UTAH COUNTIES INDEMNITY POOL

BYLAWS COVERAGE ADDENDUM

1. AUTHORITY

The Utah Counties Indemnity Pool (the **Pool** or **UCIP**) is formed pursuant to the provisions of the Utah Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq., as a governmental entity within the scope of the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., and recognized as a Public Entity Insurance Mutual under the Utah Insurance Code, Utah Code Ann. §31A-1-103 et. seq. The **Pool** is a risk sharing arrangement among Utah County Governments and other eligible public agencies that are parties to the **UCIP** Amended Interlocal Cooperation Agreement as an alternative to insurance for the funding of costs associated with property and casualty losses. The purposes of the **Pool** are to provide a funding mechanism for property losses through group self-insurance, and casualty losses through a group liability reserve fund as described in Utah Code Ann. §63G-7-703, to provide for the purchase or joint purchase of insurance, and to assist **Members** in controlling costs by providing specialized governmental risk management services and systems.

2. SCOPE

The **Coverage Addendum** is an addendum to and made a part of the Bylaws of the Utah Counties Indemnity Pool under authority of the Amended Interlocal Cooperation Agreement. The **Coverage Addendum** shall not be construed to create a separate agreement among the **Members** of the **Pool**, or between the **Pool** and any individual **Member** or other party.

3. PURPOSE

It is the intent of the **Pool** to provide access to the funds of the **Pool** for the property and casualty losses covered in the **Coverage Addendum** to each **Member** and those who work for them or on their behalf in accordance with the laws of the State of Utah. References to "coverage", including but not limited to use of the terms "cover", "covers" or "covered", as used in the Amended Interlocal Cooperation Agreement, the Bylaws, the **Coverage Addendum**, and any endorsement to the **Addendum** means the **Members**' ability to access the funds of the **Pool** to indemnify the **Member** and other **Covered Parties** for loss. The **Coverage Addendum** is made a part of the Bylaws to eliminate misunderstandings regarding coverages; to avoid coverage disputes; to clarify responsibilities during the claims handling process; and to provide the **Members** with a document that identifies when and to what extent a **Member** or other **Covered Party** will be indemnified for loss from the funds of the **Pool**.

TERMS APPLICABLE TO ALL COVERAGE PARTS

1. PARTICIPATING MEMBERS

It is understood and agreed that the **Pool** is comprised of the following participating **Members** with full voting and equity rights:

Beaver County
Box Elder County
Daggett County
Davis County
Duchesne County
Emery County
Garfield County
Iron County
Juab County
Kane County
Millard County
Morgan County
Piute County
Rich County
San Juan County
Sanpete County
Sevier County
Uintah County
Wasatch County
Washington County
Wayne County
Weber County

It is further understood and agreed that the **Pool** is comprised of the following participating non-voting, non-equity **Members**:

Beaver County Municipal Building Authority
Box Elder County Redevelopment Agency
Box Elder County Special Service District
Canyon Land Improvement District
Cedar Mountain Fire Protection District
Central Utah Public Health Department
Daggett County Redevelopment Agency
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County Municipal Building Authority
Five County Association of Governments
Grand County Emergency Medical Services Special Service District
Iron County Special Service District #1
Juab Special Service District #2
Juab Special Service Fire District
Kane County Municipal Building Authority
Kane County Recreation & Transportation Special Service District
Multi County Appraisal Trust
Piute County Municipal Building Authority
Piute Special Service District #1
San Juan Spanish Valley Special Service District
San Juan Transportation Special Service District
Sanpete County Municipal Building Authority
Seven County Infrastructure Coalition
Sevier County Municipal Building Authority

Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County Municipal Building Authority
Utah Counties Indemnity Pool
Wasatch County Health Department
Wasatch County Parks & Recreation Special Service District #21
Wasatch County Solid Waste Disposal District
Wasatch County Special Service Area #1
Wasatch County Special Service District #9
Washington County Municipal Building Authority
Washington County St. George Interlocal Agency
Wayne County Municipal Building Authority
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
Weber County Municipal Building Authority
Weber Human Services*
Weber-Morgan Health Department

* COVERAGE PART V GENERAL LIABILITY, COVERAGE PART VI LAW ENFORCEMEMT LIABILITY, COVERAGE PART VII PUBLIC OFFICIALS LIABILITY and COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY do not apply.

2. TERM OF COVERAGE

As respects each individual **Member**, the term of coverage under the **Addendum** shall run uninterrupted from the time the entity becomes a **Member** under the terms of the Amended Interlocal Cooperation Agreement until that membership is withdrawn or terminated under the provisions of that Agreement.

3. CONTRIBUTION PAYMENTS

Contributions are determined by the Board of Directors annually for the forthcoming fiscal period of the **Pool** and are based upon current underwriting information, actuarial rate analysis and the **Pool's** current financial position.

4. MANDATORY PRE-LITIGATION MEDIATION

a. In accordance with the UCIP Bylaws, to the extent permitted by any applicable reinsurance or excess insurance, if the Board or its authorized representative and a Member disagree on whether a loss is covered through the Pool or on the amount of a covered loss, the Board or its authorized representative or the Member may not file litigation until they have submitted to mediation as follows:

(i) The Board or its authorized representative and the Member shall agree on the selection of the mediator. If the parties cannot agree within 30 days, the Board shall select the mediator.

(ii) If mediation does not result in an agreement between the parties, the Board or its authorized representative and the Member can move forward to litigate the issue in accordance with Utah law and rules of procedure.

(iii) Each party will pay the attorney's fees and expenses they incur and share the expenses of the mediator equally.

5. TERMINATION OF COVERAGE

Any **Member** may withdraw from a line of coverage or terminate **Membership** in the **Pool**, in accordance with the Amended Interlocal Cooperation Agreement and the Amended Bylaws of the **Pool**.

6. SUBROGATION, SALVAGE AND RECOVERY

The **Pool** shall be subrogated to all rights which the **Covered Party** may have against any person or other entity in respect to any **Claim** or payment made under the **Coverage Addendum** and the **Covered Party** shall execute all papers required by the **Pool** and shall cooperate with the **Pool** to secure the **Pool's** rights. If any reimbursement is obtained, or salvage or recovery made by the **Covered Party** or the **Pool** on account of any loss covered by the **Pool**, the net amount of such reimbursement salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:

a. To reduce the amount of loss which has been paid by the **Pool's** excess/reinsurer.

b. To reduce the **Pool's** loss until the **Pool** is fully reimbursed

c. To reduce the **Member's** loss because of the application of any **Member** deductible.

7. FRAUDULENT CLAIMS

If a **Covered Party** makes a **Claim** knowing the **Claim** to be false or fraudulent, with the Member's knowledge, in regard to the **Claim's** amount or otherwise, coverage shall become void and the **Claim** shall be forfeited.

8. MULTIPLE CLAIMS OR CLAIMANTS

a. Inclusion herein of more than one **Member**, **Named Member** or **Covered Party** or the making of more than one **Claim** or the bringing of suits by more than one person or organization shall not operate to increase Limits of Coverage.

b. All **Claims** arising out of the same **Occurrence**, **Wrongful Act**, negligent act, error or omission or series of related **Occurrence**s, **Wrongful Acts**, negligent acts, errors or omissions shall be treated as a single **Claim**. All such **Claims**, whenever made, shall be considered first made when the first such **Claim** was first made, and all such **Claims** shall be subject to the same Limits of Coverage.

EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS

The following exclusions apply to all coverages described in the **Addendum**. The **Addendum** does not provide coverage for:

1. Loss, damage or any type of liability caused by or resulting from a fraudulent, dishonest or criminal act committed by the **Covered Party**, whether working alone or with others, except as provided in the COVERAGE PART II CRIME. The **Pool** may elect to defend a **Covered Party** until it is determined that the **Claim** did arise out of a dishonest, fraudulent or criminal act without a waiver of any rights under the **Addendum**.

2. Expenses from any cost, civil fine, penalty or expense against any **Covered Party** for any compliance or enforcement action from any federal, state or local governmental regulatory agency except as provided in the COVERAGE PART III PRIVACY OR SECURITY EVENT.

3. Any liability, loss, penalty or expense arising directly or indirectly from any **Privacy or Security Event**, except for coverage provided specifically for **Privacy or Security Events** under COVERAGE PART III PRIVACY OR SECURITY EVENT.

4. Any **Claims** arising in whole or in part out of any **Securities Claim**.

a. This exclusion applies whether or not the **Covered Party** is alleged to have actually participated in events from which the **Securities Claim** arises.

b. This exclusion applies to any **Claim** that in any way involves any alleged **Wrongful Act** in connection with the activities encompassed within the definition of a **Securities Claim**, whether intentional, reckless, negligent, or in a circumstance in which the law imposes strict liability. In addition, the exclusion applies to any **Claim** or suit arising out of such conduct, whether criminal, civil, state or federal, statutory or common law.

However a defense will be provided, up to a maximum of $35,000 per **Occurrence** per **Member**. The sub-limited amount applies to defense costs of the **Member** only and cannot be applied to pay a settlement, plaintiff's costs or legal fees. **Claims** for injunctive relief appeals to District Court are not eligible for defense costs.

DEFINITIONS APPLICABLE TO ALL COVERAGE PARTS

1. **Accident:** is descriptive of means which produce effects which are not their natural and probable consequences.

2. The **Addendum** or the **Coverage Addendum:** the **Coverage Addendum** to the Amended Bylaws created to describe the property and liability coverages provided to the **Members** of the **Pool**.

3. **Contamination**: any unclean, unsafe, damaging, injurious or unhealthy condition arising out of the presence of **Pollutants**, whether permanent or transient in any **Environment**.

4. **Environment**: includes any person, any real or personal **Property**, animals, crops and vegetation, land including land under which a building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including but not limited to any of the above that is owned, controlled or occupied by a **Member**.

5. **Member**: each of the Participating **Members** of the **Pool** as listed in the **Coverage Addendum**.

6. **Money**: currency, coins, bank notes and bullion, and traveler's checks, register checks and money orders held for sale to the public.

7. **Pool**: the Utah Counties Indemnity Pool.

8. **Securities**: all negotiable instruments or contracts representing either **Money** or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include **Money**.

9. **Securities Claim**: any suit or **Claim** for **Damages**, rescission or restitution, arising out of any actual or alleged violation of:

a. The Securities Act of 1933; or

b. The Securities Exchange Act of 1934; or

c. The Public Utilities Holding Act of 1935; or

d. The Trust Indenture Act of 1939; or

e. The Investment Company Act of 1940; or

f. The Investment Advisors Act of 1940; or

g. Any state Blue Sky Laws; or any rules, regulations or amendments issued in relation to such acts; or

h. Any common law claim arising out of or in any way concerning or related to:

i. The promotion, issuance, sale or solicitation for sale of **Securities**, bonds, debentures, stocks, options, warrants, trusts, real estate, real estate investment trust, or any other investment of any kind by any **Covered Party**; or

j. Recommendations, representations, or opinions concerning investment advice given by any **Covered Party** or any person or organization referred to by any **Covered Party** in connection with the performance or nonperformance of any **Securities**, bonds, debentures, stocks, options, warrants, trusts, real estate, real estate investment trust, or any other investment of any kind; or

k. Any common law principles of liability, if made in connection with an actual or alleged violation of any law listed in a-g above.

10. **Securities Claim** includes **Claims** arising out of the solicitation of, attempt to commit, or conspiracy to commit, any act described in the preceding paragraphs.

11. **UCIP**: the Utah Counties Indemnity Pool.

COVERAGE PART I PROPERTY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAGE PART I PROPERTY, subject to the terms, exclusions, limits and conditions contained herein or amended hereon, covers all risks of direct physical loss of or direct physical damage to the **Member's** PROPERTY as described herein, provided such loss or damage occurs during the Term of Coverage described in TERMS APPLICABLE TO ALL COVERAGE PARTS A.1. The coverage under this COVERAGE PART 1 PROPERTY applies to Property described on the Schedule of Values or covered under the terms and conditions of the AUTOMATIC COVERAGE (NEWLY ACQUIRED), ERRORS AND OMISSIONS, or MISCELLANEOUS UNNAMED PROPERTY provisions, unless otherwise provided.

2. LIMIT OF COVERAGE

The **Pool's** maximum Limit of Coverage in a single **Occurrence** regardless of the number of **Members**, COVERED PROPERTIES, or coverages involved will not exceed:

$750,000,000

The terms and conditions of this COVERAGE PART 1 PROPERTY, including the sublimits below, constitute the **Pool's** Limit of Coverage as a whole for all **Members**. The sublimits stated below are a part of, and do not increase, any Limit of Coverage of this COVERAGE PART 1 PROPERTY.

The following sublimits apply on a per **Occurrence** basis, unless otherwise stated.

When a sublimit is shown as applying as an annual aggregate, the **Pool's** maximum Limit of Coverage will not exceed such limit during any fiscal year of the **Pool** regardless of the number of **Members**, COVERED PROPERTIES and coverages involved.

The following sublimits apply to all losses regardless of the number of **Members**, COVERED PROPERTIES and coverages involved. Any sublimit for EARTHQUAKE and FLOOD is the maximum Limit of Coverage for all loss, damage, expense or TIME ELEMENT loss relating to such an **Occurrence**.

<u>Sublimits:</u>

$25,000,000 ACCOUNTS RECEIVABLE

$2,500,000 ANIMALS USED FOR RESEARCH

$25,000,000	AUTOMATIC COVERAGE (NEWLY ACQUIRED)	
$10,000,000	BUSINESS INCOME AND EXTRA EXPENSE COMBINED	
$2,500,000	CONTINGENT BUSINESS INCOME/CONTINGENT EXTRA EXPENSE	
$1,000,000	CONTINGENT TAX REVENUE INTERRUPTION	
$25,000,000	DEBRIS REMOVAL (lesser of 25% of property damage loss or the sublimit shown)	
$5,000,000	DECONTAMINATION COSTS	
$1,000,000	DEFERRED PAYMENTS	
$100,000,000	EARTHQUAKE—Per **Occurrence** and Annual Aggregate	
$25,000,000	ELECTRONIC DATA AND MEDIA	
$1,000,000	ENERGY EFFICIENCY UPGRADE	
$100,000,000	EQUIPMENT BREAKDOWN, including:	
	Spoilage	$5,000,000
	Service Interruption	$25,000,000
	BUSINESS INCOME and Extra Expense	$10,000,000
	Expediting Expense	$5,000,000
	Hazardous Substance	$1,000,000
	Ammonia Contamination	$1,000,000
	ELECTRONIC DATA and MEDIA	$10,000,000
	CFC Refrigerants	$1,000,000
	Computer Equipment	$50,000,000
$25,000,000	ERRORS AND OMISSIONS	

$2,500,000	EVACUATION EXPENSE
$10,000,000	EXPEDITING EXPENSE
$10,000,000	EXTENDED PERIOD OF INDEMNITY
$20,000,000	FLOOD—Per **Occurrence** and Annual Aggregate as respects all COVERED PROPERTIES situated wholly or partially within **Special Flood Hazard Area** (SFHA)
$100,000,000	FLOOD—Per **Occurrence** and Annual Aggregate as respects all COVERED PROPERTIES not situated wholly or partially within **Special Flood Hazard Area** (SFHA)
$25,000,000	INCREASED COST OF CONSTRUCTION
$25,000,000	INGRESS/EGRESS
$2,500,000	INSECT, ANIMAL AND VERMIN DAMAGE to **Mobile Equipment** and **Vehicles**
$25,000,000	INTERRUPTION BY CIVIL AUTHORITY
$2,500,000	LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL—subject to a $5,000,000 Annual Aggregate
$2,500,000	LANDSCAPING—subject to $15,000 any one shrub or tree caused by or resulting from a DEFINED PERIL
$25,000,000	LEASEHOLD INTEREST
$25,000,000	MISCELLANEOUS UNNAMED COVERED PROPERTIES
$10,000,000	MOLD Resulting from a DEFINED PERIL—subject to a $25,000,000 Annual Aggregate
$1,000,000	PERSONAL PROPERTY of Officers and Employees of the **Member**
$5,000,000	PROOF OF LOSS PREPARATION FEES AND EXPENSES
$25,000,000	PROPERTY IN THE COURSE OF CONSTRUCTION and SOFT COSTS—any one COVERED PROPERTY
$25,000,000	SERVICE INTERRUPTION—PROPERTY DAMAGE and TIME ELEMENT Combined

$2,500,000	TRANSIT—PROPERTY DAMAGE and TIME ELEMENT combined—per conveyance
$10,000,000	UNSCHEDULED FINE ARTS—Subject to a maximum of $250,000 per item
$2,500,000	UNSCHEDULED TUNNELS, BRIDGES, AIRPORT RUNWAYS AND DAMS (defined perils only excluding coverage for the perils of EARTH MOVEMENT and FLOOD, unless specifically scheduled).
$1,000,000	UNSCHEDULED UNMANNED AIRCRAFT SYSTEMS including attached equipment - $100,000 per system
$2,500,000	UNSCHEDULED WATERCRAFT
$2,500,000	UNSCHEDULED WHARVES, PIERS, DOCKS, PILINGS AND BULKHEADS—subject to $500,000 and one Wharf, Pier, Dock, Piling or Bulkhead
$25,000,000	VALUABLE PAPERS AND RECORDS

Time Limits

In addition to the time limits shown elsewhere in this COVERAGE PART 1 PROPERTY, the following apply:

30 Day Period	Interruption by Civil Authority
30 Day Period	Ingress/Egress
180 Day Period	Extended Period of Indemnity

3. CONTRIBUTION

The coverage under this COVERAGE PART 1 PROPERTY is provided in consideration of the annual contribution as approved by the **Pool** Board of Directors.

4. VALUE REPORTING PROVISIONS

The **Member** has provided the **Pool**, 100% **Replacement Cost** values by COVERED PROPERTY. A **Member** shall be considered in compliance with this VALUE REPORTING PROVISION regarding the value of buildings if the **Member** agrees to schedule the value of buildings at a value documented by a certified appraiser engaged by the **Pool** to determine building values with annual adjustments made to the value by the **Pool**. Compliance with the VALUE REPORTING PROVISION through use of the **Pool** appraised values and annual adjustments will suspend the co-insurance penalty outlined in Part 1. D. 3. (l) *(ix)*.

5. WAITING PERIOD

For purposes of applying Service Interruption, Civil Authority and Ingress/Egress coverage, the WAITING PERIOD is twenty-four (24) hours.

6. DEDUCTIBLES

In each case of loss covered by this COVERAGE PART 1 PROPERTY, the **Pool** will be liable only if the **Member** sustains a loss in a single **Occurrence** greater than the underlying limit or the applicable deductible specified below, and only for its share of that greater amount.

a. All Perils Other Than FLOOD:

(i) COVERED PROPERTY, other than **Mobile Equipment** and **Vehicles**, $500.

(ii) Mobile Equipment $500.

(iii) Vehicles $1,000.

b. FLOOD

Property consisting of **Vehicles** and **Mobile Equipment** shall not be subject to the **Special Flood Hazard Area** deductible detailed below.

As respects COVERED PROPERTY wholly or partially situated in a **Special Flood Hazard Area**, the following deductibles shall apply separately for loss from the peril of **Flood**, as covered and defined under the National Flood Insurance Program:

(i) For all coverages covered under this PART 1 PROPERTY, if the **Member** purchases coverage from the National Flood Insurance Program, the deductible shall be the greater of the amount recoverable from the National Flood Insurance Program or the **Actual Cash Value**, not to exceed $500,000. This deductible shall apply for each building or each structure for real property, and for contents at each building or each structure.

(ii) For all coverages covered under this PART 1 PROPERTY, if the **Member** does not purchase coverage from the National Flood Insurance Program, or the property is not eligible for coverage from the National Flood Insurance Program, or in the event the National Flood Insurance Program lapses or is discontinued, the deductible shall be $500,000 at each building or each structure for real property, $500,000 for contents at each building or each structure, and $500,000 each for any other COVERED PROPERTY.

(iii) If the community is participating in the Emergency Program under the National Flood Insurance Program, $500,000 as noted within paragraph *(i)* above is replaced with $100,000. If the COVERED PROPERTY is eligible for coverage in the Emergency Program, $500,000 as noted within paragraph *(ii)* above is replaced with $100,000.

However, these deductibles shall not apply to COVERED PROPERTY located outside of an area designated as a **Special Flood Hazard Area** nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under paragraphs *(i), (ii)*, and *(iii)* above shall apply individually and supersede the "two or more deductible provision" under the Application of Multiple Deductibles of this COVERAGE PART 1 PROPERTY.

For all other FLOOD losses, the deductible shall be $1,000.

c. Application of Multiple Deductibles:

In the event of any **Occurrence** resulting in loss or damage covered under this PART 1 PROPERTY for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the **Occurrence**.

However, in any **Occurrence** where loss or damage is caused by more than one peril covered under this COVERAGE PART 1 PROPERTY, the **Pool** shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s), notwithstanding the above reference to two or more deductibles.

7. PROPERTY COVERAGE TERRITORY

This COVERAGE PART 1 PROPERTY covers COVERED PROPERTY in The United States of America and Canada.

SECTION B PROPERTY DAMAGE

1. COVERED PROPERTY(IES)

This COVERAGE PART 1 PROPERTY covers the following property, unless otherwise excluded elsewhere in this COVERAGE PART 1 PROPERTY, anywhere within the PROPERTY COVERAGE TERRITORY, to the extent of the interest of the **Member** in such property.

a. Real property, including but not limited to buildings, remodeling, installations and construction in which the **Member** has an insurable interest.

b. PERSONAL PROPERTY:

(i) Owned by the **Member**, including the **Member's** interest as a tenant in improvements and betterments. In the event of physical loss or damage, the **Pool** agrees to accept and consider the **Member** as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;

(ii) Of officers and employees of the **Member** other than **Mobile Equipment** and **Vehicles** at or within 100 feet of a real property covered above in 1.a. while such property is being held or used for the benefit of the **Member** with the **Member's** knowledge and consent;

(iii) Of others in the **Member's** custody to the extent the **Member** is under obligation to keep insured for physical loss or damage covered by this COVERAGE PART 1 PROPERTY; or

(iv) Of others in the **Member's** custody to the extent of the **Member's** legal liability for physical loss or damage to personal property. The **Pool** will defend that portion of any suit against the **Member** that alleges such liability and seeks **Damages** for such covered physical loss or damage. The **Pool** may, without prejudice, investigate, negotiate and settle any such **Claim** or suit as the **Pool** deems expedient.

(v) **Mobile Equipment**, **Vehicles**, **Unmanned Aircraft Systems**, and watercraft owned or leased by the **Member**.

(vi) **Mobile Equipment** and **Vehicles** owned, leased, borrowed or rented by employees, officers and authorized volunteers or their family members, when such **Vehicles** are being used for the benefit of the **Member** and with the **Member's** knowledge and consent.

This COVERAGE PART 1 PROPERTY also covers the interest of contractors and subcontractors in COVERED PROPERTY during construction at a COVERED PROPERTY, to the extent of the **Member's** legal liability to insure physical loss or damage to such property. Such interest of contractors and subcontractors is limited to the property for which they have been hired to perform work and such interest will not extend to any TIME ELEMENT coverage provided under this COVERAGE PART 1 PROPERTY.

2. PROPERTY EXCLUDED

This COVERAGE PART 1 PROPERTY excludes:

a. Currency, money, precious metal in bullion form, notes, or securities.

b. Land, water or any other substance in or on land; except this exclusion does not apply to loss or damage caused by or resulting from a **Defined Peril** for the following items:

(i) Land improvements consisting of landscaping including trees and shrubs, tunnels and bridges, airport runways, dams (including earthen dams), piers, docks, pilings, bulkheads, wharves, piping, fiber optic cables and retaining walls, but not including any land beneath such property.

(ii) Pavements, sidewalks, parking lots, and culverts at a COVERED PROPERTY but not including roadways, highways, and streets.

(iii) Athletic fields including necessary materials, fill, and substrate beneath such fields.

(iv) Water that is contained within any enclosed tank, piping system or any other processing equipment.

c. Animals (except ANIMALS HELD FOR RESEARCH).

d. Spacecraft, satellites, or aircraft except **Unmanned Aircraft Systems**.

e. Underground mines, mineshafts or caverns or any property within such mine, shaft or cavern.

f. Canals, offshore drilling rigs, or reservoirs.

g. Property sold by the **Member** under conditional sale, trust agreement, installment plan or other DEFERRED PAYMENT plan after delivery to customers except as provided by the DEFERRED PAYMENT Coverage of this COVERAGE PART 1 PROPERTY.

h. Overhead transmission and distribution lines located more than one mile from a COVERED PROPERTY.

i. Standing timber, growing crops, sod, grass, or greens and tees at golf courses.

j. Roadways, highways, and streets designed or used for vehicular travel, including guardrails and road signs.

k. Equipment used to produce power or gas primarily for distribution to third parties.

l. Davis County Event Center including all real property and personal property used to maintain or service the building.

3. ADDITIONAL COVERAGES

This COVERAGE PART 1 PROPERTY includes the following ADDITIONAL COVERAGES for physical loss or damage covered by the **Addendum**. These ADDITIONAL COVERAGES are subject to the applicable limit of liability, will not increase the **Pool's** limit of liability, and are subject to the COVERAGE PART 1 PROPERTY provisions, including applicable exclusions and deductibles; all as shown in this Section and elsewhere in this COVERAGE PART 1 PROPERTY.

a. ACCOUNTS RECEIVABLE

This COVERAGE PART 1 PROPERTY covers any shortage in the collection of ACCOUNTS RECEIVABLE, resulting from covered physical loss or damage to ACCOUNTS RECEIVABLE records while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit. The **Pool** will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on DEFERRED PAYMENT accounts and **Normal** credit losses on bad debts will be deducted in determining the recovery.

(i) In the event of loss to ACCOUNTS RECEIVABLE Records, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding ACCOUNTS RECEIVABLE.

(ii) The **Member** agrees to use any suitable property or service:

(A) Owned or controlled by the **Member**; or

(B) Obtainable from other sources;

in reducing the loss under this ACCOUNTS RECEIVABLE Coverage.

(iii) This COVERAGE PART 1 PROPERTY covers any other necessary and reasonable costs incurred to reduce the loss; to the extent the losses are reduced.

(iv) If it is possible to reconstruct ACCOUNTS RECEIVABLE records so that no shortage is sustained, the **Pool** will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance or coverage.

(v) ACCOUNTS RECEIVABLE Exclusions: The following exclusions are in addition to the Exclusions clause of this Section and the General Exclusions of the **Addendum**:

(A) Bookkeeping, accounting or billing ERRORS OR OMISSIONS; or

(B) Alteration, falsification, manipulation; or

(C) Concealment, destruction or disposal;

of ACCOUNTS RECEIVABLE records under *(B)* and *(C)* committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

(vi) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the **Member** on outstanding ACCOUNTS RECEIVABLE on the date of loss will belong and be paid to the **Pool** up to the amount of loss paid by the **Pool**. All recoveries exceeding the amount paid will belong to the **Member**.

b. ANIMALS USED FOR RESEARCH

The **Addendum** covers covered physical loss or damage to ANIMALS USED FOR RESEARCH.

As respects ANIMALS USED FOR RESEARCH, the following additional exclusions apply: The **Addendum** excludes the following unless directly resulting from other physical damage not excluded by the **Addendum**:

(i) Death, destruction, or injury from natural causes.

(ii) Escape.

(iii) Sickness, disease, infection, infestation or illness.

(iv) Error or Omission in processing and/or failure on the part of the **Member** to provide nourishment, medicine or sanitary conditions.

(v) Contamination of animals, food or medicine.

c. AUTOMATIC COVERAGE

This COVERAGE PART 1 PROPERTY covers COVERED PROPERTY rented, leased, purchased, or newly constructed by the **Member** after the inception date of this COVERAGE PART 1 PROPERTY and within the PROPERTY COVERAGE TERRITORY.

This AUTOMATIC COVERAGE does not apply to:

(i) PROPERTY IN THE COURSE OF CONSTRUCTION;

(ii) Property covered under ERRORS AND OMISSIONS; or

(iii) Property insured in whole or in part by any insurance policy.

This coverage will apply until the date the COVERED PROPERTY is reported to the **Pool** or 120 days from the date of acquisition or completion of construction, whichever comes first.-

d. BRANDS AND LABELS

If branded or labeled property covered by the **Addendum** is physically damaged and the **Pool** elects to take all or any part of that property, the **Member** may at the **Pool's** expense:

(i) Stamp "salvage" on the PROPERTY or its containers; or

(ii) Obliterate the brands or labels; if doing so will not damage the property.

In either event, the **Member** must re-label such property or its containers to be in compliance with any applicable law.

e. CONSEQUENTIAL REDUCTION IN VALUE

The **Addendum** covers the reduction in value of covered merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage covered by the **Addendum** to other covered parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the **Member** will surrender the undamaged parts of such merchandise to the **Pool**.

f. DEBRIS REMOVAL

The **Addendum** covers the reasonable and necessary costs incurred to remove debris from a COVERED PROPERTY that remains as a direct result of physical loss or damage covered by the **Addendum**.

This DEBRIS REMOVAL Coverage does not cover the costs of removal of:

(i) Contaminated uncovered property; or

(ii) The contaminant in or on uncovered property; whether or not the CONTAMINATION results from covered physical loss or damage. CONTAMINATION includes, but is not limited to, the presence of **Pollutants** or hazardous material.

g. DECONTAMINATION COSTS

If COVERED PROPERTY is contaminated as a direct result of physical damage covered by the **Addendum** and there is in force at the time of the loss any law or ordinance regulating CONTAMINATION, including but not limited to the presence of POLLUTANTS or hazardous material, then the **Addendum** covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated COVERED PROPERTY in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of COVERED PROPERTY so contaminated as a direct result of covered physical damage.

The **Pool** is not liable for the costs required for removing contaminated uncovered property nor the contaminant therein or thereon, whether or not the CONTAMINATION results from a covered event.

h. DEFERRED PAYMENTS

The **Addendum** covers covered physical loss or damage to personal property of the type covered, sold by the **Member** under a conditional sale or trust agreement or any installment or DEFERRED PAYMENT plan and after such property has been delivered to the buyer. Coverage is limited to the unpaid balance for such property.

In the event of loss to property sold under DEFERRED PAYMENT plans, the **Member** will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the property.

There is no liability under the **Addendum** for loss:

(i) Pertaining to products recalled including, but not limited to, the costs to recall, test or to advertise such recall by the **Member**.

(ii) From theft or conversion by the buyer of the property after the buyer has taken possession of such property.

(iii) To the extent the buyer continues payments.

(iv) Not within the PROPERTY COVERAGE TERRITORY.

i. EARTH MOVEMENT

This COVERAGE PART 1 PROPERTY covers physical loss or damage caused by or resulting from **Earth Movement**.

j. ELECTRONIC DATA AND MEDIA

This COVERAGE PART 1 PROPERTY covers physical loss or damage to **Electronic Data and Media** while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

(i) This ELECTRONIC DATA AND MEDIA Coverage excludes loss or damage to:

(A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;

(B) Currency, money or securities;

(C) Property held as samples or for sale or for delivery after sale, and

(ii) Coverage under this ELECTRONIC DATA AND MEDIA, excludes:

(A) ERRORS OR OMISSIONS in processing, programming or copying unless physical damage not excluded by this COVERAGE PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.

(B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

k. ERRORS AND OMISSIONS

If physical loss or damage is not payable under the **Addendum** solely due to an error or unintentional omission:

(i) In the description of where COVERED PROPERTY is physically located;

(ii) To include any COVERED PROPERTY:

(A) Owned, rented or leased by the **Member** on the effective date of the **Addendum**; or

(B) Purchased, rented or leased by the **Member** during the term of the **Addendum**; or

(iii) That results in cancellation of the property covered under the **Addendum**;

The **Addendum** covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

This ERRORS AND OMISSIONS Coverage does not apply to PROPERTY IN THE COURSE OF CONSTRUCTION or property covered under AUTOMATIC COVERAGE.

It is a condition of this ERRORS AND OMISSIONS Coverage that any error or unintentional omission be reported by the **Member** to the **Pool** when discovered and corrected.

l. EXPEDITING COSTS

This COVERAGE PART 1 PROPERTY covers the reasonable and necessary costs incurred to pay for the temporary repair of covered damage to COVERED PROPERTY and to expedite the permanent repair or replacement of such damaged property.

This EXPEDITING COSTS Coverage does not cover costs:

(i) Recoverable elsewhere in this COVERAGE PART 1 PROPERTY; or

(ii) Of permanent repair or replacement of damaged property.

m. FINE ARTS

This COVERAGE PART 1 PROPERTY covers physical loss or damage to **Fine Arts** articles while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

(i) This FINE ARTS Coverage excludes loss or damage if the FINE ARTS cannot be replaced with other of like kind and quality, unless it is specifically declared to the **Pool**.

(ii) The exclusions in the Exclusions clause of this Section do not apply to FINE ARTS coverage except for: 4.a.*(i)*; 4.a.*(ii);* 4.b.*(i)*; 4.b.*(ii)*; 4.b.*(iii)(A)*; and 4.b.*(iv).*

(iii) This COVERAGE PART 1 PROPERTY does not cover:

(A) Deterioration, wear and tear or inherent vice;

(B) Loss or damage from any repairing, restoration or retouching process.

(iv) **Fine Arts** objects, pairs or sets over $10,000 in value or any collection of **Fine Arts** over $250,000 at any one COVERED PROPERTY must be scheduled and are sublimited to the reported value, but do not increase the Aggregate per **Occurrence** sublimit shown in the Limits of Coverage.

n. FIRE BRIGADE CHARGES AND EXTINGUISHING EXPENSES

This COVERAGE PART 1 PROPERTY covers the following expenses resulting from a covered loss:

(i) Fire brigade charges and any extinguishing expenses that the **Member** incurs;

(ii) Loss and disposal of the fire extinguishing materials expended.

o. FLOOD

This COVERAGE PART 1 PROPERTY covers physical loss or damage caused by or resulting from FLOOD.

p. INCREASED COST OF CONSTRUCTION

(i) The **Addendum** covers the reasonable and necessary costs incurred, described in Item *(iii)* below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at a COVERED PROPERTY, provided:

(A) Such law or ordinance is in force on the date of covered physical loss or damage; and

(B) Its enforcement is a direct result of such covered physical loss or damage; and

(ii) This INCREASED COST OF CONSTRUCTION Coverage does not cover any loss due to any law or ordinance with which the **Member** should have complied before the loss.

(iii) This INCREASED COST OF CONSTRUCTION Coverage, as respects the COVERED PROPERTY covered in Item *(i)* above, covers:

(A) The cost to repair or rebuild the physically damaged portion of such COVERED PROPERTY with materials and in a manner to satisfy such law or ordinance; and

(B) The cost:

(1) To demolish the physically undamaged portion of such COVERED PROPERTY covered; and

(2) To rebuild it with materials and in a manner to satisfy such law or ordinance; to the extent that such costs result when the total demolition of the physically damaged COVERED PROPERTY is required to satisfy such law or ordinance.

(iv) This INCREASED COST OF CONSTRUCTION Coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of CONTAMINATION including but not limited to the presence of POLLUTANTS or hazardous material.

(v) The **Pool's** maximum liability for this INCREASED COST OF CONSTRUCTION Coverage at each COVERED PROPERTY in any **Occurrence** will not exceed the actual cost incurred in demolishing the physically undamaged portion of the COVERED PROPERTY covered in Item *(i)* above plus the lesser of:

(A) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or

(B) The cost of rebuilding on the same site.

q. LAND AND WATER CONTAMINANT OR POLLUTANT CLEANUP, REMOVAL AND DISPOSAL

This COVERAGE PART 1 PROPERTY covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or POLLUTANTS from property not covered consisting of land, including water or any other substance in land, and water on land, at the COVERED PROPERTY if the release, discharge or dispersal of contaminants or POLLUTANTS is a direct result of covered physical loss or damage to COVERED PROPERTY.

This COVERAGE PART 1 PROPERTY does not cover the cost to cleanup, remove and dispose of contaminants or POLLUTANTS from such property:

(i) At any COVERED PROPERTY covered for PERSONAL PROPERTY only; or

(ii) When the **Member** fails to give written notice of loss to the **Pool** within 180 days after inception of the loss.

r. MISCELLANEOUS UNNAMED PROPERTY

This COVERAGE PART 1 PROPERTY covers the **Member's** interest in COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY, which is not specifically on file, identified, or scheduled by the **Pool**. No coverage is provided under this MISCELLANEOUS UNNAMED PROPERTY on property while waterborne.

This MISCELLANEOUS UNNAMED PROPERTY does not cover any property covered or excluded under any other item of this COVERAGE PART 1 PROPERTY.

s. PROOF OF LOSS PREPARATION FEES AND EXPENSES

This COVERAGE PART 1 PROPERTY covers the actual costs incurred by the **Member**, of reasonable fees payable to the **Member's** accountants, architects, auditors, engineers, or other professionals and the cost of using the **Member's** employees, for producing and certifying any particulars or details contained in the **Member's** books or documents, or such other proofs, information or evidence required by the **Pool** resulting from a covered loss payable under this COVERAGE PART 1 PROPERTY for which the **Pool** has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

t. PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS

This COVERAGE PART 1 PROPERTY covers projects in the course of construction.

This PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS does not apply to any project that the **Member** has agreed to waive subrogation rights against any other party for damage to the project.

This PROPERTY IN THE COURSE OF CONSTRUCTION AND SOFT COSTS also covers the necessary **Soft Costs**.

u. PROTECTION AND PRESERVATION OF PROPERTY

This COVERAGE PART 1 PROPERTY covers:

(i) Reasonable and necessary costs incurred for actions to temporarily protect or preserve COVERED PROPERTY, provided such actions are necessary due to actual, or to prevent immediately impending, covered physical loss or damage to such COVERED PROPERTY.

(ii) Reasonable and necessary includes, but is not limited to:

(A) Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the COVERED PROPERTY;

(B) Costs incurred of restoring and recharging fire protection systems following a covered loss; and

(C) Costs incurred for the water used for fighting a fire in, on or exposing the COVERED PROPERTY.

This PROTECTION AND PRESERVATION OF PROPERTY is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

v. SERVICE INTERRUPTION PROPERTY DAMAGE

(i) This COVERAGE PART 1 PROPERTY covers physical loss or damage to COVERED PROPERTY when such physical loss or damage results from the interruption of the specified incoming or outgoing services consisting of electricity, telecommunications, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered to real and PERSONAL PROPERTY of the type covered to the facilities of the supplier of such service located within the PROPERTY COVERAGE TERRITORY, that immediately prevents in whole or in part the delivery of such usable service.

(ii) This SERVICE INTERRUPTION PROPERTY DAMAGE will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A TERMS.

(iii) Additional General Provisions:

(A) The **Member** will immediately notify the suppliers of services of any interruption of such services.

(B) The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.

w. TERRORISM

This COVERAGE PART 1 PROPERTY covers physical loss or damage caused by or resulting from **Terrorism**.

x. TRANSIT

(i) This COVERAGE PART 1 PROPERTY covers the following COVERED PROPERTY within the PROPERTY COVERAGE TERRITORY, except as excluded by this COVERAGE PART 1 PROPERTY, while in transit:

(A) Owned by the **Member** within the PROPERTY COVERAGE TERRITORY.

(B) Shipped to customers under F.O.B., C&F or similar terms. The **Member's** contingent interest in such shipments is admitted.

(C) Of others in the actual or constructive custody of the **Member** to the extent of the **Member's** interest or legal liability.

(D) Of others sold by the **Member** that the **Member** has agreed prior to the loss to cover during course of delivery.

(ii) This TRANSIT Coverage excludes:

(A) Samples in the custody of salespeople or selling agents.

(B) Property covered under import or export ocean marine insurance.

(C) Waterborne shipments, unless:

(1) By inland water; or

(2) By coastal shipments.

(D) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

(E) Property of others, including the **Member's** legal liability for it, hauled on vehicles owned, leased or operated by the **Member** when acting as a common or contract carrier.

(F) Any transporting vehicle.

(G) Property shipped between continents, except by land or air between Europe and Asia.

(iii) Coverage Attachment and Duration

(A) This TRANSIT Coverage covers from the time the property leaves the original point of shipment for transit until the property arrives at destination.

(B) However, coverage on export shipments not covered under ocean cargo policies ends when the property is loaded on board overseas vessels or aircraft. Coverage on import shipments not covered under ocean cargo policies begins after discharge from overseas vessels or aircraft.

(iv) This TRANSIT Coverage:
(A) Covers general average and salvage charges on shipments covered while waterborne.

(B) Covers physical loss or damage caused by or resulting from:

(1) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts;

(2) Improper parties having gained possession of property through fraud or deceit.

(v) The exclusions in the Exclusion clause of this Section do not apply to TRANSIT coverage except for; 4.a.*(i)* through 4.a.*(iv)*, 4.b.*(i)* through 4.b.*(iv)*, 4.c.*(i)*, 4.c.*(iii)*, 4.c.*(v)*, 4.c. *(vi)*, 4.d.*(i)* and 4.d.*(ii)*.

(vi) Additional General Provisions

(A) This TRANSIT Coverage will not inure directly or indirectly to the benefit of any carrier or Bailee.

(B) The **Member** has permission, without prejudicing this coverage, to accept:

(1) Ordinary bills of lading used by carrier;

(2) Released bills of lading;

(3) Undervalued bills of lading; and

(4) Shipping or messenger receipts.

(C) The **Member** may waive subrogation against railroads under sidetrack agreements.

(D) Except as otherwise stated, the **Member** will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

y. VALUABLE PAPERS AND RECORDS

This COVERAGE PART 1 PROPERTY covers physical loss or damage to VALUABLE PAPERS AND RECORDS and EDP MEDIA while anywhere within the PROPERTY COVERAGE TERRITORY, including while in transit.

(i) This VALUABLE PAPERS AND RECORDS Coverage excludes loss or damage to:

(A) Property described below, if such property cannot be replaced with other of like kind and quality, unless specifically declared to the **Pool**;

(B) Currency, money or securities; and
(C) Property held as samples or for sale or for delivery after sale.

(ii) The exclusions in the Exclusions clause of this Section do not apply to VALUABLE PAPERS AND RECORDS except for; 4.a.*(i)* and 4.b.*(i)* to 4.b.*(iv)*. In addition, as respects VALUABLE PAPERS AND RECORDS the following exclusions apply:

(A) ERRORS OR OMISSIONS in processing, programming or copying unless physical damage not excluded by this COVERAGE PART 1 PROPERTY results, in which event, this coverage will cover only such resulting damage.

(B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

4. EXCLUSIONS

The following exclusions apply unless specifically stated elsewhere in this COVERAGE PART 1 PROPERTY or by amendment hereto.

a. This COVERAGE PART 1 PROPERTY excludes:

(i) Indirect or remote loss or damage.

(ii) Interruption of business; except to the extent provided by this COVERAGE PART 1 PROPERTY.

(iii) Loss of market or loss of use.

(iv) Loss or damage or deterioration arising from any delay.

(v) Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.

(vi) Loss from enforcement of any law or ordinance:

(A) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or

(B) Requiring the demolition of any property, including the cost in removing its debris;

except as provided by the DEBRIS REMOVAL, DECONTAMINATION COSTS and INCREASED COST OF CONSTRUCTION coverages of the PROPERTY DAMAGE Section of this COVERAGE PART 1 PROPERTY.

(vii) Loss from the accumulated effects of smog, smoke, vapor, liquid and dust.

b. This COVERAGE PART 1 PROPERTY excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not covered under this COVERAGE PART 1 PROPERTY, contributing concurrently or in any other sequence to the loss:

(i) Nuclear reaction or nuclear radiation or radioactive contamination. However:

(A) If physical damage by fire or sprinkler leakage results, then only that resulting damage is covered; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.

(B) This COVERAGE PART 1 PROPERTY does cover physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the COVERED PROPERTY, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the COVERED PROPERTY.

(ii) Hostile or warlike action in time of peace or war, including:

(A) Action in hindering, combating or defending against an actual, impending or expected attack by any:

(1) Government or sovereign power (de jure or de facto); or

(2) Military, naval or air force; or

(3) Agent or authority of any party specified in (i) or (ii) above.

(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,

(D) Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

(E) Risks of contraband, or illegal transportation or trade.

(iii) Any dishonest act, including but not limited to theft, committed alone or in collusion with others, at any time:

(A) By a **Member** or any proprietor, partner, director, trustee, officer, or employee of a **Member**; or

(B) 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 property covered under this COVERAGE PART 1 PROPERTY.

This COVERAGE PART 1 PROPERTY does cover acts of direct covered physical damage intentionally caused by an employee of a **Member** or any individual specified in *(B)* above and done without the knowledge of the **Member**. In no event does this COVERAGE PART 1 PROPERTY cover loss by theft by any individual specified in *(A)* or *(B)* above.

(iv) Lack of the following services:

(A) incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;

(B) incoming or outgoing sewerage;

(C) incoming or outgoing telecommunications;

all when caused by an **Occurrence** off the COVERED PROPERTY, except as provided in SERVICE INTERRUPTION in the PROPERTY DAMAGE or TIME ELEMENT Section of this COVERAGE PART 1 PROPERTY. But, if the lack of such a service directly causes physical damage covered by this COVERAGE PART 1 PROPERTY on the COVERED PROPERTY, then only that resulting damage is covered.

(v) The unlawful possession, use, release, discharge, dispersal or disposal of any chemical or similar agent or matter regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently

or in any other sequence thereto.

c. This COVERAGE PART 1 PROPERTY excludes the following, but, if physical damage not excluded by this COVERAGE PART 1 PROPERTY results, then only that resulting damage is covered:

(i) Faulty workmanship, material, construction or design from any cause.

(ii) Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

(iii) Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

(iv) Settling, cracking, shrinking, bulging, or expansion of foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.

(v) Changes of temperature damage (except to machinery or equipment); or changes in relative humidity damage; all whether atmospheric or not.

(vi) Insect, animal or vermin damage, except damage to **Mobile Equipment** and **Vehicles**.

d. This COVERAGE PART 1 PROPERTY excludes the following unless directly resulting from other physical damage not excluded by this COVERAGE PART 1 PROPERTY:

(i) Contamination including but not limited to the presence of **Pollutants** or hazardous material.

(ii) Shrinkage, changes in color, flavor, texture or finish.

(iii) Asbestos material defects, treatment, abatements or removal.

e. This COVERAGE PART 1 PROPERTY excludes the following, but, if physical damage results from a **Defined Peril**, then only that resulting damage is covered.

(i) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to Computer Virus. Computer Virus shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to “Trojan Horses”, “worms”, and “time or logic bombs”.

(ii) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.

(iii) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the **Member** to conduct business.

(iv) The failure of any of the following, whether owned by you or others:

(A) Data processing equipment, software, data, or media;

(B) Hardware or software based computer operating systems;

(C) Microprocessors;

(D) Integrated circuits; or

(E) Any other electronic equipment, computerized equipment, or similar devices; due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time.

(v) Fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast:

(A) Fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;

(B) Mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);

(C) Spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms.

SECTION C TIME ELEMENT

1. LOSS COVERED

a. This COVERAGE PART 1 PROPERTY covers TIME ELEMENT loss, as provided in the TIME ELEMENT coverage, directly resulting from physical loss or damage of the type covered by this COVERAGE PART 1 PROPERTY:

(i) To property described elsewhere in this COVERAGE PART 1 PROPERTY and not otherwise excluded by this COVERAGE PART 1 PROPERTY or otherwise limited in

the TIME ELEMENT COVERAGES below; and

(ii) Used by the **Member**, or for which the **Member** has contracted use; and

(iii) Located at a COVERED PROPERTY or in the case of PERSONAL PROPERTY within the PROPERTY COVERAGE TERRITORY; and

(iv) While in transit as provided by this COVERAGE PART 1 PROPERTY; and

(v) During the Periods of Coverage described in this Section.

b. This COVERAGE PART 1 PROPERTY covers TIME ELEMENT loss only to the extent it cannot be reduced through:

(i) The use of any property or service owned or controlled by the **Member**;
(ii) The use of any property or service obtainable from other sources;

(iii) Working extra time or overtime; or

(iv) The use of inventory;

all whether at a COVERED PROPERTY or at any other property. The **Pool** reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary entities of the **Member** in determining the TIME ELEMENT loss.

c. This COVERAGE PART 1 PROPERTY covers expenses reasonably and necessarily incurred by the **Member** to reduce the loss otherwise payable under this Section of this COVERAGE PART 1 PROPERTY. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.

d. Except as respects LEASEHOLD INTEREST, in determining the amount of loss payable, the **Pool** will consider the experience of the business before and after and the probable experience during the PERIOD OF LIABILITY.

2. TIME ELEMENT COVERAGES

a. BUSINESS INCOME

(i) Measurement of Loss:

(A) The recoverable BUSINESS INCOME loss is the actual loss sustained by the **Member** of the following during the PERIOD OF LIABILITY:

(1) **Gross Earnings** including **Ordinary Payroll**;

(2) Less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;

(3) Plus, all other earnings derived from the operation of the business.

(B) In determining the indemnity payable as the actual loss sustained, the **Pool** will consider the continuation of only those **Normal** charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.

(C) There is recovery hereunder only to the extent that the **Member** is:

(1) Wholly or partially prevented from producing goods or continuing business operations or services;

(2) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;

(3) Unable to continue such operations or services during the PERIOD OF LIABILITY; and

(4) Able to demonstrate a loss of sales for the services or production prevented.

b. EXTRA EXPENSE

(i) Measurement of Loss:

The recoverable Extra Expense loss will be the reasonable and necessary extra costs incurred by the **Member** of the following during the PERIOD OF LIABILITY:

(A) Extra expenses to temporarily continue as nearly **Normal** as practicable the conduct of the **Member's** business; and

(B) Extra costs of temporarily using property or facilities of the **Member** or others;

less any value remaining at the end of the PERIOD OF LIABILITY for property obtained in connection with the above.

(ii) EXTRA EXPENSE Exclusions:

As respects EXTRA EXPENSE, the following are also excluded:

(A) Any loss of income.

(B) Costs that normally would have been incurred in conducting the business during the same

period had no physical loss or damage occurred.

(C) Cost of permanent repair or replacement of property that has been damaged or destroyed.

(D) Any expense recoverable elsewhere in this COVERAGE PART 1 PROPERTY.

c. LEASEHOLD INTEREST

(i) Measurement of Loss:

The recoverable LEASEHOLD INTEREST loss is as follows:

(A) 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.

(B) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the **Lease Interest** for the first three months following the loss; and the **Net Lease Interest** for the remaining unexpired term of the lease.

(ii) LEASEHOLD INTEREST Exclusions: As respects to LEASEHOLD INTEREST, the TIME ELEMENT Exclusions a. b. and c. do not apply and the following applies instead:

This COVERAGE PART 1 PROPERTY does not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the **Member** exercising an option to cancel the lease; or from any act or omission of the **Member** that constitutes a default under the lease.

In addition, there is no coverage for the **Member's** loss of LEASEHOLD INTEREST directly resulting from damage to PERSONAL PROPERTY.

d. RENTAL COVERAGE

(i) Measurement of Loss:

The recoverable RENTAL COVERAGE loss is the actual loss sustained by the **Member** of the following during the PERIOD OF LIABILITY:

(A) The fair rental value of any portion of the property occupied by the **Member**;

(B) The income reasonably expected from rentals of unoccupied or unrented portions of such property; and

(C) 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;

all not to include noncontinuing charges and expenses.

(ii) RENTAL COVERAGE Exclusions:

As respects RENTAL COVERAGE, TIME ELEMENT Exclusion a. does not apply and the following applies instead:

This **Addendum** 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.

e. CONTINGENT TAX REVENUE INTERRUPTION (EXCLUDING EARTHQUAKEAND FLOOD)

This COVERAGE PART 1 PROPERTY covers against loss resulting directly from necessary interruption of sales, property or other tax revenue collected by or due the **Member** caused by damage, or destruction by a peril not excluded from this COVERAGE PART 1 PROPERTY to property which is not operated by the **Member** and which wholly or partially prevents the generation of revenue for the account of the **Member**.

(i) In the event of such damage or destruction, the **Pool** shall cover, with limitations as indicated, if the following conditions *(A)* and *(B)* are both met:

(A) The total revenue is reduced to less than 97.5% of the **Member's** anticipated revenue had no loss occurred.

(B) The **Pool** shall cover the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property.

(ii) Deductible: Each loss or series of losses arising out of one event at each LOCATION shall be adjusted separately and from the aggregated amount of all such losses 2.5% of the annual revenue value shall be deducted.

3. TIME ELEMENT COVERAGE EXTENSIONS

a. CONTINGENT BUSINESS INTERRUPTION

This COVERAGE PART 1 PROPERTY covers the actual loss sustained and EXTRA EXPENSE incurred by the **Member** during the PERIOD OF LIABILITY:

(i) Directly resulting from physical loss or damage of the type covered; and

(ii) To property of the type covered,

at direct supplier or customer locations located within the PROPERTY COVERAGE TERRITORY.

The term "supplier or customer" does not include any company supplying to or receiving from the COVERED PROPERTY, as described elsewhere in this COVERAGE PART 1 PROPERTY, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

b. EXTENDED PERIOD OF INDEMNITY

The BUSINESS INCOME and RENTAL COVERAGE coverages are extended to cover the reduction in sales resulting from:

(i) The interruption of business as covered by BUSINESS INCOME;
(ii) For such additional length of time as would be required with the exercise of due diligence and dispatch to restore the **Member's** business to the condition that would have existed had no loss occurred; and

(iii) The loss of rental income or rental value as covered by RENTAL COVERAGE; commencing with the date on which the coverage for loss resulting from interruption of business would terminate if this Extension had not been included herein.

EXTENDED PERIOD OF INDEMNITY Exclusions: As respects EXTENDED PERIOD OF INDEMNITY, the TIME ELEMENT Exclusion for increase in loss due to suspension, lapse of any lease, contract or license or order does not apply.

This COVERAGE PART 1 PROPERTY does not cover against any increase in loss due to fines or damages for breach of contract or for late or non-completion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will be limited to only those sales that would have been earned under the contract during the EXTENDED PERIOD OF INDEMNITY.

Coverage under this extension does not apply for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A TERMS.

c. INGRESS/EGRESS

This COVERAGE PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the **Member** due to the necessary interruption of the **Member's** business due to prevention of ingress to or egress from a COVERED PROPERTY, provided that such prevention is a direct result of physical damage of the type covered by this COVERAGE PART 1

PROPERTY, to the kind of property not excluded by this COVERAGE PART 1 PROPERTY, and which is located within five (5) statute miles of the COVERED PROPERTY incurring loss.

INGRESS/EGRESS Exclusions: As respects INGRESS/EGRESS, the following exclusions are applicable:

This COVERAGE PART 1 PROPERTY does not cover loss resulting from:

(i) Lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and telecommunications.

(ii) Picketing or other action by strikers except for physical damage not excluded by this COVERAGE PART 1 PROPERTY.

This COVERAGE PART 1 PROPERTY does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A TERMS.

d. INTERRUPTION BY CIVIL AUTHORITY

This COVERAGE PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the **Member** during the PERIOD OF LIABILITY when access to COVERED PROPERTIES is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage from a peril covered under this COVERAGE PART 1 PROPERTY to property of the type covered under this COVERAGE PART 1 PROPERTY which is located within five (5) statute miles of the COVERED PROPERTY to which access is prohibited.

This COVERAGE PART 1 PROPERTY does not provide coverage under this extension for more than the number of consecutive days shown in the LIMITS OF COVERAGE clause of the SECTION A TERMS .

e. On Premises Services

This PART 1 PROPERTY covers the actual loss sustained by the **Member** during the PERIOD OF LIABILITY directly resulting from physical loss or damage of the type covered to the following property located on the **Member's** PREMISES:

(i) Electrical and telecommunications equipment.

(ii) Electrical, telecommunications, fuel, gas, water, steam, refrigeration and sewerage transmission lines.

f. EVACUATION EXPENSE

In the case of actual or imminent loss or damage of the type covered against by this COVERAGE PART 1 PROPERTY, or a MANDATORY EVACUATION ORDER, this COVERAGE PART 1 PROPERTY will pay the expenses incurred by the **Member** for the emergency evacuation of patients, inmates, and juvenile detainees from a COVERED PROPERTY.

MANDATORY EVACUATION ORDER means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to a COVERED PROPERTY. The MANDATORY EVACUATION ORDER must commence during the **Addendum** PERIOD. Recommended, advisory, precautionary, or voluntary evacuation is not included in the definition of MANDATORY EVACUATION ORDER.

This additional coverage does not apply to expenses incurred for: scheduled evacuation drills, fire or safety drills, or the evacuation of a patient due to a medical condition. This coverage also includes expenses incurred to return patients, inmates, and juvenile detainees to a COVERED PROPERTY.

g. PROTECTION AND PRESERVATION OF PROPERTY Time Element

This COVERAGE PART 1 PROPERTY covers the actual loss sustained by the **Member** for the temporary PROTECTION AND PRESERVATION OF PROPERTY covered by this COVERAGE PART 1 PROPERTY provided such action is necessary to prevent immediately impending physical loss or damage covered by this COVERAGE PART 1 PROPERTY at such COVERED PROPERTY.

This extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

h. Research and Development

The BUSINESS INCOME and Gross Profit coverages are extended to insure the actual loss sustained by the **Member** of continuing fixed charges and **Ordinary Payroll** directly attributable to the interruption of research and development activities that in themselves would not have produced income during the PERIOD OF COVERAGE.

The PERIOD OF COVERAGE for this TIME ELEMENT Coverage Extension will be the period from the time of direct physical loss or damage of the type covered by this COVERAGE PART 1 PROPERTY to the time when the property could be repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to damage.

i. Service Interruption Time Element

(i) This COVERAGE PART 1 PROPERTY covers the actual loss sustained and Extra Expense incurred by the **Member** during the **Period of Service Interruption** at COVERED PROPERTY when the loss is caused by the interruption of incoming or outgoing services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of incoming or outgoing sewerage service by reason of physical loss or damage of the type covered against to real and PERSONAL PROPERTY of the type covered to the facilities of the utility supplier of such service located within this PROPERTY COVERAGE TERRITORY, that immediately prevents in whole or in part the delivery of such usable services.

(ii) This extension will apply when the **Period of Service Interruption** is in excess of the time shown as **Waiting Period** in the WAITING PERIOD clause of the SECTION A TERMS.

(iii) Additional General Provisions:

(A) The **Member** will immediately notify the suppliers of services of any interruption of such services.

(B) The **Pool** will not be liable if the interruption of such services is caused directly or indirectly by the failure of the **Member** to comply with the terms and conditions of any contracts the **Member** has for the supply of such specified services.

4. PERIOD OF LIABILITY

a. The PERIOD OF LIABILITY applying to all TIME ELEMENT COVERAGES, except LEASEHOLD INTEREST and as shown below, or if otherwise provided under the TIME ELEMENT COVERAGE EXTENSIONS, is as follows:

(i) For building and equipment, the period:

(A) Starting from the time of physical loss or damage of the type covered against; and

(B) Ending when with due diligence and dispatch the building and equipment could be:

(1) Repaired or replaced; and

(2) Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.

(ii) For building and equipment under construction:

(A) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been

completed had no physical damage happened; and

(B) Due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

(iii) For stock-in-process and mercantile stock, including finished goods not manufactured by the **Member**, the time required with the exercise of due diligence and dispatch:

(A) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and

(B) To replace physically damaged mercantile stock.

This item does not apply to Rental Coverage.

(iv) For raw materials and supplies, the period of time:

(A) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

(B) Limited to that period for which the damaged raw material and supplies would have supplied operating needs.

(v) If water:

(A) Used for any manufacturing purpose, including but not limited to as a raw material or for power;

(B) Stored behind dams or in reservoirs; and

(C) At any COVERED PROPERTY;

is released as the result of physical damage of the type covered under this COVERAGE PART 1 PROPERTY to such dam, reservoir or connected equipment, the **Pool's** liability due to inadequate water supply is limited to 30 consecutive days after the damaged dam, reservoir or connected equipment has been repaired or replaced.

This item does not apply to RENTAL COVERAGE.

(vi) For physically damaged exposed film, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to RENTAL COVERAGE.

(vii) For physically damaged or destroyed data, programs or other software stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to RENTAL COVERAGE.

(viii) If an order of civil authority prohibits access to the COVERED PROPERTY and provided such order is the direct result of physical damage of the type covered against under this COVERAGE PART 1 PROPERTY at the COVERED PROPERTY or within five statute miles of it, the period of time:

(A) Starting at the time of physical damage; but

(B) Not to exceed 30 consecutive days.

b. The PERIOD OF LIABILITY does not include any additional time due to the **Member's** inability to resume operations for any reason, including but not limited to:

(i) Making changes to equipment.

(ii) Making changes to the buildings or structures except as provided in the INCREASED COST OF CONSTRUCTION provision.

(iii) Re-staffing or retraining employees.

If two or more PERIODS OF LIABILITY apply such periods will not be cumulative.

5. TIME ELEMENT EXCLUSIONS

In addition to exclusion elsewhere in this COVERAGE PART 1 PROPERTY, the following exclusions apply to Time Element loss:

This COVERAGE PART 1 PROPERTY does not cover:

a. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

(i) Physical loss or damage not covered by this COVERAGE PART 1 PROPERTY on or off of the COVERED PROPERTY.

(ii) Planned or rescheduled shutdown.

(iii) Strikes or other work stoppage.

(iv) Any other reason other than physical loss or damage covered by this COVERAGE PART 1 PROPERTY.

b. Any increase in loss due to:

(i) Suspension, cancellation or lapse of any lease, contract, license or orders; or

(ii) Fines or damages for breach of contract or for late or noncompletion of orders; or

(iii) For penalties of any nature; or
(iv) Any other consequential or remote loss.

c. Any loss resulting from loss or damage to finished goods manufactured by the **Member**, nor the time required for their reproduction.

SECTION D LOSS ADJUSTMENT AND SETTLEMENT

1. LOSS ADJUSTMENTS/PAYABLE

Loss, if any, will be adjusted with and payable to the **Member** or as may be directed by the **Member**, to a lender, mortgagee and/or loss payee as their interests may appear in a contract entered into with the **Member** prior to loss.

2. CURRENCY FOR LOSS PAYMENT

Losses will be adjusted and paid in the currency of the United States of America.

3. VALUATION

Adjustment of the physical damage loss amount under this COVERAGE PART 1 PROPERTY will be computed as of the date of loss at the COVERED PROPERTY, and for no more than the interest of the **Member**, subject to the following:

a. On stock in process, the value of raw materials and labor expended plus the proper proportion of overhead charges.

b. On finished goods manufactured by the **Member**, the regular cash selling price at the COVERED PROPERTY where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.

c. On raw materials, supplies and other merchandise not manufactured by the **Member**:

(i) If repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property; or

(ii) If not repaired or replaced, the **Actual Cash Value**.

d. On property covered under DEFERRED PAYMENTS, the lesser of the:

(i) Total amount of unpaid installments less finance charges;

(ii) **Actual Cash Value** of the property at the time of loss; or

(iii) Cost to repair or replace with material of like size, kind and quality.

e. On **Fine Arts** articles, the lesser of:

(i) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;

(ii) Cost to replace the article; or

(iii) Current market value at the time of loss.

In the event a **Fine Arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the **Pool** will cover the lesser of the full value of such pair or set or the amount designated on the schedule. The **Member** agrees to surrender the pair or set to the **Pool**.

f. On VALUABLE PAPERS AND RECORDS and ELECTRONIC DATA AND MEDIA:

On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

(i) The cost to repair, replace or restore data, programs or software including the costs to recreate, research and engineer;

(ii) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.

g. On all other VALUABLE PAPERS AND RECORDS and ELECTRONIC DATA AND MEDIAL, the lesser of the following:

(i) The cost to repair or restore, including the cost to recreate, research and engineer the item

to the condition that existed immediately prior to the loss;

(ii) The cost to replace the item

h. On **Mobile Equipment**, **Vehicles**, **Unmanned Aircraft Systems** and watercraft:

(i) If owned or leased by the **Member**, the lesser of the **Actual Cash Value** at the time of loss or the cost to repair or replace.

(ii) On **Mobile Equipment** and **Vehicles** covered under Section B. 1. b. (vi) of this COVERAGE PART I PROPERTY, the lesser of:

(A) The cost to repair or replace;

(B) The Actual Cash Value at the time of loss;
(C) The amount of any physical damage deductible under the owners insurance policy; or

(D) Five hundred dollars ($500).

(iii) If a **Vehicle** owned by the **Member** and less than or equal to two years from December 31 of the model year, the lesser of the cost to repair or replace the property with new property of like kind and quality at the time of loss.

(iv) If not repaired or replaced within two years from the date of loss, the **Actual Cash Value**.

i. On REPRODUCTION COST PROPERTY, valuation will be based upon the following requirements:

(i) To qualify as a REPRODUCTION COST PROPERTY, the **Member** shall provide written notice to the **Pool**, which specifically identifies where the property is located, when it was built, its total square footage with an attached appraisal based upon reproduction value that was conducted within the past five years.

(ii) At the time of loss, the basis of valuation for REPRODUCTION COST PROPERTY, when the **Member** has not complied, will be **Replacement Cost** as described in l. below. Where the **Member** has complied with the requirements, the basis of valuation will be **Reproduction Cost**, or if not replaced, at **Actual Cash Value**.

j. On property in transit:

(i) Property shipped to or for the account of the **Member** will be valued at actual invoice to the **Member**. Included in the value are accrued costs and charges legally due. Charges may include the **Member's** commission as selling agent.

(ii) Property sold by the **Member** and shipped to or for the purchaser's account will be valued at the **Member's** selling invoice amount. Prepaid or advanced freight costs are included.

(iii) Property not under invoice will be valued at the actual cash market value at the destination point on the date of **Occurrence**, less any charges saved which would have become due and payable upon arrival at destination.

k. On **Vacant Property**:

(i) If the building or leased premises has been **Vacant** for a period of more than 90 consecutive days before the loss or damage occurs, the **Pool** will not pay for any loss or damage caused by any of the following:

(A) Vandalism.
(B) Sprinkler leakage.

(C) Building glass breakage.

(D) Water damage.

(E) Theft, or attempted theft.

(ii) With respect to direct physical loss or damage, other than from causes listed in *(i)(A)* through *(i)(E)* above, and not otherwise excluded by this COVERAGE PART 1 PROPERTY the **Pool** will reduce the amount the **Pool** would otherwise pay for the loss or damage by 15%.

l. On all other property, the loss amount will not exceed the lesser of the following:

(i) The cost to repair;

(ii) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;

(iii) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;

(iv) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;

(v) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an

improvement in function and/or forms part of a program of system enhancement;

(vi) The increased cost of demolition, if any, resulting from loss covered by this COVERAGE PART 1 PROPERTY, if such property is scheduled for demolition;

(vii) The unamortized value of improvements and betterments, if such property is not repaired or replaced at the **Member's** expense; or

(viii) The **Actual Cash Value** if such COVERED PROPERTY is:

(A) Useless to the **Member**;

(B) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss; or

(C) Scheduled with the **Pool**, at **Actual Cash Value** for contribution calculation purposes.

The **Member** may elect not to repair or replace the COVERED PROPERTY lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or **Replacement Cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to the **Member's** operations within two years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at a COVERED PROPERTY under this COVERAGE PART 1 PROPERTY. This item does not extend to INCREASED COST OF CONSTRUCTION.

(ix) The **Pool** will not pay the full amount of any loss if the value of the COVERED PROPERTY at the time of the loss times the percentage required in the VALUE REPORTING PROVISION of this COVERAGE PART 1 PROPERTY is greater than the amount the COVERED PROPERTY is valued at on the **Pool** schedules at the time of loss. Instead, we will determine the most we will pay using the following steps:

(A) Multiply the value of the COVERED PROPERTY at the time of loss by the percentage required in the VALUE REPORTING PROVISION of this PART 1 PROPERTY;

(B) Divide the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss by the figure determined in step (A);

(C) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (B); and

(D) Subtract the deductible from the figure determined in step (C).

(E) The **Pool** will pay the amount determined in step (D) or the amount the COVERED PROPERTY was valued at on the **Pool** schedules at the time of loss, whichever is less.

4. LOSS CONDITIONS

a. Requirements in Case of Loss

The **Member** will:

(i) Give written notice to the **Pool** of any loss as soon as practicable.

(ii) Protect the property from further loss or damage.

(iii) Promptly separate the damaged and undamaged property; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged property showing in detail the quantities, costs, **Actual Cash Value**, replacement value and amount of loss claimed.

(iv) Give a signed and sworn PROOF OF LOSS to the **Pool** within 90 days after the loss, unless that time is extended in writing by the **Pool**. The PROOF OF LOSS must state the knowledge and belief of the **Member** as to:

(A) The time and origin of the loss;

(B) The **Member's** interest and that of all others in the property;

(C) The **Actual Cash Value** and replacement value of each item and amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the property;

(D) Any changes in the title, use, occupation, location, possession or exposures of the property since the effective date of this COVERAGE PART 1 PROPERTY; and

(E) By whom and for what purpose any COVERED PROPERTY was occupied on the date of loss, and whether or not it then stood on leased ground.

(v) Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.

(vi) Further, the **Member** will as often as may be reasonably required:

(A) Exhibit to any person designated by the **Pool** all that remains of any property;

(B) Submit to examinations under oath by any person designated by the **Pool** and sign the written records of examinations; and

(C) Produce for examination at the request of the **Pool**:

(1) All books of accounts, business records, bills, invoices and other vouchers; or

(2) Certified copies if originals are lost;

at such reasonable times and places that may be designated by the **Pool** or its representative and permit extracts and machine copies to be made.

b. **Pool** Option

The **Pool** has the option to take all or any part of damaged Personal Property at the agreed or appraised value. The **Pool** must give notice to the **Member** of its intention to do so within 30 days after receipt of PROOF OF LOSS.

c. Abandonment

There may be no abandonment of any property to the **Pool**.

d. Subrogation

The **Member** is required to cooperate in any subrogation proceedings. The **Pool** may require from the **Member** an assignment or other transfer of all rights of recovery against any party for the loss to the extent of the **Pool's** payment.

The **Pool** will not acquire any rights of recovery that the **Member** has expressly waived prior to a loss in writing, nor will such waiver affect the **Member's** rights under this COVERAGE PART 1 PROPERTY except as they relate to PROPERTY UNDER THE COURSE OF CONSTRUCTION.

Any recovery from subrogation proceedings, less costs incurred by the **Pool** in such proceedings, will be payable to the **Member** in the proportion that the amount of any applicable deductible bears to the entire covered loss amount.

e. Appraisal

The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered. If the **Member** and the **Pool** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser, but only after:

(i) The **Member** has fully complied with all provisions of the **Addendum**, including REQUIREMENTS IN CASE OF LOSS; and

(ii) The **Pool** has received a signed and sworn PROOF OF LOSS from the **Member**.

Each will notify the other of the appraiser selected within 30 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days, the **Member** and the **Pool** shall jointly move to have an umpire selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for TIME ELEMENT loss, the amount of loss for each TIME ELEMENT coverage of this COVERAGE PART 1 PROPERTY.

If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall review the appraisals prepared by the appraisers selected by the **Member** and the **Pool** and shall inspect the property prior to preparing his appraisal. The appraisers for the **Member** and the **Pool** shall be afforded the opportunity to attend the umpire's inspection of the property and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of the loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **Actual Cash Value** and **Replacement Cost** value as of the date of loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the **Addendum** and may be reduced by the application of a deductible called for in the COVERAGE PART 1 PROPERTY.

The **Member** and the **Pool** will each:

(i) Pay its chosen appraiser; and

(ii) Bear equally the other expenses of the appraisal and umpire.

A demand for an Appraisal shall not relieve the **Member** of its continuing obligation to comply with the terms and conditions of the **Addendum**, including as provided under REQUIREMENTS IN CASE OF LOSS.
The **Pool** will not be held to have waived any of its rights by any act relating to appraisal.

f. Suit Against The **Pool**

No suit, action or proceeding for the recovery of any loss will be sustained in any court of law or equity unless the following adjudication procedures are satisfied:

(i) As a condition precedent to filing a suit, the **Member** has fully complied with all the provisions of the **Addendum**, including providing PROOF OF LOSS;

(ii) As a condition precedent to filing suit, the **Member** has fully complied with the Mandatory Pre-Litigation Mediation conditions of the **UCIP** Bylaws;

(iii) Any suit against the **Pool** arising from a loss or loss must be filed in accordance with the Utah Governmental Immunities Act.

5. SETTLEMENT OF LOSSES

The amount of loss for which the **Pool** may be liable will be paid in accordance with the Utah Uniform Fiscal Procedures Act. The time period for payment within the Act shall not begin until:

a. PROOF OF LOSS as described in the **Addendum** is received by the **Pool**; and

b. When a resolution of the amount of loss is made either by:

(i) Written agreement between the **Member** and the **Pool**; or

(ii) The filing with the **Pool** of an award as provided in the APPRAISAL provisions of this Section.

6. COLLECTION FROM OTHERS

The **Pool** will not be liable for any loss to the extent that the **Member** has collected such loss from others.

7. PARTIAL PAYMENT OF LOSS SETTLEMENT

In the event of a loss occurring, which has been ascertained to be a covered loss or damage under this COVERAGE PART 1 PROPERTY and determined by the **Pool's** representatives to be in excess of the applicable COVERAGE PART 1 PROPERTY deductible, the **Pool** will advance mutually agreed upon partial payment(s) on the covered loss or damage, subject to the **Addendum's** provisions. To obtain said partial payments, the **Member** will submit a signed and sworn PROOF OF LOSS as described in the **Addendum**, with adequate supporting documentation.

8. JURISDICTION

The **Addendum** will be governed by United States of America Law. Any disputes arising hereunder will be exclusively subject to United States of America jurisdiction.

SECTION E GENERAL PROVISIONS

1. ADDITIONAL INTERESTS/CERTIFICATION OF COVERAGE

Any certification of coverage issued in connection with the **Addendum** shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certification of coverage, except where any loss payee(s) or mortgagee(s) are identified on said certification of coverage. In the event any loss payee(s) or mortgagee(s) are so identified, the **Member** may request the **Pool** make payment for loss to the loss payee(s) or mortgagee(s) interest in COVERED PROPERTY directly to loss payee(s) or mortgagee(s), subject to all other terms, conditions and exclusions stated herein.

2. CANCELLATION

The **Addendum** may only be cancelled in accordance with the withdrawal and termination provisions of the Interlocal Cooperation Agreement and Bylaws of the **Pool**.

3. INSPECTIONS

The **Pool**, at all reasonable times, will be permitted, but will not have the duty, to inspect COVERED PROPERTY.

The **Pool's**:

a. Right to make inspections;

b. Making of inspections; or

c. Analysis, advice or inspection report;

will not constitute an undertaking, on behalf of or for the benefit of the **Member** or others, to determine or warrant that the COVERED PROPERTY is safe or healthful. The **Pool** will have no liability to the **Member** or any other person because of any inspection or failure to inspect. When the **Pool** is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. MISREPRESENTATION AND FRAUD

The **Addendum** will be void in entirety if, whether before or after a loss, a **Member** has:

a. Willfully concealed or misrepresented any material fact or circumstance concerning this coverage, the subject thereof, any claim for coverage, or the interest of a **Member**;

b. Made any attempt to defraud the **Pool**; or

c. Made any false swearing.

5. LENDERS LOSS PAYEE AND MORTGAGEE INTERESTS AND OBLIGATIONS

Any obligation of the **Member** to any lenders loss payee(s) and/or mortgagee(s) creates no obligation of the **Pool** to any lenders loss payee(s) and/or mortgagee(s).

6. INSURANCE OR OTHER COVERAGE

a. If there is any insurance or other coverage that would apply in the absence of this COVERAGE PART 1 PROPERTY, this COVERAGE PART 1 PROPERTY will apply only after such insurance or coverage whether collectable or not.

b. In no event will this COVERAGE PART 1 PROPERTY apply as contributing insurance or coverage.

c. If the **Member** has insurance or other coverage over any limits or sublimits of liability specified elsewhere in this COVERAGE PART 1 PROPERTY the coverage under this COVERAGE PART 1 PROPERTY will not be prejudiced. The existence of such insurance or other coverage will not reduce any limit or sublimit of liability in this COVERAGE PART 1 PROPERTY. Any insurance or other coverage that would have provided primary coverage in the absence of this COVERAGE PART 1 PROPERTY will not be considered excess.

d. If this COVERAGE PART 1 PROPERTY is deemed to contribute with insurance or other coverage, the limit of liability applicable at each COVERED PROPERTY, for purposes of such contribution with other insurers or coverage providers, will be the latest amount described in this COVERAGE PART 1 PROPERTY or the latest COVERED PROPERTY value on file with the **Pool**.

7. ADDENDUM MODIFICATION

The **Addendum**, the Interlocal Cooperation Agreement, and Bylaws of the **Pool** contain all of the agreements between the **Members** concerning this coverage. A **Member** may request amendments to the **Addendum**. The **Addendum** can only be amended in accordance with the Interlocal Cooperation Agreement and Bylaws of the **Pool**.

Notice to any representative of the **Pool** or knowledge possessed by any representative of the **Pool** or by any other person will not:

a. Create a waiver, or change any part of the **Addendum**; or

b. Prevent the **Pool** from asserting any rights under the Provisions of the **Addendum**.

8. REDUCTION BY LOSS

Losses paid under this COVERAGE PART 1 PROPERTY will not reduce its LIMITS OF COVERAGE, except losses paid will reduce any Annual Aggregate LIMIT OF COVERAGE.

9. SUSPENSION

On discovery of a dangerous condition, the **Pool** may immediately suspend Equipment Breakdown coverage on any machine, vessel or part thereof by giving written notice to the **Member**. The suspended coverage may be reinstated by the **Pool**.

10. TITLES

The titles in this COVERAGE PART 1 PROPERTY are only for reference. The titles do not in any way affect the provisions of this COVERAGE PART 1 PROPERTY.

SECTION F DEFINITIONS

1. **Actual Cash Value**: the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

2. **Defined Peril**: **Earth Movement**, explosion, falling aircraft, fire, **Flood**, hail, lightning, smoke, tornado, **Vehicle** impact, wind-driven water, and windstorm.

3. **Earthquake**: a shaking or trembling of the earth that is tectonic or seismic in origin.

4. **Earth Movement**: any natural or man-made earth movement including, but not limited to **Earthquake**, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. This definition does not include loss or damage caused by or resulting from **Flood,** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

However, physical damage by fire, explosion, or sprinkler leakage resulting from **Earth Movement** will not be considered to be loss by **Earth Movement** within the terms and conditions of this COVERAGE PART 1 PROPERTY. All **Earth Movement** within a continuous 168 hour period will be considered a single **Earth Movement**; the beginning of such period shall be determined by the **Member**.

5. **Electronic Data and Media**: all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

6. **Federal Emergency Management Agency**: the federal agency under which the National Flood Insurance Program is administered.

7. **Federal Insurance Administration**: the federal entity within the **Federal Emergency Management Agency** that directly administers the National Flood Insurance Program (NFIP).

8. **Fine Arts**: manuscripts, paintings, etchings, pictures, murals, tapestries, rare or art glass, art glass windows, valuable rugs, statuary, sculptures, antique furniture, antique jewelry, bric-a-brac, porcelains, mounted animals or insects, and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.

9. **Flood**:

a. A general and temporary condition of partial or complete inundation of normally dry land areas from:

(i) **Flood**, or rising waters, waves, tide, or tidal water;

(ii) The unusual and rapid accumulation or runoff of surface waters from any source; or

(iii) Mudslide or mud flow caused by accumulation of water on or under the ground.

b. The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.

However, physical damage by fire, explosion or sprinkler leakage resulting from **Flood** is not considered to be loss by **Flood** within the terms and conditions of this COVERAGE PART 1 PROPERTY.

All flooding within a continuous 168 hour period will be considered a single **Flood**; the beginning of such period shall be determined by the **Member**.

10. **Flood Insurance Rate Map**: the official map of a community on which the administrator has designated the special hazards area applicable to the community.

11. **Gross Earnings**:

a. For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or

b. For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the **Member**.

12. **Lease Interest**: the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including maintenance or

operating charges) for each month during the unexpired term of the **Member's** lease.

13. **Mobile Equipment**: any of the following types of self-propelled equipment, including any attached machinery or equipment:

a. Bulldozers, earthmovers, tractors, diggers, farm machinery, forklifts, heavy construction equipment, mobile medical equipment, ATVs, snowmobiles, and other self-propelled equipment designed for use principally off public roads;

b. Self-propelled equipment maintained for use solely on or next to COVERED PROPERTY;

c. Self-propelled equipment that travel on crawler treads;

d. Equipment, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers;

f. Self-propelled equipment not described above which are maintained primarily for purposes other than the transportation or persons or cargo.

14. **Net Lease Interest**: that sum which placed at 3% interest rate compounded annually would equal the **Lease Interest** (less any amounts otherwise payable hereunder).

15. **Normal**: the condition that would have existed had no physical loss or damage occurred.

16. **Occurrence:** any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing PROOF OF LOSS, the **Member** may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the COVERED PROPERTY occurs.

17. **Ordinary Payroll**: includes the **Member's** payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.

18. Period of Service Interruption:

a. The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the COVERED PROPERTY receiving the service could or would have resumed **Normal** operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of Liability provision of this Section of this COVERAGE PART 1 PROPERTY.

b. Is limited to only those hours during which the **Member** would or could have used services(s) if it had been available.

c. Does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

19. Pollutants: any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, fumes, acids, alkalis, chemicals, vaccines and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

20. Replacement Cost: the amount it would cost to repair or replace COVERED PROPERTY, on the date of loss, with material of like kind and quality.

21. Reproduction Cost: defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property as nearly as possible to its original condition.

22. Soft Costs:

a. Interest expense.

b. General overhead-developer expenses and additional real estate taxes.

c. Legal or professional fees.

d. Marketing expenses and advertising expenses.

e. Debt service payments and insurance premiums.

f. Refinancing charges and bond interest.

g. Founders fees and miscellaneous operating expenses.

23. **Special Flood Hazard Area**: the areas of a **Flood Insurance Rate Map** which t are identified as Zones A, AO, AH, Al-A30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-V30, and VE. For purposes of determining which areas qualify as **Special Flood Hazard Areas** as specified above, only those **Flood Insurance Rate Maps** which were in effect at the time of the **Flood** loss shall apply.

24. **Storm Surge**: water driven inland from coastal waters by high winds and low atmospheric pressure. **Storm Surge** shall not be considered **Flood**.

25. **Terrorism**: an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes. **Terrorism** shall also include any act which is verified or recognized by the United States Government as an act of **Terrorism**.

26. **Unmanned Aircraft System**: an unmanned aircraft and the equipment necessary for the safe and efficient operation of that aircraft. An unmanned aircraft is a component of an **Unmanned Aircraft System**. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within or on the aircraft.

27. **Vacant**: containing inadequate contents to perform customary business operations.

28. **Vacant Property**: a building is **Vacant** or unoccupied if less than 10% of the total square footage owned, rented, or leased by the **Member** is used by the **Member** to conduct customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **Vacant**.

29. **Valuable Papers and Records**: written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

30. **Vehicle**: any automobile, truck, van, bus, motorcycle, or other conveyance licensed for use on public roads.

31. **Waiting Period:** the time period where the **Pool** shall have no liability for the TIME ELEMENT loss when the Period of Recovery applicable to all TIME ELEMENT loss is equal to or less than such time period. If, however, the Period of Recovery exceeds such time period then the **Pool's** liability for the TIME ELEMENT loss shall otherwise apply and the Period of Recovery shall be measured from the inception of the **Occurrence** for which loss is being claimed. The applicable deductible shall then apply.

COMMUNICABLE DISEASE EXCLUSION

This amendment attaches to and forms part of COVERAGE PART I PROPERTY.

Notwithstanding any other provision of the **Addendum** to the contrary, the **Pool** excludes any loss, damage, liability, claim, cost, or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any sequence thereto.

As used herein, **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. The substance or agent includes, but limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not; and

2. The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and

3. The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

All other terms and conditions of the COVERAGE PART 1 PROPERTY remain the same.

ENERGY EFFICIENCY UPGRADE AMENDMENT

The following Energy Efficiency Upgrade is added to the Additional Coverages of COVERAGE PART I PROPERTY.

The coverages and valuation provision provided by this amendment only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the COVERAGE PART 1 PROPERTY and **Replacement Cost** valuation applies. This coverage does not apply to: (1) personal property of others in the **Member's** care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

1. Notwithstanding the VALUATION or LIMITS OF COVERAGE clauses applicable to specific COVERED PROPERTY or perils, if **Replacement Cost** valuation applies to real and/or personal property, then the **Pool's** liability for loss applicable to this amendment shall be the cost to repair or replace the covered damaged property, subject to the applicable LIMITS OF COVERAGE, plus the least of the following amounts:

a. The reasonable and necessary amount to upgrade the covered damaged property as described in **Coverage Section A Non-LEED® Certified Coverage** or as described in **Coverage Section B LEED® Certified Coverage**, whichever is applicable; or

b. An additional 25% of the applicable LIMITS OF COVERAGE for the COVERED PROPERTY shown in the Statement of Values or similar schedule to upgrade; or

c. The Energy Efficiency Upgrade Sublimit in SECTION A TERMS.

At the **Member's** sole discretion, the **Member** may elect not to upgrade any or all property for which upgrade coverage is provided under this amendment. In such case, the **Pool** will adjust the loss in accordance with the standard provisions of the COVERAGE PART 1 PROPERTY, as modified by all other applicable amendments.

Subject to the least of **a.**, **b.**, or **c.** above, if TIME ELEMENT coverage is provided as part of this COVERAGE PART 1 PROPERTY, if necessary, the PERIOD OF RESTORATION shall be increased to allow for additional time to upgrade the damaged property plus up to an additional two-week period to meet the requirements set forth in 4.b.

2. Coverage Section A: NON-LEED Certified Coverage

In the event of direct physical loss or damage by any of the perils covered by the COVERAGE PART 1 PROPERTY to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the **Pool** will pay to repair or replace damaged or destroyed:

a. Loss Settlement for Personal Property

(i) **Appliances** or **Office Equipment** with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(ii) **Systems Furniture** or **Seating**, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

b. Loss Settlement for Building

(i) Interior Finish Materials Upgrade

(A) Lower Emissions Products Upgrade Coverage

Defined Building Materials with products of like kind and quality that have **Lower Emissions**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(B) Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have **Lower Emissions**, are **Sustainably Produced**, are **Rapidly Renewable** or include **Recycled Content**. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(ii) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more **Water Efficient**. If there are no such products available at the time of the loss, this upgrade coverage does not apply. For damaged or destroyed faucets, the **Pool** will also pay to install occupant sensors to reduce the potable water demand.

(iii) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply. The **Pool** will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(iv) Efficient Heating and Cooling Equipment Upgrade Coverage

Heating and Cooling Equipment with products of like kind and quality that have been identified as ENERGY STAR® or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(v) Building Reconstruction Following Total Loss

(A) Solely with respect to a **Total Loss** to a building, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

(B) Certification Expenses

(1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the **Member** incurs should the **Member** decide to seek LEED Silver certification. However, the **Pool** will not pay to modify the reconstructed structure if it is not certified.

(2) The Sublimit of coverage for Certification Expenses is $25,000.

3. Coverage Section B: LEED Certified Coverage

In addition to all coverages provided in Coverage Section A (with the exception of 2.b.*(v)* Building Reconstruction Following a **Total Loss**) and in the event of direct physical loss or damage by any of the perils covered by the COVERAGE PART 1 PROPERTY to a building that is LEED certified at the time of the loss, or to the personal property within such building, the **Pool** will pay to repair or replace damaged or destroyed:

a. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

(i) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC®. For the purposes of this coverage only, notwithstanding any other provision of the COVERAGE PART 1 PROPERTY to the contrary, trees and shrubs are COVERED PROPERTY. The Sublimit of coverage for this coverage is $3,000 per tree or $3,000 per shrub up to a maximum of $25,000.

(ii) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the COVERAGE PART 1 PROPERTY to the contrary, vegetative roofs are COVERED PROPERTY.

b. Loss Settlement for Building

(i) Recertification Expenses

(A) In the event of direct physical loss or damage by any of the perils covered by the COVERAGE PART 1 PROPERTY that necessitates recertification of the damaged building, the **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs as a result of the recertification process.

(B) The Sublimit of coverage for Recertification Expenses is $25,000.

(ii) Building Reconstruction Following **Total Loss**

(A) Solely with respect to a **Total Loss** to a building that is LEED certified at the time of the loss, the **Pool** will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC® Rating System.

(B) Certification Expense

(1) The **Pool** will pay the reasonable and necessary registration and certification fees charged by the USGBC that the **Member** incurs should the **Member** decide to seek LEED certification. However, the Pool will not pay to modify the reconstructed structure if it is not certified.

(2) The Sublimit of coverage for Certification Expense is $25,000.

4. Coverages Included Within Coverage Sections A or B and Applicable to LEED® and NON-LEED® Certified Buildings

In the event of direct physical loss or damage by any of the perils covered by the COVERAGE PART 1 PROPERTY to a LEED or Non-LEED certified building:

a. Recycling Expenses

(i) The **Pool** will pay the **Member's** expenses to clean-up, sort, segregate, and transport debris from the **Member's** damaged building to recycling facilities, if such debris can be recycled.

(ii) The Sublimit of coverage for Recycling Expenses is $25,000 and is in addition to the DEBRIS REMOVAL expense sublimit provided by the COVERAGE PART 1 PROPERTY, if any.

(iii) Any income or remuneration derived from this recycling shall be used to reduce the loss.

b. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

(i) In accordance with the requirements for the Construction IAQ Management Plan:

Before Occupancy Credit as described in the LEED NC® rating system (hereinafter, "Construction IAQ"), the **Pool** will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

(ii) After the two week period of increased outdoor air ventilation of the reconstructed space, the **Pool** will pay to replace the filtration media with new media.

(iii) The Sublimit of Coverage for Air Testing and Outdoor Air Ventilation of the Reconstructed Space is $25,000.

c. Professional Services

The **Pool** will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit of coverage for this Professional Services is $50,000.

d. Building Commissioning Expenses

(i) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the COVERAGE PART 1 PROPERTY, which necessitates the commissioning or re-commissioning of those systems, the **Pool** will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

(ii) The Sublimit of coverage for Building Commissioning Expenses is $25,000.

5. Additional Definitions

a. **Appliances** means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

b. **Defined Building Materials** means:

(i) All carpet and floor coverings, including, adhesives to affix them to the floor;

(ii) All interior paints, architectural coatings, primers, undercoatings, adhesives, sealants; and

(iii) Permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

c. **Energy Star** means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

d. **Heating And Cooling Equipment** means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.

e. **Lower Emissions** means:

(i) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule #1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;

(ii) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;

(iii) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and

(iv) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.

f. **Office Equipment** means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.

g. **Recycled Content** means those products that contain at least 20% post- consumer **Recycled Content**.

h. **Rapidly Renewable** means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.

i. **Seating** means task and guest chairs used with SYSTEM FURNITURE.

j. **Sustainably Produced** means those products certified by the Forest Stewardship Council ("FSC").

k. **System Furniture** means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.

l. **Total Loss** means:

(i) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or

(ii) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.

m. **Water Efficient** means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

EQUIPMENT BREAKDOWN AMENDMENT

This amendment's intention is to clarify that the peril of **Breakdown** is included for **Covered Equipment.**

1. Limit of Coverage:

The most the **Pool** will pay for any and all coverages for loss or damage from any **One Breakdown** is the applicable Limit of Coverage shown for Equipment Breakdown in the LIMITS OF COVERAGE clause of the SECTION A TERMS.

2. Equipment Breakdown Coverage Extensions:

The LIMITS FOR COVERAGE extensions are part of, not in addition to, the LIMIT OF COVERAGE for Equipment Breakdown shown in the LIMITS OF COVERAGE clause of the SECTION A TERMS.

a. Spoilage:

(i) This COVERAGE PART 1 PROPERTY covers the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:

(A) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;

(B) The **Member** must own or be legally liable under written contract for the raw materials, property in process or finished products;

(C) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

(ii) This COVERAGE PART 1 PROPERTY also covers any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

b. Service Interruption:

This COVERAGE PART 1 PROPERTY covers loss resulting from the interruption of utility services provided all of the following conditions are met:

(i) 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 the **Member** receives;

(ii) The **Covered Equipment** is used to supply electricity, telecommunication services, air conditioning, heating, gas, fuel, sewer, water, refrigeration or steam to the **Member's** premises;

(iii) The **Period of Service Interruption** lasts at least the consecutive period of time shown in item 9. **Waiting Period**. Once this **Waiting Period** is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

c. Business Income:

(i) This COVERAGE PART 1 PROPERTY covers the **Member's** actual loss of business income that results directly from the necessary total or partial interruption of the **Member's** business caused by a **Breakdown**.

(ii) This COVERAGE PART 1 PROPERTY also covers any necessary expenses the **Member** incurs to reduce the amount of loss under this coverage. The **Pool** will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(iii) The **Pool** will consider the actual experience of the **Member's** business before the accident and the probable experience the **Member** would have had without the accident in determining the amount of its payment.

(iv) This coverage continues until the date the damaged property is repaired or replaced.

d. EXPEDITING COSTS:

This COVERAGE PART 1 PROPERTY covers the reasonable and necessary costs incurred to pay for the temporary repair of **Member** damage to **Covered Equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **Breakdown.**

This coverage extension does not cover costs:

(i) Recoverable elsewhere in this COVERAGE PART 1 PROPERTY; or

(ii) Of permanent repair or replacement of damaged property.

e. Hazardous Substance:

This COVERAGE PART 1 PROPERTY covers any additional expenses incurred by the **Member** for the clean-up, repair or replacement or disposal of **Covered Equipment** that is damaged, contaminated or polluted by a **Hazardous Substance** caused by a **Breakdown.**

As used here, additional expenses mean the additional cost incurred over and above the amount

that the **Pool** would have paid had no **Hazardous Substance** been involved with the loss.

f. Ammonia Contamination:

This COVERAGE PART 1 PROPERTY covers the spoilage to **Covered Equipment** contaminated by ammonia, including any salvage expense caused by a **Breakdown.**

g. Water Damage:

This COVERAGE PART 1 PROPERTY covers the damage to **Covered Equipment** by water including any salvage expenses caused by a **Breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

h. Consequential Loss:

The COVERAGE PART 1 PROPERTY covers the reduction in the value of undamaged **Stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

i. **Electronic Data and Media**:

The COVERAGE PART 1 PROPERTY covers the **Member's** cost to research, replace or restore damaged **Electronic Data and Media** including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **Breakdown**.

j. CFC Refrigerants:

This COVERAGE PART 1 PROPERTY covers the additional cost to repair or replace **Covered Equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **Breakdown**. This means the additional expense to do the least expensive of the following:

(i) Repair the damaged property and replace any lost CFC refrigerant;

(ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or

(iii) Replace the system with one using a non-CFC refrigerant.

k. **Computer Equipment**:

This COVERAGE PART 1 PROPERTY covers direct damage to **Computer Equipment** that is damaged by a **Breakdown** to such equipment.

3. Definitions relating only to this amendment:

a. **Breakdown** means the direct physical loss resulting from one or more of the following items that causes damage to **Covered Equipment** and necessitates its repair or replacement:

(i) Failure of pressure or vacuum equipment;

(ii) Mechanical failure including rupture or bursting caused by centrifugal force;

(iii) Electrical failure including arcing;

(iv) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;

(v) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or

(vi) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

Unless such loss or damage is otherwise excluded within the PART 1 PROPERTY.

Breakdown does not mean or include:

(i) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

(ii) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **Covered Equipment**;

(iii) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(iv) Damage to any vacuum tube, gas tube, or brush;

(v) Damage to any structure or foundation supporting the **Covered Equipment** or any of its parts;

(vi) The functioning of any safety or protective device; or

(vii) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

b. **Covered Equipment** is defined as:

(i) Equipment built to operate under internal pressure or vacuum other than weight of contents;

(ii) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and

(iii) Communication equipment, and computer equipment.

Covered Equipment does not mean or include any:

(i) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

(ii) Insulating or refractory material, but not excluding the glass lining of any **Covered Equipment**;

(iii) 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 another appropriate and approved code;

(iv) Catalyst;

(v) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

(vi) Structure, foundation, cabinet or compartment supporting or containing the **Covered Equipment** or part of the **Covered Equipment** including penstock, draft tube or well casing;

(vii) **Vehicle**, **Mobile Equipment**, aircraft, self-propelled equipment or floating vessel including any **Covered Equipment** that is mounted upon or used solely with anyone or more **Vehicle(s)**, **Mobile Equipment,** aircraft, self-propelled equipment or floating vessel;

(viii) Dragline, excavation, or construction equipment including any **Covered Equipment** that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;

(ix) Felt, wire screen, 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;

(x) Equipment or any part of such equipment manufactured by the **Member** for sale; or

(xi) Equipment used to produce power or gas for distribution to third parties.

c. **Hazardous Substance**: any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a Hazardous Substance as respects this limitation.

d. **One Breakdown**: if an initial **Breakdown** causes other **Breakdowns**, all will be considered **One Breakdown**. All **Breakdowns** at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered **One Breakdown**.

e. **Computer Equipment**: COVERED PROPERTY that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.

f. **Stock**: means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

COVERAGE PART II CRIME

SECTION A JOINT GOVERNMENT CRIME POLICY

In accordance with the **UCIP** Interlocal Agreement, the **Pool** jointly purchases on behalf of the **Members** a Government Crime Policy, listing each of the individual **Members** as Additional Insured. The jointly purchased Government Crime Policy is attached to the **Addendum** as Appendix I.

SECTION B COVERAGE DESCRIPTION

The **Pool** will indemnify the **Member** for loss covered by the joint Government Crime Policy to the Limit of Coverage shown in this COVERAGE PART II CRIME. Any loss not covered by the Government Crime Policy for any reason other than the loss did not exceed the deductible of the Government Crime Policy is considered an excluded claim under this COVERAGE PART II CRIME.

SECTION C LIMIT OF COVERAGE

The most the **Pool** will pay as the result of any one loss is limited to the amount described as the Deductible Amount in the joint Government Crime Policy, less the amount of the **Member's** maintenance deductible.

SECTION D MEMBER MAINTENANCE DEDUCTIBLE

The **Member** Maintenance Deductible for this COVERAGE PART II CRIME is $500.00 per occurrence as defined by the joint Government Crime Policy.

SECTION E CLAIMS

After a **Member** discovers a loss or a situation that may result in loss of or damages to **Money**, **Securities** or other **Property**, the **Member** must:

1. Notify the **Pool** as soon as possible. If the **Member** has a reason to believe that any loss (except for employee theft, forgery or alteration) involves a violation of law then a **Member** must also notify the local law enforcement authorities.

2. Submit to examination under oath, at the **Pool**'s request, and give a signed statement of the **Covered Party's** answers.

3. Produce all pertinent records.

4. Provide a detailed, sworn proof of loss within 120 days.

5. Cooperate during the investigation and settlement of any claim.

SECTION F RECOVERIES

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Part will be distributed as follows:

1. To the **Member**, until the **Member** is reimbursed for any loss that it sustains that exceeds the Limit of Coverage provided by the joint Government Crime Policy;

2. Then to the issuer of the joint Government Crime Policy, until the issuer is reimbursed in accordance with the Recoveries condition of the joint Government Crime Policy;

3. Then to the **Pool**, until the **Pool** is reimbursed for the amount paid to the **Member** under this Coverage Part for the loss; and

4. Then to the **Member**, until the **Member** is reimbursed for that part of the loss equal to the Member Maintenance Deductible amount, if any.

5. Recoveries do not include any recovery:

a. From insurance, suretyship, reinsurance, security, or indemnity taken for the **Pool's** benefit; or

b. Of original **Securities** after duplicates of them have been issued.

COVERAGE PART III PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE

SECTION A TERMS

1. Coverage for COVERAGE PART III PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE is provided on a claims-made basis, as described in TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS of the **Addendum**.

2. COVERAGE PROVIDED

This COVERAGE PART III PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE, subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the PRIVACY OR SECURITY EVENT LIABILITY, PRIVACY RESPONSE EXPENSES, REGULATORY PROCEEDINGS AND PENELTIES, PCI-DSS ASSESSMENTS, ELECTRONIC EQUIPMENT AND ELECTRINIC DATA DAMAGE, NETWORK INTERRUPTION COSTS, and CYBER EXTORTION COVERAGE.

a. PRIVACY OR SECURITY EVENT LIABILITY

(i) The **Pool** will pay those sums a **Member** becomes legally obligated to pay as **Damages** because of a **Privacy or Security Event**. The **Pool** will defend a **Covered Party** against any **Suit** seeking such **Damages** in accordance with the TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS number 10 **DEFENSE JUDGMENT AND SETTLEMENT**. However, the **Pool** will have no duty to defend any **Covered Party** against any **Suit** seeking **Damages** to which this coverage does not apply. The **Pool** may at its discretion investigate any **Privacy or Security Event** and settle any **Claim** that may result.

But:

(A) The amount the **Pool** will pay for **Damages** and **Claim Expenses** is limited as described in SECTION A. 3.; and

(B) The **Pool's** defense ends when the applicable limit of liability is exhausted in the payment of judgments or settlements.

(ii) This coverage applies only if:

(A) The **Privacy or Security Event** or **Cyber Extortion Threat** commenced on or after the Retroactive Date and before the **Member's** withdrawal or termination from the **Pool**;

(B) A **Claim** for **Damages** because of the **Privacy or Security Event** is first made against the **Member** before the **Member's** withdrawal or termination from the **Pool**; and

(C) The **Member** gives written notice of the **Claim** to the **Pool** in accordance with SECTION C.

(iii) A **Claim** seeking **Damages** will be deemed to have been made when notice of the **Claim** is received by any **Member** or by the **Pool**, whichever occurs first.

b. PRIVACY RESPONSE EXPENSES

(i) The **Pool** will pay for **Privacy Response Expenses** incurred by the **Member** in connection with a **Privacy or Security Event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to **Personal Information**.

But:

(A) The amount the **Pool** will pay for PRIVACY RESPONSE EXPENSES is limited as described in Section C.

(ii) This coverage applies only if:

(A) The **Privacy or Security Event** or **Cyber Extortion Threat** commenced on or after the Retroactive Date and before the **Member's** withdrawal or termination from the **Pool**; and

(B) The **Member** gives written notice of the **Privacy or Security Event** to the **Pool** in accordance with SECTION C.

c. REGULATORY PROCEEDINGS AND PENALTIES

(i) The **Pool** will pay for **Regulatory Penalties** the **Member** becomes legally obligated to pay as a result of a Regulatory Proceeding resulting from a **Privacy or Security Event**. The **Pool** will defend the **Member** against any **Regulatory Proceeding** to which this coverage applies in accordance with the TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS number 10 **DEFENSE JUDGMENTS AND SETTLEMENT**. The **Pool** may at its discretion investigate any **Privacy or Security Event** and settle any **Claim** that may result.

But:

(A) The amount the **Pool** will pay for REGULATORY PENALTIES and **Claim Expenses** resulting from a REGULATORY PROCEEDING is limited as described in SECTION A. 3.; and

(B) The **Pool's** defense of a REGULATORY PROCEEDING ends when the applicable limit of liability is exhausted.

(ii) This coverage applies only if:

(A) The **Privacy or Security Event** or **Cyber Extortion Threat** commenced on or after the Retroactive Date, and before the **Member's** withdrawal or termination from the **Pool**;

(B) A REGULATORY PROCEEDING because of the **Privacy or Security Event** is initiated against the **Member** before the **Member's** withdrawal or termination from the **Pool**; and

(C) The **Member** gives written notice of the REGULATORY PROCEEDING to the **Pool** in accordance with SECTION C.

(iii) A REGULATORY PROCEEDING will be deemed to have been initiated when notice of the REGULATORY PROCEEDING is received by any **Member** or by the **Pool**, whichever occurs first.

d. PCI-DSS ASSESSMENTS

(i) The **Pool** will pay for **PCI-DSS Assessments** for which a **Member** is liable if the **PCI-DSS Assessments** are due to noncompliance by the **Member** with PCI Data Security Standards and the noncompliance resulted in a **Privacy or Security Event**.

But:

(A) The amount the **Pool** will pay for **PCI-DSS Assessments** is limited as described in SECTION A. 3.

(ii) This coverage applies only if:

(A) The **Privacy or Security Event** or **Cyber Extortion Threat** commenced on or after the Retroactive Date and before the **Member's** withdrawal or termination from the **Pool**;

(B) A Claim for PCI-DSS ASSESSMENTS is first made against the **Member** before the **Member's** withdrawal or termination from the **Pool**; and

(C) The **Member** gives written notice of the **Privacy or Security Event** to the **Pool** in accordance with SECTION C.

e. ELECTRONIC EQUIPMENT AND ELECTRONIC DATA DAMAGE

The **Pool** will pay for the Named Member's damage to, loss of use or destruction of electronic equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose, the reasonable and necessary expenses to determine whether **Electronic Data** can or cannot be restored, recollected, or recreated, and the reasonable and necessary expenses to restore, recreate or recollect **Electronic Data** for which a Covered Person incurs as a result of a **Privacy or Security Event**.

f. NETWORK INTERRUPTION COSTS

The **Pool** will pay for **Business Income Loss, Expenses to Reduce Loss, Extra Expenses** and **Proof of Loss Preparation Costs** which a **Member** incurs after the **Waiting Hours Period** and solely as a result of a **Privacy or Security Event**.

g. CYBER EXTORTION COVERAGE

(i) The **Pool** will pay for **Cyber Extortion Expenses** and **Cyber Extortion Monies** the Named **Member** pays as a direct result of a **Cyber Extortion Threat**.

But:

(A) The amount the **Pool** will pay for **Cyber Extortion Expenses** and **Cyber Extortion Monies** is limited as described in SECTION A. 3. b. *iii*.

(ii) The coverage applies only if:

(A) The **Cyber Extortion Threat** was first made against the **Member** on or after the Retroactive Date, and before the **Member's** withdrawal or termination from the **Pool**;

(B) The **Member** gives notice of the **Cyber Extortion Threat** to the **Pool** in accordance with SECTION C; and

(C) The **Member** consults with the **Pool** and receives the **Pool's** written authorization before paying any **Cyber Extortion Monies**.

3. LIMITS OF LIABILITY/RETROACTIVE DATE

The limits of liability stated below establish the most the **Pool** will pay regardless of the number of **Privacy or Security Events**, **Cyber Extortion Threats**, **Members**, **Claims** made, **Suits** or **Regulatory Proceedings** brought or individuals or entities making **Claims** or bringing **Suits** or **Regulatory Proceedings**.

	Retroactive Date for the following Limit of Liability		Retroactive Date for the following Limit of Liability and Cyber Extortion Threats		Retroactive Date for the following Limit of Liability
Beaver County	7/1/13	$1,000,000	9/1/19	$2,000,000	
Box Elder County	7/1/13	$1,000,000	9/1/19	$2,000,000	
Daggett County	7/1/13	$1,000,000	9/1/19	$2,000,000	

	Retroactive Date for the following Limit of Liability		Retroactive Date for the following Limit of Liability and Cyber Extortion Threats		Retroactive Date for the following Limit of Liability	
Davis County	7/1/13	$1,000,000	1/1/16	$4,000,000		
Duchesne County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Emery County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Garfield County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Iron County	7/1/13	$1,000,000	6/1/16	$5,000,000		
Juab County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Kane County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Millard County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Morgan County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Piute County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Rich County	7/1/13	$1,000,000	9/1/19	$2,000,000		
San Juan County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Sanpete County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Sevier County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Uintah County	7/1/13	$1,000,000	9/1/19	$2,000,000	1/1/20	$5,000,000
Wasatch County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Washington County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Wayne County	7/1/13	$1,000,000	9/1/19	$2,000,000		
Weber County	7/1/13	$1,000,000	9/1/19	$2,000,000	1/1/20	$3,000,000
Beaver County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000		
Box Elder County Redevelopment Agency	1/1/16	$1,000,000	9/1/19	$2,000,000		
Box Elder County Special Service District	1/29/19	$1,000,000	9/1/19	$2,000,000		

	Retroactive Date for the following Limit of Liability		Retroactive Date for the following Limit of Liability and Cyber Extortion Threats		Retroactive Date for the following Limit of Liability	
Canyon Land Improvement District	1/1/15	$1,000,000	9/1/19	$2,000,000		
Cedar Mountain Fire Protection District			1/1/22	$2,000,000		
Central Utah Public Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	1/1/20	$5,000,000
Daggett County Redevelopment Agency	2/21/18	$1,000,000	9/1/19	$2,000,000		
Duchesne County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000		
Duchesne/Wasatch Bluebench Landfill Special Service District	7/1/13	$1,000,000	9/1/19	$2,000,000		
Emery County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000		
Five County Association of Governments	1/1/16	$1,000,000	9/1/19	$2,000,000		
Grand County Emergency Medical Services Special Service District	1/1/19	$1,000,000	9/1/19	$2,000,000		
Iron County Special Service District #1	7/1/13	$1,000,000	9/1/19	$2,000,000		
Juab Special Service District #2	7/1/13	$1,000,000	9/1/19	$2,000,000		
Juab Special Service Fire District	7/1/13	$1,000,000	9/1/19	$2,000,000		
Kane County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000		
Kane County Recreation and Transportation Special Service District	1/1/15	$1,000,000	9/1/19	$2,000,000		
Multi County Appraisal Trust	5/20/19	$1,000,000	9/1/19	$2,000,000		

	Retroactive Date for the following Limit of Liability		Retroactive Date for the following Limit of Liability and Cyber Extortion Threats		Retroactive Date for the following Limit of Liability
Piute County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Piute Special Service District #1	10/10/17	$1,000,000	9/1/19	$2,000,000	
San Juan Spanish Valley Special Service District	2/12/18	$1,000,000	9/1/19	$2,000,000	
San Juan Transportation District	1/1/15	$1,000,000	9/1/19	$2,000,000	
Sanpete County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Seven County Infrastructure Coalition	4/14/15	$1,000,000	9/1/19	$2,000,000	
Sevier County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Southeastern Utah District Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	
Southwest Utah Public Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	
TriCounty Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	
Uintah County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Utah Counties Indemnity Pool	7/1/13	$1,000,000	9/1/19	$2,000,000	
Wasatch County Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	
Wasatch County Parks & Recreation Special Service District #21	4/1/16	$1,000,000	9/1/19	$2,000,000	
Wasatch County Solid Waste Disposal District	4/1/16	$1,000,000	9/1/19	$2,000,000	

	Retroactive Date for the following Limit of Liability		Retroactive Date for the following Limit of Liability and Cyber Extortion Threats		Retroactive Date for the following Limit of Liability
Wasatch County Special Service Area #1	4/1/16	$1,000,000	9/1/19	$2,000,000	
Wasatch County Special Service District #9	1/1/17	$1,000,000	9/1/19	$2,000,000	
Washington County Interlocal Agency	7/1/13	$1,000,000	9/1/19	$2,000,000	
Washington County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Wayne County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Wayne County Special Service District #1	7/1/13	$1,000,000	9/1/19	$2,000,000	
Wayne County Special Service District #3	4/3/18	$1,000,000	9/1/19	$2,000,000	
Wayne County Water Conservancy District	7/1/13	$1,000,000	9/1/19	$2,000,000	
Weber County Municipal Building Authority	7/1/13	$1,000,000	9/1/19	$2,000,000	
Weber Human Services	1/1/15	$1,000,000	9/1/19	$2,000,000	
Weber-Morgan Health Department	7/1/13	$1,000,000	9/1/19	$2,000,000	

a. The limits of liability shown above establish the most the **Pool** will pay regardless of the number of **Privacy or Security Events**, **Cyber Extortion Threats**, Covered Persons, **Claims** made, **Suits** or **Regulatory Proceedings** brought or individuals or entities making **Claims** or bringing **Suits** or **Regulatory Proceedings** in any one **Pool** fiscal year.

b. The following sublimits apply:

(i) The **Pool** will pay no more than $2,000,000 in aggregate for the sum of all **Privacy Response Expenses** covered under SECTION A. 2. b. in any one **Pool** fiscal year;

(ii) The **Pool** will pay no more than $250,000 in aggregate, less applicable deductible amounts for the sum of all **Electronic Equipment, Electronic Data,** and **Network Interruption**

Costs covered under SECTIONS A. 2. e. and A. 2. f. in any one **Pool** fiscal year;

(iii) The **Pool** will pay no more than $50,000 in aggregate, for the sum of all **Cyber Extortion Expenses** and **Cyber Extortion Monies** covered under SECTION A. 2. g. in any one **Pool** fiscal year.

These sublimits are within the limit and do not add to that limit.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and SECTION B EXCLUSIONS of COVERAGE PART VII PUBLIC OFFICIALS LIABILITY this PART VII PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE does not apply to any **Claim**, **Suit**, **Regulatory Proceeding**, **Damages**, **Regulatory Penalties**, **Claim Expenses**, **Privacy Response Expenses**, **PCI-DSS Assessments**, **Cyber Extortion Expenses** or **Cyber Extortion Monies** related to any of the exclusions enumerated in this SECTION B EXCLUSIONS.

1. For, arising out of, or resulting from **Bodily Injury** or **Property Damage**.

2. For, arising out of, or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided, however, that this exclusion shall not apply:

a. To the extent the **Member** would have been liable in the absence of such contract or agreement; and

b. To amounts payable as **PCI-DSS Assessments**.

3. For, arising out of, or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Anti-Trust Act, the Clayton Act, or the Robinson-Patman Act, as amended, or any other federal, state, local, foreign or common law rules or regulations involving antitrust, restraint of trade, unfair competition, or false or deceptive or misleading advertising.

4. For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to any **Claim** or loss covered hereunder that results from a theft, loss or unauthorized disclosure of or access to **Personal Information**.

5. For, arising out of or resulting from:

a. The actual or alleged unlawful collection or acquisition of **Personal Information** by or on behalf of the **Member**; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (*i.e.*, opt- in or opt-out) from the collection, disclosure or use of **Personal Information**; or

b. The distribution of unsolicited email, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording or telemarketing is done by or on behalf of the **Member** including actual or alleged violations of:

(i) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(ii) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(iii) Any federal, state or local statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003 and their amendments and additions, or any other legal liability, at common law or otherwise, that addresses, prohibits, or limits the dissemination, recording, sending, transmitting, communicating or distribution of material or information.

6. For, arising out of or resulting from any of the following conduct by a **Member**:

a. Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or law of any state, locality or foreign government, whether such law is statutory, regulatory or common law;

b. Any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;

c. Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, the Employee Retirement Security Act of 1974 or any similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;

d. Any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy; or

e. Any actual or alleged violation of the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair Credit Transactions Act (FACTA).

7. For, arising out of, or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional security breach, or any intentional or knowing violation of the law committed by any **Member**; provided, however, this exclusion shall not apply unless there is a final adjudication of such conduct, an admission of such conduct by the **Member**, or in a criminal proceeding a plea of guilty, *nolo contendere*, no contest or any similar plea by the **Member**.

8. Arising out of the actual or alleged transmission of a communicable disease. This applies even if the claims against any Covered Person allege negligence or other wrongdoing in the: Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease; testing for a communicable disease; failure to prevent the spread of the disease; or failure to report the disease to authorities.

9. For, arising out of or resulting from any actual or alleged:

a. Infringement of patent or patent rights or misuse or abuse of patent;

b. Infringement of copyright arising from or related to software code or software products; or

c. Use or misappropriation of any ideas or trade secrets by a **Member** or on behalf of, or in collusion with a **Member**.

10. Arising out of or resulting from any of the following:

a. Trading losses, trading liabilities or change in value of accounts;

b. Any loss of monies, securities or tangible property of others in the care, custody or control of the **Member**;

c. The monetary value of any electronic fund transfers or transactions by or on behalf of the **Member** that is lost, diminished, or damaged during transfer from, to or between accounts; or

d. The value of coupons, price discounts, prizes awards, or any other valuable consideration given in excess of the total contracted or expected amount that is lost, diminished or damaged.

11. For damage to, destruction of, corruption of, or any loss of use by any **Member** of any **Computer System** or data, including without limitation any costs or expenses to the **Member** to repair or replace any **Computer System** or data, unless arising from a **Privacy or Security Event** or **Cyber Extortion Threat** and covered as **Electronic Equipment and Electronic Data Damage** and **Network Interruption Costs**.

12. For, arising out of or resulting from any threat, extortion or blackmail including but not limited to ransom payments, unless arising from a **Cyber Extortion Threat**.

SECTION C CONDITIONS

1. NOTICE TO THE POOL

a. As a condition precedent to the obligations of the **Pool** under this coverage, the **Member** must give written notice to the **Pool** of any **Claim** made against the **Member** as soon as practicable, but in no event later than the date the **Member** withdraws or is terminated from the **Pool**.

b. As a condition precedent to the obligations of the **Pool** under this coverage, the **Member** must give written notice to the **Pool** of any **Privacy or Security Event** or **Cyber Extortion Threat** as soon as practicable and provide all such information relating to the **Privacy or Security Event** or **Cyber Extortion Threat** as the **Pool** may reasonably request.

c. If during the period this coverage is in force, any **Member** becomes aware of a **Privacy or Security Event** that may reasonably be expected to give rise to a **Claim**, including a Regulatory Proceeding or **PCI-DSS Assessment**, against any **Member**, the **Member** must give written notice to the **Pool** of such **Privacy or Security Event** as soon as practicable, but in no event later than the date the **Member** withdraws or is terminated from the **Pool**. Notice must include:

(i) A specific description of the **Privacy or Security Event**, including all relevant dates;

(ii) The names of persons involved in the **Privacy or Security Event**, including names of potential claimants and a specific description of any **Personal Information** actually or reasonably suspected to have been subject to theft, loss or unauthorized access or disclosure;

(iii) The specific reasons for anticipating that a **Claim** may result from such **Privacy or Security Event**;

(iv) The specific nature of the alleged or potential **Damages** arising from such **Privacy or Security Event**; and

(v) The specific circumstances by which the **Member** first became aware of the **Privacy or Security Event**.

Any **Claim** subsequently made against any **Member** arising out of such **Privacy or Security Event** shall be deemed to be a **Claim** made during the Coverage Period in which the **Privacy or Security Event** was first reported to the **Pool**.

SECTION D DEFINITIONS

The following definitions apply to this coverage:

1. **Bodily Injury**: physical injury, sickness or disease sustained by any person, including death resulting from these at any time. **Bodily Injury** also means mental illness, mental anguish or emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of any person.

2. **Business Income Loss**: the sum of the following incurred during the **Period of Indemnity**:

a. Net profits that would have been earned but for the **Material Interruption** (after charges and expenses, but not including any capital receipts, outlays properly chargeable to capital, and deductions for taxes and profits); and

b. Charges and expenses which necessarily continue (including ordinary payroll).

If there would have been no net profit, **Business Income Loss** means the charges and expenses which necessarily continue less any loss from business operations that would have been sustained had there been no **Material Interruption**.

3. **Claim**: any demand, **Suit** for **Damages**, **Regulatory Proceeding** or **PCI-DSS Assessment** resulting from a **Privacy or Security Event**. All **Claims** because of a single **Privacy or Security Event** will be deemed to be a single **Claim** and to have been made at the time the first such **Claim** is made against any **Member**, regardless of the number of individuals or entities making such **Claims** or the time period over which such **Claims** are made, even if subsequent **Claims** are made after the **Member** withdraws or is terminated from the **Pool**.

4. **Claim Expenses**:

a. Reasonable and necessary fees charged by attorneys designated by the **Pool** or designated by the **Member** with the **Pool**'s prior consent to assist with the investigation, adjustment, negotiation, arbitration, defense or appeal of a **Claim**;

b. All other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **Claim** and incurred by the **Pool** or by the **Member** with the **Pool's** prior consent; and

c. Premiums on appeal bonds, attachment bonds or similar bonds; however, the **Pool** is not obligated to apply for or furnish any such bond.

Provided, however, **Claim Expenses** do not include:

a. Any internal salary, administrative, overhead or other related expenses of any **Member** or any charges by a **Member** for time spent cooperating with the investigation and defense of any **Claim**;

b. **Privacy Response Expenses**; or

c. **PCI-DSS Assessments**.

5. **Computer System**: computers and associated input and output devices, data storage devices, networking equipment and backup facilities:

a. Operated by and either owned by or leased to the **Member**; or

b. Operated by a third-party service provider and used to provide hosted computer application services to the **Member** or for processing maintaining, hosting or storing the **Member's Electronic Data** pursuant to a written contract with the **Member** for such services.

6. **Cyber Extortion Expenses**: all reasonable and necessary costs and expenses which a **Member** incurs as a direct result of a **Cyber Extortion Threat**, other than **Cyber Extortion Monies**.

7. **Cyber Extortion Monies**: any funds or property which the **Member** pays with the prior written consent of the **Pool**, to a person or entity reasonably believed to be responsible for the **Cyber Extortion Threat** for the purpose of terminating the **Cyber Extortion Threat**.

8. **Cyber Extortion Threat**: a credible threat or series of related credible threats, including but not limited to, a demand for **Cyber Extortion Monies**, directed at a **Member** to:

a. Release, divulge, disseminate, destroy or use confidential information taken from the **Member** as a result of a **Privacy or Security Event**;

b. Introduce malicious code into a **Computer System**;

c. Corrupt, damage or destroy a **Computer System**;

d. Restrict or hinder access to a **Computer System**;

9. **Electronic Data**: any data stored electronically on a **Computer System**, including without limitation **Personal Information**.

10. **Electronic Equipment and Electronic Data Damage**: amounts payable by the **Pool** under SECTION A. 2. e.

11. **Expenses to Reduce Loss**: expenses incurred by the **Member** during the **Period of Indemnity**, over and above normal operating expenses, for the purpose of reducing **Business Income Loss** or shortening the **Period of Indemnity**.

12. **Extra Expenses**: expenses incurred by the **Member** during the **Period of Indemnity**, other than **Expenses to Reduce Loss**, that would not have been incurred but for a **Material Interruption**.

13. **Material Interruption**: the actual and measurable interruption or suspension of a **Member's** business directly caused by a **Privacy or Security Event**.

14. **Network Interruption Costs**: amounts payable by the **Pool** under SECTION A. 2. f.

15. **PCI-DSS Assessment**: any monetary penalty owed by a **Member** due to the **Member's** noncompliance with Payment Card Industry Data Security Standards under an agreement between the **Member** and a financial institution or other person enabling the **Member** to accept credit cards, debit cards, prepaid cards, or other payment cards.

16. **Period of Indemnity**: the period of time beginning after the **Waiting Hours Period** and ending at the earlier of:

a. In the case of a **Computer System** operated by and either owned by or leased to the Named Member, the time the Named Member restores the **Computer System** to the same or similar conditions that existed prior to the time of the **Material Interruption** (or could have restored access to the **Computer System** if the Named Member exercised due diligence and dispatch); or

b. In the case of a **Computer System** operated by a third party service provider, the time the service provider restores the **Computer System** to the same or similar conditions that existed prior to the time of the **Material Interruption** (or could have restored access to the **Computer System** if the service provider exercised due diligence and dispatch).

The **Period of Indemnity** shall not be cut short by the end of the Coverage Period.

17. **Personal Information**: an individual's name in combination with one or more of the following:

a. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;

b. Medical or health care information concerning the individual, including without limitation "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;

c. The individual's Social Security number, driver's license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual's financial account information; or

d. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, **Personal Information** does not include information that is lawfully available to the public, including without limitation information lawfully available from any **Member** or any local, state, federal or foreign governmental entity.

18. **Privacy or Security Event**:

a. The actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic **Personal Information** in the care, custody or control of the **Member** or for which the **Member** is legally responsible, regardless of whether such **Personal Information** is maintained in electronic, paper or any other format; or

b. A violation or failure of the security of a **Computer System**, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

Any **Privacy or Security Event** that is continuous or part of a series of repeated or related **Privacy or Security Events** will be considered to be a single **Privacy or Security Event** and will be considered to have commenced when the first such **Privacy or Security Event** commenced regardless of:

a. The number of individuals or entities engaged in such **Privacy or Security Events**;

b. The number of individuals or entities affected by such PRIVA **Privacy or Security Event**s;

c. The number of locations where such **Privacy or Security Events** occurred; or

d. The number of such **Privacy or Security Events** occurring or period of time over which they occur, even if subsequent **Privacy or Security Events** take place after the **Member** withdraws or is terminated from the **Pool**.

19. **Privacy Response Expenses**: the following reasonable and necessary costs incurred by the **Member** within one year of the discovery of a **Privacy or Security Event** that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic **Personal Information** in the care, custody or control of the **Member** or for which the **Member** is legally responsible:

a. For the services of a security expert designated by the **Pool** to determine the scope and cause of a **Privacy or Security Event** and the extent to which **Personal Information** was disclosed to or accessed by unauthorized persons;

b. For the services of consultants or attorneys designated by the **Pool** to determine the **Member's** obligations, if any, under applicable law to give notice to affected individuals;

c. To notify affected individuals if required by applicable law or if the **Member** voluntarily elects to give such notice, and for the services of a contractor designated by the **Pool** to assist with providing such notice and responding to questions and concerns raised by individuals who are notified;

d. For the services of a contractor designated by the **Pool** to provide identity theft protection services to affected individuals if the **Member** elects to provide such services; and

e. For the services of a public relations consultant designated by the **Pool** to avert or mitigate damage to the **Member's** reputation as a result of the **Privacy or Security Events**.

Provided, however, **Privacy Response Expenses** do not include:

a. Any internal salary, administrative, overhead or other related expenses of any **Member** or any charges by a **Member** for time spent cooperating with the investigation and response to any **Privacy or Security Event**;

b. **Claim Expenses**;

c. **PCI-DSS Assessments**;

d. **Electronic Equipment and Electronic Data Damage**;

e. **Network Interruption Costs**;

f. **Cyber Extortion Expenses**; or

g. **Cyber Extortion Monies**.

20. **Proof of Loss Preparation Costs**: fees and expenses incurred by a **Member** for the services of a third-party forensic accounting firm to establish and prove the amount of loss, including those costs in connection with preparing a proof of loss. **Proof of Loss Preparation Costs** does not include any fees or expenses for consultation on coverage or negotiation of claims.

21. **Property Damage**: damage to, loss of use of, or destruction of any tangible property; however, **Property Damage** does not include the loss of use or damage of electronic

equipment caused by the reprogramming of the software (including the firmware) of such electronic equipment rendering it useless for its intended purpose. For purposes of this definition, "tangible property" shall not include **Electronic Data.**.

22. **Regulatory Penalties**: any civil fine or civil monetary penalty imposed in a **Regulatory Proceeding** payable by a **Member** to the governmental entity bringing the **Regulatory Proceeding** and any sum of money that a **Member** is legally obligated to deposit in a fund as equitable relief for the payment of consumer **Claims** due to an adverse judgment or settlement of a **Regulatory Proceeding**.

23. **Regulatory Proceeding**: a request for information, civil investigative demand, **Suit**, civil investigation or civil proceeding commenced by or on behalf any local, state, federal or foreign governmental entity in the entity's regulatory or official capacity.

24. **Suit**: a civil proceeding arising out of a **Privacy or Security Event** and includes an arbitration proceeding or other alternative dispute resolution proceeding and to which the **Member** must submit or does submit with the consent of the **Pool.**

25. **Waiting Hours Period**: 12 hours from the time a **Material Interruption** has begun.

TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

1. CLAIMS MADE COVERAGE

a. All liability coverage provided by the **Coverage Addendum** including COVERAGE PART IV AUTOMOBILE LIABILITY, COVERAGE PART V GENERAL LIABILITY, COVERAGE PART VII PUBLIC OFFICIALS LIABILITY and COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY of the **Coverage Addendum** provide "Claims made" coverage. The coverages provided by those Sections are limited to **Claims** first made against a **Covered Party** while the **Coverage Addendum** is in force.

A **Claim** shall be considered as being first made when a third-party first gives notice in writing to the **Pool** that a **Claim** has been made against a **Covered Party**. All **Claims** arising out of the same **Occurrence** or **Wrongful Act** are considered to be one **Claim** and are considered to have been made when the first such **Claim** is made. The terms, conditions and limits of the **Addendum** that apply to any **Claims** are those in effect when the **Claim** is first made.

b. COVERAGE PART III PRIVACY OR SECURITY EVENT LIABILITY AND EXPENSE COVERAGE, COVERAGE PART IV AUTOMOBILE LIABILITY, COVERAGE PART V GENERAL LIABILITY, and COVERAGE PART VI LAW ENFORCEMENT LIABILITY of the **Coverage Addendum** apply to a **Claim** only if the **Occurrence** giving rise to the **Claim** took place after the retroactive date shown and before the **Member's** withdrawal or termination from the **Pool**.

Beaver County	July 1, 2013	Morgan County	July 1, 2013
Box Elder County	July 1, 2013	Piute County	July 1, 2013
Daggett County	July 1, 2013	Rich County	July 1, 2013
Davis County	July 1, 2013	San Juan County	July 1, 2013
Duchesne County	July 1, 2013	Sanpete County	July 1, 2013
Emery County	July 1, 2013	Sevier County	July 1, 2013
Garfield County	July 1, 2013	Uintah County	July 1, 2013
Iron County	July 1, 2013	Wasatch County	July 1, 2013
Juab County	July 1, 2013	Washington County	July 1, 2013
Kane County	July 1, 2013	Wayne County	July 1, 2013
Millard County	July 1, 2013	Weber County	July 1, 2013

Beaver County Municipal Building Authority	July 1, 2013
Box Elder County Redevelopment Agency	January 1, 2016
Box Elder County Special Service District	January 29, 2019
Canyon Land Improvement District	January 1, 2015
Cedar Mountain Fire Protection District	January 1, 2022
Central Utah Public Health Department	July 1, 2013
Daggett County Redevelopment Agency	February 21, 2018

Duchesne County Municipal Building Authority	July 1, 2013
Duchesne/Wasatch Bluebench Landfill Special Service District	July 1, 2013
Emery County Municipal Building Authority	July 1, 2013
Five County Association of Governments	January 1, 2016
Grand County Emergency Medical Services Special Service District	January 1, 2019
Iron County Special Service District #1	July 1, 2013
Juab Special Service District #2	July 1, 2013
Juab Special Service Fire District	July 1, 2013
Kane County Municipal Building Authority	July 1, 2013
Kane County Recreation & Transportation Special Service District	January 1, 2015
Multi County Appraisal Trust	May 20, 2019
Piute County Municipal Building Authority	July 1, 2013
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation Special Service District	January 1, 2015
Sanpete County Municipal Building Authority	January 1, 1992
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	July 1, 2013
Southeastern Utah District Health Department	July 1, 2013
Southwest Utah Public Health Department	July 1, 2013
TriCounty Health Department	July 1, 2013
Uintah County Municipal Building Authority	July 1, 2013
Utah Counties Indemnity Pool	July 1, 2013
Wasatch County Health Department	July 1 2013
Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Municipal Building Authority	July 1, 2013
Washington County St. George Interlocal Agency	July 1, 2013
Wayne County Municipal Building Authority	July 1, 2013
Wayne County Special Service District #1	July 1, 2013
Wayne County Special Service District #3	April 3, 2018
Wayne County Water Conservancy District	July 1, 2013
Weber County Municipal Building Authority	July 1, 2013
Weber Human Services	January 1, 2015
Weber-Morgan Health Department	July 1, 2013

c. COVERAGE PART VII PUBLIC OFFICIALS LIABILITY and COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY of the **Coverage Addendum** apply to a **Claim** only if the **Wrongful Act**, negligent act, or error or omission giving rise to the **Claim** occurred after the retroactive date shown and before the **Member's** withdrawal or termination from the **Pool**.

Beaver County	January 1, 1992	Morgan County	January 1, 2003
Box Elder County	January 1, 1992	Piute County	January 1, 1992
Daggett County	January 1, 2000	Rich County	January 1, 1992
Davis County	January 1, 1992	San Juan County	January 1, 1992
Duchesne County	January 1, 1992	Sanpete County	January 1, 1992
Emery County	January 1, 1992	Sevier County	January 1, 1992
Garfield County	January 1, 1992	Uintah County	January 1, 1992
Iron County	January 1, 1992	Wasatch County	January 1, 1992
Juab County	January 1, 1993	Washington County	January 1, 1992
Kane County	January 1, 1992	Wayne County	January 1, 1992
Millard County	January 1, 1993	Weber County	January 1, 1998

Beaver County Municipal Building Authority	January 1, 1992
Box Elder County Redevelopment Agency	January 1, 2016
Box Elder County Special Service District	January 29, 2019
Canyon Land Improvement District	January 1, 2015
Cedar Mountain Fire Protection District	January 1, 2022
Central Utah Public Health Department	July 1, 2003
Daggett County Redevelopment Agency	February 21, 2018
Duchesne County Municipal Building Authority	January 1, 1992
Duchesne/Wasatch Bluebench Landfill Special Service District	August 1, 1998
Emery County Municipal Building Authority	January 1, 1992
Five County Association of Governments	January 1, 2016
Grand County Emergency Medical Services Special Service District	January 1, 2019
Iron County Special Service District #1	January 1, 1992
Juab Special Service District #2	January 1, 1993
Juab Special Service Fire District	January 1, 2001
Kane County Municipal Building Authority	January 1, 1992
Kane County Recreation & Transportation Special Service District	January 1, 2015
Multi County Appraisal Trust	May 20, 2019
Piute County Municipal Building Authority	January 1, 1992
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation Special Service District	January 1, 2015
Sanpete County Municipal Building Authority	January 1, 1992
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	January 1, 1992
Southeastern Utah District Health Department	July 1, 2003
Southwest Utah Public Health Department	July 1, 2003
TriCounty Health Department	July 1, 2003
Uintah County Municipal Building Authority	January 1, 1992
Utah Counties Indemnity Pool	January 1, 1992
Wasatch County Health Department	July 1, 2003

Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Municipal Building Authority	January 1, 1992
Washington County St. George Interlocal Agency	March 24, 2011
Wayne County Municipal Building Authority	January 1, 1992
Wayne County Special Service District #1	January 1, 1992
Wayne County Special Service District #3	April 3, 2018
Wayne County Water Conservancy District	January 1, 1992
Weber County Municipal Building Authority	January 1, 1998
Weber-Morgan Health Department	July 1, 2003

2. LIMITS OF COVERAGE

a. The Limits of Coverage shown in each Liability Coverage Part set forth the most the **Pool** will pay regardless of the number of:

(i) **Members**;

(ii) **Claims** made or suits brought; or

(iii) Persons or organizations making **Claims** or bringing suits.

b. The **Pool's** obligation to indemnify as the result of any one **Occurrence** is limited as described in the Limits of Coverage of each Liability Coverage Part, less the amount of the **Member's** deductible

3. APPLICATION OF MORE THAN ONE COVERAGE PART

If two or more coverage parts apply to the same claim the maximum limit of liability under all coverage parts shall not exceed the highest applicable limit of liability under any one coverage part.

4. TERRITORIAL SCOPE

This coverage applies to **Occurrences**, **Wrongful Acts**, negligent acts, errors and omissions worldwide for which suit is brought in the United States or for which **Claims** are settled by the **Pool**.

5. DEDUCTIBLE

No deductible applies to any liability coverage part.

6. CLAIMS

a. **Members** must notify the **Pool** in writing as soon as reasonably practicable of an **Accident**, **Occurrence**, **Wrongful Act**, negligent act, error or omission or other circumstance that may result in a **Claim**. To the extent possible, notice should include how, when and where the **Accident**, **Occurrence**, **Wrongful Act,** negligent act, error or omission, or circumstance took place; the names and addresses of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the event. Informing the **Pool** of an **Accident**, **Occurrence**, **Wrongful Act**, negligent act, error or omission or other circumstance that may result in a **Claim** is not notice of a **Claim**.

b. If a **Claim** is received by any **Covered Party**, the **Member** shall immediately record the specifics of the **Claim** and the date received and shall notify the **Pool** as soon as practicable. The **Member** and any other involved **Covered Party** shall:

(i) Immediately send the **Pool** copies of any demands, notices, summonses or legal papers received by the **Covered Party** or the **Covered Party's** agent in connection with the **Claim** or suits.

(ii) Authorize the **Pool** to obtain records and other information.

(iii) Cooperate with the **Pool** in the investigation, settlement or defense of the **Claim** or suits.

(iv) Assist the **Pool**, upon its request, in the enforcement of any right against any person or organization which may be liable to the **Covered Party** because of injury or damage to which the **Coverage Addendum** may also apply.

7. INSURANCE

If the **Covered Party** has insurance or other coverage against loss or damage covered under the **Addendum**, the **Pool** is liable under the terms of the **Addendum** only as excess of coverage provided by such insurance or coverage. However, this clause does not apply to the insurance or coverage purchased to apply specifically in excess of the Limits of Coverage stated in the **Coverage Addendum**.

8. GOVERNMENTAL IMMUNITY ACT OF UTAH

The **Pool's** obligation to indemnify is first limited by the Governmental Immunity Act of Utah U.C.A. §63G-7-604. Nothing in the **Coverage Addendum** is meant to waive the rights or immunities of any **Covered Party** or the **Pool** provided by the Act. Liability limits provided in excess of the limitations set out in the Act are provided solely for **Claims** not limited by the Act, including federal **Claims** or **Claims** filed in another state where neither the Governmental Immunity Act of Utah or any similar governmental immunity or tort limitation act of that state apply.

9. CROSS LIABILITY

a. In the event of liability being incurred by reason of injury suffered by any employee of one **Member** which does not arise out of the injured employee's employment, for which another **Member** is liable, then the **Addendum** shall indemnify the **Member** for that liability in the same manner as if separate agreements had been issued to each **Member**.

b. In the event of liability being incurred by reason of **Property Damage** to **Property** belonging to any **Member** for which another **Member** is liable, then the **Addendum** shall indemnify the **Member** in the same manner as if separate agreements had been issued to each **Member**.

c. Nothing contained in this condition shall operate to:

(i) Increase the **Pool's** limits of liability; or

(ii) Include coverage for a **Member** who sustains **Property Damage** as a consequence of its own employee's acts.

10. DEFENSE, JUDGEMENT AND SETTLEMENT

a. The **Pool** will provide the **Member** or, if the Member is a county, the **Member's** elected county attorney legal assistance, to defend any suits against the **Member** and any **Covered Party** the **Member** is required to defend under U.C.A. 63G-7- 902 and 17-18a-5-501 claiming **Damages** for which coverage is afforded under the **Addendum** for an **Occurrence** or **Wrongful Act**, even if any of the allegations of the suits are groundless, false, or fraudulent, and may make such investigation of any **Occurrence**, **Wrongful Act** and settlement of any **Claim** or suits as it deems expedient. No legal representation or defense will be provided for **Claims** made against a **Covered Party** in his or her personal capacity. The **Pool** has the right to select counsel; however, a **Covered Party** may hire co-defense counsel, at the **Covered Party's** expense, to assist in the defense of **Claim**, provided the attorney selected by the **Pool** shall be lead counsel. If the **Member** or the **Member's** elected or appointed attorney does not accept the counsel selected by the **Pool**, it will be considered a waiver of the **Pool's** obligation to provide legal representation by the **Member**, and the **Member** and any **Covered Party** shall have no right to defense or reimbursement or indemnification of defense costs provided by the **Pool**. Except to the extent otherwise specifically provided in the **Coverage Addendum**, no **Covered Party** shall, except at the **Covered Party's** own expense, voluntarily make any payment, assume any obligation, or incur any expense without the **Pool's** prior written consent. The **Pool's** obligation to provide legal representation shall arise when the complaint or **Claim** alleges facts, which would obligate the **Pool** to indemnify the **Covered Party** if the alleged facts were proven. The **Pool** will only be responsible for payment of that portion of a settlement or judgement, which relates to **Claims** for which coverage is afforded under the terms of the **Addendum**, provided, however:

(i) The **Pool** shall not be obligated to pay any settlement or portion of any settlement unless the **Pool** has given prior written consent to the settlement, and

(ii) The **Pool** shall not be obligated to pay any settlement or judgement or to provide legal representation in defense of any suits after the applicable Limits of Coverage have been exhausted.

b. The Limits of Coverage shall include all costs, attorney's fees and expenses awarded to an adverse party in a litigated or contested **Claim**. All costs, attorney's fees and expenses incurred in the defense of a litigated or contested **Claim**, shall be excess of the Limits of Coverage set forth.

11. BANKRUPTCY

In the event of bankruptcy or insolvency of the **Member**, such bankruptcy or insolvency may not diminish the coverage provided by the **Addendum** regarding third parties. If execution against a **Member** is returned unsatisfied, an action may be maintained against the **Pool** to the extent that the liability is covered by the **Addendum**.

EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS, coverage provided under COVERAGE PART III PRIVACY OR SECURITY EVENT, COVERAGE PART IV AUTOMOBILITY LIABILITY, COVERAGE PART V GENERAL LIABLILITY, COVERAGE PART VI LAW ENFORCEMENT LIABILITY, COVERAGE PART VII PUPLIC OFFICIALS LIABILITY and COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY does not apply to:

1. Any liability arising out of either the ownership, operation, maintenance or activities of a hospital or **Nursing Home** or the medical malpractice of any physician, medical doctor, osteopath, chiropractor, resident, extern or intern; psychiatrist; pharmacist; dentist, orthodontist, or periodontist. This exclusion does not apply to the administrative activities of medical doctors, dentists or psychiatrists employed by a **Member**, unless such administrative activities result in a medical malpractice claim.

2. Any obligation for which a **Covered Party** may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers liability or under any similar law or for **Bodily Injury** to any employee or any liability for indemnity or contribution brought by any party for **Bodily Injury** to any employee.

3. Any investigatory, administrative, disciplinary or criminal proceedings against any **Covered Party** except that the **Pool** may at its own option assign counsel in the defense of any such investigatory, administrative, disciplinary or criminal proceeding. Should the **Pool** elect to assign counsel, it shall not constitute a waiver or estoppel of any rights the **Pool** may have pursuant to the terms, conditions, exclusions, and limitations of the **Addendum**.

4. **Claims** arising for declaratory or injunctive relief. However, notwithstanding the definition of suit to include a request for **Damages** to which this coverage applies, a defense may be provided up to a maximum of $100,000 per **Occurrence** per **Member** for **Claims** for injunctive relief if the **Pool** agrees that **Damages** may be added to the **Claim** at a later date. This limited defense coverage is subject to all other exclusions and conditions of the **Addendum**.

5. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

6. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the release, discharge or dispersal of **Pollutants** anywhere, anytime in any way, whether accidental or intentional, sudden, intermittent or continuous and regardless of ownership or location, except this exclusion does not apply to the official activities of the **Member's** hazardous materials work unit.

7. **Bodily Injury**, **Personal Injury**, **Property Damage** or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead in any form.

8. Any **Claims** arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

9. Loss of or damage to or **Claims** resulting from the ownership, maintenance, operation, activities or use or entrustment to others of any:

a. Satellite;

b. Aircraft of any size;

c. Airport, airfield, landing area, runway, hangar, heliport, helipad or building or other property used in connection with aviation activities;

d. Watercraft over 26 feet in length; or

e. Watercraft used to carry persons or property for a charge.

This exclusion applies even if the **Claims** against any **Covered Party** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Covered Party**. For purposes of this exclusion, aircraft does not include an unmanned aircraft system that are scheduled for liability with the **Pool**. A sublimit shall apply of $100,000 for defense of a claim only to any unmanned aircraft system not scheduled for liability with the **Pool**.

10. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever for any **Claims** made or lawsuits brought against any **Covered Party** alleging physical or sexual assault, abuse, molestation or habitual neglect or **Sexual Abuse**. This exclusion applies whether the act was committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent. **Claims** of **Sexual Harassment** are covered under this **Addendum** unless the **Claim** also arises out of **Sexual Abuse**.

a. However, the **Covered Party** may be entitled to a defense for civil **Claims** brought against the **Covered Party** as provided under the terms of this **Addendum** if the **Claim** is brought for alleged civil rights violations in addition to physical assault, abuse, molestation or habitual neglect or **Sexual Abuse**. The **Pool** may provide for the defense of the **Claim** unless or until a judgment or final adjudication of liability is established or there is an admission or plea of guilty, nolo contendere, no contest or any similar plea by the **Covered Party** accused of the act that establishes the injury claimed in the suit in whole or in part.

b. The **Pool** shall not be required to appeal a judgment or final adjudication that is adverse to the **Covered Party**. However, if the **Covered Party** elects to appeal the judgment or final adjudication and the judgment or adjudication is reversed on the issue of liability, the **Pool** may then reimburse the **Covered Party** for all reasonable expenses incurred in the appeals process, subject to the terms, conditions and limits of the **Addendum**.

c. This exclusion applies even if the **Claims** against any **Covered Party** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Covered Party**.

11. Any liability, **Claims** or suits arising out of the actual or alleged transmission of a communicable disease. This exclusion applies even if the claims against any **Covered Party** allege negligence or other wrongdoing in the:

a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

b. Testing for a communicable disease;

c. Failure to prevent the spread of the disease; or

d. Failure to report the disease to authorities.

Except this exclusion does not apply to defense only with a sublimit of $50,000.

12. Any **Claim** based upon the **Covered Party's** failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations.

13. **Bodily Injury**, **Personal Injury**, **Property Damage** or any type of damage whatsoever resulting from nuclear incidents, including:

a. Any loss or damage to or liability from **Property Damage**, **Bodily Injury** or **Personal Injury** accruing to the **Member** directly or indirectly from any and all forms of radioactive **Contamination**;

b. Any loss or damage to or liability from **Property Damage**, **Bodily Injury** or **Personal Injury** accruing to the **Covered Party** directly or indirectly from any pool of insurers or reinsurers formed for the purpose of covering atomic or nuclear energy risks;

c. Any loss or damage to or liability from **Property Damage**, **Bodily Injury** or **Personal Injury** due to nuclear reactor power plants, any nuclear material or the dispersal, discharge, storage or processing of nuclear material, nuclear facilities, installations, laboratories or special nuclear material, as defined by the Atomic Energy Act of 1954 as amended; or

d. Any loss or damage or liability resulting from the **Hazardous Properties** of nuclear material and with respect to which any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 as amended, or if the **Covered Party** is or, had the **Addendum** not been issued, would be entitled to indemnity from the United States of America or any agency thereof.

e. Definitions used in this exclusion:

(i) **Hazardous Properties** means radioactive, toxic or explosive properties.

(ii) **Nuclear Materials** means source material, special nuclear material, byproduct material and have the meanings given them in the Atomic Energy Act of 1954, as amended.

(iii) **Spent Nuclear Fuel** means any fuel element or fuel component, solid or liquid, which has been used, or to radiation in a nuclear reactor.

(iv) **Waste** means any waste material which contains byproduct material from any ore processed primarily for its source material content and which results from the operation by any person or organization of any **Nuclear Facility**.

(v) **Nuclear Facility** means any nuclear reactor, any equipment or device designed or used for separating the isotopes of uranium or plutonium or processing or utilizing spent fuel, or handling, processing or packaging waste. **Nuclear Facility** also means any equipment or device used for the processing, fabricating or alloying of special nuclear material and any structure, basin, excavation, premises or place prepared or used for the storage of **Waste** and the site and all operations on that site.

14. Any liability, **Claims** or suits arising in whole or in part out of the operation of the principles of eminent domain, condemnation proceedings or **Claims**, inverse condemnation proceedings or **Claims**, regulatory taking by whatever name called, whether that liability accrues directly against the **Member** or by virtue of any agreement entered into, by or on behalf of the **Member**. **Claims** or suits alleging civil rights violations arising out of any of these listed proceedings are also excluded.

15. The **Addendum** does not provide coverage for:

a. Any **Personal Injury** or **Law Enforcement Personal Injury** caused by or at the direction of the **Covered Party** with the knowledge that the action would violate the rights of another and would inflict **Personal Injury** or **Law Enforcement Personal Injury**;

b. Any **Personal Injury** or **Law Enforcement Personal Injury** arising out of oral or written publication of material whose first publication took place before the Retroactive Date shown on the General Liability, Law Enforcement Liability and **Automobile** Liability Retroactive Dates Endorsement; or

c. Any **Personal Injury** or **Law Enforcement Personal Injury** arising out of oral or written publication of material, if done by or at the direction of the **Covered Party** with knowledge of its falsity.

16. Any **Bodily Injury** or **Property Damage** for which the **Covered Party** is obligated to pay **Damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **Damages**:

a. That the **Covered Party** would have in the absence of the contract or agreement; or

b. Assumed in a contract or agreement that is a **Covered Contract**, provided the **Bodily Injury** or **Property Damage** occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in a **Covered Contract**, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a **Covered Party** are deemed to be **Damages** because of **Bodily Injury** or **Property Damage**, provided:

(i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same **Covered Contract**; and

(ii) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which **Damages** to which this coverage applies are alleged.

DEFINITIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

1. **Automobile**:

a. Any motor vehicle intended or designed for highway use; and

b. Trailers or semi-trailers, including their equipment and any other equipment permanently attached to it while such trailer is attached to a vehicle described in a. above; but

c. **Automobile** does not include **Mobile Equipment**. However, self- propelled vehicles with the following types of permanently attached equipment are considered **Automobiles**: equipment designed primarily for snow removal; equipment designed for road maintenance but not construction or resurfacing; equipment designed for street cleaning; cherry pickers and similar devices mounted on an **Automobile** or truck chassis and used to raise or lower workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

2. **Bodily Injury**: physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury.

3. **Claim**:

a. A demand for **Damages** (including filing a suit seeking **Damages**) as the result of an **Occurrence**; or

b. Notice to a **Covered Party** of the intent to hold the **Covered Party** liable for a **Bodily Injury**, **Property Damage** or **Wrongful Act**.

4. **Covered Contract**: that part of any contract or agreement that is usual and customary to the **Member's** operations under which the **Member** assumes the tort liability of another party to pay **Damages** because of **Bodily Injury** or **Property Damage**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.

5. **Covered Party**: a **Member**. **Covered Party** also includes any past, present or future officials; members of boards or commissions, trustees or directors; officers, volunteers authorized to act on behalf of the county or employees of the **Member** while acting within the scope of their duties as such and only to the extent to which the **Member** is obligated to provide defense to such person in compliance with Utah Code Annotated 63G-7-902.

6. **Damages**: all sums recoverable by law from any liability covered under the **Addendum** excluding:

a. Punitive damages;

b. Any sums awarded for plaintiff's attorney fees under 42 U.S. Code, Section 1988 in any case in which monetary damages are not specifically sought or not awarded;

c. Fines, penalties or sanctions;

d. The return, refund or repayment of any taxes, fees or other charges by a **Member**; and

e. Back pay, overtime pay or other benefits that are routinely paid by a **Member** to its employees.

7. **Employee Benefit Programs**: group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers' compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

8. **Employment Related Practices**:

a. Refusal to employ;

b. Termination of employment;

c. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, reassignment, discipline, harassment (other than **Sexual Harassment**), civil rights and discrimination; and

d. Any act relating to the selection, supervision or dismissal of any employee.

9. **Limited Professional Health Care Services**: **Bodily Injury** or **Personal Injury** arising out of the rendering or failure to render medical services by any **Covered Party** that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

However, **Limited Professional Health Care Services** does not include service provided by:

a. A hospital or emergency room facility, except when provided by a qualified medical service provider listed above as part of certification or recertification training;

b. A physician, medical doctor, osteopath, chiropractor, resident, extern, or intern;

c. A psychiatrist;

d. A pharmacist;

e. A dentist, orthodontist, or periodontist; and

f. Any other licensed health care professional other than any **Covered Party** that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

10. **Mobile Equipment**: any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts, ATVs, snowmobiles, and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to **Premises** the **Member** owns or rents;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers while such trailer is not attached to an **Automobile**;

f. Vehicles not described above which are maintained primarily for purposes other than the transportation or persons or cargo.

11. **Nursing Home**: a residential facility which provides residents with nursing and/or personal care services by whatever name used including but not limited to assisted living facility, intermediate care facility, long term care facility, skilled nursing facility, residential care facility, senior care facility, convalescent home or group home and includes facilities whether they are Medicare/Medicaid certified or not.

12. **Occurrence**: an **Accident** which results in **Bodily Injury** or **Property Damage**. Continuous or repeated exposure to substantially the same general harmful conditions shall be deemed one **Occurrence**, and all **Bodily Injury** and **Property Damage** attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one **Occurrence**, irrespective of the period of time or area over which such losses occur, the number of

Covered Parties involved, number of locations involved or number of individuals or entities affected. There may be multiple **Claims** or claimants involved in one **Occurrence**, however only one deductible applies per **Occurrence**. With respect to **Personal Injury** and **Law Enforcement Personal Injury**, **Occurrence** means a **Wrongful Act** that commences on or after any applicable Retroactive Date and before the **Member's** withdrawal or termination from the **Pool**. A series of continuous, repeated or related **Wrongful Acts** by one or more **Covered Parties** shall be deemed to be one **Occurrence** regardless of the number of **Covered Parties** engaged in such **Wrongful Acts**, the number of individuals or entities affected by such **Wrongful Acts**, the number of locations where such **Wrongful Acts** occur or the number of **Wrongful Acts** occurring or the period of time over which they occur.

13. **Property Damage**: direct damage to or destruction or loss of tangible property, including all resulting loss of use of property.

14. **Sexual Abuse**: any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. **Sexual Abuse** includes sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse** does not include **Sexual Harassment**.

15. **Sexual Harassment**: unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

16. **Unmanned Aircraft**: an aircraft that is not controlled by a person from within or on the aircraft.

17. **Unmanned Aircraft System**; an **Unmanned Aircraft** and the equipment necessary for the safe and efficient operation of that aircraft.

18. **Wrongful Act**: any actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance, nonfeasance by a **Covered Party**. A series of continuous, repeated or related **Wrongful Acts**, by one or more **Covered Parties**, shall be deemed to be a single **Wrongful Act** regardless of the number of **Covered Parties** engaged in such **Wrongful Acts**, the number of individuals or entities affected by such **Wrongful Acts**, the number of locations where such **Wrongful Acts** occur, the number of **Wrongful Acts** occurring or the period of time over which they occur. For purposes of COVERAGE PART VIII **EMPLOYEE BENEFITS LIABILITY**, a **Wrongful Act** means any negligent act, error or omission by a **Covered Party** committed in the **Administration** of the **Member's Employee Benefit Programs** as defined in COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY.

COVERAGE PART IV AUTOMOBILE LIABILITY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAGE PART IV AUTOMOBILE LIABILITY, subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the **Member** for those sums the **Member** becomes legally obligated to pay as **Damages** because of **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance or use of any **Member** owned **Automobile** or **Hired Automobile**, subject to the limitations, terms and conditions of the **Coverage Addendum**. The **Claim** or lawsuit must be the result of an **Occurrence** and be brought solely by reason of **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance or use of a **Member** owned **Automobile** or **Hired Automobile**.

2. LIMITS OF COVERAGE

a. Regardless of the number of:

(i) **Covered Parties**;

(ii) **Claims** made or suits brought;

(iii) Covered **Automobiles** involved in an **Occurrence**;

(iv) Contributions paid; or

(v) Persons or organizations making **Claims** or bringing suits

the most the **Pool** will indemnify as the result of any one **Occurrence** is $5,000,000 , less the amount of the **Member's** deductible.

b. All **Bodily Injury** and **Property Damage** resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one **Occurrence**.

c. **Automobiles** used for personal business which is not **Incidental, Occasional Personal Use** will have payments for **Bodily Injury** and **Property Damage** adjusted and made in accordance with 63G-7-802, 41-12a, and 31A-22-304.

d. Sublimits apply as described in the ADDITIONAL COVERAGES.

3. ADDITIONAL COVERGES

a. PERSONAL INJURY PROTECTION

(i) The **Pool** provides Personal Injury Protection coverage as described by Utah Code Annotated §31A-22-306-309 (as amended) applicable to the operation and use of **Member** owned **Automobiles** and **Hired Automobiles** as scheduled with the following sublimits:

(A) Medical services, surgical services, X-ray services, dental services, ambulance services, hospital services, nursing services and rehabilitation services including prosthetic devices: $3,000 per person.

(B) Loss of Income: The lesser of $250 per week or 85% of any loss of gross income; and a special damage allowance not exceeding $20 per day, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured person would have performed for his household.

(C) Funeral Expense: $1,500 per person.

(D) Survivor Loss: $3,000 per person.

b. UNDERINSURED MOTORIST

(i) The **Pool** provides Underinsured Motorist coverage as described by Utah Code Annotated §31A-22-305.3 (as amended) applicable to the operation and use of **Member** owned **Automobiles** and **Hired Automobiles** as scheduled, with the following sublimits:

(A) **Bodily Injury** $10,000 per person, $20,000 per **Occurrence**.

c. UNINSURED MOTORIST

(i) The Pool provides only those uninsured motorist coverages as described by Utah Code Annotated §31-22-305 (as amended) and Utah Code Annotated §31A-22-305.5 with the following sublimits:

(A) **Bodily Injury** $25,000 per person, $500,000 per **Occurrence**;

(B) Property Damage: the motor vehicles actual cash value or $3,500 whichever is less subject to a $250 deductible.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, this COVERAGE PART IV AUTOMOBILE LIABLITY does not apply to:

1. Any **Claim** for **Damages** or for any cause of action, which is covered under any other Section of the **Addendum**.

2. **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Covered Party**.

3. **Bodily Injury** to an employee of the **Member** arising out of and in the course of:

a. Employment by the **Member**; or

b. Performing duties related to the conduct of the **Member's** business or **Bodily Injury** to any other person arising out of such **Bodily Injury** to the employee. This exclusion applies regardless of whether the **Member** may be liable as an employer or in some other capacity and to any obligation to share **Damages** with or repay someone else who must pay **Damages** because of the injury.

5. **Bodily Injury** to any fellow employee of the **Covered Party** arising out of and in the course of the fellow employee's employment or while performing duties related to the conduct of the **Member's** business.

6. Ownership, maintenance or use of an **Automobile** while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.

7. To any **Claim** arising out of a breach of contract.

SECTION C DEFINITIONS

1. **Covered Party**: a **Member** and any person while using an **Automobile** owned by the **Member** or a **Hired Automobile**, and any person or organization legally responsible for the use thereof, provided the actual use of the **Automobile** is by any official, trustee, director, officer or employee of the **Member** or any person using the **Automobile** with the **Member's** permission. With respect to the use of **Non-Owned Automobiles**, **Covered Party** also includes any official, trustee, director, officer or employee of the **Member** using the **Non-Owned Automobiles** in the business of the **Member** with the **Member's** permission, and the spouse of any official, trustee, director, officer or employee of the **Member** using the **Non-Owned Automobiles** in the business of the **Member** with the **Member's** permission. Coverage for use of **Non-Owned Automobiles** under this definition is limited to coverage excess of insurance on the **Non-Owned Automobiles** required of the owner of the **Non-Owned Automobiles**. **Covered Party** does not include, and this coverage, with respect to any person or organization other than the **Member**, does not apply:

a. To any person or organization or to any of their agents or employees operating an **Automobile** sales agency, repair shop, service station, storage garage or public parking place, with respect to any **Occurrence** arising out of those operations;

b. To any employee of a person or organization other than the **Member** with respect to injury or sickness, disease or death during the course of employment in an **Occurrence** arising out of the maintenance or use of the **Automobile** in the business of the outside employer;

c. With respect to any **Hired Automobile**, to the owner or lessee, other than the **Member**, nor to any agent or employee, or that owner or lessee.

2. **Hired Automobile**: those **Automobiles** that a **Member** leases, hires, rents, or borrows. This does not include any **Automobile** leased, hired, rented or borrowed from a **Member's** employees, or members of the employee's households.

3. **Incidental, Occasional Personal Use**: making a personal stop, along the usual route, on the way home, or for a personal break incidental to work. These instances would be the extent of personal use coverage.

4. **Non-Owned Automobiles**: only those **Automobiles** a **Member** does not own, lease, hire, rent or borrow that are owned, leased or rented by the **Member's** officials, trustees, directors, officers or employees, or members of their household but only while used in the **Member's** business.

COVERAGE PART V GENERAL LIABILITY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAGE PART V GENERAL LIABILITY, subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the **Covered Party** for those sums that the **Member** becomes legally obligated to pay as **Money Damages** by reason of **Bodily Injury**, **Property Damage**, or **Personal Injury** arising out of any **Occurrence** to which this coverage applies. This coverage includes but is not limited to **Completed Operations**, **Host/Liquor Liability**, and **Products Liability**.

Notwithstanding exclusion 1 of the EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS this COVERAGE PART V GENERAL LIABILITY includes coverage for **Limited Professional Health Care Services**.

Notwithstanding exclusion 6 of the EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS the **Pool** agrees to indemnify the **Member** subject to the Sublimits, shown in the Limits of Coverage, that the **Member** becomes legally obligated to pay as **Damages** because of **Bodily Injury**, **Property Damage**, for each **Occurrence** or **Wrongful Act** arising from herbicide pesticide application.

Notwithstanding exclusion 8 of the EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, the **Pool** agrees to indemnify the **Member** subject to the Sublimits, shown in the Limits of Coverage, that the **Member** becomes legally obligated to pay as **Damages** because of **Bodily Injury**, **Property Damage**, for each **Occurrence** or **Wrongful Act** arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

Notwithstanding the Agreements above, the **Pool** shall not be liable to pay on behalf of or indemnify the **Covered Party** for any sum which the **Member** shall be obligated to pay if a judgment or final adjudication in any action brought against the **Covered Party** shall be based on a determination that acts of fraud or dishonesty were committed by the **Covered Party**, or if in a criminal proceeding a plea of guilty, nolo contendere, no contest or any similar plea is made by the **Covered Party**.

Coverage for **Bodily Injury**, **Property Damage**, or **Personal Injury** under this COVERAGE PART V GENERAL LIABILITY is provided on a claims-made basis, as described in TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS of this **Addendum**.

2. LIMITS OF COVERAGE

a. Regardless of the number of:

(i) **Covered Parties**;

(ii) **Claims** made or suits brought; or

(iii) Persons or organizations making **Claims** or bringing suits

the **Pool's** obligation to indemnify as the result of any one **Occurrence** is $5,000,000, less the amount of the **Member's** deductible.

b. The following sublimits also apply:

(i) Herbicide and Pesticide Application: $50,000 per **Occurrence**;

(ii) Sewer and Drain Backup: $100,000 per Occurrence, $500,000 Annual Aggregate;

c. Annual Aggregates are based on the Pool's fiscal year.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, this COVERAGE PART V GENERAL LIABILITY does not apply to:

1. Any **Claim** for **Damages**, whether direct or consequential, or for any cause of action which is covered under any other Coverage Part of the **Addendum**.

2. **Bodily Injury**, **Property Damage**, or **Personal Injury** intended or expected from the standpoint of the **Covered Party**. This exclusion does not apply to **Bodily Injury**, or **Personal Injury** resulting from the use of reasonable force to protect persons or property.

3. **Damages** claimed for any loss, cost or expense incurred by the **Member** or any other person for the withdrawal, inspection, repair, replacement, or loss of use of the **Member's** products or work completed by or on behalf of the **Member** or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market, or from use, because of any known or suspected defect or deficiency therein.

4. **Bodily Injury**, **Property Damage**, or **Personal Injury** or any other **Damages** whatsoever caused by the maintenance, operation, loading or unloading, entrustment to others or use of an **Automobile**. This exclusion applies even if the **Claims** against any **Covered Party** allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that **Covered Party**.

5. To any **Claim** arising out of a breach of contract.

6. To medical or hospital expenses or costs incurred by the **Member** in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the **Member's** statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody; this exclusion does not apply to **Claims** brought by an inmate alleging the **Member**, through the acts or omissions of its representatives or employees, caused injury to an inmate or violated his constitutional or civil rights by not providing medical care or treatment.

7. **Employment Related Practices**.

8. Any **Claim** made against a **Covered Party** in his or her personal capacity.

9. **Mobile Equipment** while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.

10. **Bodily Injury**, **Personal Injury** or **Property Damage** arising out of the rupture, bursting, over-topping, flooding, cracking, seepage, under-seepage, accidental discharge or partial or complete structural failure of a **Dam**.

11. **Law Enforcement Activities** as defined in COVERAGE PART VI LAW ENFORMCEMENT LIABILITY.

12. To any Claim arising out of a breach of contract.

SECTION C DEFINITIONS

1. **Completed Operations**: **Bodily Injury** or **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after the operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith.

a. Operations shall be deemed completed at the earliest of the following times:

(i) When all operations to be performed by or on behalf of the **Member** under the contract have been completed; or

(ii) When all operations to be performed by or on behalf of the **Member** at the site of the operations have been completed if the contract calls for operations at more than one site; or

(iii) When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

b. Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

2. **Dam**: any artificial barrier together with appurtenant works, which does or may impound or divert water and which is (a) twenty five feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; and (b) has an impounding capacity of fifteen acre feet or more.

3. **Host/Liquor Liability**: indemnification for the **Covered Party's** liability for the sale or distribution of alcoholic beverage.

4. **Personal Injury**: injury, other than **Bodily Injury**, arising out of one or more of the following: discrimination, humiliation, invasion of rights of privacy, libel, slander or defamation of character, piracy, any infringement of copyright or of other intellectual property rights, erroneous service of civil papers, wrongful eviction, malicious prosecution, assault and battery including reasonable use of force to protect persons or property and violation of civil rights under any federal, state or local law. However, **Personal Injury** does not apply to **Claims** arising out of **Law Enforcement Activities**.

5. **Products Liability**: **Bodily Injury** or **Property Damage** arising out of the **Member's** products or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to the **Member** and after physical possession of such products has been relinquished to others.

COVERAGE PART VI LAW ENFORCEMENT LIABILITY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAGE PART VI LAW ENFORCEMENT LIABILITY subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the **Covered Party** for those sums that the **Member** becomes legally obligated to pay as **Money Damages** by reason of **Bodily Injury**, **Property Damage**, or **Law Enforcement Personal Injury** arising out of any **Occurrence** to which this coverage applies.

Coverage for COVERAGE PART VI LAW ENFORCMENT LIABILITY is provided on a claims-made basis, as described in TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS of this **Addendum.**

The **Pool** will indemnify the **Covered Party** for the cost of attachment or similar bonds (but without any obligation on the part of the **Pool** to apply for or furnish such bonds)**.**

Notwithstanding exclusion number 1 of the EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS this COVERAGE PART VI LAW ENFORCEMENT LIABLITY includes coverage for **Limited Professional Health Care Services**.

2. LIMITS OF COVERAGE

a. Regardless of the number of:

(i) **Covered Parties**;

(ii) **Claims** made or suits brought; or

(iii) Persons or organizations making **Claims** or bringing suits.

the **Pool's** obligation to indemnify as the result of any one **Occurrence** is $5,000,000 per Occurrence, less the amount of the **Member's** deductible.

b. **Claims** or suits based on or arising out of the same act or interrelated acts of one or more **Covered Parties** will be considered to be arising from a single **Occurrence** for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, this COVERAGE

PART VI LAW ENFORCEMENT LIABILITY does not apply to:

1. Any **Claim** for damages, whether direct or consequential, or for any cause of action which is covered under any other coverage Part of this Agreement, including PART V GENERAL LIABILITY.

2. **Bodily Injury** or **Property Damage** which the **Member** intended or expected or reasonably could have expected. This exclusion does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property.

3. **Employment Related Practices**.

4. **Bodily Injury**, **Property Damage**, or **Personal Injury** or any other **Damages** whatsoever caused by the maintenance, operation, loading or unloading, entrustment to others or use of an **Automobile** or **Mobile Equipment**. This exclusion applies even if the **Claims** against any **Covered Party** allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that **Covered Party**.

5. **Claims** arising for declaratory or injunctive relief. However, notwithstanding the definition of **Suit** to include a request for **Damages** to which this coverage applies, a defense may be provided up to a maximum of $100,000 per **Occurrence** per **Member** for **Claims** for injunctive relief if the **Pool** agrees that **Damages** may be added to the **Claim** at a later date. This limited defense coverage is subject to all other exclusions and conditions of this **Addendum**.

6. To medical or hospital expenses or costs incurred by the **Member** in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the **Member's** statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody; this exclusion does not apply to **Claims** brought by an inmate alleging the **Member**, through the acts or omissions of its representatives or employees, caused injury to an inmate or violated his constitutional or civil rights by not providing medical care or treatment.

7. To any **Claim** arising out of a breach of contract.

SECTION C DEFINITIONS

1. **Law Enforcement Activities**: the activities of any **Covered Party** while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer of the **Member** while acting under the direction of the **Member Law Enforcement Agency**. **Law Enforcement Activities** also includes policymaking, supervisory and executive functions by a **Covered Party** relating to such activities.

2. **Law Enforcement Agency**: a sheriff's office or county attorney's office of a **Member.**

3. **Law Enforcement Personal Injury**: injury, other than **Bodily Injury**, arising out of **Law Enforcement Activities** and one or more of the following:

a. Assault and battery, including reasonable use of force to protect persons or property;

b. Discrimination;

c. False arrest, detention or imprisonment;

d. Malicious prosecution;

e. False or improper service of process;

f. Humiliation or mental distress;

g. Slander, libel or defamation of character;

h. Violation of civil rights protected under federal, state or local law;

i. Violation of property rights;

j. Wrongful eviction, wrongful entry, or invasion of the right of privacy.

COVERAGE PART VII PUBLIC OFFICIALS LIABILITY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAGE PART VII PUBLIC OFFICIALS LIABILITY, subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the **Covered Party** for those sums that the **Member** becomes legally obligated to pay as **Money Damages** because of any **Claim** arising out of any **Wrongful Act**.

Coverage for COVERAGE PART VII PUBLIC OFFICIALS LIABILITY is provided on a claims-made basis, as described in TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS of the **Addendum.**

The **Pool** will indemnify the **Covered Party** for the cost of attachment or similar bonds (but without any obligation on the part of the **Pool** to apply for or furnish such bonds)**.**

2. LIMITS OF COVERAGE

a. Regardless of the number of:

(i) **Covered Parties**;

(ii) **Claims** made or suits brought; or

(iii) Persons or organizations making **Claims** or bringing suits

the **Pool's** obligation to indemnify as the result of any one **Wrongful Act** is $5,000,000 per Occurrence subject to a $10,000,000 Annual Aggregate for all loss exceeding $3,000,000 per Occurrence, less the amount of the **Member's** deductible.

b. **Claims** or suits based on or arising out of the same act or interrelated acts of one or more **Covered Parties** will be considered to be based on a single **Wrongful Act** for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, this COVERAGE PART VII PUBLIC OFFICIALS LIABILITY does not apply to any **Claim** or suit:

1. Based upon or attributable to them gaining in fact any personal profit or advantage to

which the **Covered Party** was not legally entitled including remuneration paid in violation of law as determined by a court.

2. Arising out of the deliberate violation of any federal, state, or local statute, ordinance, rule, or regulation committed by or with the knowledge and consent of the **Member**.

3. Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the **Covered Party** was engaged in any activity for which they received compensation from any source other than as a governmental subdivision or an employee of a governmental subdivision.

4. Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible property (including **Money**) or the loss of use thereof.

5. Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.

6. For which the **Covered Party** is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any agreement or agreements the term of which has commenced prior to the inception date of the **Addendum**.

7. Arising out of or in any way involving any employee benefit plan of the **Member**.

8. Covered under COVERAGE PART V GENERAL LIABILITY, COVERAGE PART VI LAW ENFORCEMENT LIABILITY or any other COVERAGE PART of the **Addendum**.

9. Arising out of a breach of contract other than an implied-in-fact employment contract.

10. For back pay, overtime pay or other incidents of compensation or benefits due to a **Member's** employees.

11. For any liability arising out of the providing of, or failure to provide, professional services by any lawyer, architect, engineer, or accountant.

12. Arising from any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.

13. Arising from improperly collected taxes.

14. Arising from the **Covered Party's** activities in a fiduciary capacity or as a trustee or in any similar capacity including, but not limited to, duties, responsibilities or obligations in connection with any employee benefit plan or pension plan.

15. To any **Claim** arising out of a breach of contract.

COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY

SECTION A TERMS

1. COVERAGE PROVIDED

This COVERAE PART VIII EMPLOYEE BENEFITS LIABILITY subject to the terms, exclusions, limits and conditions contained in the **Addendum**, covers the **Covered Party** for those sums that the **Member** becomes legally obligated to pay as **Money Damages** because of any **Claim** arising out of any **Occurrence** to which this coverage applies..

Coverage for COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY is provided on a claims-made basis, as described in TERMS APPLICABLE TO ALL LIABILITY COVERAGE PARTS of the **Addendum.**

The **Pool** will indemnify the **Covered Party** for the cost of attachment or similar bonds (but without any obligation on the part of the **Pool** to apply for or furnish such bonds)**.**

2. LIMITS OF COVERAGE

a. Regardless of the number of:

(i) **Covered Parties**;

(ii) **Claims** made or suits brought; or

(iii) Persons or organizations making **Claims** or bringing suits.

the **Pool's** obligation to indemnify as the result of any one **Wrongful Act** is $5,000,000 per Occurrence subject to a $10,000,000 Annual Aggregate for all loss exceeding $3,000,000 per Occurrence, less the amount of the **Member's** deductible.

b. **Claims** or suits based on or arising out of the same act or interrelated acts of one or more **Covered Parties** will be considered to be based on a single **Wrongful Act** for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

SECTION B EXCLUSIONS

In addition to the EXCLUSIONS APPLICABLE TO ALL COVERAGE PARTS and EXCLUSIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, this COVERAGE PART VIII EMPLOYEE BENEFITS LIABILITY does not apply to any **Claim** or suit based upon or attributable to:

1. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation.

2. **Bodily Injury**, **Property Damage** or **Personal Injury**.

3. Any **Claim** for failure of performance of contract by any insurer, including failure of any employee benefit program.

4. Any **Claim** based upon the **Covered Party**'s failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits or any similar law.

5. Any **Claim** based upon:

a. Failure of any investment to perform as represented by any **Covered Party**;

b. Advice given by a **Covered Party** to an employee to participate or not to participate in stock subscription plans or any other plan included in an **Employee Benefits Program**;

c. The investment or non-investment of funds; or

d. Errors in providing information on past performance of any investment vehicle.

e. Legal advice or investment advice given to an employee or an employee's beneficiaries.

f. The performance of any investment;

g. Termination of any plan including an employee benefit plan;

h. An act or omission of a third-party administrator or other person, other than a **Covered Party**, who administers any plan in an **Employee Benefits Program**.

6. Any **Claim** arising out of an insufficiency of funds to meet any obligations under any **Employee Benefits Program**.

7. Any **Claim** arising out of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or any similar federal, state, or local laws.

8. Any liability arising out of taxes, fines, or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

9. **Employment Related Practices**.

10. To any **Claim** arising out of a breach of contract.

SECTION C DEFINITIONS

1. **Employee Benefit Programs**: group life insurance or self- insurance, group health insurance or self-insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, social security, disability benefits insurance or self-insurance and travel, savings or vacation plans.

2. **Administration** as used in DEFINITIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS, **Wrongful Acts**:

a. Giving counsel to employees with respect to the **Employee Benefits Program**;

b. Interpreting the **Employee Benefits Programs**;

c. Handling records in connection with the **Employee Benefits Program**; or

d. Effecting the enrollment, termination or cancellation of employees under the **Employee Benefits Programs**;

e. provided all such acts are authorized by the **Member**.

POLICY NUMBER:
02-144-35-44
REPLACEMENT OF
POLICY NUMBER:
02-915-42-20

GOVERNMENT CRIME POLICY DECLARATIONS

In Return For The Payment Of The Premium, And Subject To All The Terms And Conditions Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy.

Coverage Is Written:

[X] **Primary** [ ] **Excess** [ ] **Coindemnity** [ ] **Concurrent**

Company Name Area:	*National Union Fire Insurance Company of Pittsburgh, Pa.*
Producer Name Area:	*ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CAL* *18201 VON KARMAN AVENUE* *SUITE 200* *IRVINE, CA 92612*
Named Insured:	*UTAH COUNTIES INDEMNITY POOL*
(including any Employee Welfare or Benefit Plans)	
Mailing Address:	*5397 S VINE STREET* *MURRAY, UT 84107-6757*
Policy Period	
From:	*January 1, 2022*
To:	*January 1, 2023* 12:01 A.M. at your mailing address shown above.

Insurance Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft - Per Loss Coverage	*$2,500,000*	*$250,000*
2. Employee Theft - Per Employee Coverage	*Not Covered*	*Not Covered*
3. Forgery Or Alteration	*$2,500,000*	*$250,000*
4. Inside The Premises - Theft Of Money And Securities	*$2,500,000*	*$250,000*
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property	*$2,500,000*	*$250,000*
6. Outside The Premises	*$2,500,000*	*$250,000*
7. Computer Fraud	*$2,500,000*	*$250,000*
8. Funds Transfer Fraud	*$2,500,000*	*$250,000*
9. Money Orders And Counterfeit Money	*$2,500,000*	*$250,000*

If "Not Covered" is inserted above opposite any Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

1401096

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POLICY NUMBER:
02-144-35-44
REPLACEMENT OF
POLICY NUMBER:
02-915-42-20

GOVERNMENT CRIME
POLICY DECLARATIONS

Endorsements Forming Part Of This Policy When Issued:
#1,#2,#3,#4,#5,#6,#7,#8,#9,#10,#11,#12,#13,#14,#15,#16

Cancellation Of Prior Insurance Issued By Us:
By acceptance of this Policy you give us notice cancelling prior policy Nos. *02-915-42-20;* **the cancellation to be effective at the time this Policy becomes effective.**

Premium: *$28,629*

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.

PRESIDENT

SECRETARY

AUTHORIZED REPRESENTATIVE

1401096

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GOVERNMENT CRIME POLICY
(LOSS SUSTAINED FORM)

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F.** Definitions.

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition **E.1.n.** or **E.1.o.,** which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition **E.1.i.:**

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", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "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", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

3. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph **3.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 Insurance applicable to this Insuring Agreement.

4. Inside The Premises - Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", 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, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers

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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 "custodian"; 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" of "other property", 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**

   We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

   a. To a person (other than a "messenger") outside those "premises"; or

   b. To a place outside those "premises".

8. **Funds Transfer Fraud**

   We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

9. **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.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This policy does not cover:

   a. **Acts Committed By You**

      Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

   b. **Acts Of Employees Learned Of By You Prior To The Policy Period**

      Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your officials, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

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c. Acts Of Officials, Employees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

(1) Whether acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.** or **A.2.**

d. 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.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this policy including, but not limited to, loss resulting from:

(1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".

(2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.

(3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

g. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.3.**

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Military Action

Loss or damage resulting from:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Insuring Agreements **A.1.** and **A.2.** do not cover:

a. Bonded Employees

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

b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

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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. Insuring Agreements **A.4., A.5.** and **A.6.** do not cover:

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, except:

(1) Loss of or damage to "money" and "securities"; and

(2) Loss from damage to a safe or vault.

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. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer Or Surrender Of Property

(1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

(a) On the basis of unauthorized instructions;

(b) As a result of a threat to do bodily harm to any person;

(c) As a result of a threat to do damage to any property;

(d) As a result of a threat to introduce a denial of service attack into your computer system;

(e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;

(f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or

(g) As a result of a threat to disseminate, divulge or utilize:

(i) Your confidential information; or

(ii) Weaknesses in the source code within your computer system.

(2) But, this Exclusion does not apply under Insuring Agreement **A.6.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. 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.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.7.** does not cover:

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.

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b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

5. Insuring Agreement **A.8.** does not cover:

COMPUTER FRAUD

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this policy is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this policy. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Cancellation Of Policy

(1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

(2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

(4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

(5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

(6) If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Changes

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

d. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

(1) This policy;

(2) The property covered under this policy;

(3) Your interest in the property covered under this policy; or

(4) A claim under this policy.

e. Cooperation

You must cooperate with us in all matters pertaining to this policy as stated in its terms and conditions.

f. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

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(1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.**, **A.2.** or **A.3.**) involves a violation of law, you must also notify the local law enforcement authorities.

(2) Submit to examination under oath at our request and give us a signed statement of your answers.

(3) Produce for our examination all pertinent records.

(4) Give us a detailed, sworn proof of loss within 120 days.

(5) Cooperate with us in the investigation and settlement of any claim.

g. Employee Benefit Plans

(1) The employee benefit plans shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.** or **A.2.**

(2) Any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(3) The Deductible Amount applicable to Insuring Agreement **A.1.** or **A.2.** does not apply to loss sustained by any Plan.

h. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the Policy Period shown in the Declarations and up to 3 years afterward.

i. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this policy, which is "discovered" by you no later than 1 year from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

j. Inspections And Surveys

(1) We have the right to:

(a) Make inspections and surveys at any time;

(b) Give you reports on the conditions we find; and

(c) Recommend changes.

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

(a) Are safe or healthful; or

(b) Comply with laws, regulations, codes or standards.

(3) Paragraphs **j.(1)** and **j.(2)** apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

k. Joint Insured

(1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

(2) If any Insured or official of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every Insured.

(3) An "employee" of any Insured is considered to be an "employee" of every Insured.

(4) If this policy or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than 1 year from the date of that cancellation.

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However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

(6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an employee benefit plan, shall fully release us on account of such loss.

l. Legal Action Against Us

You may not bring any legal action against us involving loss:

(1) Unless you have complied with all the terms of this policy;

(2) Until 90 days after you have filed proof of loss with us; and

(3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

m. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this policy.

n. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Policy And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

(a) Partly during the Policy Period shown in the Declarations; and

(b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this policy became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

(a) This policy became effective at the time of cancellation of the prior insurance; and

(b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

(3) In settling loss subject to this Condition:

(a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior insurance issued by us.

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(b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this policy. If no loss was sustained under this policy, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this policy, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

(4) The following examples demonstrate how we will settle losses subject to this Condition **E.1.n.**:

EXAMPLE NO. 1:

The insured sustained a covered loss of $10,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B.**

POLICY A

The current policy. Written at a Limit of Insurance of $50,000 and a Deductible Amount of $5,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $50,000 and a Deductible Amount of $5,000.

The amount of loss sustained under Policy **A** is $2,500 and under Policy **B** is $7,500.

The highest single Limit of Insurance applicable to this entire loss is $50,000 written under Policy **A.** The Policy **A** Deductible Amount of $5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($2,500) is settled first. The amount we will pay is nil ($0.00) because the amount of loss is less than the Deductible Amount (i.e., $2,500 loss - $5,000 deductible = $0.00).

2. The remaining amount of loss sustained under Policy **B** ($7,500) is settled next. The amount recoverable is $5,000 after the remaining Deductible Amount from Policy **A** of $2,500 is applied to the loss (i.e., $7,500 loss - $2,500 deductible = $5,000).

The most we will pay for this loss is $5,000.

EXAMPLE NO. 2:

The insured sustained a covered loss of $250,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B.**

POLICY A

The current policy. Written at a Limit of Insurance of $125,000 and a Deductible Amount of $10,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $150,000 and a Deductible Amount of $25,000.

The amount of loss sustained under Policy **A** is $175,000 and under Policy **B** is $75,000.

The highest single Limit of Insurance applicable to this entire loss is $150,000 written under Policy **B.** The Policy **A** Deductible Amount of $10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($175,000) is settled first. The amount we will pay is the Policy **A** Limit of $125,000 because $175,000 loss - $10,000 deductible = $165,000 which is greater than the $125,000 policy limit.

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2. The remaining amount of loss sustained under Policy **B** ($75,000) is settled next. The amount we will pay is $25,000 (i.e., $150,000 Policy **B** limit - $125,000 paid under Policy **A** = $25,000).

The most we will pay for this loss is $150,000.

EXAMPLE NO. 3:

The insured sustained a covered loss of $2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A, B, C** and **D.**

POLICY A

The current policy. Written at a Limit of Insurance of $1,000,000 and a Deductible Amount of $100,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $750,000 and a Deductible Amount of $75,000.

POLICY C

Issued prior to Policy **B.** Written at a Limit of Insurance of $500,000 and a Deductible Amount of $50,000.

POLICY D

Issued prior to Policy **C.** Written at a Limit of Insurance of $500,000 and a Deductible Amount of $50,000.

The amount of loss sustained under Policy **A** is $350,000, under Policy **B** is $250,000, under Policy **C** is $600,000 and under Policy **D** is $800,000.

The highest single Limit of Insurance applicable to this entire loss is $1,000,000 written under Policy **A.** The Policy **A** Deductible Amount of $100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($350,000) is settled first. The amount we will pay is $250,000 (i.e., $350,000 loss - $100,000 deductible = $250,000).
2. The amount of loss sustained under Policy **B** ($250,000) is settled next. The amount we will pay is $250,000 (no deductible is applied).
3. The amount of loss sustained under Policy **C** ($600,000) is settled next. The amount we will pay is $500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy **D** as the maximum amount payable under the highest single Limit of Insurance applying to the loss of $1,000,000 under Policy **A** has been satisfied.

The most we will pay for this loss is $1,000,000.

o. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

(1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this policy, provided:

(a) This policy became effective at the time of cancellation of the prior insurance; and

(b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".

(2) In settling loss subject to this Condition:

(a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior cancelled insurance.

(b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

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(3) The insurance provided under this Condition is subject to the following:

(a) If loss covered under this Condition is also partially covered under Condition **E.1.n.,** the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition **E.1.n.**

(b) For loss covered under this Condition that is not subject to Paragraph **(3)(a),** the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this policy and is limited to the lesser of the amount recoverable under:

(i) This policy as of its effective date; or

(ii) The prior cancelled insurance had it remained in effect.

p. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this policy, our obligations are limited as follows:

(1) Primary Insurance

When this policy is written as primary insurance, and:

(a) You have other insurance subject to the same terms and conditions as this policy, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in Paragraph **(1)(a),** we will only pay for the amount of loss that exceeds:

(i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this policy.

(2) Excess Insurance

(a) When this policy is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this policy.

(b) However, if loss covered under this policy is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

q. Ownership Of Property; Interests Covered

The property covered under this policy is limited to property:

(1) That you own or lease; or

(2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

r. Premiums

The first Named Insured shown in the Declarations:

(1) Is responsible for the payment of all premiums; and

(2) Will be the payee for any return premiums we pay.

s. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

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t. Recoveries

(1) Any recoveries, whether effected before or after any payment under this policy, whether made by us or you, shall be applied net of the expense of such recovery:

(a) First, to you in satisfaction of your covered loss in excess of the amount paid under this policy;

(b) Second, to us in satisfaction of amounts paid in settlement of your claim;

(c) Third, to you in satisfaction of any Deductible Amount; and

(d) Fourth, to you in satisfaction of any loss not covered under this policy.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

u. Territory

This policy covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions) and Puerto Rico.

v. Transfer Of Your Rights And Duties Under This Policy

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

w. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

x. Valuation - Settlement

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value.

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the securities.

(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

(ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

(iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **x.(1)(c)(i)** through **x.(1)(c)(iii),** we will not pay on a replacement cost basis for any loss or damage:

i. Until the lost or damaged property is actually repaired or replaced; and

ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(2) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreements A.1. And A.2.

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 Insurance.

b. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your officials or employees authorized to manage, govern or control your "employees" 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 the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition **E.1.u.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.3.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.3.**

b. Electronic And Mechanical Signatures

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

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.u.** does not apply to Insuring Agreement **A.3.**

4. Conditions Applicable To Insuring Agreements A.5. And A.6.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.6.,** 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 customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to $5,000 for any one "occurrence" of 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.

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5. **Conditions Applicable To Insuring Agreement A.7.**

a. **Special Limit Of Insurance For Specified Property**

We will only pay up to $5,000 for any one "occurrence" of 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. **Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.u.** does not apply to Insuring Agreement **A.7.**

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

3. "Custodian" means you, or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.

4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy 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.

"Discover" or "discovered" also means the time when you first 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 policy.

5. "Employee":

a. "Employee" means:

(1) Any natural person:

(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; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph **a.(1),** who is on leave; or

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

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

(3) Any natural person 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 Paragraph **a.(2);**

(4) Any natural person 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" or "other property" of any employee benefit plan;

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

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

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b. "Employee" does not mean any agent, independent contractor or representative of the same general character not specified in Paragraph **5.a.**

6. "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.

7. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Insuring agreement **A.3.**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

8. "Funds" means "money" and "securities".

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

10. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

11. "Occurrence" means:

a. Under Insuring Agreement **A.1.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

b. Under Insuring Agreement **A.2.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

c. Under Insuring Agreement **A.3.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

d. Under All Other Insuring Agreements:

(1) An individual act or event;

(2) The combined total of all separate acts or events whether or not related; or

(3) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

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12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.

13. "Premises" means the interior of that portion of any building you occupy in conducting your business.

14. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

a. Caused or threatened to cause that person bodily harm; or

b. Committed an obviously unlawful act witnessed by that person.

15. "Safe burglary" means the unlawful taking of:

a. 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

b. A safe or vault from inside the "premises".

16. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

17. "Theft" means the unlawful taking of property to the deprivation of the Insured.

18. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":

a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

b. By means of written instructions (other than those described in Insuring Agreement **A.3.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

19. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

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ENDORSEMENT# *1*

CRIME AND FIDELITY
CR 02 33 08 07

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

A. The following is added to the **Cancellation Of Policy** Condition:

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

(a) Nonpayment of premium;

(b) Material misrepresentation;

(c) Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or

(d) Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

(8) Notice of cancellation must be delivered or mailed by first class mail.

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

NONRENEWAL

1. If we elect to not renew this policy, we will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this policy.

2. We need not mail this notice if:

a. You have accepted replacement coverage;

b. You have requested or agreed to nonrenewal; or

c. This policy is expressly designated as nonrenewable.

3. If notice is mailed, proof of mailing is sufficient proof of notice.

C. Under the Commercial Crime Policy and Government Crime Policy, Paragraphs **(1)** and **(4)** of the **Duties In The Event Of Loss** are replaced by the following:

(1) Notify us or our agent as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Theft Insuring Agreement or Forgery Or Alteration Insuring Agreement) involves a violation of law, you must also notify the local law enforcement authorities.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(4) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

END 001

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You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

D. Under the Kidnap/Ransom And Extortion Policy, Paragraphs **(4)** and **(6)** of the **Duties In The Event Of An Occurrence** Condition is replaced by the following:

(4) Notify us or our agent as soon as possible. You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(6) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

E. Under the Commercial Crime Policy, Government Crime Policy and Employee Theft And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or

2. Unless full payment has been denied; or

3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you "discover" the loss.

F. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or

2. Unless full payment has been denied; or

3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you reported the loss to us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 001

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ENDORSEMENT# 2

This endorsement, effective 12:01 am January 1, 2022 forms a part of policy number 02-144-35-44
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

CRIME ADVANTAGE℠

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME POLICY

1. **E. Conditions**, **Conditions Applicable To Insuring Agreements A.1. And A.2.**, **Termination As To Any Employee**, section (2) is deleted in its entirety and replaced with the following:

   (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 90 days after the date of mailing.

   We will mail or deliver notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. **E. Conditions, Conditions Applicable To All Insuring Agreements**, **Cancellation Of Policy**, section (2) is deleted in its entirety and replaced with the following:

   (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

   (a) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

   (b) 90 days before the effective date of cancellation if we cancel for any other reason.

3. **F. Definitions, "Employee," a. (1)(a)** is deleted in its entirety and replaced with the following:

   (a) While in your service and for the first 90 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

4. **F. Definitions, "Employee," a.** is amended by adding the following at the end thereof:

   "Employee" is also deemed to include:

   (a) Any of your directors, trustees or non-compensated officers while performing acts within the scope of the usual duties of an "employee"

   (b) Any of your directors or trustees who are members of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts

   (c) Students gaining work experience

   (d) Any non-compensated natural person other than one who is a fund solicitor, while performing service for you that are usual to the duties of an "employee"

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END 002

(e) Any of your part- time "employees"

(f) Any natural person, whether or not compensated, while performing services for you as the chairman, or a member of any committee

5. With respect to a loss for which coverage is provided by this policy and which is sustained partly during the period of other policies providing coverage for such loss issued to you or to any predecessor in interest of yours and terminated or canceled or allowed to expire as of the inception date of this policy, the amount of the deductible that is applicable to the portion of the loss sustained during this Policy Period shall be reduced, in whole or in part, by:

   (a) The amount of the loss which is sustained by you during the period of such other policies if such loss is less than the amount of the deductible applicable to that loss under such other policies, or

   (b) The amount of the deductible applicable to the loss sustained by you during the period of such other policies if the applicable deductible is less than the amount of the loss sustained during such period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 002

ENDORSEMENT# 3

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY

Schedule

The following Insured(s) is/are added as Named Insured(s):

NAMED INSURED

Beaver County
Beaver County Municipal Building Authority
Box Elder County
Box Elder County Special Service District
Box Elder Redevelopment Agency
Canyon Land Improvement District
Central Utah Public Health Department
Daggett County
Daggett County Redevelopment Agency
Davis County
Duchesne County
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County
Emery County Municipal Building Authority
Five County Association of Governments
Garfield County
Grand County Emergency Medical Services Special Service District
Iron County
Iron Special Service District #1
Juab County
Juab Special Service District #2
Juab Special Service Fire District
Kane County

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END 003

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Kane County Municipal Building Authority
Kane Recreation & Transportation Special Service District
Millard County
Morgan County
Multi-County Appraisal Trust
Piute County
Piute County Municipal Building Authority
Piute Special Service District #1
Rich County
San Juan County
San Juan Spanish Valley Special Service District
San Juan Transportation Special Service District
Sanpete County
Sanpete County Municipal Building Authority
Seven County Infrastructure Coalition
Sevier County
Sevier County Municipal Building Authority
Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County
Uintah County Municipal Building Authority
Utah Counties Indemnity Pool
Wasatch County
Wasatch County Health Department
Wasatch County Special Service Area #1
Wasatch Parks & Recreation Special Service District #21
Wasatch Solid Waste Disposal District
Wasatch Special Service District #9
Washington County
Washington County Municipal Building Authority
Washington County/St. George Interlocal Agency
Wayne County

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END 003

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Wayne County Municipal Building Authority
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
Weber County
Weber County Municipal Building Authority
Weber Human Services
Weber-Morgan Health Department

No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 003

ENDORSEMENT# *4*

CRIME AND FIDELITY
CR 25 20 08 07

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD CREDIT, DEBIT OR CHARGE CARD FORGERY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

and applies to the Forgery Or Alteration Insuring Agreement:

SCHEDULE

Limit Of Insurance	Covered Instruments
$2,500,000	[X] **Includes written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.**
	[ ] **Limited to written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Covered Instruments either includes or is limited to, whichever is indicated as applicable in the Schedule, written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
2. The most we will pay in any one "occurrence" is the Limit of Insurance shown in the Schedule.
3. The following exclusion is added to Section **D.**:

   The Forgery Or Alteration Insuring Agreement does not apply to:

   NON-COMPLIANCE WITH CREDIT, DEBIT OR CHARGE CARD ISSUER'S REQUIREMENTS

   Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 004

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ENDORSEMENT# *5*

CRIME AND FIDELITY
CR 25 19 05 06

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of
policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

and applies to the Insuring Agreements designated below:

SCHEDULE

	Insuring Agreement	Limit Of Insurance
☒	**Employee Theft - Per Loss Coverage**	*$2,500,000*
☐	**Employee Theft - Per Employee Coverage**	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

1. The following is added to the Employee Theft Insuring Agreement designated above:

We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule. That Limit, is part of, not in addition to, the Limit of Insurance shown in the Declarations.

2. The following exclusions are added to Section **D.2. Exclusions:**

a. Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

b. Damages for which you are legally liable as a result of:

(1) The deprivation or violation of the civil rights of any person by an "employee"; or

(2) The tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

3. The **Indemnification** Condition is replaced by the following:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

4. Part **(I)** of the **Termination As To Any Employee** Condition is replaced by the following:

(1) As soon as:

(a) You; or

(b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee

END 005

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Theft Insuring Agreement, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 005

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ENDORSEMENT# *6*

CRIME AND FIDELITY
CR 25 12 08 07

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of
policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE TREASURERS OR TAX COLLECTORS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Treasurers Or Tax Collectors
Any Treasurer or Collector of the Insured
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 006

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ENDORSEMENT# 7

This endorsement, effective 12:01 am January 1, 2022 forms a part of policy number 02-144-35-44
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

PRIOR THEFT OR DISHONESTY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY

A. Schedule*

Prior Theft or Dishonesty Amount:	$25,000
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

B. E. **Conditions** is modified as follows:

The paragraph entitled **Termination As To Any Employee** is deleted in its entirety from:

- **Conditions Applicable to Insuring Agreement A.1.**
  (with respect to the Commercial Crime Policy)
- **Conditions Applicable to Insuring Agreement A.1. And A.2.**
  (with respect to the Government Crime Policy)

and replaced with the following:

Termination As To Any Employee

(1) This Insuring Agreement is cancelled as to any "employee" immediately upon discovery by:
  (a) You; or
  (b) (with respect to the Commercial Crime Policy) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";
  (with respect to the Government Crime Policy) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee"

  of "theft" or any other dishonest act committed by the "employee"
  - after becoming employed by you; or
  - prior to becoming employed by you, provided that such conduct involved Loss of Money, Securities or other property valued at the amount specified in the schedule above or more.

(2) The Insuring Agreement terminates as to any "employee" on the date specified in a notice mailed to the first Named Insured. The date will be at least 30 days after the date of mailing. We will mail or deliver our notice to the first named

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Insured's last mailing address known to us. If notice is mailed proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 007

ENDORSEMENT# *8*

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

BONDED EMPLOYEES EXCLUSION DELETED

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME POLICY

In Section **D. Exclusions**, subparagraph 2., the exclusion entitled **Bonded Employees** is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 008

ENDORSEMENT# *9*

This endorsement, effective at *12:01 am January 1, 2022* forms a part of
Policy number *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY
ISO GOVERNMENT CRIME POLICY

It is agreed that:

1. Clause D.1.f. Indirect Loss Exclusion is deleted in its entirety and replaced with the following:

   f. Indirect or Consequential Loss

   Loss that is an indirect or consequential result of an "occurrence", including but not limited to loss resulting from:

   (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
   (2) Payment of damages of any type for which you are legally liable.
   (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 009

ENDORSEMENT# *10*

This endorsement, effective at *12:01 am January 1, 2022* forms a part of
Policy number *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

PROTECTED INFORMATION EXCLUSION

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY
ISO GOVERNMENT CRIME POLICY

In consideration of the premium charged, it is hereby understood and agreed that this policy does not cover 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, any agreement or any industry guideline or standard.

This exclusion shall not apply to the extent that any unauthorized use or disclosure of a password enables a "theft" by your "employee" of your "money," "securities" or "other property" or that you are holding for a third party; provided, however, this exception shall not apply to the extent that such unauthorized use or disclosure of a password enables a "theft" of or disclosure of information.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 010

ENDORSEMENT# *11*

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

NOTICE OF CLAIM
(REPORTING BY E-MAIL)

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims*: In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

   c-claim@AIG.com

   Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

   In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227-1750.

2. *Definitions*: For this endorsement only, the following definitions shall apply:

   (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.

   (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.

   (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.

3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

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END 011

ENDORSEMENT# 12

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

LOSS PAYABLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Name Of Loss Payee: The State of Utah by and through the Permanent Community Impact Fund Board **Address Of Loss Payee:** 2110 State Office Building Salt Lake City, UT 84114-1031
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. You agree that any loss payable under this insurance shall be paid to the Loss Payee shown in the Schedule as its interests may appear and any such payment shall constitute payment to you. We agree that we will make all such payments to the Loss Payee, and we will not make any payment solely to you unless we receive a request in writing from the Loss Payee to make such payment to you.

2.This insurance is for your benefit only. It provides no rights or benefits to any other person or organization including the Loss Payee, other than to receive payment for loss as set forth in this endorsement. Any claim for loss that is covered under this insurance must be pre-sented by you.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 012

ENDORSEMENT# 13

This endorsement, effective at 12:01 am January 1, 2022 forms a part of
Policy number 02-144-35-44
Issued to: UTAH COUNTIES INDEMNITY POOL

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Government Crime Policy

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

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ENDORSEMENT# 14

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

IMPERSONATION FRAUD COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY (DISCOVERY FORM)
COMMERCIALCRIME POLICY (LOSS SUSTAINED FORM)
GOVERNMENT CRIME POLICY (DISCOVERY FORM)
GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

1. Section **A**. Insuring Agreements is amended by adding the following Insuring Agreement to the end thereof:

   IF. Impersonation Fraud Coverage

   We will pay for loss of "funds" resulting directly from a "fraudulently-induced instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

2. Solely with respect to Impersonation Fraud Coverage provided by this endorsement, Section **F.** Definitions is amended by adding the following at the end thereof:

   "Fraudulently-Induced Instruction" means an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction communicated by you or your "employee" based upon an instruction received and relied upon by you or your "employee" which was transmitted:

   a. by a purported director, officer, partner, member, sole proprietor or other "employee" of yours—or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or other "employee"—but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; or

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END 014

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

b. by a purported director, officer, partner, member, sole proprietor or employee of your "vendor" or "client"—or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or employee—but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; provided, however, "fraudulently-induced instruction" shall not include any such instruction transmitted by an actual director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" who was acting in collusion with any third party in submitting such instruction.

3. Solely for purposes of this endorsement, the following definitions are added:

"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 loss of "funds" that is the subject of the coverage provided by this endorsement.

"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 loss of "funds" that is the subject of the coverage provided by this endorsement.

4. The Limit of Insurance for the coverage provided by this endorsement for all loss arising from an "occurrence" is $100,000.

5. Solely with respect to coverage provided by this endorsement, the applicable per "occurrence" Deductible Amount is $25,000.

6. Solely for purposes of this endorsement, the following exclusion shall apply:

The coverage afforded by this endorsement does not apply to any loss occurring prior to 01/01/2016.

7. It is further understood and agreed that except as provided in this endorsement, this policy does not cover loss resulting directly or indirectly from reliance by you or an "employee" upon any transfer, payment or account-related instruction transmitted by an imposter purporting to be a customer, "client," "vendor," director, officer, partner, manager, "member," sole proprietor, "employee," or agent of yours. The foregoing provision, however, shall not apply to the coverage afforded under the **Employee Theft** or **Forgery Or Alteration** Insuring Agreements of this policy.

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END 014

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

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END 014

ENDORSEMENT# 15

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

CYBEREXTORTION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY

GOVERNMENT CRIME POLICY

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. In the **"Transfer Or Surrender Of Property"** Exclusion **D.3.f,** subparagraphs (1)(d), (1)(e), and (1)(g) are deleted in their entirety.

2. It is further understood and agreed that this policy does not cover any payment of ransom or any loss or damage resulting directly or indirectly from any threat or series of threats (including but not limited to any threat(s) made in connection with the use or attempted use of ransomware or other unauthorized or malicious code) to:

   (a) attack, alter, corrupt, damage, encrypt, destroy or interrupt the operations of any computer system, computer programs, electronic data or storage media (including but not limited to any denial of service attack or introduction or insertion of a virus or other malicious instruction), or to continue any such attack, alteration, corruption, damage, encryption, destruction or interruption that has already been initiated;

   (b) disseminate, divulge or utilize information concerning a vulnerability (including but not limited to any weakness in the source code) in a computer system or in any computer programs, electronic data or storage media; or

   (c) access, alter, disseminate, divulge, use, disclose, damage, encrypt or destroy personal, personally-identifiable, non-public or confidential information (in electronic data form or otherwise) including but not limited to any:

      (i) 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, online identifiers, biometric identifiers, account relationships, account numbers, account balances, account histories and passwords; or

      (ii) any Insured's or 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.

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END 015

This endorsement, effective *at 12:01AM January 01, 2022* forms a part of
Policy number: *02-144-35-44*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

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END 015

ENDORSEMENT# *16*

This endorsement, effective *12:01 am* *January 1, 2022* forms a part of
policy number *02-144-35-44*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
CRDS04	08/07	GOVERNMENT CRIME POLICY DECLARATIONS
CR0027	05/06	GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)
CR0233	08/07	UTAH CHANGES
95427	08/07	CRIME ADVANTAGE
95417	08/07	ADDITIONAL NAMED INSURED
CR2520	08/07	ADD CREDIT, DEBIT OR CHARGE CARD FORGERY
CR2519	05/06	ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES
CR2512	08/07	INCLUDE TREASURER OR TAX COLLECTORS AS EMPLOYEES
95442	08/07	PRIOR THEFT OR DISHONESTY
95419	08/07	BONDED EMPLOYEES EXCLUSION DELETED
113024	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
113013	10/12	PROTECTED INFORMATION EXCLUSION
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
CR 20 14	08/07	LOSS PAYABLE
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
134476	07/19	IMPERSONATION FRAUD COVERAGE (ISO COM AND GOV CRIME)
140846	05/21	Cyberextortion Exclusion
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

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EXCESS FOLLOW FORM CERTIFICATE

Great American Insurance Company
(herein called COMPANY)

Policy No.: XSC E454632 03 00

Named Insured: Utah Counties Indemnity Pool
(herein called Insured)

Address: 5397 S Vine Street
Murray, UT 84107

The COMPANY**,** in consideration of an agreed premium, and in reliance upon the statements and information furnished to the COMPANY by the INSURED, and subject to the terms and conditions of the underlying coverage scheduled in Item **3.** below, as excess and not contributing insurance, agrees to pay the INSURED for loss which:

(a) Would have been paid under the Underlying but for the fact that such loss exceeds the limit of liability of the Underlying Carrier(s) listed in Item **3.**, and

(b) for which the Underlying Carrier(s) has (have) made payment, and the Insured has collected, the full amount of the expressed limit of the Underlying Carrier's(s) liability.

Item **1.** Policy Period: from 12:01 a.m. on 01/01/2022 (inception) to 12:01 a.m. on 01/01/2023 (expiration)

Item **2.** Single Loss Limit of Liability at Inception: $ 7,500,000

Coverage(s) Provided:

Employee Theft (not including Faithful Performance of Duty Coverage).

Item **3.** Underlying Coverage Schedule:

A)

Company:	National Union Fire Insurance Company of Pittsburgh, PA.
Single Loss Limit:	$ 2,500,000
Deductible Amount:	$ 250,000
Policy Number:	02-144-35-44
Policy Period:	from 12:01 a.m. on 01/01/2022 to 12:01 a.m. on 01/01/2023

Item **4.** Coverage provided by this Policy is subject to the following attached Endorsement(s): 1 and 2.

Item **5.** By acceptance of this Coverage Part, you give us notice canceling prior Policy No. XSC E454632 02, the cancellation to be effective at the same time this Coverage Part become effective.

ENDORSEMENT NO. 1

EXCLUDE ALL SUB-LIMITED COVERAGE(S)

To be attached to and form part of **Excess Follow Form Certificate**

Policy No.: XSC E454632 03 00

In favor of: Utah Counties Indemnity Pool

It is agreed that:

1. Coverage provided by this Policy shall not respond as excess over any sub-limited coverage(s) that are part of the Underlying Policy(s).

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as stated herein.

3. This Endorsement shall become effective as of 12:01 a.m. on 01/01/2022 standard time.

ENDORSEMENT NO. 2

INCLUDE RETROACTIVE DATE

To be attached to and form part of **Excess Follow Form Certificate**

Policy No.: XSC E454632 03 00

In favor of: Utah Counties Indemnity Pool

It is agreed that:

1. The attached Policy is amended by inserting the following:

Item 6. Retroactive Date: 01/01/2019

This Policy applies only to a Single Loss which was sustained in its entirety after the Retroactive Date set forth above. All acts or omissions causing or contributing to such Single Loss (including acts or omissions causing a loss within the Underlying Coverage of this excess Policy set forth in **Item 3.**) must occur after the Retroactive Date for Coverage under this Policy to apply to such Single Loss. Such Single Loss must be discovered by the Insured during the policy period of this excess Policy.

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as stated herein.

3. This Endorsement shall become effective as of 12:01 a.m. on 01/01/2022 standard time.

IN WITNESS CLAUSE

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.

PRESIDENT

SECRETARY

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