.

- b. Property not actually repaired or replaced shall be valued at **actual cash value**.
45. **Securities** means negotiable and non-negotiable instruments or contracts representing either **money** or other property, and includes: bitcoins and similar instruments, tokens, tickets, revenue and stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**, but does not include **money**.
46. **Sinkhole Collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. **Sinkhole Collapse** does not include sinking or collapse of land into man-made underground cavities.
47. **Soft Costs** means the costs over and above those that are normal at a **covered location** undergoing renovation or in the course of construction, and limited to the following:
- a. Construction loan fees meaning the additional cost incurred to rearrange loans necessary for the completion of construction, repairs or reconstruction including: the cost to arrange refinancing; accounting work necessary to restructure financing; legal work necessary to prepare new documents; and charges by lenders for the extension or renewal of any necessary loans;
  - b. Commitment fees, leasing and marketing expenses meaning the cost of returning any commitment fees received from prospective tenant(s) or purchaser(s) and the cost of re-leasing and marketing due to loss of tenant(s) or purchaser(s);
  - c. Additional fees for architects, engineers, consultants, attorneys and accountants needed for the completion of construction, repairs or reconstruction;
  - d. Property taxes, building permits, additional interest on loans, and realty taxes.
48. **Software** means facts, concepts or instructions converted to a form usable in **hardware**. This includes computer programs and the materials on which information is stored, including, but not limited to, disks, magnetic tapes, CD-ROMs and disc packs.
49. **Terrorism** means any act involving the use or threat of force, violence, dangerous conduct, interference with the operations of any business, government or other organization or institution; or any similar act; when the effect or apparent purpose is:
- a. To influence or instill fear in any government (de jure or de facto) or the public, or any segment of either; or
  - b. To further or to express support for, or opposition to, any political, religious, social, ideological or similar type of objective or position.
50. **Theft** means any unlawful taking of property.
51. **Transmission and Distribution Systems** means **your** systems for the delivery of products or services, including but not limited to electricity, gas, fuel, steam, water, refrigeration, sewerage, voice, **data**, internet, cable television, and video. Such systems

shall include pipes, mains, valves, poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems.

52. ***Vacant Building***

- a. ***Vacant Building*** means a building or structure that does not contain property to conduct ***your operations***. A building is deemed vacant when less than 10% of its total square footage is used by ***you*** to conduct ***your operations***.
- b. ***Vacant Building*** does not mean a building under construction or being remodeled.

53. ***Valuable Papers and Records***

- a. ***Valuable Papers and Records*** means inscribed, printed or written documents, manuscripts or records, including abstracts, accounts, bills, books, deeds, drawings, evidences of debt, films, maps, mortgages or notes.
- b. ***Valuable Papers and Records*** does not mean ***software***.

54. ***Volcanic Eruption*** means the eruption, explosion or effusion of a volcano.

55. ***War and Military Action*** means:

- a. Hostile or military action in time of peace or war, irrespective of whether declared, including action in inciting, supporting, participating in, hindering, combating, or defending against an actual, impending or expected attack by any:
  - (1) Government or sovereign power (*de jure* or *de facto*);
  - (2) Military, naval or air forces; or
  - (3) Agent or authority of any party specified in a.(1) or a.(2) of this definition of ***War and Military Action***.
- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
- c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.

56. ***Wind***

- a. ***Wind*** means direct action of the natural movement of air, including substances driven by such movement of air.
- b. ***Wind*** does not mean or include anything defined as ***flood*** in this ***Agreement***.



**B. CONDITIONS**

## 1. AGREEMENT MODIFICATION

- a. **You** and the **Pool** may agree to changes to this **Agreement**. This **Agreement** can be changed only by written amendments issued by the **Pool** and made a part of this **Agreement**.
- b. Notice to any agent or knowledge possessed by any agent or by any other person will not:
  - (1) create a waiver, or change any part of this **Agreement**, or
  - (2) prevent the **Pool** from asserting any rights under the provisions of this **Agreement**.

## 2. ASSIGNMENT

Assignment of this **Agreement** or any coverage under this **Agreement** will not be valid except with the written consent of the **Pool**.

## 3. ASSISTANCE AND COOPERATION

The **member** agrees to cooperate with **us** and do nothing to impede **our** investigation of any **loss** or in pursuing subrogation recovery. The **member** also agrees to attend hearings and trials, cooperate with any counsel **we** assign to assist or defend it, assist **us** in effecting settlements, and in securing and giving evidence in any litigation, arbitration or other proceeding involving **us**.

## 4. BANKRUPTCY OR INSOLVENCY

**Your** bankruptcy, insolvency or financially distressed status shall not release **us** from **our** obligations under this **Agreement**.

## 5. COMPLIANCE

If any provision of this **Agreement** is determined by a court or regulatory body of competent jurisdiction to be prohibited, illegal or void by any law controlling its construction, validity, or enforcement, the provision shall be deemed to be modified or amended to comply with the minimum requirements of the law. The invalidity of any provision does not invalidate the remainder of this **Agreement**. If any coverage provided in this **Agreement** is determined to not comply with the required coverage of any applicable law, this **Agreement** is amended to provide the minimum coverage required by such law.

## 6. CONCEALMENT, MISREPRESENTATION AND FRAUD

The **Pool** has the right to declare this **Agreement** void:

- a. In case of fraud by the **member** in making application for, negotiating, or entering into this **Agreement**; or

- b. If the **member**, at any time, intentionally conceals or misrepresents a material fact concerning this **Agreement** or a claim under this **Agreement**.

#### 7. CONDITIONS SUSPENDING OR RESTRICTING COVERAGE

Unless otherwise agreed in writing by the **Pool** and added hereto, **we** shall not be liable for **loss** which occurs as a result, in whole or in part, of a hazard which is increased by any means within **your** control or knowledge; provided, however, that coverage under this **Agreement** shall not be prejudiced by any act or neglect of any person (other than a **member**), when such act or neglect is not within **your** control.

#### 8. CONTROL OF PROPERTY

The breach of any condition of this **Agreement** at any one or more **covered locations** will not affect coverage at any **covered location** where, at the time of **loss**, the breach of condition does not exist.

#### 9. COVERAGE UNDER TWO OR MORE COVERAGE PROVISIONS

If two or more coverage provisions apply to the same **loss**, **we** will settle the **loss** under the coverage provision providing the broadest coverage and highest applicable limit, but, in no circumstance, shall we settle the loss in excess of such limit.

#### 10. CURRENCY

All amounts, including contributions, limits of coverage, **loss**, and deductibles provided for in this **Agreement** shall be in the currency of the United States of America.

#### 11. DEDUCTIBLES

- a. In each cause of **loss** covered by this **Agreement**, **our** obligation to pay applies only if the **member** sustains a **loss**, in a single **occurrence** greater than the deductible shown in the **Declarations** or elsewhere within this **Agreement**.
- b. Unless stated otherwise, if two or more deductibles provided in this **Agreement** apply to a single **occurrence**, the total to be deducted will not exceed the largest deductible applicable.

#### 12. EFFECTIVE DATE

Coverage under this **Agreement** is effective on the date and time as specified on the **Declarations**. To the extent coverage provided by this **Agreement** replaces coverage in other certificates, agreements or insurance policies terminating at any time on the inception date of this **Agreement**, coverage under this **Agreement** will become effective only after such time as that other coverage has terminated.

#### 13. INSPECTION OF PROPERTY AND RECORDS

**We** have the right, but not the obligation, to inspect **your** property and **operations** at any reasonable time, whether before or after a loss, and to examine and audit **your** books and records at any reasonable time during the **Agreement Period** and within 3 years

after the final termination of this **Agreement**, as long as such inspections relate to this **Agreement**.

#### 14. JURISDICTION; CHOICE OF FORUM

This **Agreement**, including its construction, validity and enforcement, will be governed by the laws of the State of Pennsylvania. Jurisdiction for any disputes arising out of this **Agreement** shall be vested in the exclusive jurisdiction of Pennsylvania

#### 15. LEGAL ACTION AGAINST US

No one may bring a legal action against **us** under this **Agreement** unless there has been full compliance with all of the terms of this **Agreement**.

#### 16. LIBERALIZATION

If **we** adopt any provision that would broaden the coverage provided by this **Agreement**, without additional contribution, within 45 days prior to or during the **Agreement Period**, the broadened coverage will immediately apply to this **Agreement**.

#### 17. LIMITS OF COVERAGE

**Our** maximum limit of coverage in a single **occurrence** will not exceed the amount as specified in the **Declarations** for any one **loss**, subject to the following provisions:

- a. Limits of coverage for an **occurrence** apply only to the total **loss** at all **covered locations** and for all coverages involved, subject to the following provisions:
  - (1) When a limit of liability applies in the aggregate during any **Agreement Period**, **our** maximum amount payable will not exceed such limit of coverage during any **Agreement Period**.
  - (2) When a limit of coverage applies to a **covered location** or other specified property, such limit of coverage will be the maximum amount payable for all **loss** at all **covered locations** arising from **loss** at such location or to such other specified property, unless **Blanket Limit** applies.
- b. Should an **occurrence** result in coverage payable under more than one **Agreement** issued to the **Member** by the **Pool**, the maximum amount payable in the aggregate under all such **Agreements** will be the applicable limit(s) of coverage indicated in the **Declarations**.

#### 18. OTHER COVERAGE

If there are any other certificates, agreements or insurance policies, other than this **Agreement**, which apply to a **loss**, **we** will pay only for the excess of the amount due from such certificates, agreements or insurance policies, irrespective of whether **you** can collect on it.

## 19. OUR PAYMENT OF LOSS

- a. **We** will pay for a loss covered by this **Agreement** within 30 days after receiving a sworn statement of loss, if the **member** has complied with all of the terms of this **Agreement**, and either **we** agree with **you** on the amount of loss or an appraisal award has been made.
- b. **We** will not pay **you** more than **your** financial interest in the **COVERED PROPERTY**. **We** may elect to defend the **member**, at **our** expense, against suits arising from claims of owners of property.

## 20. RECORDS

**You** must keep records of all **COVERED PROPERTY** under this **Agreement** so **we** can verify the amount of any **loss**.

## 21. RECOVERIES

- a. Any recoveries under this **Agreement**, whether made by **us** or **you**, shall be applied net of the expense of such recovery:
  - (1) First, to **you** in satisfaction of any deductible on a pro rata basis; and
  - (2) Second, to **us** in satisfaction of amounts paid in settlement of **your** claim.
- 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.

## 22. TITLES

The titles in this **Agreement** are only for reference. The titles do not in any way affect the provisions of this **Agreement**.

## 23. UNINSURABLE RISKS

**We** reserve the right to remove or limit coverage on specific property exposures which **we** deem uninsurable due to the high risk of loss associated with those property exposures.

## 24. WAIVER

No waiver of any provisions of this **Agreement** shall be valid and enforceable, or no permission shall be granted, except as expressed in writing by **us** and added hereto. No provision, stipulation, or forfeiture shall be deemed waived by any requirement or proceeding on **our** part relating to any appraisal or examination provided for in this **Agreement**.

**C. EXCLUSIONS** (except as modified by another **SECTION** of this *Agreement*)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

## 1. NUCLEAR HAZARD

**Nuclear Hazard**, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by covered loss or damage. However:

- a. If fire or sprinkler leakage not otherwise excluded ensues, **we** shall be liable for loss or damage by such ensuing fire or sprinkler leakage, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive **contamination**; and
- b. This **Agreement** does cover loss or damage caused by sudden and accidental radioactive **contamination**, including resultant radiation damage, from material used or stored or from **your operations** or **your** premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel at the **covered location**.

## 2. POLLUTION

Pollution, meaning the discharge, dispersal, seepage, migration, release or escape of any **pollutant**.

## 3. TERRORISM

- a. **Terrorism**, including action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this **Agreement** covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this **Agreement**, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this **Agreement** or to any other coverages provided by this **Agreement**.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of **loss** or damage covered elsewhere in this **Agreement**.

4. WAR AND MILITARY ACTION

*War and Military Action.*

**SECTION II**  
**LOSS ADJUSTMENT AND SETTLEMENT**

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## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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**SECTION II LOSS ADJUSTMENT AND SETTLEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

### A. LOSS ADJUSTMENT/PAYABLE

Loss covered by this *Agreement*, if any, will be adjusted with and payable to **you** or to **your** designee. Additional parties will also be included in covered loss payment as their interests may appear when specifically named in an endorsement to this *Agreement*.

### B. DUTIES IN THE EVENT OF A LOSS

**You** or **your** authorized representative must do all of the following in the event of a loss:

1. Notify the police if a law may have been broken;
2. Notify **us** promptly of the loss or of an event that may give rise to a claim for loss;
3. Take all reasonable steps to protect the property from further loss. If feasible, set the damaged property aside and in the best possible order for examination. Keep a record of **your** expenses for emergency and temporary repairs for consideration in the settlement of the loss;
4. As soon as possible, give **us** a description of how, when and where the loss occurred;
5. At **our** request, give **us** complete inventories of the damaged property, including quantities, costs, values and amount of loss claimed;
6. Cooperate with **us** in the investigation of the claim;
7. As often as **we** may reasonably require **you** to:
  - a. Permit **us** to inspect the property which is the subject of the claimed loss and all that remains of any such property;
  - b. Submit to examination under oath by any person designated by **us** and sign the written transcript of such examinations;
  - c. Produce for examination at **our** request:
    - (1) All books of accounts, business records, bills, invoices and other vouchers; or
    - (2) Certified copies if originals are lost, and, if requested, make copies for **us**; and
  - d. Permit **us** to take samples of damaged property for inspection, testing and analysis;
8. Within 60 days after **our** request, send **us** a signed, sworn proof of loss containing the information **we** request to investigate the claim; and
9. Repair or replace the damaged property, as soon as reasonably possible, but not to exceed two years from the date of loss.



## SECTION II LOSS ADJUSTMENT AND SETTLEMENT

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### C. POOL OPTION

**We** have the option to take all or any part of the damaged property at the agreed or appraised value. **We** must give notice to **you** of **our** intention to do so within 60 days after **our** receipt of the proof of loss.

### D. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a covered loss in excess of any applicable deductible, **we** will advance mutually agreed upon partial payment(s) for such covered loss, subject to the **Agreement's** provisions. To obtain such partial payments, **you** must submit a signed and sworn proof of loss as described in this **Agreement**, with adequate supporting documentation.

### E. COLLECTION FROM OTHERS

**We** will not be liable for any loss to the extent **you** have collected for such loss from others.

### F. SUBROGATION

1. **You** are required to cooperate in any subrogation proceedings. **We** may require from **you** an assignment or other transfer of all rights of recovery against any party for loss to the extent of **our** payment.
2. **We** will not acquire any rights of recovery that **you** have expressly waived prior to a loss, nor will such waiver affect **your** rights under this **Agreement**.
3. **We** are entitled to priority of recovery to the extent payment has been made to **you** for such loss.

### G. ABANDONMENT

There may be no abandonment of any property to **us**.

### H. APPRAISAL

1. In the event that **you** and the **Pool** fail to agree on the scope or amount of loss within 180 days from a written offer being made by **us**, then, on the written demand of either party, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected. The designated appraisers shall then select a competent and disinterested umpire and failing to agree upon such umpire, then, on request by **you** or the **Pool**, such umpire shall be selected by a judge of a court of record in the jurisdiction in which the **COVERED PROPERTY** is located.
2. The appraisers shall, as soon as practicable, appraise the scope or amount of loss and, if failing to agree, shall submit their differences to the umpire. The decision of the umpire will be binding. Each party shall pay its chosen appraiser and related expenses, and share the expenses of the umpire equally.
3. A demand for appraisal shall not relieve **you** from **your** obligation to comply with the terms and conditions of this **Agreement**, including as provided in, **B. DUTIES IN THE EVENT OF A LOSS** of this **SECTION**.

## SECTION II

# LOSS ADJUSTMENT AND SETTLEMENT

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4. **We** will not be held to have waived any of **our** rights by any act relating to APPRAISAL.

### I. SUIT AGAINST THE POOL

1. No suit, action or proceeding for the recovery of any claim against the **Pool** will be sustained in any tribunal, including in a court of law or equity, unless:
  - a. **You** have fully complied with all the provisions of this **Agreement**, and
  - b. Legal action is started within two years after inception of the loss.
2. If under the laws of the jurisdiction in which the property is located, such twelve months' limitation is invalid, then any such legal action must be commenced within the shortest limit of time permitted by such laws.

### J. SETTLEMENT OF CLAIMS

The amount of loss for which **we** may be liable will be paid within 30 days after:

1. Proof of loss as described in this **Agreement** is received by **us**; and
2. When a resolution of the amount of loss is made either by:
  - a. Written agreement between **you** and **us**; or
  - b. The receipt by **us** of a binding decision as provided in **H. APPRAISAL** of this **SECTION**.

### K. PROPERTY OF OTHERS

**We** may adjust a loss with the owners of lost or damaged property, if other than **you**. If **we** pay the owners of such property, 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 lost or damaged property.

### L. RECOVERED PROPERTY

If either **you** or **we** recover any **COVERED PROPERTY** after loss settlement, the party making such recovery must give the other party prompt notice of the recovery. At **your** option, such property will be returned to **you** if **you** return to **us** the amount **we** paid **you** for the property or **loss**. **We** will pay recovery expenses and the expense to repair such property subject to the applicable limit.

### M. RESTITUTION

To the extent that restitution is made to **you** for property or payments made by **us** under this **Agreement**, **you** shall remit the same to **us**, regardless of whether such restitution is made within or after the **Agreement Period**.

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**SECTION III PROPERTY DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

This **SECTION** covers property described herein against all risks of *loss*, except as excluded or amended.

#### A. COVERED PROPERTY

Subject to the Limits of Coverage as specified in the *Declarations* or the Statement of Values or other schedule on file with *us*, this **SECTION** addresses the following **COVERED PROPERTY**, unless otherwise excluded elsewhere in this *Agreement*, to the extent of the interest of the *member* in such **COVERED PROPERTY**:

1. REAL PROPERTY in which *you* have an insurable interest that:
  - a. Is included in the Statement of Values on file with *us*;
  - b. Is a newly acquired building reported to *us* within 120 days of acquisition;
  - c. Is a building or addition under construction that is reported to *us* within 120 days of start of construction; or
  - d. Consists of *improvements and betterments* in which *you* have an insurable interest.
2. PERSONAL PROPERTY on, at or within 1,000 feet of a *covered location* that is:
  - a. Personal property owned, leased, rented, or borrowed by *you*;
  - b. Materials, equipment, supplies and temporary structures which are used for making additions, alterations or repairs to buildings or structures that are **COVERED PROPERTY**;
  - c. Personal property of *your* officers and *employees*, while on *your* premises;
  - d. Personal property of others in *your* care, custody or control to the extent *you* are under obligation by contract to keep such personal property insured for *loss* covered by this **SECTION**;
  - e. Personal property of others that is in *your* care, custody or control, to the extent *you* are legally liable for covered *loss* to that personal property;
  - f. *Your* personal property that is temporarily at a location *you* do not own, lease or operate, up to the limit specified in the *Declarations* for Temporary Storage Location;
  - g. *Your* personal property at any location *you* newly acquire or lease, up to the limit specified in the *Declarations* for Personal Property at Newly Acquired or Leased Locations, but only until this *Agreement* is terminated, 120 days after *you* acquire or lease that location, or *you* report the values to *us*, whichever occurs first;

- h. **Your** personal property in the open or in an **automobile**; or
- i. Of contractors' and subcontractors' during construction to the extent of **your** legal liability for covered **loss** to such property.

### 3. ERRORS OR OMISSIONS

Any real or personal property, other than **fine arts**, **you** own or occupy and for which coverage would otherwise be available under this **SECTION**, up to the limit specified in the **Declarations** for Errors or Omissions:

- a. for the **member's** unintentional failure to include such owned property or property occupied by **you** on the Statement of Values on file with **us** for this **Agreement Period**;
- b. for which the description, location or valuation is incomplete on the Statement of Values on file with **us** solely because of the **member's** unintentional error or unintentional omission; or
- c. for the **member's** unintentional failure to report such owned property or property occupied by **you** if such property was built or acquired by **you** during this **Agreement Period**.

The unintentional error, omission or failure must be reported in writing and corrected when discovered and the appropriate contribution charged and paid.

### 4. FINE ARTS

**Fine arts** as described on a schedule on file with **us**.

**Fine Arts** shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

### 5. PROPERTY THAT MUST BE SCHEDULED

Irrespective of Section 3 above, Property and equipment of the following types must be included on the Statement of Values on file with **us**, on another schedule on file with **us**, or covered by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS** of this **SECTION**, to be covered:

Fences, gates, retaining walls, flag poles, radio or television antennas and their related wiring, masts or towers, windmills, wind turbines, free standing signs, swimming pools, bulkheads, pilings, piers, wharves or docks, fire hydrants, street lights, traffic lights and related equipment, traffic signs, bridges, tunnels, overpasses, playground equipment, artificial athletic surfaces, basketball and tennis courts, roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, free standing lights and light poles, guide rails, road signs and any off-premises piping, off-premises underground wiring, off-premises optic cables or telephone and communication lines or off-premises electric **transmission and distribution systems** including poles and pole-mounted transformers.

The above-referenced property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

6. MISCELLANEOUS PERSONAL PROPERTY

Miscellaneous personal property as described on a schedule on file with **us**.

Miscellaneous personal property shall not be subject to 3. ERRORS OR OMISSIONS set forth above.

**B. PROPERTY EXCLUDED**

This **SECTION** excludes the following, except when included on the Statement of Values on file with **us**, another schedule on file with **us**, or as otherwise stated elsewhere in this **Agreement**:

1. Animals, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 2. ANIMALS of this **SECTION**.
2. Swimming pools, basketball and tennis courts and athletic fields.
3. **Automobiles** licensed for highway use or owned by **your** directors, officers or **employees**, except as provided by **SECTION VII AUTOMOBILE PHYSICAL DAMAGE**.
4. Bridges, overpasses, and tunnels intended for use by **automobiles**.
5. Docks, piers, wharves, pilings or bulkheads which are not a structural part of a **covered building or structure**.
6. Electric **transmission and distribution systems** including poles and pole-mounted transformers except when located at or within 1,000 feet of a **covered location**.
7. Fences, gates, retaining walls, flag poles, radio or television antennas, masts or towers and their related wiring.
8. Fire hydrants that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 13. FIRE HYDRANTS of this **SECTION**.
9. **Land, land** values, any substance in or on **land**, or any alteration to the natural condition of the **land**, including golf course sand traps, tees and greens, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 14. GOLF COURSE SAND TRAPS, TEES AND GREENS of this **SECTION**.
10. Free-standing lights and light poles, traffic lights and related equipment.
11. **Money** or **securities**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 19. MONEY AND SECURITIES of this **SECTION**.
12. Growing crops, standing timber, plants, lawns, trees, or shrubs except as provided by **D**.

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**ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 25. OUTDOOR TREES AND SHRUBS of this SECTION.**

13. Playground equipment, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 35. UNSCHEDULED PLAYGROUND EQUIPMENT of this SECTION.**
14. Reservoirs, canals, dikes or dams.
15. Roadways, sidewalks, patios, driveways, curbs, parking lots and other paved surfaces, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 5. ATHLETIC SURFACES of this SECTION.**
16. Satellites, *aircraft* or *drones*.
17. Traffic signs, road signs, and free-standing signs that are not attached to a **covered building** or not at a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 24. OUTDOOR SIGNS of this SECTION.**
18. Steam boilers, steam pipes, steam engines, and steam turbines caused by or resulting from any condition or event inside such equipment. However, **we** will pay for a **loss** 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.
19. Property in transit, except as otherwise provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. TRANSIT COVERAGE of this SECTION.**
20. Underground mines, mine shafts, or any property within such mine or shaft.
21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 33. UNDERGROUND FIBER OPTIC CABLE of this SECTION.**
23. **Vacant Buildings** which have been vacant for more than 120 consecutive days, and the **loss** results from vandalism, sprinkler leakage (unless the **member** has protected the system against freezing), building glass breakage, water damage, **theft**, or attempted **theft**.
24. Water, except for water contained within any swimming pool, water tank, enclosed tank, or water processing equipment that is included on the Statement of Values on file with **us**.
25. Watercraft, except rowboats and canoes.



**C. CAUSE OF LOSS EXCLUDED**

This **SECTION** excludes coverage for:

1. Interruption of business.
2. Loss of market or loss of use, except loss of use of the **member's electronic data processing equipment or media**.
3. Mysterious disappearance, loss or shortage disclosed on taking inventory, or any unexplained **loss**.
4. **Loss** from enforcement of any law or ordinance except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 23. ORDINANCE OR LAW** of this **SECTION**.
5. **Loss** resulting from the voluntary parting with title or possession of **COVERED PROPERTY** unless induced by any fraudulent act or by false pretense.
6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - a. Any wrongful or dishonest act, including but not limited to **theft**, committed alone or in collusion with others, at any time:
    - (1) by a **member**, or
    - (2) by any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a **member** to do anything in connection with **COVERED PROPERTY** by this **SECTION**.

However, this **SECTION** does cover acts of direct covered physical damage intentionally caused, without **your** knowledge, by **your employee** or any individual specified in **C. CAUSE OF LOSS EXCLUDED, 6.a.(2)** of this **SECTION**.
  - b. Lack of incoming electricity, fuel, water, gas, steam or refrigerant caused by an event away from a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 21. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE** of this **SECTION**. Additionally, if the lack of such a service directly causes physical damage at the **covered location**, then only that resulting damage is covered.
  - c. **Earth Movement** except as may be provided in **SECTION VIII EARTH MOVEMENT** of this **Agreement**.
  - d. **Sinkhole collapse** except resulting damage to **your** real or personal property.
  - e. **Flood**, except **MISCELLANEOUS PERSONAL PROPERTY** as described on a schedule on file with **us**, and except as may be provided in **SECTION IX FLOOD** of this **Agreement**.

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- f. Seepage or influx of water from natural underground sources.
7. The following types of **loss**, provided that, if physical damage is not excluded by this **SECTION** from any of the following types of **loss**, then only that resulting damage is covered:
- a. **Loss** caused by or resulting from wear and tear, deterioration, depletion, rust, corrosion, inherent vice or latent defect.
  - b. **Loss** to any **fine arts** as a result of restoring, repairing or retouching processes.
  - c. **Loss** to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested or otherwise worked on.
  - d. **Loss** caused by or resulting from:
    - (1) Changes in temperature, atmospheric or otherwise, except damage to machinery or equipment including fire protection equipment; or
    - (2) Changes in relative humidity, atmospheric or otherwise.
  - e. **Loss** caused by or resulting from settling, cracking, shrinking, bulging or expansion of:
    - (1) Foundations (including any pedestal, pad, platform or other property supporting machinery);
    - (2) Walls;
    - (3) Floors;
    - (4) Pavements or roadways;
    - (5) Roofs; or
    - (6) Ceilings.
  - f. **Loss** caused by or resulting from insects, termites, moths, or arachnids, unless **loss** not otherwise excluded in this **SECTION** ensues, and then only for such ensuing **loss**.
  - g. **Loss** caused by or resulting from waste, discharge or excretions from rodents, birds, vermin, or other animals.
  - h. **Loss** to personal property in the open caused by or resulting from rain, sleet, hail, ice, snow, dust or sand.
  - i. **Loss** to the interior portion of buildings under construction caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, when the installation of the roof, walls and windows of such buildings have not been completed.

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- j. **Loss** to the interior portion of any building or structure, or the property inside the building or structure, caused by or resulting from rain, sleet, hail, ice, snow, dust or sand, irrespective of whether driven by **wind**, unless the building or structure first sustains **wind** or hail damage to its roof or walls through which the rain, sleet, hail, ice, snow, dust or sand enters.
8. All **loss**, cost, expense or remediation directly arising out of, resulting from, or in any manner related to any of the following:
- a. **Contamination**, including the inability to use or occupy property or any cost of making property safe or suitable for use or occupancy, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 8. DECONTAMINATION COSTS** of this **SECTION**.
  - b. Shrinkage, evaporation or loss of weight, unless directly resulting from other physical damage not excluded by this **SECTION**.
  - c. Changes in color, flavor, texture or finish.
  - d. **Pollutants, fungi**, wet or dry rot, irrespective of whether there is another cause of loss which may have contributed concurrently or in any sequence to a loss, except MISCELLANEOUS PERSONAL PROPERTY as described on a schedule on file with **us**, and except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 17. LAND AND WATER CLEANUP EXPENSE** or **28. POLLUTION CLEANUP EXPENSE** of this **SECTION**.
9. **Loss** caused by or resulting from faulty, inadequate or defective:
- a. Planning, zoning, development, surveying, siting;
  - b. Design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - c. Materials used in design, specifications, workmanship, repair, restoration, construction, renovation, remodeling, grading, compaction;
  - d. Maintenance; or
  - e. Programming or machine instructions.
10. Equipment breakdown loss except as provided elsewhere in this **Agreement**.
11. **Loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS, 37. WATER AND SEWER BACKUP** of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most **we** will pay are the limits for each **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically

stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

#### 1. ACCOUNTS RECEIVABLE

- a. This **EXTENSION** covers amounts which the **member** is unable to collect as a direct result of covered **loss** to accounts receivable at a **covered location**.
- b. Coverage includes:
  - (1) Interest charges on any loan to offset impaired collections pending repayment of sums that cannot be collected. Unearned interest charges and service charges on deferred payment accounts and normal credit losses on bad debts will be deducted;
  - (2) Collection expenses in excess of normal collection costs; and
  - (3) Other reasonable expenses incurred by the **member** in recreating records of accounts receivable.
- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** excludes shortage caused by or resulting from:

  - (1) Bookkeeping, accounting, or billing errors or omissions.
  - (2) Alteration, falsification, manipulation, **theft**, concealment, destruction or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, obtaining or withholding of **money**, **securities** or other property.

#### 2. ANIMALS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by a **member** to replace (including training of such replacement) of a dog or horse owned by the **member** that is stolen or killed, or if the animal's death or necessary destruction is a result of an accident or exposure to any contagious or communicable disease, which occurs during the **Agreement Period** and while the animal is being used in the conduct of **your operations**.
- b. The most **we** will pay for any one covered dog or covered horse in any one **occurrence** is the limit of coverage specified in the **Declarations**.
- c. No deductible applies to this **EXTENSION**.

#### 3. APPEARANCE ALLOWANCE

This **EXTENSION** covers the reasonable cost incurred by **you** to refinish or replace:

- a. The undamaged portion of a façade of a **covered building or structure**, which has been damaged by a covered **loss**, to visually match the repaired portion, but only

when the façade of such **covered building or structure** visually matched the damaged portion prior to the **loss**: or

- b. The undamaged portion of a façade of a **covered building or structure**, located within 1,000 feet of a **covered building or structure** which has been damaged by a covered **loss**, to visually match the repaired property, but only when the façade of such **covered building or structure** visually matched the damaged **covered building or structure** prior to the **loss**.

#### 4. ARSON OR THEFT REWARD

- a. This **EXTENSION** covers payment of any reward offered by the **member** or on the **member's** behalf for information that leads to conviction of the perpetrator(s) of arson to or **theft** of **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

#### 5. ATHLETIC SURFACES

This **EXTENSION** covers **loss** to artificial, man-made paved impervious or paved athletic surfaces.

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from **your electronic data processing equipment or media**;
- b. **Your loss** resulting from the necessary interruption of **your operations**;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to **your loss** to **electronic data processing equipment or media** and are caused by such malicious code, malware, ransomware or computer viruses.

#### 7. DEBRIS REMOVAL

- a. This **EXTENSION** covers the reasonable and necessary costs incurred to remove debris as a result of a covered **loss**.
- b. This coverage includes the costs of removal of contaminated property only if the **contamination** is due to the actual, not suspected, presence of **contaminant(s)** in the debris.

#### 8. DECONTAMINATION COSTS

- a. If **COVERED PROPERTY** is contaminated as a direct result of covered **loss** and there is any law or ordinance in force at the time of the **loss** regulating **contamination** due to the actual, not suspected, presence of **contaminant(s)**, then

this **EXTENSION** covers the increased cost of decontamination and/or removal of such contaminated **COVERED PROPERTY** in a manner to satisfy such law or ordinance.

- b. This **EXTENSION** applies only to that part of **COVERED PROPERTY** so contaminated due to the actual, not suspected, presence of *contaminant(s)* as a direct result of covered physical damage.

#### 9. EQUIPMENT RENTAL REIMBURSEMENT

- a. This **EXTENSION** covers the rental expenses incurred by *you* for the rental of substitute equipment because of **loss** to **COVERED PROPERTY** by a covered cause of **loss**, when such rental is necessary to sustain *your* normal operations.
- b. **We** will pay those rental expenses incurred by *you* for the rental of substitute equipment during the period commencing 24 hours after the date of **loss**, and ending, regardless of the expiration of the **Agreement Period**, when such **COVERED PROPERTY** has been replaced or restored to service or *your* need for the substitute equipment no longer exists, whichever comes first.
- c. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Equipment Rental Reimbursement.
- d. No deductible applies to this **EXTENSION**.

#### 10. EXPEDITING EXPENSES

- a. With respect to **COVERED PROPERTY** that has sustained covered **loss**, this **EXTENSION** covers the reasonable and necessary costs incurred to temporarily repair or replace, and to expedite the permanent repair or replacement of, such **COVERED PROPERTY**.
- b. This coverage does not include expenses payable elsewhere in this **EXTENSION**, including the cost of permanent repair or replacement of damaged property.

#### 11. FINE ARTS - UNSCHEDULED

This **EXTENSION** covers **loss** to, or theft of, *fine arts* not scheduled on the Statement of Values on file with *us*, while anywhere within the **Agreement Territory** including in transit.

#### 12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by *you* during the **Agreement Period** when a fire department, other than *your* fire department, is called to save or protect *your* **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

## 14. FIRE HYDRANTS

This **EXTENSION** covers **loss** to **your** unscheduled fire hydrants.

## 15. GOLF COURSE SAND TRAPS, TEES AND GREENS

This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to repair or replace physically damaged golf course sand traps, tees or greens with material of comparable kind and quality, as a result of **loss** caused by fire, lightning, explosion, **aircraft**, **automobiles**, riot or civil commotion, vandalism, or **sinkhole collapse**.

## 16. GREEN COVERAGE

- a. This **EXTENSION** covers the reasonable and necessary additional costs incurred by **you**, as a direct result of covered **loss**:
  - (1) To repair or replace physically damaged **COVERED PROPERTY** with material of comparable kind and quality which qualifies as **green**.
  - (2) To replace the physically damaged portions of covered roofing systems with vegetative roof(s) which qualify as **green**.
  - (3) As part of **green** reconstruction, to flush out the air in the area of the physically damaged **COVERED PROPERTY** with 100 percent outside air and to provide replacement filtration media for the building's ventilation system that controls the damaged area.
  - (4) For an accredited professional certified by a **green authority** to participate in the design and construction for repairing or rebuilding the damaged property as **green**.
  - (5) For the process of certification or recertification of the repaired or replaced **COVERED PROPERTY** as **green**.
  - (6) For **green** removal, disposal or recycling of the damaged **COVERED PROPERTY**.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover:

- (1) Stock, raw materials, work in process, finished goods, merchandise, production machinery and equipment, **electronic data processing equipment** not used in functional support of the real property, property in the open, property of others for which you are legally liable, and personal property of **your** directors, officers or **employees**.
- (2) Any property adjusted on other than repair or replacement per the Valuation clauses of this **SECTION**.
- (3) Any **loss** recoverable elsewhere in this **Agreement**.

#### 17. GUIDE RAILS

This **EXTENSION** covers **loss** to **your** unscheduled guide rails, high-tension cable barriers, bollards or other traffic restraining structures.

#### 18. LAND AND WATER CLEANUP EXPENSE

- a. **We** will pay reasonable and necessary additional expenses incurred by **you** to remove, dispose of, or clean up the actual presence of **pollutants** from **land** or water at any **covered location** when such **land** or water is contaminated or polluted due to a covered **loss** at a **covered location** up to the limit specified in the **Declarations** for this **EXTENSION**.
- b. This additional coverage does not apply unless such expenses are reported to **us** within 180 days after the date of such covered **loss**.

#### 19. LOCKS AND KEYS

- a. This **EXTENSION** covers the reasonable and necessary cost incurred by **you** to replace undamaged keys and to replace, adjust or reprogram undamaged locks to accept new keys or entry codes as a result of covered **loss**.
- b. No deductible applies to this **EXTENSION**.

#### 20. MONEY AND SECURITIES

- a. This **EXTENSION** covers **loss** to **your money** and **securities** at a **covered location** resulting from fire, explosion or sprinkler leakage.
- b. There will be no coverage for any **loss** to **money** and **securities** unless such **loss** is reported to **us** within 14 days of the date of **loss**.

#### 21. NEW GENERATION

If **you** elect to replace damaged **COVERED PROPERTY** with a newer generation of **COVERED PROPERTY** of the same capacity, **we** will pay up to 25% more than **COVERED PROPERTY** of like kind, quality and capacity would have cost at the time of **loss**.



## 22. OFF-PREMISES SERVICE INTERRUPTION – PROPERTY DAMAGE

- a. This **EXTENSION** covers **loss** at a **covered location** caused by or resulting from the interruption, in whole or in part, of incoming electric, gas, fuel, steam, water, refrigeration, or outgoing sewage or incoming or outgoing voice, **data**, internet, cable television, or video services.
- b. The interruption of such services must be by reason of an accidental event, not otherwise excluded by this **Agreement**, to the property of the service provider(s) located within the **Agreement Territory**.
- c. The following Additional Condition applies to this **EXTENSION**:  
**We** will not be liable for deliberate act(s) by the service provider to shed load, constrain or limit its service to maintain its system integrity.
- d. The following Additional Exclusions apply to this **EXTENSION**:  
This **EXTENSION** does not cover **loss** caused by or resulting from the following regardless of any other cause or event, irrespective of whether covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**:
  - (1) **Terrorism**; or
  - (2) The interruption of incoming or outgoing voice, **data**, internet, cable television or video service for any reason involving a satellite.

## 23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- a. This **EXTENSION** covers **loss**, not otherwise excluded, to property under contract to be used in a construction project at a **covered location**:
  - (1) From the time such property is delivered to the **member** or the **member's** contractor (with respect to the property under construction) by the manufacturer or supplier;
  - (2) While such property is located at a storage site; or
  - (3) While such property is in transit from a storage site to another storage site or to a construction project at a **covered location**,all while within the **Agreement Territory** but away from the **covered location**.
- b. This coverage includes necessary expendable materials and supplies to be utilized in the construction project but does not include any such property owned or rented by the contractor.
- c. The following Additional Exclusions apply to this **EXTENSION**:

- (1) As respects property in transit, the Transit Coverage Exclusions clause of **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 33. TRANSIT COVERAGE of this **SECTION** applies.
- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement** or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

#### 24. ORDINANCE OR LAW

- a. The following modified definition applies only to this **EXTENSION**:

**Building** means building, structure, machinery, or equipment.

- b. This **EXTENSION** covers the reasonable and necessary costs incurred by **you** to comply with the enforcement of the minimum requirements of any law or ordinance that:

- (1) Regulates the demolition, construction, repair, replacement or use of **buildings**;
- (2) Is enforced as a direct result of covered **loss**; and
- (3) Is in force at the time of such **loss**.

- c. Value of the Undamaged Building

**We** will pay for the value of the undamaged portion of the **covered building or structure** that was required to be demolished by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law. **We** will do this on the same valuation basis that applies to the entire **building**. This does not include any increased costs to repair, replace or rebuild the **covered building or structure** due to a requirement to comply with any ordinance or law;

- d. Demolition Costs:

**We** will pay the actual cost to demolish the undamaged portion of the **covered building or structure**, to take necessary actions to secure the structural integrity of any remaining portion of the covered building or structure, and to clear the site of the undamaged portion of the **building** when required to do so by a requirement to comply with a building, zoning, property maintenance or land use ordinance or law; and

- e. Increased Costs and Increased Cost of Construction:

- (1) If the **covered building or structure** is subject to the **Replacement Cost** (RC) provision on the Statement of Values on file with **us**, and **you** rebuild the **covered building or structure**, **we** will pay for the actual increased costs to repair, replace or rebuild the **covered building or structure** at the same location or at another location if it is a requirement to comply with an ordinance or law, for

the same general size and the same general use, to the minimum standards to comply with such ordinance or law.

- (2) **We** will not pay for these increased costs until the **covered building or structure** is actually repaired or replaced.
  - (3) **You** may choose to replace the **covered building or structure** at another location, however, **we** will not pay more for increased cost of construction at the new location than the amount of such costs **we** would have paid to replace the **covered building or structure** at the original location.
  - (4) If **you** choose to replace the **covered building or structure** at another location, **we** will not pay for the purchase of the **land** or any expenses related to the purchase, subdivision, development, testing or preparation of the **land** for the new location.
- f. The following Additional Exclusions apply to this **EXTENSION**:
- This **EXTENSION** excludes coverage for:
- (1) Any cost incurred as a direct or indirect result of enforcement of any building, zoning or land use ordinance or law regarding any form of **contamination**;
  - (2) Any cost incurred due to any law or ordinance with which **you** were legally obligated to comply prior to the time of the **loss**;
  - (3) Any machinery or equipment manufactured by or for **you**, unless used by **you** at the **covered location** suffering the **loss**; and
  - (4) **We** will not pay costs for the compliance with any ordinance or law unless the repairs or replacement are made as soon as reasonably possible after the **loss** but not to exceed two years.
- g. **Our** maximum cost for this coverage in any one **occurrence** will not exceed the limit specified in the **Declarations**.

## 25. OUTDOOR SIGNS

This **EXTENSION** covers **loss** to outdoor signs, other than traffic signs or road signs, that are located more than 1,000 feet from a **covered location**.

## 26. OUTDOOR TREES AND SHRUBS

- a. This **EXTENSION** covers **loss** to outdoor trees, shrubs or plants located within 100 feet of a **covered building**. However, this **EXTENSION** does not apply to **loss** caused by **wind**, hail, or weight of ice or snow.
- b. This **EXTENSION** covers **loss** caused by **wind** to outdoor trees, shrubs or plants planted for cosmetic effect at a **covered location**.

## 27. PARKING METERS AND CHARGING STATIONS

This **EXTENSION** covers **loss** to parking meters, smart parking meter systems, and electric **automobile** charging stations owned by **you**, not otherwise covered by this **Agreement**.

## 28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

a. This **EXTENSION** covers **loss** to personal property:

(1) Owned by **you**; or

(2) Property of others in the **member's** custody, to the extent **you** are obligated to provide coverage;

not within 1,000 feet of a **covered location** while anywhere within the **Agreement Territory**.

b. The following additional exclusion applies:

This **EXTENSION** does not cover **loss** caused by or resulting from **earth movement** or **flood** regardless of any other cause or event, unless otherwise covered under this **Agreement**, contributing concurrently or in any other sequence to the **loss**.

## 29. POLLUTION CLEANUP EXPENSE

a. This **EXTENSION** covers the cost to remove **pollutants** from permanently installed water and wastewater treatment equipment at a **covered location** caused by an off-premises event which results in the discharge, dispersal, seepage, migration, release or escape of **pollutants**.

b. **C. CAUSE OF LOSS EXCLUDED**, 8.a. and 8.d. of this **SECTION** do not apply to this **EXTENSION**.

## 30. PROFESSIONAL FEES

a. This **EXTENSION** covers the reasonable and necessary expenses incurred by **you** and agreed to by **us**, for:

(1) Auditors;

(2) Accountants;

(3) Architects;

(4) Engineers; or

(5) Other professionals;

to produce and certify particulars or details to determine the amount of **loss** payable under this **SECTION**.

- b. This coverage does not include the fees and expenses of attorneys, public adjusters, or any of their subsidiaries or related or associated entities.
- c. No deductible applies to this **EXTENSION**.

## 31. PROPERTY REMOVED FROM A COVERED LOCATION

- a. This **EXTENSION** applies to **COVERED PROPERTY** when removed from a **covered location** to avoid or prevent immediately impending covered **loss** to such property. This **EXTENSION** covers such property for **loss** which would have been covered at the location from which the property was removed.
- b. This coverage applies for a period of 120 days from the date of removal of the **COVERED PROPERTY** from a **covered location**, but not beyond the **Agreement Period**.

## 32. PROTECTION AND PRESERVATION OF PROPERTY – PROPERTY DAMAGE

- a. This **EXTENSION** covers the reasonable and necessary expenses incurred for:
  - (1) Actions to temporarily protect or preserve **COVERED PROPERTY**, provided that such actions are necessary due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**;
  - (2) The water used for fighting a fire in, on or exposing the **COVERED PROPERTY**; and
  - (3) Temporary security for a period of time not to exceed 30 consecutive days due to actual, or to prevent immediately impending, covered **loss** to such **COVERED PROPERTY**.
- b. No deductible applies to this **EXTENSION**.

## 33. TRANSIT COVERAGE

- a. This **EXTENSION** covers **loss** to or of the following personal property, except as excluded by this **Agreement**:
  - (1) Owned by **you**;
  - (2) Of others to the extent of **your** interest or legal liability while in the actual or constructive custody of the **member**; or
  - (3) Shipped to others on Free on Board (FOB), Cost and Freight (C&F) or similar terms;

while in transit within the **Agreement Territory** from the time such **COVERED PROPERTY** leaves the original point of shipment, continuously in the due course of transit and until delivered at the point of destination.

b. This **EXTENSION**:(1) Covers **loss** caused by or resulting from:

- (a) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts by the **member** or **your** agent, customer or consignee; or
- (b) Any unauthorized person(s) representing themselves to be the proper party(ies) to receive the property for shipment or to accept it for delivery.

(2) Covers general average and salvage charges on shipments while waterborne.

c. The following Additional Conditions apply to this **EXTENSION**:(1) Permission is granted to the **member**, without prejudice to this coverage, to accept ordinary bills of lading used by carriers, including:

- (a) Released and/or undervalued bills of lading; or
- (b) Shipping or messenger receipts;

(2) **You** may waive subrogation against railroads under sidetrack agreements; and(3) **You** may not enter into any special agreement with carriers releasing them from their legal liability.d. This **EXTENSION** shall not inure directly or indirectly to the benefit of any carrier or bailee.e. The following Additional Exclusions apply to this **EXTENSION**:This **EXTENSION** does not cover:

- (1) Shipments by air unless made by regularly scheduled airlines; or
- (2) Any transporting vehicle, **automobile** or **mobile equipment**.

## 34. UNDERGROUND FIBER OPTIC CABLE

This **EXTENSION** covers **loss** to unscheduled underground fiber optic cable, running within **your** political boundaries that is either:

- a. Owned by **you**; or
- b. Leased by **you** from others under a contract that requires **you** to obtain insurance (on their behalf) against property damage.

## 35. UNSCHEDULED MISCELLANEOUS PERSONAL PROPERTY

This **EXTENSION** covers **loss** to miscellaneous personal property that is not included on the Statement of Values on file with **us**:

- a. Owned by a **member** while actively engaged in activities on **your** behalf or in **your** interest; or
- b. While in **your** care, custody or control.

#### 36. UNSCHEDULED PLAYGROUND EQUIPMENT

This **EXTENSION** covers **loss** to playground equipment owned by **you** that is not included on the Statement of Values on file with **us**.

#### 37. VALUABLE PAPERS AND RECORDS

- a. This **EXTENSION** covers **loss** to **your valuable papers and records** while anywhere within the **Agreement Territory**, including in transit.
- b. The following additional exclusions apply:

This **EXTENSION** does not cover errors or omissions in the processing or copying of **valuable papers and records**.

#### 38. WATER AND SEWER BACKUP

This **EXTENSION** covers **loss** caused by or resulting from water and sewage that backs up or overflows from a sewer, drain or sump.

### E. DEDUCTIBLE

Unless noted to the contrary in this **SECTION**, or elsewhere in this **Agreement**, each claim payable under this **SECTION** is subject to the deductible set forth in the **Declarations**.

### F. VALUATION

Adjustment of the **loss** amount under this **SECTION** will be computed as of the date of **loss** at the place of **loss**, and for no more than the interest of the **member**. Unless stated otherwise in an **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**, adjustment of **loss** to **COVERED PROPERTY** will be subject to the following:

1. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Actual Cash Value** (ACV), **we** will pay the lesser of the:
  - a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - c. **Actual cash value** of the damaged or stolen property; or
  - d. Limit designated in the Statement of Values on file with **us** for such property.
2. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC), and for new buildings under construction:

- 
- a. **We** will pay the lesser of the:
    - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
    - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
    - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
    - (4) Limit designated in the Statement of Values on file with **us** for such property.
  - b. **We** will not pay on a **replacement cost** basis until the property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the damaged or stolen property.
3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,
    - a. **We** will pay the lesser of the:
      - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
      - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
      - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
      - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
    - b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
    - c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
    - d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.
  4. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Functional Replacement Cost** (FRC),
    - a. **We** will pay the lesser of:



- 
- (1) In the event of a total **loss**, the cost to replace the damaged building on the same site or on another site with a building that is functionally equivalent to the damaged building;
  - (2) The limit designated in the Statement of Values on file with **us** for such property;
  - (3) In the event of a partial **loss**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building and the cost to repair the damaged building with property of comparable kind and quality; or
    - (b) The amount **you** actually spend that is necessary to repair or replace the building with new materials of comparable kind and quality;
  - (4) In the event that **you** decide to continue operations at another **covered building or structure**:
    - (a) The amount **you** actually spend to demolish and clear the site of undamaged parts of the building; and
    - (b) The amount you actually spend to modify such other **covered building or structure** to permit **you** to continue **your** operations; or
  - b. **We** will not pay more than the **actual cash value** of the property unless such repairs or replacement are completed.
5. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as Stated Amount (SA), **we** will pay the lesser of the:
- a. Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - b. Cost to repair or replace the damaged or stolen property with property of comparable kind and quality; or
  - c. Limit designated in the Statement of Values on file with **us** for such property.
6. For APPEARANCE ALLOWANCE, **we** will pay the lesser of the following:
- a. The amount you actually spend to refinish or replace the façade of the **covered building or structure**; or
  - b. The limit specified in the **Declarations** for APPEARANCE ALLOWANCE.
7. For covered **fine arts**, whether scheduled or unscheduled:
- a. **We** will pay the lesser of the following:
    - (1) The cost to repair or restore the article to the condition that existed immediately prior to the **loss**;

- 
- (2) The cost to replace the article;
  - (3) The valuation designated in the Statement of Values on file with **us**; or
  - (4) The limit shown in the **Declarations** for **Fine Arts**; and
- b. In case of **loss** to, or **theft** of, an article that is part of a pair or a set, **we** will pay the lesser of the full value or the amount scheduled on the Statement of Values on file with **us**, if any, of the value of such pair or set only if the damaged article cannot be repaired or restored to its condition before the **loss** or **theft** and the **member** surrenders the remaining article or articles of the pair or set to **us**.
8. For covered Fire Hydrants, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged article;
    - b. The amount **you** actually spend to repair or replace the damaged article; or
    - c. The limit specified in the **Declarations** for Fire Hydrants.
  9. For Green Coverage, the most **we** will pay will not exceed the lesser of the following:
    - a. 25% of the cost to repair or replace physically damaged **COVERED PROPERTY**; or,
    - b. The limit designated in the **Declarations** for Green Coverage.
  10. For covered Guide Rails, **we** will pay the lesser of the following:
    - a. The cost to repair or replace the damaged property;
    - b. The amount **you** actually spend that is necessary to repair or replace the damaged property; or
    - c. The limit specified in the **Declarations** for Guide Rails.
  11. For POLLUTION CLEANUP EXPENSE, **we** will pay the lesser of the following:
    - a. The cost that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment;
    - b. The amount you actually spend that is necessary to remove and dispose of the **pollutants** from **your** damaged equipment; or
    - c. The limit specified in the **Declarations** for POLLUTION CLEANUP EXPENSE.
  12. For Scheduled Miscellaneous Personal Property designated on the Statement of Values on file with **us** as **Replacement Cost** valuation, if the amount **you** actually spend to replace damaged **COVERED PROPERTY** with comparable kind and quality exceeds the limit designated for such property, **we** will pay up to 120% of the limit designated on the Statement of Values or other schedule on file with **us** for Miscellaneous Personal Property for that property, subject to the limit scheduled for the damaged **COVERED**

**PROPERTY** plus the limit designated in the *Declarations* for Scheduled Miscellaneous Property Replacement Cost Allowance.

13. For TRANSIT COVERAGE, the **loss** amount will not exceed the following:
- a. For property shipped to or for **you** account, the actual invoice to **you**, including such costs and charges (including the commission of you as selling agent) as may have accrued and become legally due on such property;
  - b. For property that has been sold by **you** and shipped to or for the account of the purchaser (if covered by the TRANSIT COVERAGE EXTENSION), the amount of **your** selling invoice, including prepaid or advanced freight;
  - c. For property not under invoice:
    - (1) For **your** property, at the valuation provisions of this **SECTION** applying at the place from which the property is being transported; or
    - (2) For other property, the **actual cash value** at point of destination on the date of **loss**;
- less any charges saved which would have become due and payable upon arrival at the point of destination.
14. For covered transformers that are 25 years and older, or 25 years since the last complete rewind, **we** will pay the lesser of the following:
- a. The cost to repair the property;
  - b. The cost to replace the property with property of comparable capacity, kind and quality; or
  - c. The **actual cash value** of the property.
15. For covered VALUABLE PAPERS AND RECORDS, whether scheduled or unscheduled, **we** will pay the lesser of the following:
- a. The cost to repair or restore the property to the condition that existed immediately prior to the **loss**;
  - b. The cost to replace the property with property of comparable kind and quality, including the cost of researching, gathering and/or assembling information; or
  - c. The value designated in the *Declarations* for VALUABLE PAPERS AND RECORDS.
16. On all other **COVERED PROPERTY**, the **loss** amount will not exceed the lesser of the following:
- a. The cost to repair or replace the damaged property with materials of comparable kind and quality;

- b. The amount **you** actually spend that is necessary to repair or replace the damaged property with materials of comparable kind and quality;
- c. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is most functionally equivalent to that damaged equipment, even if such equipment has technological advances or improvements in function;
- d. The cost to repair or replace real property on the same site with materials of comparable kind and quality;
- e. The market value of real property, machinery and equipment, or stock, offered for sale at the time of **loss**;
- f. The unamortized **actual cash value** of **improvements and betterments** if such property is not repaired;
- g. The increased cost of demolition, if any, resulting from **loss** covered by this **SECTION**, if such property is scheduled for demolition; or
- h. The **actual cash value** of the damaged property.

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**SECTION IV TIME ELEMENT** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

#### A. LOSS COVERED

1. This **SECTION** covers Time Element loss, as provided in **B. TIME ELEMENT COVERAGE** of this **SECTION**, directly resulting from *loss* covered by this *Agreement* to **COVERED PROPERTY**.
2. This **SECTION** covers loss only to the extent that it cannot be reduced through:
  - a. The use of any property or service owned or controlled by *you*;
  - b. The use of any property or service obtainable from other sources;
  - c. Working extra time or overtime; or
  - d. The use of inventory;all whether at a **covered location** or any other premises. *We* reserve the right to take into consideration the combined operating results of all of *your* associated, affiliated or subsidiary entities in determining the extent of a Time Element loss.
3. This **SECTION** covers expenses reasonably and necessarily incurred by *you* to reduce the loss otherwise payable under this **SECTION**. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.
4. In determining the amount of loss payable, *we* will consider *your* financial history before and after the loss. *We* will consider any historic increase or decrease in demand for *your* services during the Period of Coverage, defined in **C. PERIOD OF COVERAGE** of this **SECTION**, even if such increase or decrease is from the same event that caused *loss* starting the Period of Coverage.

#### B. TIME ELEMENT COVERAGE

1. GROSS EARNINGS
  - a. This **SECTION** covers *your* actual loss of Gross Earnings during the PERIOD OF COVERAGE, less all charges and expenses that do not necessarily continue during the interruption of *your operations*, plus all other earnings derived from *your operations*.
  - b. *We* will only consider the continuation of those normal charges and expenses that would have been earned had there been no interruption of *your operations*.
2. EXTRA EXPENSE AND COST
  - a. This **SECTION** covers *your* actual Extra Expense and Cost during the PERIOD OF COVERAGE for the following reasonable and necessary extra expenses incurred by *you*:

- (1) Extra expenses to temporarily continue as nearly normal as practicable the conduct of **your** operations;
  - (2) Extra expenses to expedite repair of damage or replacement of property; and
  - (3) Extra expenses of temporarily using **your** property or facilities or those of others, less any value remaining at the end of the Period of Coverage for property obtained in connection with the above.
- b. The following Additional Exclusions apply only to this **SECTION**:
- This **SECTION** does not cover:
- (1) Any loss of income;
  - (2) Costs that **you** normally would have incurred in conducting **your** operations during the same period had no loss occurred;
  - (3) Costs of permanent repair or replacement of property that has been damaged or destroyed; or
  - (4) Any cost or expense recoverable elsewhere in this **Agreement**.
3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST
- B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS and 2. EXTRA EXPENSE AND COST of this **SECTION** are extended to cover loss, directly resulting from **loss** covered by this **Agreement** to **COVERED PROPERTY**, incurred during the period that:
- a. Begins on the earlier of:
    - (1) The date the **COVERED PROPERTY** should be repaired or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location; and
  - b. Ends on the earlier of:
    - (1) The date the operations should have been restored, with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
    - (2) The number of consecutive days specified for Gross Earnings in the **Declarations**, after the date determined in **B. TIME ELEMENT COVERAGE**, 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST, a. of this **SECTION**.
4. LEASEHOLD INTEREST
- a. This **SECTION** covers **your** Leasehold Interest, incurred by **you** during the Period of Coverage for the following:

- (1) If the lease agreement requires continuation of rent, and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease or, if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
  - (2) If the lease is canceled by **you** pursuant to the lease agreement or by the operation of law, **we** will pay for the first three months' rent following the date of loss.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any increase in loss **you** incur from exercising an option to cancel the lease, or from any default under the lease.

#### 5. RENTAL COVERAGE

- a. This **SECTION** covers the actual rental loss sustained by **you** during the Period of Coverage for the following:
- (1) The fair rental value of any portion of the property rented by **you** to a third party;
  - (2) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and
  - (3) The rental income from the rented portions of such property according to bona fide leases, contracts or agreements in force at the time of loss;
- not to include non-continuing charges and expenses.
- b. The following Additional Exclusion applies only to this **SECTION**:

This **SECTION** does not cover any loss of rental income during any period in which the **COVERED PROPERTY** would not have been tenantable for any reason other than a covered **loss**.

#### C. PERIOD OF COVERAGE

1. The Period of Coverage applying to all **B. TIME ELEMENT COVERAGE**, except 3. EXTENDED GROSS EARNINGS, EXTRA EXPENSE AND COST and 4. LEASEHOLD INTEREST of this **SECTION**, and as shown below, or as otherwise provided under **E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS** of this **SECTION**, and subject to any time limit provided in the Limits of Coverage clause in the **Declarations**, is as follows:
  - a. For Real and Personal Property, the period starting from the time of the **loss** of the type covered against; and ending when with due diligence and dispatch the building and equipment could be:
    - (1) Repaired or replaced including time to comply with any building, zoning, property maintenance or land use ordinance or law;



- (2) Made ready for operations, under the same or equivalent physical and operating conditions that existed prior to the damage; and
  - (3) Not to be limited by the expiration of this **Agreement Period**.
- b. For Real Property under construction:
- (1) The equivalent of the period of time described in **C. PERIOD OF COVERAGE**, 1.a. of this **SECTION** will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no **loss** occurred; and
  - (2) Due consideration will be given to the actual financial history of the business compiled after completion of the construction and startup.
- c. For loss to **Electronic Data Processing Equipment or Media**, the time to recreate or restore the lost information.
2. If two or more Periods of Coverage apply, the longer of the Periods of Coverage will apply.

#### D. TIME ELEMENT EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. Fines or penalties of any nature;
2. Any increase in loss due to the purchase of electrical power; and
3. Any increase in loss due to additional costs associated with generating electrical power from alternative sources owned by **you**.

#### E. ADDITIONAL TIME ELEMENT COVERAGE EXTENSIONS

The most **we** will pay are the limits for each **ADDITIONAL TIME ELEMENT COVERAGE EXTENSION** as specified in the **Declarations**. Except when specifically stated otherwise, the deductibles as set forth in the **Declarations** shall apply to the **TIME ELEMENT COVERAGE EXTENSION**.

1. CIVIL AUTHORITY
  - a. **B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
  - b. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

## 2. COMPUTER SYSTEMS NON-PHYSICAL DAMAGE

- a. This **EXTENSION** covers the actual loss sustained for EXTRA EXPENSE AND COST incurred by **you** during the **Period of Interruption** directly resulting from the failure of **your data, hardware** or **software** to operate, provided such failure is the direct result of a malicious act directed at **you**.
- b. This **EXTENSION** will only apply if the **Period of Interruption** is in excess of 48 hours.
- c. The following Additional Definition applies only to this **EXTENSION**.

As used in this **EXTENSION**, the **Period of Interruption**:

- (1) Means the period starting when **your data, hardware** or **software** fails to operate, and ending when, with due diligence and dispatch, **your data, hardware** or **software** could be restored to the same or equivalent operating condition that existed prior to the failure; and
- (2) Does not mean the additional time to make changes to **your data, hardware** or **software**.

## 3. CONTINGENT TAX REVENUE INTERRUPTION

- a. This **EXTENSION** covers the actual loss sustained by **you** that is directly resulting from necessary interruption of **your** tax revenue, caused by damage or destruction to property which is not operated by **you** and which wholly or partially prevents the generation of revenue for **you**.
- b. **We** shall be liable for the actual loss sustained for only such length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property, or to provide a replacement source for such tax revenue, commencing with the date of damage to the contributing property, but not limited by the **Agreement Period**.

## 4. CONTINGENT TIME ELEMENT

**B. TIME ELEMENT COVERAGE**, 1. GROSS EARNINGS, 2. EXTRA EXPENSE AND COST, and 3. EXTENDED EARNINGS AND EXTRA EXPENSE of this **SECTION** are extended to cover the actual loss **you** incur that directly results from physical damage to property of the type not otherwise excluded by this **Agreement** at direct supplier or direct customer locations, irrespective of whether such location is owned by **you**, that prevents a supplier of goods or service to **you** from supplying such goods or services, or that prevents a recipient of goods or services from **you** from accepting such goods or services.

## 5. EXPENSES TO REDUCE LOSS

**We** will also pay such expenses as **you** incur for the purpose of reducing loss under this **SECTION**, except those incurred to extinguish a fire, but in no event to exceed the amount by which loss is thereby reduced.

## 6. GROSS EARNINGS DURING PROTECTION AND PRESERVATION OF PROPERTY

This **EXTENSION** covers the actual loss of gross earnings sustained by **you** for a period of time not to exceed 72 hours prior to and 72 hours after **you** first take reasonable action for the temporary protection and preservation of **COVERED PROPERTY** by this **Agreement**, provided such action is necessary to prevent immediately impending covered **loss** to such **COVERED PROPERTY**.

## 7. SOFT COSTS

This **EXTENSION** covers the actual loss incurred by **you** for **soft costs** directly resulting from **loss** to **COVERED PROPERTY** undergoing renovation or in the course of construction at a **covered location** as specified in the **Declarations**.

## 8. STORM DEBRIS REMOVAL

a. This **EXTENSION** covers the **extra expense** incurred by **you**, during the **period of restoration**, to remove debris, consisting of downed trees, branches, light poles, and signs, from **your** public trails and pathways that are determined, due to the existence of such downed debris, to be unsafe for public travel.

b. The following Additional Definitions apply only to this **EXTENSION**:

As used in this **EXTENSION**:

- (1) **Extra expense** means necessary expenses **you** incur that are in excess of **your** normal operating expenses.
- (2) **Loss occurrence** means all downed trees, branches, light poles, and signs occurring during any period of 72 consecutive hours of lightning, **wind**, ice storm or any combination thereof.
- (3) **Period of restoration** means the period of time that:
  - (a) Begins at the end of the **loss occurrence** causing the debris; and
  - (b) Ends at the time when the trails and pathways are, with reasonable speed, returned to a condition that is safe for public travel.

## SECTION V EQUIPMENT BREAKDOWN

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**SECTION V  
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20.	WATER DAMAGE	5 - 18

**SECTION V EQUIPMENT BREAKDOWN** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

**We** will pay for **loss** that is the result of a **breakdown** to **covered equipment**, which occurs during the **Agreement Period**, except as hereinafter excluded or amended.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

##### 1. **Breakdown**

- a. **Breakdown** means the following direct physical **loss**, that causes physical damage to **covered equipment** and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure including arcing;

unless such **loss** or damage is otherwise excluded within this **Agreement** or any Endorsement forming a part of this **Agreement**.

- b. **Breakdown** does not mean or include:

- (1) Malfunction, including but not limited to, misadjustment, misalignment, miscalibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in **computer equipment, data, media** 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;
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

2. **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**.

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### 3. *Covered Equipment*

a. *Covered equipment* means and includes any:

- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of its contents;
- (2) Communication equipment;
- (3) **Computer equipment**;
- (4) **Diagnostic equipment**;
- (5) Any other electrical, electronic or mechanical equipment that is used in the generation, transmission or utilization of energy; or
- (6) Fiber optic cable.

b. *Covered Equipment* does not mean or include any:

- (1) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellite or spacecraft (including satellite or spacecraft contents 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 does mean any electrical machine or apparatus mounted on or used with this equipment;
- (5) Equipment, or any part of equipment, manufactured by **you** for sale or rent;
- (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) **Media**;
- (9) 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;
- (10) Part of pressure equipment or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (11) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;

- 
- (12) Rotating Biological Contactors (RBC), including any shaft, cylinder disk or support forming a part of an RBC. However, **covered equipment** will include any motor or gear set used to drive an RBC;
- (13) **Power generating equipment** unless shown as INCLUDED in the **Declarations**;
- (14) Structure, foundation, cabinet or compartment supporting or containing the **covered equipment** or part of the **covered equipment** including penstock, draft tube or well casing; or
- (15) **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.
- c. 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**.
4. **Covered Territory** means anywhere in the Continental United States, except as provided in H. **ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 15. OFF PREMISES EQUIPMENT** of this **SECTION**.
5. **Dependent Property** means property designated as a Dependent Property Location shown in the **Declarations** operated by others upon whom **you** depend to:
- a. Deliver materials or services to **you** or to others for their account. This does not include any property which delivers to **you** any of the following utility services: air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment.
- b. Accept **your** products or services;
- c. Manufacture products for delivery to **your** customers under contract of sale; or
- d. Attract customers to **your** business.
6. **Diagnostic Equipment** means any machine or apparatus used solely for research, diagnosis, medical, surgical, therapeutic, dental or pathological purposes.
7. **Hazardous Substance** means any substance, other than ammonia, that has been declared to be hazardous to health by a governmental agency.
8. **Media** means electronic data processing or storage material such as films, tapes, discs, drums or cells.
9. **One Breakdown** means: if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one location that manifest themselves at the same time and are the result of the same cause will be considered **one breakdown**.



10. **Period of Restoration for Dependent Property**

- a. **Period of restoration for dependent property** means the period of time that:
- (1) Begins at the time of **loss** caused by or resulting from a **breakdown** to **covered equipment** at the **dependent property**; and
  - (2) Ends on the date when the property at the premises of the **dependent property** should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- b. **Period of restoration for dependent property** does not include any increased period required due to the enforcement of any ordinance or law that:
- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (2) Requires **you** 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 **hazardous substance**.

11. **Portable Covered Equipment** shall mean **covered equipment** that is transported by a **vehicle** and used for service outside of the **vehicle**.

12. **Power Generating Equipment**

- a. **Power generating equipment** means any pressure, mechanical or electrical equipment, machinery, or apparatus used in, or associated with, the generation of electric power.
- b. **Power generating equipment** does not include any equipment that is less than or equal to 1000kw and used solely for the generation of emergency power.

13. **Suit** means a civil proceeding to which this **Agreement** applies and includes:

- a. An arbitration proceeding in which damages are claimed and to which **you** must submit with **our** consent; or
- b. Any other alternative dispute resolution proceeding in which damages are claimed and to which **you** must submit with **our** consent.

14. **Total Limit Per One Breakdown** means the total maximum amount payable for all coverages provided under this **SECTION** as the result of **one breakdown**.

15. **Vehicle** means any machine or apparatus (except conveyors) that is used to transport passengers, goods, materials or equipment or that moves under its own power, regardless of whether it is intended for highway use.

**B. ADDITIONAL CONDITIONS**

The following Additional Conditions apply only to this **SECTION**:

## 1. COVERAGE DISAGREEMENT

In the event of loss and expense covered under this **SECTION** and elsewhere in this **Agreement** or other coverage, and there is disagreement with respect to:

- a. Whether such loss was caused by a **breakdown** covered by this **SECTION** or elsewhere in this **Agreement** or Other Coverage; or
- b. The extent of participation of this **SECTION** and such other coverage, partially or wholly, by any or all of this **Agreement** or Other Coverage;

**we** shall, upon **your** written request and subject to **our** reimbursement as set forth below, pay **you** one-half of the amount of the loss and expense which is in disagreement, but in no event more than **we** would have paid if there had been no other coverage in effect, subject to the following conditions:

- (1) The amount of the loss and expense which is in disagreement is limited to the minimum amount remaining payable under either this **SECTION** or other coverage, after making provisions for any undisputed claims payable under other coverage or this **Agreement** and after the amount of the loss and expense is agreed upon by **you, us** and the provider of other coverage;
- (2) The other coverage provider(s) shall simultaneously pay **you** one-half of the amount which is in disagreement;
- (3) Such payments by **us** and the other coverage provider(s) and acceptance of those sums by **you** signify the agreement of **us** and the other coverage provider(s) for arbitration within ninety (90) days of such payment for the amount, if any, which is in disagreement. The arbitrators shall be three (3) in number, one of whom shall be appointed by **us** and one of whom shall be appointed by the other coverage provider(s) and the third appointed by consent of the other two arbitrators. The decision of the arbitrators shall be binding on **you, us** and the other coverage provider(s) and that judgment upon such award may be entered in any court of competent jurisdiction;
- (4) **You** agree to cooperate in connection with such arbitration but not to take a position contrary to **us**;
- (5) The provisions of this Condition shall not apply unless the policy(ies) issued by the other coverage provider(s) is(are) similarly endorsed, or the other coverage provider agrees to the same in resolution of a coverage disagreement; and
- (6) Acceptance by **you** of any payment pursuant to the provisions of this Condition, including any arbitration award, shall not alter, waive or surrender or in any way affect the rights **you** have against **us** or the other coverage provider(s).

## 2. EXPERIENCE

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10.

EXTRA EXPENSE and 18. SERVICE INTERRUPTION **we** will consider the financial history of **your operations** before the **breakdown** and the probable financial history **you** would have had without the **breakdown** in determining the amount of **our** payment to **you**.

### 3. JURISDICTIONAL INSPECTIONS

If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **we** agree to perform such inspection on **your** behalf. **We** do not warrant that conditions are safe or healthful.

### 4. REDUCING YOUR LOSS

With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 10. EXTRA EXPENSE, 16. OFF PREMISES EQUIPMENT, 18. SERVICE INTERRUPTION and 19. SPOILAGE, **you** must reduce **your** loss and expense, if possible, by:

- a. Resuming business, partially or completely;
- b. Using merchandise or other property available to **you**; or
- c. Using the property or services of others.

### 5. SUSPENSION

- a. 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 **SECTION**.
- b. **We** will deliver or mail a written notice of suspension to **your** last known address or the address where the **covered equipment** is located.
- c. Once suspended in this way, **your** coverage can be reinstated only by an endorsement for that **covered equipment**.

## C. COVERED PROPERTY

1. **Covered property** means any property, including **covered equipment**, that **you** own or that is in **your** care, custody or control and for which **you** are legally liable, while located at a **covered location**.
2. **Portable covered equipment, covered location** is understood to include anywhere within the **coverage territory**.
3. **Covered property** does not mean:
  - a. Live mammals, fish, birds, reptiles or insects. It also does not mean eggs intended to become live mammals, fish, birds, reptiles or insects; or
  - b. Any property that is obsolete or useless to **you**.

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

1. **Earth Movement.**
2. Water meaning:
  - a. **Flood;**
  - b. Water damage caused by backup of sewers, drains, or drainage piping;
  - c. Water damage caused by the discharge or leakage of a sprinkler system, sewer piping or domestic water piping; or
  - d. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.
3. Damage to **covered equipment** undergoing any of the following tests:
  - a. A hydrostatic, pneumatic or gas pressure test of any boiler, fired vessel or electrical steam generator; or
  - b. An insulation breakdown test of any type of electrical or electronic **covered equipment.**
4. Fire or combustion explosion.
5. **Aircraft**, civil commotion; collapse; **drones**; freezing caused by cold weather; hail; impact of **aircraft**, missile or **vehicle**; lightning; molten material; objects falling from **aircraft** or missiles; riot; smoke; vandalism; **vehicles**; weight of snow, ice or sleet; or **wind**; except as provided in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 6. ELECTRICAL SURGE and ELECTRICAL DISTURBANCE.
6. An explosion. However, **we** will pay for **loss** caused by an explosion of **covered equipment** of the following kind:
  - 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.

7. Depletion, deterioration, corrosion, erosion, wear and tear, rust, fungus, decay, wet or dry rot, or mold. However, if a **breakdown** ensues, **we** will pay the ensuing loss not otherwise excluded.
8. Ordinance or Law
  - a. Increase in **loss** from the enforcement of any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of **covered property**, except as provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE and 16. ORDINANCE OR LAW of this **SECTION**.
  - b. However, the words “use” and “operation” shall be eliminated as respects a covered **breakdown** of electrical supply and emergency generating equipment located on any **covered location**, when continued operation is contingent on the presence of such electrical supply and emergency generating equipment as mandated by any government agency.
9. **Breakdown** if such **breakdown** results from a collision, overturn, collapse or upset of **covered equipment** or the **vehicle** by which the **covered equipment** is transported.

#### E. EQUIPMENT BREAKDOWN EXCLUSIONS

**We** will not pay for loss:

1. With respect to **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE or 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. **Your** operations that would not or could not continue if the **breakdown** had not occurred;
  - b. **Your** failure to use due diligence and dispatch to operate **your** operations as nearly normal as practicable at the **covered location**; and
  - c. The suspension, lapse or cancellation of a contract following a **breakdown** extending beyond the time **your** operations could have resumed if the contract had not lapsed, been suspended or canceled.
2. With respect to coverage provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 18. SERVICE INTERRUPTION of this **SECTION**, resulting from:
  - a. Acts of sabotage; or
  - b. Deliberate act(s) of load shedding by the supplying or distributing utility.

#### F. OUR PAYMENT OF LOSS

As respects coverage provided under this **SECTION** only, the following shall apply:

## 1. VALUATION

- a. **We** will pay the amount **you** spend to repair, rebuild or replace **covered property** with other property of like kind, quality and capacity if such **covered property** is directly damaged by a **breakdown** to **covered equipment** or **covered portable equipment**. **Our** payment will be the lesser of:
- (1) The cost to repair the damaged property;
  - (2) The cost to replace the damaged property; or
  - (3) The amount **you** actually spend that is necessary to repair or replace the damaged property.
- b. If **covered property** cannot be repaired or the cost to repair is more than the cost to replace, and the damage to the **covered property** equals or exceeds 100% of the **actual cash value** of the **covered equipment** or **covered portable equipment**, **you** may choose to apply the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**.
- c. Except for the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES and 13. NEW GENERATION COVERAGE EXTENSION of this **SECTION**, **you** must pay the extra cost of replacing damaged property with property of a better kind or quality or of a larger capacity.
- d. If any damaged **covered property** that is intended for **your** use is protected by an extended warranty or maintenance or service contract, and that warranty or contract becomes void or unusable due to **breakdown**; **we** will reimburse **you** for the prorated amount of the unused costs of non-refundable, non-transferable warranties or contracts.
- e. **We** will determine the value of **covered property** under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 19. SPOILAGE of this **SECTION** as follows:
- (1) For raw materials, the **replacement cost**;
  - (2) For goods in process, the **replacement cost** of the raw materials, the labor expended and the proper proportion of overhead charges; and
  - (3) For finished goods, the selling price, as if no **loss** had occurred, less any discounts **you** offered and expenses **you** otherwise would have had.
- f. On any articles that are part of a pair or set, **we** will pay no more than the reasonable and fair proportion the article or articles bear to the total value of the pair or set, giving consideration to the importance of said article, but in no event shall such **loss** be considered to mean a total **loss** of the pair or set.

## 2. SPECIAL LIMITS OF COVERAGE

- a. The most **we** will pay for loss and expense arising from any **one breakdown** is the Coverage Limit specified as the limit per **one breakdown** in the **Declarations**. This limit applies to all coverages, including those provided by **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION**.
- b. The Coverage Limit under each of the **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS** of this **SECTION** for loss and expense arising from any **one breakdown** is the amount shown in the **Declarations** for that **EXTENSION**. If two or more limits apply to the same portion of loss and expense, the most **we** will pay is the highest limit.
- c. The most **we** will pay for **loss** arising from the **breakdown** of **diagnostic equipment** is the **Diagnostic Equipment** Limit specified in the **Declarations**.

**G. DEDUCTIBLES**

As respects coverage provided under this **SECTION**, the following shall apply:

## 1. APPLICATION OF DEDUCTIBLES

- a. **We** will not pay for **loss** resulting from any **one breakdown** until the amount of covered loss exceeds the deductible shown in the **Declarations**. **We** will then pay the amount of covered loss and expense in excess of the deductible, up to the applicable Coverage Limit.
- b. Deductibles apply separately for each applicable coverage, except if more than one **covered equipment** is involved in **one breakdown**, then only the highest deductible shall apply for each of the applicable coverages.

## 2. DETERMINATION OF DEDUCTIBLES

## a. Dollar Deductible

If a dollar deductible is shown in the **Declarations**, **we** will first subtract the deductible amount from any loss **we** would otherwise pay.

## b. Multiple per Unit Deductible

If a multiple of units is shown in the **Declarations**, 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.)

## c. Time Deductible

If a time deductible is shown in the **Declarations**, **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 (24) consecutive hours.

d. Minimum Or Maximum Deductible

(1) If a minimum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

(2) If a maximum dollar amount deductible is shown in the **Declarations**, and 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 **Declarations** will be the applicable deductible.

#### H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS

The most **we** will pay under these **EXTENSIONS** are the Coverage Limits specified in the **Declarations**. These limits are a part of and not in addition to the **total limit per one breakdown**.

These **EXTENSIONS** apply only to that portion of the loss that is the result of a **breakdown** to **covered equipment** that is not excluded elsewhere in this **Agreement**.

1. CIVIL AUTHORITY

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the action of civil authority that prohibits access to **your covered location**.
- b. The action of civil authority must be due to **loss** caused by a **breakdown** to **covered equipment** at locations other than **covered locations** that are within 100 miles of the **covered location**.
- c. This coverage begins 24 hours after the time of the civil authority action and continues for a period up to the number of consecutive weeks specified in the **Declarations** for CIVIL AUTHORITY.

2. DATA OR MEDIA COVERAGE

- a. If **media** is damaged or **data** is lost or corrupted, **we** will pay **your** actual loss of earnings or **your** extra expenses during the time necessary to:
- (1) Research, recreate, replace or restore the damaged **media** or lost or corrupted **data**; and
- (2) Reprogram instructions used in any covered **computer equipment**.
- b. **We** will not pay for any **data** or **media** that cannot be replaced, recreated or restored.



## 3. DEFENSE

If a claim or **suit** is brought against **you** alleging that **you** are liable for damage to property of others in **your** care, custody or control, **we** will either settle the claim or **suit** or defend **you** against the claim or **suit** but retain the right to settle it at any point. With respect to any claim or **suit we** defend, **we** will pay:

- a. All expenses **we** incur;
- b. The cost of bonds to release attachments, but **we** do not have to furnish these bonds;
- c. All reasonable expenses incurred by **you** at **our** request to assist us in the investigation or defense of the claim or **suit**, including actual loss of earnings because of time off from work;
- d. All costs taxed against **you** in any **suit we** defend;
- e. Prejudgment interest awarded against **you** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Coverage Limits, **we** will not pay prejudgment interest based on that period of time after the offer; and
- f. All interest that accumulates on the full amount of any judgment 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 Coverage Limit.

## 4. DEPENDENT PROPERTIES

- a. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, and 10. EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused by the necessary partial or total interruption of **your operations** during the **period of restoration for dependent property**. The interruption must be caused by **loss** or damage to **dependent property** caused by or resulting from a **breakdown** to its **covered equipment**.
- b. However, this **EXTENSION** does not apply when the only **loss** to **dependent property** is **loss** or damage to **data**, including destruction or corruption of **data**. If the **dependent property** sustains **loss** or damage to **data** and other property, coverage under this **EXTENSION** will end once the other property is repaired, rebuilt or replaced.

## 5. EARNINGS

**We** will pay **your** actual loss of earnings sustained during the **period of restoration** due to the necessary interruption of **your operations**. **We** will also pay any necessary expense **you** incur to reduce the amount of this loss, but only to the extent that the loss otherwise payable is reduced.

## 6. ELECTRICAL SURGE AND ELECTRICAL DISTURBANCE

**We** will pay for loss if the **breakdown** results from an electrical surge or electrical disturbance:

- a. caused by excluded peril(s) identified in **D. CAUSE OF LOSS**, 5. of this **SECTION** that occurs away from the **covered location** and causes an electrical surge or other electrical disturbance;
- b. transmitted through utility transmission lines to the **covered location**;
- c. that results in a **breakdown** to **covered equipment**, at such **covered location**, that **you** own, operate or is under the control of **you** or **your** landlord; and
- d. that is not a covered cause of loss under another **SECTION** of this **Agreement**, another coverage part or policy of insurance **you** have, irrespective of whether collectible, and without regard to whether the coverage under another **SECTION** of this **Agreement**, another coverage part or policy of insurance provides the same coverage, scope of coverage and/or deductibles as coverage provided in this paragraph.

## 7. ERROR IN DESCRIPTION

- a. **We** will pay **your** loss covered by this **SECTION** if such loss is otherwise not payable solely because of any unintentional error or omission in the description of a location as covered under this **SECTION**.
- b. **You** agree to give **us** prompt notice of any correction or addition to the description of a location covered under this **SECTION**.

## 8. EXPEDITING EXPENSE

With respect to **your** damaged **covered property**, **we** will pay the reasonable extra cost to:

- a. Make temporary repairs; and
- b. Expedite permanent repairs or permanent replacement.

## 9. EXTENDED EARNINGS AND EXTRA EXPENSE

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. **EARNINGS** and 10. **EXTRA EXPENSE** of this **SECTION** are extended to cover loss caused solely by a **breakdown** to **covered equipment** and incurred during the period that:

- a. Begins on the earlier of:
  - (1) The date the damaged property at the **covered location** in the **Declarations** should be repaired or replaced with reasonable speed and similar quality; or

- (2) The date when business is resumed at a new permanent location; and
- b. Ends on the earlier of:
- (1) The date the operations should have been restored with reasonable speed, to the condition that would have existed if no direct damage had occurred; or
  - (2) The number of consecutive days specified for EXTENDED EARNINGS in the **Declarations**, after the date determined in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, a. of this SECTION.**

#### 10. EXTRA EXPENSE

**We** will pay all expenses that exceed the normal operating expenses that would have been incurred to conduct **your operations** during the **period of restoration** if no **breakdown** had occurred.

#### 11. GREEN ALTERNATIVES

- a. With respect to **covered property** that was damaged as a result of a **breakdown** to **covered equipment**, **we** will pay for:
- (1) The reasonable additional cost incurred to repair or replace the damaged or destroyed portions of the **covered property** (except as may be provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 13. NEW GENERATION** of this **SECTION** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**;
  - (2) The reasonable additional cost incurred to employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
  - (3) **We** will pay for the following reasonable additional expenses incurred to attain or re-attain **green** certification from a **green authority**:
    - (a) The reasonable additional expense incurred to hire a qualified engineer or other professional required by the **green authority** to be involved in:
      - i. Designing, overseeing or documenting the repair or replacement of the damaged or destroyed **covered property**; or
      - ii. Testing and recalibrating the systems and mechanicals of the damaged or destroyed **covered property** to verify that the systems and

mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer; and

- (b) The reasonable registration and recertification fees charged by the **green authority**.

Coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a.(1), a.(2) and a.(3) of this **SECTION** applies only if **replacement cost** valuation applies to the damaged or destroyed **covered property** and then only if the **covered property** is actually repaired or replaced as soon as reasonably possible after the **breakdown to covered equipment**.

- b. **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS and 10. EXTRA EXPENSE of this **SECTION** are extended to cover the loss incurred during the time necessary to:
- (1) Repair or replace the damaged or destroyed portions of the **covered property** using products or materials that:
    - (a) Are **green** alternatives to the products or materials of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**; and
    - (b) Are otherwise of comparable quality and function to the damaged or destroyed **covered property**; and
  - (2) Employ **green** methods or processes of construction, disposal or recycling in the course of the repair and replacement of the damaged or destroyed **covered property**, in accordance with the documented standards of a **green authority**.
- c. The most **we** will pay for coverage provided under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES of this **SECTION** for any one **breakdown** is the sum of:
- (1) 5% of the amount **we** would otherwise pay for a **breakdown** as provided by **F. OUR PAYMENT OF LOSS**, 1. VALUATION, a. prior to the application of any applicable deductible, for **loss** or expense covered under **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 11. GREEN ALTERNATIVES, a. of this **SECTION**; plus
  - (2) 5% of the amount **we** would otherwise pay for loss covered under the applicable **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 5. EARNINGS or 10. EXTRA EXPENSE of this **SECTION**, prior to the application of any applicable deductible, for EARNINGS or EXTRA EXPENSE covered under b. of this **EXTENSION**;

subject to a maximum of the **total limit per one breakdown**. These limits are a part of and not in addition to the **total limit per one breakdown**.

## 12. HAZARDOUS SUBSTANCE

- a. If **covered property** is damaged, contaminated or polluted by a **hazardous substance**, **we** will pay for any **additional expenses** incurred by **you** for cleanup, repair, replacement or disposal of that property.
- b. As used in **H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**, 12. HAZARDOUS SUBSTANCE of this **SECTION**, **additional expenses** means the additional cost incurred over and above the amount that **we** would have paid had no **hazardous substance** been involved with the **loss**.

## 13. NEW GENERATION

If **you** want to replace damaged **covered property** with a newer generation of **covered property** of the same capacity, **we** will pay up to 25% more than **covered property** of like kind, quality and capacity would have cost at the time of the **breakdown**.

## 14. NEWLY ACQUIRED LOCATIONS

- a. **We** will automatically provide coverage at **your** newly acquired location(s) reported to **us** within 120 days of acquisition.
- b. If the coverages and deductibles vary for existing **covered locations**, then the coverages for the newly acquired location(s) will be the broadest coverage, highest limits and highest deductibles applicable to the existing **covered locations**.

## 15. OFF PREMISES EQUIPMENT

**We** will pay for **loss** caused by a **breakdown** to **your portable covered equipment** that, at the time of the **breakdown**, is located within the **Agreement Territory** but is at a temporary location that is not a **covered location** or any other location owned, leased or operated by **you**.

## 16. ORDINANCE OR LAW

If a **loss** occurs to a **covered building or structure**:

- a. **We** will pay for the following:
  - (1) **Loss** to the undamaged portion of a **covered building or structure** caused by enforcement of any ordinance or law, in force at the time of the **loss**, that:
    - (a) Regulates the construction or repair or establishes zoning or land use requirements at the **covered location**; or
    - (b) Requires the demolition of parts of the undamaged portion of the building or structure;
  - (2) The increased cost to repair, rebuild or construct the property caused by enforcement of a building, zoning or land use ordinance or law, if the **Replacement Cost** Valuation applies to the **covered building or structure**. If

the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use ordinance or law; and

- (3) The cost to demolish and clear the site of undamaged parts of the **covered building or structure** caused by enforcement of the building, zoning or land use ordinance or law.

b. **We** will not pay for the:

- (1) Increased costs of construction if the **covered building or structure** is not repaired, reconstructed or remodeled within 2 years after the **loss**; or
- (2) Costs associated with the enforcement of any ordinance or law that requires **you** 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 a **hazardous substance**.

#### 17. REFRIGERANT CONTAMINATION

If **covered property** is contaminated by a refrigerant, **we** will pay for such refrigerant contamination, including cleanup, repair or replacement or disposal of the **covered property** and salvage expense.

#### 18. SERVICE INTERRUPTION

**H. ADDITIONAL EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS, 5. EARNINGS, 9. EXTENDED EARNINGS AND EXTRA EXPENSE, 10. EXTRA EXPENSE, and 19. SPOILAGE** of this **SECTION** are extended to include loss resulting from the interruption of utility services provided all of the following conditions are met:

- a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive; and
- b. The **covered equipment** is used to supply air conditioning, communication services, electric power, gas, heating, refrigeration, steam, water or waste treatment to **your covered location**.

#### 19. SPOILAGE

**We** will pay **you** for spoilage damage to raw materials, property in process or finished products provided all of the following conditions are met:

- a. The raw material, property in process or finished products must be in storage or in the course of being manufactured; and
- b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and

- c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

20. WATER DAMAGE

If ***covered property*** is damaged by water as a direct result of a ***breakdown*** to ***covered equipment***, we will pay for such water damage, including salvage expense.

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**SECTION VI CRIME** of this **Agreement** is subject to all the terms and conditions of this **Agreement** including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the **Declarations**, this **SECTION**, and elsewhere in this **Agreement**.

#### A. ADDITIONAL DEFINITIONS

The following Additional or Modified Definitions apply only to this **SECTION**:

1. **Banking Premises** means the interior of that portion of any building that is occupied by a banking institution or similar safe depository in conducting its business.
2. **Counterfeit Money** means an imitation of **money** that is intended to deceive and to be taken as genuine.
3. **Covered Cause of Loss** means **theft**, disappearance, or destruction.
4. **Covered Instruments** means checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a sum certain in **money** that are made or drawn by or drawn upon **you**; or made or drawn by one acting as **your** agent; or purport to have been so made or drawn.
5. **Discover** or **discovered** means the time when **you** first:
  - a. become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Agreement** has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
  - b. receive notice of an actual or potential claim in which it is alleged that **you** are liable to a third party under circumstances which, if true, would constitute a loss under this **Agreement**.
6. **Employee**
  - a. **Employee** means:
    - (1) Any individual:
      - (a) While in **your** service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;
      - (b) Who **you** compensate directly by salary, wages or commissions; or
      - (c) Who **you** have the right to direct and control while performing services for **you**;
    - (2) Any individual who is furnished temporarily to **you**:
      - (a) To substitute for a permanent **employee** as defined in **A. ADDITIONAL DEFINITIONS**, 6. **Employee**, a.(1) of this **SECTION**, who is on leave; or

(b) To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing service for **you**, excluding, however, any such person having care and custody of property outside the **premises**;

(3) Any individual who is leased to **you** under a written agreement between **you** and a labor leasing firm, to perform duties related to the conduct of **your** business, but does not mean a temporary employee as defined in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(2) of this SECTION**;

(4) Any individual who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(b) An official of **yours** while that person is engaged in handling **funds** of any employee benefit plan;

(5) Any individual who is a former official, **employee** or trustee retained as a consultant while performing services for **you**; or

(6) Any individual who is a student, intern or volunteer while performing services for **you**.

b. **Employee** does not mean any agent, independent contractor or representative of the same general character not specified in **D. ADDITIONAL DEFINITIONS, 6. Employee, a.(4)(a) of this SECTION**.

7. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

8. **Funds** means **money** and **securities**.

9. **Messenger** means **you** or any **employee** while having care and custody of property outside the **premises**.

10. **Occurrence** means:

a. Under **B. CRIME COVERAGE, 1. EMPLOYEE THEFT – PER LOSS COVERAGE** of this **SECTION**:

(1) An individual act;

(2) The combined total of all separate acts irrespective of whether related; or

(3) A series of acts irrespective of whether related;

committed by an **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- b. Under **B. CRIME COVERAGE**, 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by each **employee** acting alone or in collusion with other persons, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- c. Under **B. CRIME COVERAGE**, 3. FORGERY OR ALTERATION of this **SECTION**:

- (1) An individual act;
- (2) The combined total of all separate acts irrespective of whether related; or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

- d. Under all Other Coverage agreements in **B. CRIME COVERAGE** of this **SECTION**:

- (1) An individual act or event;
- (2) The combined total of all separate acts or events irrespective of whether related;  
or
- (3) A series of acts irrespective of whether related;

committed by a person acting alone or in collusion with other persons or not committed by any person, during the **Agreement Period** shown in the **Declarations**, before such **Agreement Period**, or both.

#### 11. **Other Property**

- a. **Other Property** means any tangible property other than **funds** that has intrinsic value.
- b. **Other Property** does not include computer programs, electronic data or any property specifically excluded under this **Agreement**.

12. **Premises** means any building **you** occupy in conducting **your operations**.

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13. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person harm; or
  - Committed an obviously unlawful act witnessed by that person.
14. **Safe Burglary** means the unlawful taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - A safe or vault from inside the **premises**.
15. **Theft** means the unlawful taking of property to **your** deprivation.

## B. CRIME COVERAGE

This **SECTION** provides the following coverage and applies to loss that **you** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by **you** during the **Agreement Period** or in the extended period described in **D. ADDITIONAL CONDITIONS**, 1.a. Prior Bond or 1.b. Policy Bridge – Discovery Replacing Loss Sustained of this **SECTION**.

### 1. EMPLOYEE THEFT – PER LOSS COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by an **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER LOSS COVERAGE, **theft** shall also include **forgery**.

### 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE

- We** will pay for loss of or damage to **money, securities** and **other property** resulting directly from **theft** committed by each **employee**, irrespective of whether identified, acting alone or in collusion with other persons.
- For the purposes of EMPLOYEE THEFT – PER EMPLOYEE COVERAGE, **theft** shall also include **forgery**.

### 3. FORGERY OR ALTERATION

- We** will pay for loss resulting directly from **forgery** or alteration of **covered instruments**.
- If **you** are sued for refusing to pay any instrument covered in FORGERY OR ALTERATION, a., 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 that **we** will pay is in addition to the Limit of Coverage applicable to this coverage agreement.

- c. For the purposes of this coverage agreement, a substitute check, as defined in the federal Check Clearing for the 21st Century Act, shall be treated the same as the original it replaced.

#### 4. THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES

**We** will pay for loss of or damage to **money** and **securities** resulting directly from **theft**, disappearance or destruction inside **your premises** or **your banking premises**.

#### 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY

- a. **We** will pay for loss of or damage to **other property**:

- (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **member**, or

- (2) Inside the **premises** in a safe or vault resulting directly from an actual or attempted **safe burglary**.

- b. **We** will pay for **loss** from damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

- c. **We** will pay for loss of or damage to a locked safe or vault located inside the **premises** resulting directly from an actual or attempted **robbery** or **safe burglary**.

#### 6. OUTSIDE THE PREMISES

- a. **We** will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

- b. **We** will pay for loss of or damage to **other property** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from an actual or attempted **robbery**.

#### 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE

- a. **We** will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer or electronic device to fraudulently cause a transfer of that property from inside **your premises** or **banking premises** to a person, other than an **employee**, or place outside of such **premises**.

- b. **We** will pay for loss directly resulting from fraudulent instruction by a **member** directing a financial institution to transfer, pay or deliver funds from **your** transfer account.

## 8. MONEY ORDERS AND COUNTERFEIT MONEY

**We** will pay for loss resulting directly from your having accepted in good faith in exchange for merchandise, **money** or services;

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. **Counterfeit money** that is acquired during the regular course of business.

## C. CRIME EXCLUSIONS

1. The coverage provided under this **SECTION** does not apply to:

- a. Acts Of A **Member** Learned Of By **You** Prior To The Agreement Period

Loss caused by a **member** if the **member** had also committed **theft** or any other dishonest act prior to the effective date of this **Agreement** and **you** or any of **your** officials, not in collusion with the **member**, learned of that **theft** or dishonest act prior to the **Agreement Period** shown in the **Declarations**.

- b. Confidential Information

Loss resulting from:

- (1) The unauthorized disclosure of **your** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (2) The unauthorized use or disclosure of confidential information of another person or entity which is held by **you** including, but not limited to, financial information, personal information, credit card information or similar non-public information.

- c. Indirect Loss

Loss that is an indirect result of an **occurrence** covered by this **Agreement** including, but not limited to, loss resulting from **your** inability to realize income that **you** would have realized had there been no loss of or damage to **money**, **securities**, or **other property**.

- d. Costs, Fees, or Other Expenses

**We** will not pay for any costs, fees, or other expenses the **member** incurs in establishing either the existence or the amount of loss under this coverage.

- e. Payment of Damages

- (1) **We** will not pay for damages of any type for which **you** are legally liable, but, **we** will pay compensatory damages arising directly from a loss covered under this **SECTION**.

## f. Kidnap, Ransom or Extortion

**We** will not pay for loss resulting directly or indirectly from kidnap, extortion or ransom payments, other than **theft**, surrendered by any person as a result of a threat.

## g. Legal Fees, Costs and Expenses

**We** will not pay for fees, costs and expenses related to any legal action, except when covered under FORGERY OR ALTERATION of this **Agreement**.

2. The coverage provided under **B. CRIME COVERAGE**, EMPLOYEE THEFT – PER LOSS COVERAGE and THEFT – PER EMPLOYEE COVERAGE of this **SECTION** does not apply to:

## a. Bonded Employees

Loss caused by any **employee** required by law to be individually bonded.

## b. Inventory Shortage

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.

## c. Trading

Loss resulting from trading, whether in **your** name or in a genuine or fictitious account.

## d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. The coverage provided under **B. CRIME COVERAGE**, THEFT, DISAPPEARANCE AND DESTRUCTION COVERAGE FOR MONEY AND SECURITIES; INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY; and OUTSIDE THE PREMISES of this **SECTION** does not apply to:

## a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

## b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

## c. Fire

Loss or damage resulting from fire, however caused.

## d. 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.
- e. Vandalism
- Loss** from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.
- f. Voluntary Parting Of Title To Or Possession Of Property
- Loss resulting from the **member**, or anyone acting on the **member's** express or implied authority, being induced by any dishonest act to voluntarily part with title to, or possession of, any property.
4. The coverage provided under **B. CRIME COVERAGE**, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE of this **SECTION** does not apply to:
- a. Credit Card Transactions
- Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
- b. Inventory Shortage
- Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation.
- c. Dishonest or Criminal Act
- Loss resulting from any dishonest or criminal act committed by a **member** whether acting alone or in collusion with other persons.
- d. Failure of Depository
- Loss caused by or resulting from the failure of any entity acting as a depository for **your** property or property for which **you** are responsible.

#### D. ADDITIONAL CONDITIONS

1. The following Additional Conditions apply only to **B. CRIME COVERAGE** of this **SECTION**:
- a. Prior Bond
- (1) If **you** sustained loss during the period of any prior bond or insurance that **you** could have recovered under such prior bond or insurance, except that the time within which to discover loss has expired, **we** will pay for such loss under this coverage provided:



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- (a) that this coverage became effective at the time of cancellation or termination of the prior bond or insurance, and
  - (b) the loss would have been covered by this **B. CRIME COVERAGE** of this **SECTION** had it been in effect when the acts or events causing the loss were committed or occurred.
- (2) The coverage under this Condition is part of, and not in addition to, the limits of coverage applying to this coverage and is limited to the lesser of the amount recoverable under this coverage as of its effective date, or the prior bond or insurance had it remained in effect.
  - (3) If any loss is covered partly by this coverage, and partly by any prior canceled or terminated coverage that **we** issued to **you**, the most **we** will pay is the lesser of the amount recoverable under this coverage or the prior coverage.
- b. Policy Bridge – Discovery Replacing Loss Sustained
- If **B. CRIME COVERAGE** of this **SECTION** replaces a prior bond or insurance that provided **you** with an extended period of time after the termination or cancellation of such prior bond or insurance in which to discover loss, then, and only with respect to loss discovered during such extended period but sustained prior to the termination of such prior bond or insurance, the coverage afforded by **B. CRIME COVERAGE** of this **SECTION** applies as follows:
- (1) **We** will have no liability for such loss, unless the amount of such loss exceeds the limit of insurance of that prior bond or insurance; provided that in such case, **we** will pay **you** for the excess of such loss subject to the terms and conditions of **B. CRIME COVERAGE** of this **SECTION**.
  - (2) However, any payment **we** make to **you** for such excess loss will not be greater than the difference between the limit of insurance of **your** prior insurance and the limit of coverage of **B. CRIME COVERAGE** of this **SECTION**.
- c. Other Coverage
- (1) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any other valid and collectible bond or insurance available to **you** unless such other bond or insurance is written to be specifically excess of **B. CRIME COVERAGE** of this **SECTION** by named reference in the other bond or insurance.
  - (2) Each coverage of **B. CRIME COVERAGE** of this **SECTION** applies only as excess coverage over, and will not contribute with, any indemnification to which **you** are entitled from any other person or entity.
  - (3) As excess coverage, **B. CRIME COVERAGE** of this **SECTION** will not apply or contribute to the payment for any loss to **you** until the amount of such other bond, insurance or indemnity has been exhausted by loss covered thereunder.

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- (4) If the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss, **B. CRIME COVERAGE** of this **SECTION** will apply to that part of the loss not recoverable or recovered under the other bond, insurance or indemnity.
- (5) **B. CRIME COVERAGE** of this **SECTION** will not be subject to the terms of any other bond, insurance or indemnity.
- d. Cumulative Limit
- Regardless of the number of years this coverage remains in force, no limit of coverage cumulates from **Agreement Period** to **Agreement Period**.
- e. Rights and Benefits
- This coverage is for **your** benefit only. It provides no rights or benefits to any other person or entity.
- f. Payment After Agreement Period
- We** will pay only for covered loss **discovered** no later than one year from the end of the **Agreement Period**.
2. The following Additional Conditions apply only to **B. CRIME COVERAGE**, 1. EMPLOYEE THEFT – PER LOSS COVERAGE and 2. EMPLOYEE THEFT – PER EMPLOYEE COVERAGE of this **SECTION**:
- a. Indemnification
- We** will indemnify any of **your** officials who are required by law to give individual bonds for the faithful performance of their duties against loss through **theft** committed by **employees** who serve under them, subject to the applicable Limit of Crime Coverage as specified in the **Declarations**.
- b. Termination As To Any Employee
- B. CRIME COVERAGE** of this **SECTION** terminates as to any **employee** on the earlier of the following:
- (1) As soon as:
- (a) **You**; or
- (b) Any of **your** officials or **employees** authorized to manage, govern or control **your employees**, who are not in collusion with the **employee**, learn of **theft** or any other dishonest act committed by the **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. **We** will mail or deliver our notice to **your** last mailing

address known to **us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. The following Additional Conditions apply only to **B. CRIME COVERAGE 3. FORGERY OR ALTERATION** of this **SECTION**:

- a. Electronic And Mechanical Signatures

**We** will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

- b. 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.

4. The following Additional Conditions apply only to **B. CRIME COVERAGE, 5. INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY** and **6. OUTSIDE THE PREMISES** of this **SECTION**:

- a. Special Limit Of Coverage For Specified Property

**We** will only pay up to the limit specified in the **Declarations** for loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

- b. Armored Motor Vehicle Companies

Under **B. CRIME COVERAGE, 6. OUTSIDE THE PREMISES** of this **SECTION**, **we** will only pay for the amount of loss **you** cannot recover:

- (1) Under **your** contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of, the armored motor vehicle company.

5. The following Additional Conditions apply only to **B. CRIME COVERAGE, 7. COMPUTER FRAUD AND FUNDS TRANSFER COVERAGE** of this **SECTION**:

Special Limit Of Coverage For Specified Property:

**We** will only pay up to the limit specified in the **Declarations** for any loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

#### **E. VALUATION - SETTLEMENT**

1. The value of any loss for purposes of coverage under this **SECTION** shall be determined as follows:

- a. Loss of **money** will be valued only up to and including its face value at the time of the loss.

- b. Loss of **securities** will be valued only up to and including their value at the close of business on the day the loss was discovered. **We** may, at **our** option, pay the value of such **securities** or replace them in kind, in which event **you** must assign to **us** all of **your** rights, title, and interest in and to those **securities**.
  - c. Loss of, or loss from damage to, property other than **money** and **securities** or **loss** from damage to the **premises** will be valued at the lesser of the **actual cash value** of the property on the day the loss was discovered, the cost of repairing the property or premises, or the cost of replacing the property with property of like kind and quality.
  - d. **We** may, at **our** option, pay the **actual cash value** of the property, repair it, or replace it.
2. **We** will pay only for covered loss discovered no later than one year from the end of the **Agreement Period**.
  3. If the **member** has reason to believe that any loss of, or loss from damage to, covered property involves a violation of law, the **member** must promptly notify the police and the **Pool**.

**SECTION VII  
AUTOMOBILE PHYSICAL DAMAGE**

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## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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**SECTION VII AUTOMOBILE PHYSICAL DAMAGE** of this *Agreement* is subject to all the terms and conditions of this *Agreement* including, but not limited to, the limits of coverage, deductibles and exclusions all as shown in the *Declarations*, this **SECTION**, and elsewhere in this *Agreement*.

*We* will pay for *loss* to **covered automobiles** that occurs during the *Agreement Period* while the **covered automobile** is within the *Agreement Territory*, as set forth in this **SECTION**.

### A. ADDITIONAL DEFINITIONS

The following Additional Definitions apply only to this **SECTION**:

1. **Hired Automobile** means an **automobile** not owned by the **member** which is used under contract for less than six months on **your** behalf.
2. **Outstanding Balance** means the amount the **member** owes on the lease at the time of **loss**, less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage, excess wear and tear, and lease termination fees.

### B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE

#### 1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

#### 2. COLLISION COVERAGE

This coverage applies to damage caused by collision of a **covered automobile** with another **automobile**, **mobile equipment**, or object, or by upset of such **covered automobile**.

### C. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS

The most *we* will pay are the limits for each **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION** as specified in the *Declarations*. Except when specifically stated otherwise, the deductibles as set forth in the *Declarations* shall apply to the **ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSION**.

#### 1. AIRBAG COVERAGE

- a. *We* will pay for **loss** to a **covered automobile** caused by an accidental discharge of its airbag(s).
- b. **D. EXCLUSIONS**, 1.c. of this **SECTION** does not apply to this **EXTENSION**.
- c. No deductible applies to this **EXTENSION**.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 2. COMMANDEERED PROPERTY COVERAGE

- a. Commandeered Property means an **automobile** belonging to others that is seized or taken over by the **member** for **your** official use to handle an emergency situation.
- b. To be deemed Commandeered Property, the seizure or taking of the **automobile** must be a spontaneous, non-planned action on the part of the officer in charge at the emergency situation.
- c. Comprehensive and Collision coverage applies to the Commandeered Property Coverage.
- d. No deductible applies to this **EXTENSION**.

### 3. EMERGENCY RESPONSE AUTOMOBILE COVERAGE

With respect to **loss** to an emergency response **covered automobile**, if such **loss** is payable under **F. VALUATION** of this **SECTION** as:

- a. 2. Stated Amount (SA) a. or b.; or
- b. 3. **Replacement Cost** (RC) a. or b.;

**we** will pay up to an additional 25% of the actual costs **you** incur to repair or replace the damaged or stolen parts to be in compliance with current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations.

### 4. FREEZING OF EQUIPMENT COVERAGE

- a. For a fire department **covered automobile**, **we** will pay for repair or replacement of equipment, other than engines, caused by freezing or extremes of temperature.
- b. No deductible applies to this **EXTENSION**.

### 5. HIRED AUTOMOBILE PHYSICAL DAMAGE COVERAGE

- a. **Hired automobiles** which are hired or rented on a short-term basis, for a period not to exceed six months, and for which coverage has not been specifically adopted in this **Agreement**, are included in the definition of **covered automobile**.
- b. As respects **hired automobiles**, coverage shall be excess over any other valid and collectible insurance available to the **automobile** owner.
- c. **We** will not pay more than the limit designated in the **Declarations** for Hired Automobile Physical Damage Coverage for damage that results from any one accident to any one **hired automobile**.
- d. Payments for physical damage to a **hired automobile** owner under this provision will be subject to the automobile physical damage deductible shown in the **Declarations** for Hired Automobile Physical Damage Coverage.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### 6. LEASE GAP COVERAGE

If a long-term leased **automobile** is a **covered automobile** and the lessor is named as an Additional Insured-Lessor, **we** will pay in the event of a total **loss** the **member's** additional legal obligation to the lessor for any difference between the **actual cash value** of the **automobile** at the time of the **loss** and the **outstanding balance** of the lease.

### 7. NOT AT FAULT COLLISION DEDUCTIBLE WAIVER

- a. **We** will waive the applicable deductible to **your covered automobile** for a collision **loss** in which the **member** is determined by **us** to be less than 50% at fault.
- b. The most **we** will waive in any one collision **loss** shall not exceed the limit designated in the **Declarations** for Not At Fault Collision Deductible Waiver.

### 8. PERSONAL AUTOMOBILE COVERAGE

- a. **We** will pay up to the limit specified in the **Declarations** or reimburse the deductible, whichever is less, for **loss** to an **automobile**, owned by **your** elected or appointed official, **authorized** volunteer or **employee**, which occurs while that elected or appointed official, **authorized volunteer** or **employee** is acting on **your** behalf.
- b. No deductible applies to this **EXTENSION**.

### 9. PROPERTY IN AN UNATTENDED AUTOMOBILE COVERAGE

- a. **We** will pay for **loss** to, or **theft** of, personal property of a **member** in an unattended **automobile** if the **loss** or theft occurs while the **member** is acting on **your** behalf.
- b. Coverage does not apply to **valuable papers and records, money, securities, bullion, fine arts**, precious stones, jewelry or other similar valuables.
- c. **Replacement Cost** valuation applies to this **EXTENSION**.
- d. No deductible applies to this **EXTENSION**.

### 10. RECERTIFICATION COVERAGE

- a. **We** will pay the cost of recertification of fire department equipment if such recertification is made necessary by covered **loss** to a **covered automobile**.
- b. No deductible applies to this **EXTENSION**.

### 11. RENTAL REIMBURSEMENT COVERAGE

- a. **We** will pay for rental expenses incurred by the **member** for the rental of an **automobile** because of **loss** to a **covered automobile**. Coverage applies in excess of any other coverage available to the **member**.
- b. In the event of **loss** other than by **theft**, **we** will pay those rental expenses incurred by the **member** beginning 24 hours after the **loss** and ending, regardless of the



## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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expiration of the **Agreement Period**, with the number of days reasonably required to repair or replace the **covered automobile**.

- c. In the event of **loss** by **theft**, **we** will pay those rental expenses incurred by the **member** for the rental of a substitute **automobile** during the period commencing 48 hours after such theft has been reported to both **us** and the police, and terminating, regardless of the expiration of the **Agreement Period**, when such **automobile** is returned to use or **we** pay for the **loss**.
- d. The most **we** will pay for rental expenses in any one **loss** shall not exceed the limit designated in the **Declarations** for Rental Reimbursement Coverage.
- e. This Rental Reimbursement Coverage does not apply while there are spare or reserve **automobile** available to the **member** for its **operations**.
- f. No deductible applies to this **EXTENSION**.

### 12. RENTAL AUTOMOBILE AGREEMENT COVERAGE

- a. **We** will pay the following rental **automobile** expenses the **member** is contractually obligated to pay because of **loss** to a rental **automobile**, for which **loss** is payable under this **SECTION**, provided the rental **automobile** was rented for the conduct of **your operations** and the rental period as specified in the rental contract was for a period of no more than 31 consecutive days:
  - (1) Loss of income incurred by the lessor of that rental **automobile** during the period of time the **automobile** is out of use because of that **loss**;
  - (2) Decrease in trade-in value of the rental **vehicle** because of the **loss**; and
  - (3) Any related administrative expenses incurred by the rental agency as stated in the rental contract.
- b. No deductible applies to this **EXTENSION**.

### 13. ROADSIDE ASSISTANCE COVERAGE

- a. **We** will reimburse the **member**, subject to the limit designated in the **Declarations** in any one disablement, for the actual expense incurred by the **member** for towing and other roadside assistance when a **covered automobile** is disabled in the **Agreement Territory** and during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.

### 14. TEMPORARY SUBSTITUTE AUTOMOBILE

- a. If coverage is provided under this **Agreement** for a **covered automobile**, and that **covered automobile** is out of service because of:
  - (1) Breakdown;

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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- (2) Repair;
- (3) Servicing; or
- (4) **Loss**;

The coverage applicable to that **covered automobile** will also apply to any temporary substitute **automobile you** do not own while used by **you** with the permission of its owner.

- b. **We** will pay the owner for **loss** to their **automobile**.

### D. EXCLUSIONS

This **SECTION** excludes coverage for the following, except as otherwise stated elsewhere in this **Agreement**:

1. **Loss** that is due to and confined to:
  - a. Wear and tear, latent defect, and/or gradual deterioration;
  - b. Freezing, except as provided in **C. ADDITIONAL COVERAGE EXTENSIONS, 4. FREEZING OF EQUIPMENT COVERAGE** of this **SECTION**; or
  - c. Mechanical or electrical breakdown or failure, unless such **loss** is the result of other **loss** covered by this **Agreement**.
2. Tires, unless:
  - a. **Loss** is coincidental with and from the same cause as other **loss** covered by this **Agreement**; or
  - b. Damaged by fire, malicious mischief or vandalism, or **theft** and, as to the **covered automobile**, **loss** caused by such damage or **theft** is covered by this **Agreement**.
3. Under **B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE, 2. COLLISION COVERAGE** of this **SECTION**, to breakage of glass if coverage with respect to such breakage is otherwise afforded herein.

### E. DEDUCTIBLE

1. Unless noted to the contrary in this **Agreement**, each **loss** payable under this **SECTION** is subject to the applicable Deductible set forth in the **Declarations**.
2. For a **loss** covered by this **SECTION**, **we** will pay the amount of **loss** that is in excess of the applicable deductible as specified on the Statement of Values on file with **us**. If more than one deductible is applicable under this **Agreement**, **we** will apply the largest applicable deductible.
3. However, if **loss** to a **covered automobile** is confined to windshield damage, no deductible will apply to repair of that damage or replacement of the windshield.

## SECTION VII AUTOMOBILE PHYSICAL DAMAGE

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### F. VALUATION

Unless otherwise stated in this **SECTION**, *our* limit of coverage for *loss* is:

1. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Actual Cash Value** (ACV), *we* will pay the lesser of:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. **Actual cash value** of the damaged or stolen **covered automobile**.
2. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as Stated Amount (SA), *we* will pay the lesser of the:
  - a. Cost to repair the damaged **covered automobile**;
  - b. Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**;
  - c. Cost to replace the damaged or stolen **covered automobile** with property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; or
  - d. Amount as specified on the Statement of Values on file with *us* as applicable to that **covered automobile**.
3. For a **covered automobile** with valuation designated on the Statement of Values on file with *us* as **Replacement Cost** (RC),
  - a. *We* will pay the lesser of the:
    - (1) Cost to repair the damaged **covered automobile**;
    - (2) Amount *you* actually spend that is necessary to repair or replace the damaged or stolen **covered automobile**; or
    - (3) Cost to replace the damaged or stolen **covered automobile** with new property of comparable kind and quality manufactured to current specifications or standards set by governmental agencies or other nationally recognized standards setting organizations; and

**SECTION VII**  
**AUTOMOBILE PHYSICAL DAMAGE**

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- b. **We** will not pay on a replacement cost basis until the **covered automobile** is actually replaced and such replacement is made as soon as possible after the **loss**. If **you** do not replace the **covered automobile**, **we** will not pay more than the **actual cash value**; and
- c. In the event **your** damaged **covered automobile**, other than a fire or ambulance vehicle, is deemed by **us** to be a total **loss**, was purchased new within two years of the date of **loss** and has less than 50,000 miles, **we** will pay up to 105% of the limit designated for the damaged **covered automobile** to replace it with one of comparable kind and quality, that is the same model year or the next model year if available.

## UNDERGROUND LINES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**B. PROPERTY EXCLUDED** is modified by deleting the following, but only as respects this coverage:

21. Underground pipes, flues, drains, drainage systems, tanks, tunnels or passageways.
22. Underground wiring, fiber optic cables, telephone and communication lines, except when located at or within 1,000 feet of a **covered location**, except as provided by **D. ADDITIONAL PROPERTY COVERAGE EXTENSIONS**, 33. UNDERGROUND FIBER OPTIC CABLE of this **SECTION**.

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by adding:

UNDERGROUND LINES

This **EXTENSION** covers **loss** to **your** underground pipes, flues, drains, tanks, lines, wiring, fiber optic cable, tunnels, or passageways, which are within 1,000 feet of a **covered building or structure**.

This endorsement does not apply to the following sections:

**SECTION IV – TIME ELEMENT**

**SECTION V – EQUIPMENT BREAKDOWN**

**SECTION VI – CRIME**

**SECTION VII – AUTO PHYSICAL DAMAGE**

**SECTION VIII – EARTH MOVEMENT**

**SECTION IX - FLOOD**

All other terms and conditions remain unchanged.

## DEDUCTIBLE - EQUIPMENT BREAKDOWN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION V – EQUIPMENT BREAKDOWN, G. DEDUCTIBLES** is modified by the following:

Any Deductible Per Unit designated below shall apply to any loss to ***covered equipment*** described below, subject to the Minimum Deductible designated for such ***covered equipment***.

<u>Equipment</u>	<u>Deductible Per Unit</u>	<u>Minimum Deductible</u>
Water & Sewer	\$1,000	
All Other Covered Equipment	\$250	

All other terms and conditions remain unchanged.

# CYBER GPA EXCLUSION ENDORSEMENT

This endorsement modifies the Governmental Property Agreement for this Endorsement only.

**SECTION I – GENERAL PROVISIONS** is modified by adding the following:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this **Agreement**)

Except as provided by the Electronic Vandalism endorsement (GPA 0787 (01-22)), **we** will not pay for any injury, damage, loss, cost or expense caused by, resulting from, arising from, arising out of, or related to, either directly or indirectly:

5. CYBER BREACH

a. Cyber breach, meaning:

1. Any **cyber privacy event**;
2. Any **cyber security event**; or
3. The loss of, loss of use of, damage to, corruption of, inability to access, inability to manipulate, impairment of, or error in the design or manufacture of **electronic data**.

These exclusions apply even if damages are claimed for notification costs, credit monitoring expenses, issuance or reissuance of payment cards, attorney fees, forensic expenses, public relations expenses or any other loss, cost or expense incurred by any **member** or other covered party or others arising out of that which is described in paragraph I. C. 5. 1., 2., or 3. above, as defined.

4. Interruption Or Failure Of Services

a. Any electrical, telecommunication (including internet service providers), satellite or mechanical failure of infrastructure or service (of any kind or degree whatsoever including, but not limited to, the interruption of electric power supply, power surge, brownouts, blackouts, short circuits, overvoltage, induction or power fluctuation) not under the operational control of the **member** or other covered party;

b. Any cessation or slowdown of those activities conducted by the **Pool** or **you** in the normal conduct of the **Pool's** or **your** business or the **Pool's** or **your** suspension of the **Pool's** or **your** business activities;

a. For the purpose of avoiding or mitigating the possibility of transmitting any malware to another person or entity;

b. Due to insufficient capacity to process transactions; or

c. Due to an overload of activity on any **information system**.

b. Additional Definitions apply to this Exclusion.

For the purposes of this exclusion:

1. **Cyber privacy event** means any actual, alleged, or attempted:

a. Access to or disclosure of **protected information**;

- b. Loss of **protected information**;
  - c. Failure to maintain or provide the **Pool's** or **your** publicly available privacy policy in compliance with any **privacy or security regulation**; or
  - d. Violation of any **privacy or security regulation**.
2. **Cyber security event** means any actual, alleged, attempted or threatened:
- a. Unauthorized access to or unauthorized use of any **information system**;
  - b. Denial of service attack;
  - c. **Social engineering incident**;
  - d. Extortion or ransomware incident;
  - e. Release, introduction, transmission or facilitation of any malware into any **information system**;
  - f. Loss in any way involving cryptocurrency or any other fungible token, non-fungible token (NFT), or any account, wallet, address, or access credential that secure any of the foregoing;
  - g. Loss in any way involving virtual reality, augmented reality or the metaverse; or
  - h. Violation of any **privacy or security regulation**.
3. **Electronic data** means information, facts or programs stored as or on, created or used on, or transmitted to or from any **information system**.
4. **Information system** means any:
- a. Electronic hardware including, but not limited to, any:
    - (1) Computer;
    - (2) Transportable, mobile or handheld device;
    - (3) Operational Technology (OT) or Industrial Control System (ICS) machinery, equipment or device (including but not limited to Industrial Internet of Things (IIoT) machinery, equipment or device);
    - (4) Internet of Things (IoT) device;
    - (5) Network equipment;
    - (6) Electronic data storage (including but not limited to any hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices, any other media, storage area network (SAN) or electronic data backup facility);
    - (7) Associated input and output device;
    - (8) Related component; or
    - (9) Other **electronic data processing equipment or media**.
  - b. Paper storage;



- c. Software (including but not limited to firmware, middleware, software components, operating systems, client-server based software, individual applications, network related software, artificial intelligence, or any other software that is distinct from any of the foregoing);
- d. Communication network (including but not limited to those used in connection with the items described in paragraphs 4.a. through 4.c. above, of these Additional Definitions); or
- e. Interface or other means (including but not limited to those items described in paragraphs 4.a. through 4.d. above, of these Additional Definitions) by which any user interacts with any computer system.

Paragraphs 4.a. through 4.e. above, of these Additional Definitions include, but are not limited to, any software-as-a-service (SaaS), platform-as-a-service (PaaS), web/cloud or other multi-tenant service or storage model.

- 5. **Privacy or security regulation** means any federal, state, local or foreign current or future statute, law, rule or regulation associated with the control, correction, collection, protection, retention, handling, disposal, processing, disclosure, sharing, sale, maintenance, acquisition, storage, access to, use or misuse, of **protected information**.

**Privacy or security regulation** includes but is not limited to:

- a. The Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act) and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law;
- b. The Gramm-Leach Bliley Act of 1999 and its implementing regulations;
- c. The Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003;
- d. The Fair Credit Reporting Act (15. U.S.C. §1681);
- e. Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. §45(a), but solely for alleged violations of unfair or deceptive acts or practices in or affecting commerce;
- f. The Data Protection Act of 1998 or similar legislation to comply with the European Union Data Protection Directive 95/45/EC of 1995;
- g. The European Union General Data Protection Regulation (Regulation (EU) 2016/679 – GDPR); or
- h. Any other federal, state, local or foreign statute, law, rule or regulation concerning data protection or information security.

- 6. **Protected information** means any:

- a. Information not available to the general public through which an individual may be identified, as set forth in any **privacy or security regulation**, including (but not limited to) an individual's:
  - (1) Social security number, driver's license number or state identification number;
  - (2) Protected health information;
  - (3) Financial account numbers;

- (4) Security codes, passwords, personal identification numbers associated with credit, debit or charge card numbers which would permit access to financial accounts;
  - (5) Biometric data; or
  - (6) Any other nonpublic information as set forth in any **privacy or security regulation**; or
- b. Business records, customer lists, intellectual property (including but not limited to patents, trade secrets, data, designs, interpretations, forecasts, methods, practices, processes, reports, ideas or expressions of ideas) or any other non-public information entrusted to a **Pool** or **you** under a written contract to protect its confidentiality.
7. **Social engineering incident** means any **member**:
- a. Having transferred, paid or delivered funds, data or information; or
  - b. Accepted, completed or relayed instructions
- as a result of any deceptive, misleading or deceitful instruction (including but not limited to any written, electronic, virtual, telephone or in-person instruction).

All other terms and conditions remain unchanged.

## TERRORISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION 1 – GENERAL PROVISIONS** is modified by amending the following, but only as respects this coverage:

**C. EXCLUSIONS** (except as modified by another **SECTION** of this **Agreement**)

**We** will not pay for loss or damage caused directly or indirectly by any of the following:

3. TERRORISM

- a. Action taken to prevent, defend against, respond to or retaliate against **terrorism** or suspected **terrorism**, unless agreed to by the **Pool** in writing prior to such action being taken.
- b. However, if **loss** by fire results from any of the acts or actions described in a. of this EXCLUSION (unless committed by or on behalf of the **member**), then **SECTION III PROPERTY DAMAGE** of this **Agreement** covers only to the extent of the resulting **loss** by fire to **COVERED PROPERTY**. This exception for such resulting **loss** by fire does not apply to:
  - (1) Direct **loss** or damage by fire which results from any other applicable exclusion in this **Agreement**, including the discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
  - (2) Any coverage provided by **SECTION IV TIME ELEMENT** of this **Agreement** or to any other coverages provided by this **Agreement**.
- c. Any act which satisfies the definition of **terrorism** as provided herein shall not be construed to be vandalism, malicious mischief, riot, civil commotion or any other risk of loss or damage covered elsewhere in this **Agreement**.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

39. TERRORISM

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional and Modified Definitions apply only to this **EXTENSION**:

**Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the

aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

**Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

**Excluded Territory** means:

- (1) Belarus (Republic of Belarus); and
- (2) Russian Federation; and
- (3) Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula).

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) **Loss** by seizure or legal or illegal occupation unless loss or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a **loss** that would otherwise be covered by this **Agreement** arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.
- (7) Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.

- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss or damage to power transmission, feeder lines or pipelines not on **your** premises.
- (14) Watercraft.
- (15) Plants and living things, of all types.
- (16) Loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:
  - i. entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
  - ii. property or asset located in an **Excluded Territory**;
  - iii. individual that is physically in an **Excluded Territory**;
  - iv. claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
  - v. payment in an **Excluded Territory**.
- (17) Loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
  - i. any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;
  - ii. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**.

Subject to all the terms and conditions of the **Agreement**, this Exclusion shall not operate to exclude physical loss or physical damage to property covered under this **Agreement** arising from the use of any **computer system** or program in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- d. The most **we** will pay for any one **Terrorism Occurrence** or **Sabotage Occurrence** is the limit of coverage specified in the **Declarations**.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by adding the following, but only as respects this coverage:

**A. ADDITIONAL AUTOMOBILE PHYSICAL DAMAGE COVERAGE EXTENSIONS**

- a. This **EXTENSION** covers **loss** caused by an act of **terrorism** or **sabotage**.
- b. The following Additional and Modified Definitions apply only to this **EXTENSION**:

**Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

**Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

**Excluded Territory** means:

- (1) Belarus (Republic of Belarus); and
- (2) Russian Federation; and
- (3) Ukraine (including any disputed regions of Ukraine and including the Crimean Peninsula).

**Sabotage** means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Sabotage: Occurrence** shall mean the sum total of all **loss** arising out of or caused by all acts of **Terrorism** during a continuous period of seventy-two (72) hours.

- c. The following Additional Exclusions apply to this **EXTENSION**:

This **EXTENSION** does not cover:

- (1) **Loss** by seizure or legal or illegal occupation unless loss or damage is caused directly by an act of **terrorism** or **sabotage**.
- (2) Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or governmental authority which deprives **you** of the use or value of **your** property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.
- (3) Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
- (4) Any fine or penalty or other assessment which is incurred by **you** or which is imposed by any court, government agency, public or civil authority or any other person.
- (5) Loss or damage by electronic means, including by not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code of the use of any electromagnetic weapon.

This Additional Exclusion shall not operate to exclude a **loss** (which would otherwise be covered by this **Agreement**) arising from the use of any computer, computer system or **software** or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- (6) Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest, riots or civil commotion.

- (7) **Loss** or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any of **your** property.
- (8) Any consequential loss or damage, loss of use, delay or loss of markets, loss of income, depreciation, reduction in functionality or increased cost of working.
- (9) Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
- (10) Loss or increased cost as a result of threat or hoax.
- (11) Loss or damage caused by or arising out of burglary, robbery, looting, theft or larceny.
- (12) Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.
- (13) Loss, damage, liability, cost or expense of whatsoever nature, directly or indirectly arising from or in respect of any:
  - i. entity domiciled, resident, located, incorporated, registered or established in an **Excluded Territory**;
  - ii. property or asset located in an **Excluded Territory**;
  - iii. individual that is physically in an **Excluded Territory**;
  - iv. claim, action, suit or enforcement proceeding brought or maintained in an **Excluded Territory**;
  - v. payment in an **Excluded Territory**.
- (14) Loss or damage directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
  - i. any electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon;
  - ii. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**.

Subject to all the terms and conditions of the **Agreement**, this Exclusion shall not operate to exclude physical loss or physical damage to property covered under this **Agreement** arising from the use of any **computer system** or program in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

- d. The most **we** will pay for any one **Terrorism Occurrence** or **Sabotage Occurrence** is the limit of coverage specified in the **Declarations**.

All other terms and conditions remain unchanged.

## UNSCHEDULED PROPERTY IN THE OPEN

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following, but only as respects this coverage:

### D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS

#### 40. UNSCHEDULED PROPERTY IN THE OPEN

a. This **EXTENSION** covers *loss* to ***your Unscheduled Property in the Open***.

b. The following Additional Definition applies only to this **EXTENSION**:

***Unscheduled Property in the Open*** means property of the following types that are not included on the Statement of Values on file with **us**:

- (1) Fences;
- (2) Flagpoles;
- (3) Traffic control devices;
- (4) Sirens;
- (5) Gates;
- (6) Radio or television antennas;
- (7) Traffic or road signs;
- (8) Docks; and
- (9) Free-standing lights, light poles and street lights.

c. For ***your Unscheduled Property in the Open***, we will pay the lesser of:

- (1) The cost to repair ***your Unscheduled Property in the Open***; or
- (2) The amount **you** actually spend that is necessary to repair or replace ***your Unscheduled Property in the Open***.

d. For ***your Unscheduled Property in the Open***, the most we will pay in any one **Agreement Period** to repair or replace ***your Unscheduled Property in the Open*** is \$100,000, in the aggregate.

e. This **EXTENSION** shall be effective as of January 1, 2021 at 12:01 A.M.

All other terms and conditions remain unchanged.



## EARTH MOVEMENT

This endorsement modifies the Governmental Property Agreement.

**SECTION I – GENERAL PROVISIONS** is modified by amending the following:

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this **Agreement**)

18. **Earth Movement** means **earthquakes**; landslides; **volcanic eruption**; subsidence, including **mine subsidence**; but does not include **sinkhole collapse**.
19. **Earthquake** means a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.

**SECTION III – PROPERTY DAMAGE** is modified by adding the following:

**C. CAUSE OF LOSS EXCLUDED**

6. **Loss** directly or indirectly caused by or resulting from any of the following, regardless of whether any other cause or event, covered under this **Agreement**, contributes concurrently or in any other sequence to the **loss**:
  - g. Earth sinking, rising or shifting.
  - h. Mudslides or mudflows.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

23. OFF-PREMISES STORAGE FOR PROPERTY UNDER CONSTRUCTION

- c. The following Additional Exclusions apply to this **EXTENSION**:

- (2) This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

28. PERSONAL PROPERTY NOT AT A COVERED LOCATION

- c. The following Additional Exclusion applies to this **EXTENSION**:

- This **EXTENSION** does not cover **loss** caused by or resulting from **Earth Movement**; earth sinking or rising or shifting; mudslides or mudflows; or **Flood** regardless of any other cause or event, unless otherwise covered under this **Agreement** contributing concurrently or in any other sequence to the **loss**.

**SECTION V – EQUIPMENT BREAKDOWN** is modified by adding the following:

**D. CAUSE OF LOSS**

This **SECTION** excludes **loss** caused by or resulting from:

10. Earth sinking or rising or shifting.
11. Mudslides or mudflows.

**SECTION VII – AUTOMOBILE PHYSICAL DAMAGE** is modified by amending the following:

**B. AUTOMOBILE PHYSICAL DAMAGE COVERAGE**

1. COMPREHENSIVE COVERAGE

This coverage applies to damage from any cause of **loss**, except collision. For the purpose of this coverage, breakage of glass or **loss** caused by missiles, falling objects, fire, **theft** or larceny, **wind**, hail, lightning, **earth movement**, earth sinking or rising or shifting, mudslides, mudflows, explosion, riot or civil commotion, malicious mischief or vandalism, water, **flood**, or collision with a bird or animal, shall not be deemed **loss** caused by collision.

**SECTION IX – FLOOD** is modified by amending the following:

**A. CAUSE OF LOSS**

2. **We** will not pay for **loss** caused directly or indirectly by, or resulting from, any of the following:

- f. Fire, explosion, **sinkhole collapse**, destabilization or movement of **land** resulting from the accumulation of water in subsurface land areas, gradual erosion, earth sinking or rising or shifting, or any **earth movement** except such mudflows, mudslides or erosion as are covered under the peril of **flood**.

All other terms and conditions remain unchanged.

## GENERAL ENDORSEMENT - BRIDGES

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### C. CAUSE OF LOSS EXCLUDED

This **SECTION** excludes coverage for

1. All causes of **loss** to bridges, except if caused by the following Named Perils only: fire, lightning, windstorm, hail, collision, theft, vandalism, or malicious mischief.
2. **Blanket Limit** shall not apply to bridges.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

### F. VALUATION

3. For **COVERED PROPERTY** with valuation designated in the Statement of Values on file with **us** as **Replacement Cost** (RC) and **Blanket Limit**,

- a. **We** will pay the lesser of the:
  - (1) Amount **you** actually spend that is necessary to repair or replace the damaged or stolen property;
  - (2) Cost to repair or replace the damaged or stolen property with property of comparable kind and quality;
  - (3) Cost to rebuild or replace real property on the same or another site with new materials of comparable kind and quality; or
  - (4) Limit designated in the Statement of Values on file with **us** for **Blanket Limit**.
- b. **We** will not pay on a **replacement cost** basis until the damaged or stolen property is actually repaired, replaced or rebuilt and such repairs, replacement or reconstruction are made as soon as possible after the **loss**. If **we** do not pay on a **replacement cost** basis, **we** will not pay more than the **actual cash value** of the property;
- c. Any such damaged or stolen property at a **covered location** must have a value scheduled for Building on the Statement of Values on file with **us** for the **Blanket Limit** to apply to real property; and
- d. Any such damaged or stolen property at a **covered location** must have a value scheduled for Personal Property on the Statement of Values on file with **us** for the **Blanket Limit** to apply to personal property.

All other terms and conditions remain unchanged.

## ELECTRONIC VANDALISM

This endorsement modifies the Governmental Property Agreement for this coverage only.

### SECTION I GENERAL PROVISIONS

The following is added to **A. DEFINITIONS** (except as modified by another SECTION of this Agreement):

**57. *Electronic Vandalism*** means:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems, or
- b. Unauthorized computer code or programming that:
  - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced; or
  - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
  - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

**SECTION III PROPERTY DAMAGE, C. CAUSE OF LOSS EXCLUDED**, is modified by adding the following, but only as respects this coverage:

#### 12. ELECTRONIC VANDALISM

**Loss**, costs and expenses caused by or resulting from ***electronic vandalism***, except as provided by **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS, 12. ELECTRONIC VANDALISM** of **SECTION III PROPERTY DAMAGE** of this **Agreement**.

**SECTION III PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by deleting the following, but only as respects this coverage:

#### 6. COMPUTER VIRUS

This **EXTENSION** covers:

- a. The reasonable and necessary costs, other than ransom or similar cyber extortion costs, **you** incur to extract malicious code, malware, ransomware or computer viruses from ***your electronic data processing equipment or media***;
- b. **Your loss** resulting from the necessary interruption of ***your operations***;
- c. Any necessary expenses **you** incur in excess of **your** normal operating costs, which are directly related to ***your loss*** to ***electronic data processing equipment or media*** and are caused by such malicious code, malware, ransomware or computer viruses.

**SECTION III – PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, is modified by adding the following, but only as respects this coverage:

6. ELECTRONIC VANDALISM

- a. This **EXTENSION** covers loss or damage caused directly or indirectly by ***electronic vandalism*** regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

All other terms and conditions remain unchanged.

## FIRE DEPARTMENT SERVICE CHARGE AND FIRE EXTINGUISHING SYSTEMS SUBLIMIT ENDORSEMENT

This endorsement modifies the Governmental Property Agreement for this coverage only.

**SECTION I GENERAL PROVISIONS** is modified by adding the following:

**A. DEFINITIONS** (except as *modified* by another **SECTION** of this *Agreement*):

57. ***Pool Maximum Aggregate Limit*** means the total amount the Pool will pay in any ***Agreement Period*** to all ***members*** of the ***Pool*** combined, regardless of the number of **COVERED PROPERTIES**, ***members*** or losses involved.

**SECTION III – PROPERTY DAMAGE** is modified by amending the following:

**D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**

The most ***we*** will pay for **D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS**, 12. FIRE DEPARTMENT SERVICE CHARGE and 13. FIRE EXTINGUISHING SYSTEMS of this **SECTION** are the limits as specified in this Endorsement. Except when specifically stated otherwise, the deductibles as set forth in the ***Declarations*** shall apply to the **ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSION**.

**SECTION III – PROPERTY DAMAGE, D. ADDITIONAL PROPERTY DAMAGE COVERAGE EXTENSIONS** is modified by amending the following:

12. FIRE DEPARTMENT SERVICE CHARGE

- a. This **EXTENSION** covers the Fire Department Service Charge actually incurred by ***you*** during the ***Agreement Period*** when a fire department, other than ***your*** fire department, is called to save or protect ***your COVERED PROPERTY***.
- b. No deductible applies to this **EXTENSION**.
- c. The most ***we*** will pay for this **EXTENSION** is: \$10,000 per ***occurrence***, subject to a ***Pool Maximum Aggregate Limit*** of \$250,000 per ***occurrence***.

All amounts the ***Pool*** pays under this Endorsement will reduce, and may completely exhaust, the ***Pool Maximum Aggregate Limit***.

The ***Pool*** has the sole discretion to allocate amounts paid under the ***Pool Maximum Aggregate Limit***; provided, however, that nothing contained in this provision shall be construed to increase the Limits of Coverage provided by this Endorsement.

13. FIRE EXTINGUISHING SYSTEMS

- a. This **EXTENSION** covers the actual cost to refill fire extinguishers and automatic fire extinguishing systems, including halon or carbon dioxide discharge systems, if they accidentally discharge, or when they discharge as intended to control a loss which would be covered by this **EXTENSION**, but not if the discharge occurred while the system or related equipment was being tested or serviced. For the cost to be covered, the discharge must occur during the **Agreement Period**.
- b. No deductible applies to this **EXTENSION**.
- c. The most **we** will pay for this **EXTENSION** is: \$10,000 per **occurrence**, subject to a **Pool Maximum Aggregate Limit** of \$250,000 per **occurrence**.

All amounts the **Pool** pays under this Endorsement will reduce, and may completely exhaust, the **Pool Maximum Aggregate Limit**.

The **Pool** has the sole discretion to allocate amounts paid under the **Pool Maximum Aggregate Limit**; provided, however, that nothing contained in this provision shall be construed to increase the Limits of Coverage provided by this Endorsement.